

**CITY OF HARTFORD
COMMON COUNCIL
March 28, 2023**

The Common Council of the City of Hartford, Washington and Dodge Counties, Wisconsin, met for its regularly scheduled meeting on Tuesday, March 28, 2023 7:00 p.m., in the Common Council Chambers of Hartford City Hall, 109 North Main Street, Mayor Timothy Michalak presiding.

PLEDGE OF ALLEGIANCE

Mayor Michalak led the Common Council in the Pledge of Allegiance.

ROLL CALL

The Mayor and all Alderpersons were present.

UNANIMOUS CONSENT AGENDA

MOTION by Alderperson Hegy, seconded by Alderperson Turchi approving the following items:

1. The Common Council minutes of March 14, 2023.
2. Authorizing appropriate City officials to accept the quote from Fischer Brothers, LLC for the installation of the Waterplay Feature by Makr for \$15,000.00.
3. Discussion and consideration of approval to contract with Lifetime Door Company, LLC to replace a total of 12 overhead garage doors at the fire station and the EMS building for a price of \$97,500.00.

MOTION CARRIED UNANIMOUSLY.

COMMUNICATIONS

1. Discussion and consideration of approving a transient merchant license for Weed Man.
 - a. Anthony Evans, Marketing Manager for Weed Man Lawn Care in Hartford, appeared and explained that employees would be going door to door offering free quotes for lawn care services.
2. Discussion and consideration of moving the April 25th Common Council meeting to April 18th.
 - a. City Clerk Lori Hetzel explained it is required to meet the third Tuesday in April for the organizational meeting, so to meet that requirement without having an extra meeting, the second April meeting will be moved to the 18th.

MOTION by Alderperson Fulop, seconded by Alderperson Sikora to move the April 25th Common Council meeting to April 18th.

MOTION CARRIED UNANIMOUSLY.

APPEARANCES/CITIZENS COMMENTS

Tom Hostad, Executive Director at the Hartford Area Development Corporation, explained that there are board members from the HADC, the new Executive Director for the Chamber of Commerce, members of the BID District and other community members present at the meeting to show their support of the Next Generation Housing project in Hartford. Mr. Hostad encouraged the Council to vote yes on the engineering services contract for the Next Generation Housing Pilot Project that appears later on the agenda.

Nate Marshall, President of the HADC and partner of Helgesen Industries, explained that he recently met with a potential customer who needs to relocate work from Wisconsin to Mexico. The reason for the relocation is because Helgesen Industries is not able to grow a large enough workforce to accommodate the needs of this customer. Mr. Marshall is in favor of this Next Generation Housing project because this problem will continue if the business outpaces the growth of Hartford.

Tom Dottl, Vice President of Finance at Signicast, explained that Signicast is experiencing similar issues related to workforce size and customer needs. Signicast is also in favor of this project so that employees can live and work here in Hartford.

ALDERMANIC REQUESTS

Alderperson Hegy advised last Wednesday was probably his last meeting with the Mid-Moraine Association. The main item of discussion was encouraging a yes vote for the sharing of 20% of the county sales tax. He also stated that at his last meeting with the CDA Board, there was a tour of Harthaven and Washington Heights.

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The buildings are aging, and funding has been an issue. However, planning has been on track and Alderperson Hegy commended the department heads and everyone else who has been involved with that.

Alderperson Webb thanked all of the individuals who came to speak about the project at hand. He said it is important that community members speak out so that the council members know what the community wants. He also thanked everyone who worked on the project so far.

CITY ADMINISTRATOR'S REPORT

1. Discussion and consideration of authorizing city officials to execute contract documents for the Next Generation Housing Pilot Project engineering services contract with R.A. Smith in the estimated bid amount of \$328,372.
 - a. City Planner Justin Drew began by explaining that John Griffin, City Engineer, put out a request for proposals for the engineering work associated with the Next Generation Housing Project. Six proposals were received, and through the bid proposal process, those six were narrowed down to R.A. Smith. R.A. Smith was chosen because staff felt they could do the best job within the needed time frame. Mr. Drew also mentioned that R.A. Smith had completed the concept plan for this project, so they are already familiar with the project. The budget would not be affected, because the funds are coming from the county. He went on to explain that the reason the city is getting involved in this type of residential development is mainly because the demand for homes under \$350,000 is very high and private developers aren't building them because they can make more money building larger homes. Total estimated development costs are \$10.15 million. The city would borrow \$7.85 million, and the county would fund the rest. The Engineering Services Contract would be paid in full by the county. Estimates show around 344 units being built and the borrowed \$7.85 million being paid back in 14 years, using a 5-year project absorption.
 - b. Debora Sielski, Community Development Director at Washington County, explained the intricacies of the county funding, including how homebuyers can utilize a special down payment program and how that funding will be repaid.
 - c. Alderperson Fulop asked what the process would be if there are numerous bidders on a home and how is the city going to be fair with the distribution of potential homeowners. Mr. Drew explained that the issue will be addressed, but specifics are not available right now because that is a step further along in the process that the city has not reached yet.
 - d. Alderperson Rusniak asked about local bank involvement with this project. Mr. Drew explained that typically banks are involved early on in these types of projects, and he has already met with bankers from Forte Bank to try and work out how to make the funds flow to satisfy all involved.
 - e. Alderperson Fulop asked how the city is going to ensure that the right people are being utilized in order to fully benefit from this project; referencing the Tracy Cross study. Mr. Drew explained that at the beginning of this project, the county held a builder's forum which resulted in 11 builders wanting to be interviewed because they expressed interest in the project. He also explained that many of the builders came prepared with plans as to how they would achieve the goals of the project, including going back to a simpler style of home. Alderperson Fulop then expressed concern about utilizing one contractor and eliminating the competition aspect to keep costs down. Mr. Drew explained that the initial thought was to use one master builder, but it is not set in stone. If it happens to come up that multiple contractors working together want to split up the work, that plan could also be utilized.
 - f. Alderperson Webb asked for clarification about what is being voted on tonight. He asked if the county is providing the funds for the engineering services contract. Mr. Drew answered yes. Mr. Webb then asked if the city has to pay that money back. Mr. Drew answered no, to which Mr. Webb asked if, further along in the process, a builder says they are unable to build the homes at the designated price, would the city then have to pay back the money. Mr. Drew explained that there is not a memorandum of agreement in place to protect against that, but would argue that if extraneous circumstances would prevent the city from completing the project according to the goals of the county's program, the city would not have to repay the money.
 - g. Alderperson Kohler expressed concern that the proposed plan is too much for the area. He also is concerned that if the plan is to use one builder, the city will be unable to find that one builder who can accomplish all of this work within the parameters of the county's program. He also

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pointed out that Mr. Drew used areas such as Mequon and Brookfield as areas for comparison, but Hartford is not comparable to those other areas, as well as other communities are calling programs Next Generation Housing, but are totally different programs to what is being presented at this meeting. He suggested replacing the proposed single-family homes with more two-family or multi-family units. His opinion is that the multi-family units will be more affordable and appealing to the families of the industrial workers that Mr. Marshall and Mr. Dottl are trying to keep in Hartford. He then pointed out that there are other areas prime for development and the city shouldn't be spending the county's money if there are other options.

- h. Alderperson Webb commented that if the city had a better option for this particular area without the involvement of the county, the council would be looking at it. Without the county, the cost of this project is significantly higher, and the borrowing is significantly higher. He feels this project will increase the number of properties and houses available in this more affordable price range, and if the city has investors ready to help fund the project, the city should definitely participate.
- i. Alderperson Turchi expressed concern that the city will be the developer on this project. He also expressed concern about borrowing a large amount of money during a recession and the burden that would be placed on taxpayers. He then pointed out that this particular area was originally planned to be industrial. The city has struggled to find any industrial development for this area. He mentioned a point Mr. Webb had previously brought up, that the county has significantly less risk involved than the city. The county is loaning money; they will be getting that money back. He commented that there are way too many restrictions on the builder and homeowner in this project. It would be government controlled, not capitalistic. He then pointed out that when the county is repaid from their loans, they will be reinvesting that money to build more homes. The city may have another opportunity to be part of this program, but now is not the right time.
- j. Alderperson Garza asked if this is a county-driven initiative. Mr. Volkert explained that this project actually began with Mayor Michalak and Tom Hostad recognizing a need for workforce housing. There was research done into how the city could achieve this, but no solutions found. Mayor Michalak spoke to the county about the idea and the county decided to join and utilize their resources.
- k. Alderperson Rusniak expressed his belief that this plan might work, sharing that he saw bumper to bumper traffic coming East into the city early in the morning and inferring that those people were heading into work. He further inferred that those driving did not live in Hartford because there aren't any houses available that they can afford and all of the current apartment buildings are full. The only hesitancy he expressed was being able to convince a builder to build less expensive homes, people to move into apartments or townhouses, and some established homeowners to buy or build new homes in the subdivision. Alderperson Kohler then pointed out that more than half of the homes in the proposed plan are \$300,000 - \$400,000 homes, so he wanted to clarify that what Alderperson Rusniak was asking for was to also cut down the number of single-family homes and increase the multi-family options. Alderperson Kohler also expressed concern that the value of the single-family homes would not hold with the mixed-use properties surrounding them. Alderperson Rusniak asked what property type would be built first in this project. Mr. Drew answered that it would probably be a combination of all property types. Mr. Drew also pointed out that there are other developments in the city that have single-family homes surrounded by other mixed-use properties. Gateway Estates has the second and third most expensive single-family homes and those homes are surrounded by mixed uses. The value of those single-family homes has exploded.
- l. Alderperson Hegy began by stating that he has always supported single-family homes in Hartford, and this proposed plan has a single-family component. He then pointed out that the last five housing projects in Hartford have all been multi-family facilities, and inventory of single-family homes is dwindling. This plan would maximize land use and with the smaller lot sizes more single-family homes could fit. He also commented that connecting roads would be completed with this project, so that there would be outside access to the subdivision. It would also help improve the flow of traffic on the north side of the city. Concerning the TID, he mentioned that increment guarantees would be built in, so that the city would end up taking very little risk. He

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- doesn't see an issue with green space as there is a portion of the south end that is designated passive use park.
- m. Alderperson Fulop thanked the representatives from Signicast and Helgesen for contributing their comments to the discussion. He then asked what the timeline is for construction and possible sales. Mr. Drew said it was suggested by the engineers to bid the project over late fall for a spring project. That would then put construction beginning late in 2024, with potential families moving in in 2025. He also clarified that according to the proposal, there would be a roughly \$300,000 home going in on a sub-0.15-acre lot, which Mr. Drew confirmed.
 - n. Mayor Michalak shared that the Next Generation Housing is not a project that he receives a lot of questions about, but he believes that is because the information is presented at council meetings, in the press and online. However, when he asks the older generation if they would every move into another single-family home in Hartford, the answer is usually no. Those citizens would prefer to move into a townhome. Mayor Michalak's in-laws were interested in leaving their single-family home to transition to a townhome, but were not able to find one suitable in Hartford, so they turned to Germantown. He believes this is common among homeowners in Hartford, and those people would be greatly served by this project providing more townhome options in the city. Mayor Michalak asked if the engineering services could look at the plan in two ways; the first with single-family homes and the second removing the single-family homes and supplanting them with duplexes and/or townhomes, but require that the owner occupy one half of the duplex or townhome. Mr. Drew explained that in discussion with the engineering firm, the land use pattern and street pattern is pretty set, but they would like to get the plan to a 30% point and then engage a builder. If the builder then says the plan needs to be tweaked based on the number of different land uses, that can be done. It is a flexible layout that would allow for different land use types. Mr. Drew also mentioned that an owner-occupied side-by-side may not qualify for the county program. Mayor Michalak then commented that with this being a new program, there might be an opportunity to modify the rules and qualifications.
 - o. Alderperson Kohler replied to Mayor Michalak's comments by saying that it is important to do what is best for the community as a whole. There is no guarantee that all 4,400 people who work in the city but do not live in the city will come in and buy all of these houses. The city needs to make sure that what is built is beneficial to the entire community.
 - p. Alderperson Sikora asked if there have been studies done in the last four years to determine what the actual demand is for housing in the city. Mr. Drew explained that there is demand, but this project is not meant to meet the entire demand. This is just the first project to help draw interest from other developers in hopes of creating more affordable housing. The Tracy Cross study showed that there is greater demand than what the 480 units they even proposed. The mix of land uses is what they felt would be best.
 - q. Alderperson Hegy stated that people living in apartments does not create the stable workforce that is needed. In order for those employees to stay within the community and continue in the community's workforce, they need to have a bigger stake in the community, and owning a home is just that. Mayor Michalak refuted that there are individuals who would still be invested and rooted in the community without buying a single-family home, and that is why he would like to see more duplexes and townhomes built in this area. He believes there will be more opportunity for single-family homes in the plots that are yet to be developed in other areas of the city.
 - r. Alderperson Webb commented that many council members may have anecdotal evidence as to what they believe the demand is and what should be built in this development. However, this is the reason why outside companies are hired to perform studies. He feels the study is probably more trustworthy than all of the anecdotes and he is just fine relying on the results of the study.
 - s. Alderperson Rusniak asked what type of homes the builders who were interviewed were most interested in building. Mr. Drew said the group was primarily single-family home builders, but not exclusively.
 - t. Alderperson Garza commented that what is in the plan and now what is being discussed are at odds and is making the discussion confusing. He would not like to go forward on a plan that has this much confusion. He would much rather see another area developed, possibly land that is sitting vacant at this time, rather than putting in a residential area in the middle of the industrial

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park. Mr. Drew explained that the current proposed area cannot be developed as industrial. The infrastructure costs are going to be the same, \$10 million, but the valuation would be half. This would create a distressed TID and Mr. Drew would not recommend that to council. He pointed out that the mayor's point is whether or not there is flexibility in this plan, which there is, and Alderperson Garza did not hear flexibility in the discussion. Mr. Drew explained that the builders need to advise what flexibility there is; that is their part in this process. He then asked for someone to make a motion.

MOTION by Alderperson Webb, seconded by Alderperson Hegy to approve executing contract documents for the Next Generation Housing Pilot Project engineering services contract with R.A. Smith in the estimated bid amount of \$328,372, with the contingency of a Memorandum of Understanding with the county as presented and to look at a second plan replacing the single-family homes with more duplexes and/or townhouses.

ROLL CALL VOTE: Aye (5) Nay (4)
MOTION CARRIED

ADJOURNMENT

MOTION by Alderperson Fulop, seconded by Alderperson Carroll for adjournment at 8:39 p.m.
MOTION CARRIED UNANIMOUSLY.

Respectfully submitted,
Lori Hetzel, City Clerk

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