

Plans unveiled for major make-over downtown

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Upperclassmen Beloit College students could be the primary tenants of a four-story, mixed-use development that would replace the long vacant Wagner's building downtown should a proposed, public-private agreement between the city and Hendricks Commercial Properties go forward.

Details of the development agreement, which the Beloit City Council could vote on as early as April 16, were discussed at length by city officials and developers during a workshop Monday at City Hall.

Total development costs would be about \$7,387,381, according to Hendricks Commercial estimates. Of that, the city would be required to contribute about \$1 million in staggered payments, in accordance with the proposed agreement. Hendricks Commercial would cover the remainder.

Beloit College leaders have been integral to the planning process, several officials present Monday night said, and continue to indicate a strong interest in leasing three floors of the new building on a long-term basis for the use of Beloit College juniors and seniors.

Daniel Barkes, vice president for the Midwest region of Hendricks Commercial, declined to elaborate on how a lease between Hendricks and Beloit College would be crafted, stating the matter has not yet been settled. City Manager Larry Arft said a long-term lease is the "preferred plan."

Attempts to contact Beloit College were not answered as of press deadline.

Should the Beloit College route fall through, Hendricks Commercial would forge ahead and develop the property as high-end apartments that would rent for about \$800 to \$1,000, said Dave Luebke, a Hendricks Commercial financial analyst.

Under either option, the first floor of the new facility would feature a commons area and rental spaces for businesses.

The downtown property in question once housed Wagner's Office Supply, but has been vacant since 2001 and has fallen into disrepair. Despite more than a decade of efforts, city officials were unable to attract an interested developer until Hendricks Commercial stepped up and purchased the site in December 2011.

The addresses 422, 430 and 432 East Grand Avenue were bought for \$210,000, project cost estimates show. Developers are continuing to negotiate the purchase of two neighboring addresses, 416 and 418 East Grand Avenue, which are currently occupied by Collins & Henderson, LLP, a law firm, and Jackson Tax Services, respectively.

Together, the string of addresses make up a large portion of a key, downtown corridor. Replacing the uninhabited space with a new, beautiful and functional structure could provide a major boost for area economic activity, Arft, a number of city councilors and Hendricks Commercial officials said.

City and Hendricks officials “started some pretty active negotiations early in 2012,” Arft said, and it was determined a “project would not be economically feasible without public participation.”

A Hendricks Commercial-produced “gap analysis” was among literature handed out Monday evening. The document shows anticipated line item expenses, including the city’s financial commitments.

The city’s payments, which will be hard-capped not to exceed \$1 million, will be funded through cash flow from downtown TIF district 5 and a bond issue, Arft said. Though the proposed development agreement sets a maximum at \$1 million, costs could come in lower, Arft said, as the city is not “writing a blank check” and will have oversight throughout the process.

TIF district 5 expires on Sept. 24, so proceeding in earnest is critical to locking in special rate financing, Arft said. If all goes accordingly, the Wagner’s building will come down around July 15, construction will begin around Oct. 1 and the entire project will be complete by September 2013, though those dates are not set in stone.

Arft said the project’s development has been underway for months and the city council has previously met in closed session to discuss details. Because most councilors have an understanding of the proposal, “we’re looking at putting it on (next) Monday night’s agenda,” he said.

The council was well represented Monday night. President Kevin Leavy and Vice President Jim Van De Bogart were in attendance, as were members Eric Newnham, Dave Luebke (father of the Hendricks Commercial financial analyst), Charles Haynes and Mark Spreitzer, who attended Beloit College.

Each councilor in attendance provided a few comments and in general appeared enthusiastic about the plans.

“I see a win-win,” councilor Luebke said. “I’m excited by this.”

If the agreement isn’t approved, several of the councilors said, the city will still have to demolish the Wagner’s building in the near future and might be stuck without any sort of replacement, potentially leaving an eyesore in the center of the downtown commercial district. If the project is delayed long enough, the advantageous financing currently available through the downtown TIF will go away, they also noted.

The building’s look was also a topic of conversation.

W. Kent Johnson, president of Johnson Design, an Oconomowoc-based architect and builders firm, showed what the proposed building could look like, talking through a slide show of street-level views

and floor plans.

If developed with Beloit College in mind, the nearly 40,000-square-foot building's top three floors will be split into 27 units that would accommodate 63 students in luxury-style dormitories. Each resident would have his or her own bedroom. Each unit would have a kitchen, dining space and living room, among other amenities, plans show.

The building's exterior would be broken into sections by varying colors and design details as to "look like it could have been built over time, added onto over time," Johnson explained.

He, other developers and City Manager Arft said keeping an historically accurate look to Beloit's downtown landscape is important. The proposed blueprints accomplish that goal, they said.

One design aspect that drew several comments was a centrally-located cupola, which architect Johnson admitted was partially inspired by Middle College on the Beloit College campus. That feature could house wind chimes or bells that would sound every half-hour or hour.

Landscaping improvements on the building's south side are also included in the proposal.

