

Planning Staff Report

City of Oconomowoc

DDR / Pabst Farms Town Centre

Plan Commission - 2/14/2008

Planned Development: Step 3 (Amendment of PD Ordinance)

Summary: The applicant is requesting to amend the general development plans (Step 3 GDP) for the Pabst Farms Town Centre. The applicants are asking that the Plan Commission review and recommend the amended plans dated February 7, 2008 to the Common Council so they may proceed to Step 4 of the PD process.

Property Location: East of STH 67 and north of I-94, south of Pabst Farms Circle

Property Owner: Stonebridge Capital Unit I, LLC
1117 S. Milwaukee Ave. Ste. A5
Libertyville, IL 60048

Applicant: Bob Elias
Developer's Diversified Realty
3300 Enterprise Parkway
Beachwood, OH 44122

William C. Niemann Pabst
Farms Retail Inc. 1749
Eastlake Drive
Oconomowoc, WI 53066

Existing Zoning: SC - Suburban Commercial SI -
Suburban Industrial

Existing Land Use: Vacant land
Proposed Land Use: Retail Town Centre & Large Format retail store area



Location Map

**Pabst Farms Town Centre
Planned Development: Step 3
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History:

The City of Oconomowoc approved the General Development Plan (GDP) for this same site with a different developer General Growth Properties (GGP), on January 16, 2007.

Attached is a copy of the approved GDP Step 3 Ordinance No. 07-0694. This Ordinance is in effect for a period of 5 years unless amended by the Common Council.

Developers Diversified Realty (DDR) and Pabst Farms appeared before the Plan Commission on January 9, 2008. The applicants were requesting that the Plan Commission substitute the prior DDR plans dated January 3, 2008, with the General Growth Properties plan as referenced in the General Development Plan.

During the Plan Commission meeting the Commissioners determined the previous DDR plans were different from the approved GGP plans and that DDR return for a more formal approval. The Commission also noted concerns with the proposed changes of the DDR plans dated January 3, 2008, and asked that DDR address the concerns prior to submittal for a formal approval of Step 3. The concerns of the Commission included:

- 1) Clearly identify the requested exemptions related to uses permitted by right, such as the in-vehicle sales component,
- 2) All architecture should be four sided with the possible exemption for those adjacent or facing rear to the woods,
- 3) Identify building locations and their heights and any exemptions as it relates to future hotel, office, residential and parking structures and if the 65' height isn't needed modify the General Development Plan and remove it,
- 4) Provide a complete copy of the Memorandum of Understanding between Pabst Farms Development and Wisconsin DOT including the exhibits,
- 5) Define the public benefits and amenities for the Town Centre site such as, water features, fountains, streetscapes and downtown connections,
- 6) Define the layout of the 44 acre large format retail area or modify the application to omit it from the GDP,
- 7) Establish and identify vehicle connections and circulation roadways throughout the Towne Centre site and the 44 acre large format retail area,
- 8) Establish and identify pedestrian connections within the Town Centre parking areas throughout the site and at connection points to adjoining lands,
- 9) identify the location of up to ten restaurants with no drive thrus,
- 10) 10) Adjust and modify the site plan to locate the community retail area with the rear of those buildings facing the woods and modify the site plan to reorient the lifestyle retail center in the area between I-94 and STH 67.

Their submittal dated February 7, 2008 is no! a substitution, but an amendment of the Genera! Development Plan. A public hearing was held before the Plan Commission on February 7, 2008 in which the commissioners heard comments from the public.

Review Process for Planned Developments (PD):

Rezoning to PD is a four-step process. Step 1 is the Pre-application Conference (staff meeting). *DDR has had several meetings with staff and therefore has fulfilled the Step 1 requirement.*

Step 2 is the Concept Plan. **At this stage, the developer presents in some detail what they hope to accomplish with the development, the proposed standards for the project and where they expect to depart from the underlying basic use district. The Plan Commission may grant a non-binding approval for the project, which will be formalized in Steps 3 and 4. Step 2 may also involve more than one iteration of the concept plan.** *DDR met with the Plan Commission on January 9, 2005. This meeting introduced the proposed standards for the project and identified where they expect to depart from the underlying basic use district*

Step 3 is the General Development Plan. **The general development plan is similar to the concept plan, but is more refined and detailed. The General Development Plan approval is granted in the same manner as a rezoning with a Plan Commission public hearing and recommendation to the Common Council, and a Common Council public hearing and subsequent approval by the Common Council. The Step 3 approval is similar to making a text change to the Zoning Ordinance as the terms of the approval become part of the text of the Zoning Ordinance. At the conclusion of Step 3, the PD district is placed on the zoning map. Once the zoning is mapped, the developer has 5 years to complete the project unless other terms are specified in the approved ordinance.** *DDR is requesting Step 3 approval by the Plan Commission on February 14, 2008 and approval of Step 3 by the Common Council on February 19, 2008. Public hearings have been scheduled for the Plan Commission on February 7, 2008 and the Common Council on February 14, 2008.*

Step 4 is the Precise Implementation Plan. **In this instance, the PIP would be the presentation of complete building plan and associated infrastructure plans. The PIP is granted in the same manner as a conditional use with a Plan Commission public hearing and recommendation to the Common Council, and approval by the Common Council.**

Zoning Code Requirements (Step 3)

Per Section 17.914 of the Zoning Ordinance, the following information shall be submitted to the Planning Department for review of Step 3 for Planned Developments:

- 1. Location Map**
- 2. Written Description of proposed PD**
 - **General project themes and images**
 - **General mix of land uses**
 - **Approximate non-residential densities, FAR, LSR**
 - **General treatment of natural features**
 - **General relationship to nearby properties & public streets**
 - **General relationship of the project to the Master Plan**
 - **Statement of Rationale as to why PD zoning is proposed. This shall identify barriers that the applicant perceives in the form of requirements of standard zoning districts and opportunities for community betterment the applicant suggests are available through the proposed PD zoning.**
 - **Initial draft list of zoning standards which will not be met by the proposed PD and**

the locations in which they apply and a complete list of zoning standards which will be more than met by the proposed PD and the locations in which they apply. Essentially, the purpose of this listing shall be to provide the Plan Commission with information necessary to determine the relative merits of the project in regard to private benefit versus public benefit, and in regard to the mitigation of potential adverse impacts created by design flexibility.

3. **Written description of potentially requested exemption from the requirements of the underlying zoning district in the following order:**
 - « **Land Use Exemptions**
 - **Density and Intensity Exemptions**
 - **Bulk Exemptions**
 - **Landscaping Exemptions**
 - **Parking and Loading Requirements Exemptions**
4. **A General Development Plan drawing of the proposed project showing the following detail to make an evaluation against criteria for approval:**
 - **A conceptual plan of the general land use layout and the general location of major public and private streets;**
 - **Location of recreational and open space areas and facilities and specifically describing those that are reserved or dedicated for public acquisition and use;**
 - **Statistical data on minimum lot sizes in the development, the approximate area of large development pads, density / intensity of various parts of the development, floor area ratio, impervious surface ratio and landscape surface ratio, expected staging, and any other plans required by the Plan Commission or City Council;**
 - **A general conceptual landscaping plan for the subject property;**
 - **A general signage plan for the project;**
 - **Written justification for the proposed Planned Development;**

Major Differences of Plans (DDR 2/7/08 vs. GGP 12/19/06):

Staff has reviewed the submitted DDR plans and has compared the plan against the previous approved GGP plans. The major differences include the following:

- **GGP proposed an enclosed mall; DDR is an open-air lifestyle and community center.**
- **GGP layout allowed for continuous alignment of retail shopping.**
- **GGP had perimeter roadway to manage internal vehicle traffic flow.**
- **GGP did not have backs of buildings facing I-94 & STH 67.**
- **DDR has significant building backsides facing roadways, but has added features to partially screen the buildings.**
- **GGP proposed 2,255,000 SF of leasable area, not including potential hotels. DDR proposes 2,037,665 SF of leaseable area and does not include any hotels. This is a decrease of 217,335 SF.**
- **The difference of 217,335 SF consists of a decrease of 350,000 SF of office and residential and an increase in the retail area by 132,665 SF in the DDR plan.**
- **GGP proposed 6-9 restaurants, DDR is proposing 6 restaurants with 11 additional sites for outlets that could be restaurants. DDR could have a potential of 17 restaurants.**
- **GGP had 9530 parking spaces; this included 1800 spaces for future office and residential uses. The number of parking stalls for DDR has been defined as 8647; this includes 1025 spaces for future office and residential uses. The 8647 count does not include the 11 outparcels in the DDR plan. The outparcels will have their own on-site parking requirements.**

Previous Plan Commission Concerns & How The Applicant Has Addressed:

1. *Identify "LAND USE" exemptions being requested:* **No exemptions for land use are requested. Applicant has provided the City a list of prohibited uses. Applicant has requested, but not provided data on loading facilities exemptions.**
2. *Architecture shall be four sided:* **The applicants are committed to 4-sided architecture throughout the project. The only areas they are not contemplating utilizing 4-sided architecture would be those few areas that would not be visible to the public and areas effectively screened by natural elements such as the environmental corridor. Developer has indicated that potential residential and office uses may be incorporated into the submittal at the PIP process. Barring the inclusion of residential and office uses, the development will generally be one story with vertical and horizontal articulation for depth and facade diversification.**
3. *Identify building heights and height exemptions:* **No exemptions requested.**
4. *Provide copy of MOU:* **Copy was provided to City staff.**
5. *Define public benefits:* **Plan Commission to determine if the benefits are proportional in relationship to size of the development. Proposed benefits identified in the report are:**
 - **Vibrant, landscaped, pedestrian-friendly streetscapes (pg 3)**
 - **People-friendly elements (pg 3)**
 - **Water features, piazzas and fountains (pg 3)**
 - **Upscale mix of retail, dining and entertainment (pg 4)**
 - **Sense of place with community gathering place (pg 4)**
 - **Four sided architecture consistent with existing themes (pg 4)**
 - **Central lake/water feature surrounded by restaurants w/ outdoor dining (pg 7)**
 - **Gateway monument feature with Oconomowoc identification (pg 12)**
 - **Marketing campaigns promoting City (pg 23)**
 - **Wayfinding signs to promote Downtown (pg 23)**
 - **Kiosks to promote Downtown (pg 23)**
 - **Gateway Monument signage (pg 23)**
 - **Community onsite events (pg 23)**
 - **Marketing Director to coordinate events (pg 23)**
 - **Generous landscaping (pg 23)**
 - **Value created accelerates TID payoff (pg 23)**
6. *Define layout of 44-acre site:* **Applicant has shown a site plan with building locations, parking and access to the area east of the woods. Submittal includes revised location of SE arterial away from the Eastlake Subdivision. The large format area is shown south of the new location of the SE arterial. Lands north of the SE arterial are shown as business tech core and will not include retail uses.**
7. *Establish vehicle connections and circulation patterns:* **Page 8 identifies traffic patterns throughout the site. The revised site plan does include a defined ring road south of the Town Centre. Final site access and circulation concerns are to be further defined during the PIP process.**

8. *Establish pedestrian connections:* Page 8 identifies pedestrian patterns throughout site including connections to the existing bike and walking trails. New trails are not included on the plan but the developer understands and expects that this will be handled at the time the SE arterial is designed. Final site access and circulation concerns are to be further defined during the PIP process.

9. *Identify location of up to 10 restaurants and remove drive thrus as a restriction identified in plan:* Applicant has identified 5 sites for restaurants and 11 additional retail / restaurant outlets, in which restaurants could possibly be permitted and unlimited drive thrus. Developer has agreed to a limit of up to 6 drive thrus. The City reserves the right to deny conditional use permits at its prerogative as provided for pursuant to the zoning ordinance. The applicant is not entitled to a conditional use permit nor is there assurance that it will be granted.

10. *Flip town centre and community retail:* Applicant did not modify the site plan as requested by the Plan Commission. Applicant has proposed a combination of architectural features, hardscape, landscape and stormwater facilities to enhance the aesthetics and screen the backsides of some of the buildings at the intersection of I-94 and STH 67. The gateway monument, wall dimensions, materials, locations and the possible use of berms will be further defined and discussed prior to PIP approval.

Proposed Exemptions:

1. *Land Use -* Applicant is requesting a residential land use exemption. Residential and second floor office uses evaporate if not included at the time of the PIP. Applicant has identified uses that will be prohibited within the development including the outdoor raising of crops, plants and trees; hospitals; jails; convents; monasteries; cemeteries; mobile home parks and the sale of mobile or manufactured homes; commercial kennels and stables (except in the case of incidental use in connection to a pet shop, in which case the kennel/stable area will be indoors and limited to no more than 20% of the floor area of the pet shop); bed and breakfast establishments; mortuaries; any establishment selling or exhibiting pornographic materials; tattoo parlors; and in-vehicle sales and service, except for banks, financial institutions, pharmacies and restaurants with drive-thrus to the extent noted above (#9). Arcades; roller rinks; and pool hall uses would also be prohibited within the development except in conjunction with a restaurant or other indoor entertainment complex.

2. *Density & intensity -* Applicant is requesting exemption of the landscape surface ratio. Applicant shall identify the amount of exemption requested, which is to be reviewed and determined prior to PIP approval.

3. *Bulk Exemptions -* Applicant is requesting a reduction in building setbacks as well as pavement setbacks to be reduced to zero. Applicant shall identify the location and amount of exemption requested, which is to be reviewed and determined prior to PIP approval.

4. *Parking & Loading -* Applicant is requesting an exemption from the number of parking stalls required for the proposed uses. Applicant shall identify the amount of exemption requested, which is to be reviewed and determined prior to PIP approval.

Other Provisions to be incorporated into the PD Ordinance 1. *Phasing -* To foster the project philosophy and theme, the intent is to ensure the construction of the community shopping area and lifestyle center occur at the same time (i.e. secure five anchors, 2 for the

community center and 3 for the lifestyle center as proposed). Construction of buildings in the 44 acre large format retail area shall not commence until construction of the majority of the lifestyle center is substantially complete or underway. However, the City will consider waiving this requirement on a case-by-case basis for large format retailers (IKEA type) that substantially enhances the economic viability of the lifestyle center.

2. *Theme I Architecture* - Applicant has ensured upscale architecture and will incorporate similar elements and materials as the existing Pabst Farms Marketplace development into the project. The architecture and theme will foster a sense of place and unification within Pabst Farms. The project will provide horizontal and vertical building articulation and an architecture style that will break up the building mass. In addition, applicant will provide landscaping, stormwater ponds, and architectural features around and to the buildings to eliminate visibility of loading docks, rooftops and mechanicals, i.e. "no see'em". Both the Plan Commission and Architectural Commission shall approve all architecture.

3. *Landscaping* - Applicant has agreed to provide generous landscaping throughout the project consistent with other areas in Pabst Farms including heavy landscaping along I94 and STH 67. Landscaping shall be incorporated into the parking fields. Detailed drawings to be submitted prior to PIP approval.

4. *J Stormwater* - Developer provided City Engineer and staff a conceptual stormwater management review dated February 8, 2008 from National Survey and Engineering. Developer will retain or expand stormwater ponds along I94 and STH 67. Final stormwater report and proposed locations of stormwater basins must be provided prior to PIP approval.

5. *Loading docks / Outdoor storage* - Loading docks and overhead doors shall be completely screened with architectural features consistent with the building, hardscaping or landscaping. Applicant will provide trash bins inside screened enclosures. A variety of screening methods will be used, depending on the location of the business. Storage will be screened similar to the methods at Pabst Farms Marketplace. Loading dock locations and screening methods will be submitted prior to the PIP approval.

6. *Wetland protection* - No water will be diverted to the wetlands or woods. These areas are to remain protected.

7. *Project Entrance* - Water feature and/or architectural quality of gateway building will be significant and more substantial for the project entrance at the corner of Summit Avenue and Pabst Farms Boulevard.

8. *MOU/TIA* - The Department of Transportation confirmed that the City is relieved from all future road improvement cost sharing along Hwy 67 from a point 500 feet south of CTH DR to a point 500 feet north of Pabst Road, except for the \$400,000 contribution for the Hwy P interchange and the construction of the Oconomowoc Parkway intersection. There is a potential for additional improvements on I-94 between Hwy P west to Hwy 67, the extent of which will be determined when the State conducts an I-94 Corridor study at some point in the future. The State agrees to relieve the City of any future costs relating to these improvements. The City has expressed its opposition to eight lanes on Hwy 67. An updated TIA is to be approved by the City and

Wisconsin Department of Transportation prior to PIP approval. Pabst will reserve 10' and 15' strips of land where appropriate along STH 67 & I94. No structures or stormwater facilities shall be permitted in these areas. The PIP approval is subject to the

construction of the SE arterial and Hwy P interchange improvements.

9.) Sustainability - Applicant will recommend the use, where practicable, of green/ sustainability," energy efficiency and water conservation to the design, construction and operation of buildings and site including, but not limited to such methods and technology involving building materials, stormwater management, landscaping and building design.

10. Amenities - Central lake/water feature, fountains and plazas are essential components needed to create a sense of place and enhance the experience achieved at the center. The dimension, location and operation of water features and plazas will be reviewed prior to PIP approval.

The applicant is requesting approval for the Community Center, Lifestyle Center, and the 44-acre large format. The provisions embodied within this report, the General Development Plan, and the PD ordinance apply to all three areas.

Planner's Opinion:

The Plan Commission is being asked to make a recommendation that would substantially change the Planned Development Ordinance and General Development Plan for the Pabst Farms Town Centre. What came before the Plan Commission in January was a request for a substitution of the DDR plans for the previously approved General Growth plans. After review, the Plan Commission determined the changes were enough to warrant public input and asked for modifications to the plans. The applicant resubmitted amended plans, filed an application for a public hearing and a formal amendment to the PD ordinance.

There are many items to consider with this application. The Plan Commission asked for 10 issues to be addressed and it is Planning Staff's opinion that each item was addressed, but additional discussion is warranted.

Planning Staff's understanding is that this area is reserved for something special. There is an expectation that this community gateway is to create a vision, setting a tone for the community character. This notion is documented in the City's adopted land use plan.

According to a report published by the Urban Land Institute (ULI), "A town center is an enduring, walkable, and integrated open-air, multiuse development that is organized around a clearly identifiable and energized public realm where citizens can gather and strengthen their community bonds. It is anchored by retail, dining, and leisure uses. At least one other type of development is included in a town center such as residential, office, hospitality, civic and cultural uses." Remember that while people come to the mall to shop, they also come to gather in a place that offers a deeper meaning and a higher-quality experience.

The tenant mix is an important aspect of the project to determine if this will be a regional center or a local shopping center. The goal of the City is to create a regional shopping center at this location. Currently there are two other significant shopping areas along I-94, being Johnson Creek Outlet Mall and the Delafield commercial node at I-94 and Hwy. 83. The developer has not identified which tenants will be locating at the Pabst Farms Town Centre; however, the individual tenants are the key to creating a regional destination versus a local shopping center. It is impossible for the City to determine if this is a significant regional shopping center that

actively draw customers from throughout southeastern Wisconsin.

Is the City comfortable with a Community Center and Lifestyle Center at this location in order to achieve a regional shopping destination? Typical users in a community center in other DDR developments such as Stone Oak and as shown on their website include: Target, Kohl's, Office Max, Pet Smart, TJ Max, Hobby Lobby and Home Goods. The developer has not specifically identified retailers.

Various tenants for the Lifestyle Center have been identified in the photos that the applicant submitted dated February 7, 2008, including:

Sharper Image	Macy's
Apple Computers	Tommy Bahama's
Eddie Bauer	Jos A. Bank
J. Crew	Starbucks Coffee
Ann Taylor	West Elm
Linens - n - Things	Rubio's Baja Grill
Bed, Bath & Beyond	Williams Sonoma
Talbots	Gymboree
Bath & Body Works	Harry & David
PF Changs	Yankee Candle
White House / Black Market	Victoria's Secret
Pottery Barn	Caribou Coffee
Coldwater Creek	Sephora

The applicant is not presenting these as the retailers that will locate in the center.

The City of Oconomowoc created a \$24 million TIF (tax incremental financing) District to help facilitate improvements for the Pabst Farm development. The Plan Commission will need to consider if this project fulfills the TIF project plan objectives and the expectations of the community.

The Planning Department staff encourages that the development become a greener development. A sustainable green development which promotes a whole building approach to sustainability by recognizing performance in five (5) key areas of human_ and environmental health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. The applicants are encouraged to work with the City of Oconomowoc Utilities on some of the components to becoming a sustainable and green development.

As with all planned developments, the applicants are requesting certain exemptions from the zoning ordinance. Prior to granting these exemptions, the applicants shall provide justification and specific data supporting the reasons for granting said exemptions

Plan Commission Alternatives:

The Plan Commission has 3 options.

1. Reject the plan as submitted; or
2. Approve as submitted; or
3. Approve, with modifications identified by the Plan Commission.

The Plan Commission must understand that this is Step 3 in the planned development process. This stage requests approval for a general development plan. The general development plan is the base plan that serves as the benchmark as the applicant proceeds to the precise implementation plan. By approving the GDP, the City is granting approvals for the general layout for the building and access locations, traffic patterns, total square footage of leasable space, amenities / public benefits and exemptions. If the City is not comfortable with the plans, now is the time to ask for the plans to be revised, prior to locking in the GDP.

Recommendation:

Staff recommends acceptance of the Pabst Farms/DDR February 7, 2008 General Development Plan and approval of the Planner's Report and Planned Development Ordinance for the Pabst Farms Town Centre in accordance with Section 17.914 of the City of Oconomowoc Zoning Code subject to the completion of a developer agreement.

If any provision of the Plan Commission recommended PD is unacceptable to the Common Council, then the Council is requested to return this recommendation back to the Plan Commissionf

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review and
reconsiderati
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