

**Community Development Authority
of the City of Onalaska**

Tuesday, August 28, 2018

1

1 The meeting of the Community Development Authority of the City of Onalaska was called to
2 order at 4:02 p.m. on Tuesday, August 28, 2018. It was noted that the meeting had been
3 announced and a notice posted at City Hall.

4
5 Roll call was taken with the following members present: Ald. Jim Olson, Ald. Jim Binash, John
6 Lyche, Joe Bucheger, Ron Johnson, Mike Gargaro. Ann Brandau arrived with the meeting in
7 progress (4:06 p.m.).

8
9 Also Present: City Administrator Eric Rindfleisch, Mayor Joe Chilsen, Planner/Zoning Inspector
10 Katie Aspenson, City Engineer Jarrod Holter, Financial Services Director/Treasurer Fred
11 Buehler, Bryan Harjes and Jeff Miller of Hoisington Koegler Group, Inc.

12
13 **Item 2 – Approval of minutes from the previous meetings**

14
15 Motion by Ald. Binash, second by Joe, to approve the minutes from the previous meeting as
16 printed and on file in the City Clerk’s Office.

17
18 On voice vote, motion carried.

19
20 **Item 3 – Public Input (limited to 3 minutes/individual)**

21
22 Mike called three times for anyone wishing to provide public input and closed that portion of the
23 meeting.

24
25 **Consideration and possible action on the following items:**

26
27 **Item 4 – Review and Consideration of CDA Financials:**

28
29 a. 2018 CDA Financials

30
31 Fred reported the CDA has a balance of \$300,589.28. Fred noted expenditures totaled
32 \$7,858.15, and he also noted \$18,070 was transferred into the CDA account from the city.

33
34 Mike asked why the budget report states there has been no revenue for the CDA in 2018, telling
35 Fred it does not appear there has been a transfer into the CDA account.

36
37 Fred told Mike there has been no transfer in and said one would occur if the CDA utilizes all the
38 funds for everything it has budgeted. Fred added only interest income has been transferred in.

39
40 Ald. Binash inquired about the \$7,700 budgeted for subscriptions and dues.

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42 Fred told Ald. Binash the funds are designated for LADCO and 7 Rivers Alliance. Fred noted
43 \$7,500 was budgeted for LADCO, with the remaining balance going toward a membership with
44 7 Rivers Alliance.

45

46 Mike inquired about the \$29,080 budgeted under “Other Contractual Services,” asking if that is
47 the amount that has been budgeted for HKGi. Mike said he knows it is a portion of the amount,
48 adding he thought the city’s full contract with HKGi was closer to \$96,000 or \$97,000.

49

50 Katie told Mike he is correct.

51

52 Mike noted the 2019 budget only reflects \$29,080, and he asked if that amount is designated for
53 HKGi, or if “Other Contractual Services” is something different.

54

55 Katie noted the city’s project with HKGi will not be completed in 2018 and said, “That’s the
56 one, and then I think the remainder of it is for any potential future work.”

57

58 Mike asked if approximately \$70,000 will be spent for HKGi in 2018.

59

60 Mike was told yes.

61

62 Motion by John, second by Ald. Olson, to approve the 2018 CDA Financials.

63

64 On voice vote, motion carried.

65

66 b. Approval of Onalaska Redevelopment Planning Invoice 018-036-1 (HKGi)

67

68 Motion by Ald. Binash, second by Joe, to approve Onalaska Redevelopment Planning Invoice
69 018-036-1 (HKGi) in the amount of \$8,186.

70

71 On voice vote, motion carried.

72

73 c. 2019 CDA draft budget

74

75 The 2019 CDA draft budget is as follows:

76

77 **Other Contractual Services:** \$29,080

78

- **Attorney:** \$6,500
- **Planning Department (60 hrs. x \$43):** \$2,580
- **Planning Consultant (HKGi):** \$20,000

79

80

81 **Transcription Contractual:** \$700

82 **Office Supplies:** \$150

Reviewed 8/30/18 by Katie Aspenson

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- 83 **Postage:** \$100
84 **Copy Usage & Paper:** \$300
85 • **Copies of CDA packets, reports, maps:** \$200
86 • **Printing expenses for poster-sized documents:** \$100
87 **Subscriptions & Dues:** \$7,815
88 • **LADCO membership:** \$7,500
89 • **7 Rivers Alliance membership:** \$315
90 **General Advertising:** –
91 **Seminars, Conferences & Travel:** \$1,320
92 • **WEDC Trainings & Conferences:** \$1,040
93 • **UW-La Crosse Economic Indicators Events:** \$100
94 • **LADCO Events:** \$180
95 **Operating Supplies:** \$500
96 **Printing & Forms:** \$200
97 **Total Expenditures:** \$40,165

98
99 Fred said the operating transfer in for special projects is \$20,165, noting this represents all the
100 expenditures excluding HKGi, which is being paid through the CDA utilizing its own funds.

101
102 Mike noted there are funds available for LADCO events and said he is happy Mayor Chilsen was
103 able to attend and receive the Triangle of Achievement award the City of Onalaska had won.
104 Mike encouraged Mayor Chilsen, City Administrator Rindfleisch, Katie, and Jarrod to utilize the
105 funds set aside for LADCO events.

106
107 Motion by Ald. Binash, second by Ann, to approve the 2019 CDA draft budget.

108
109 Katie said the \$20,000 budgeted in 2019 for HKGi might decrease depending on how quickly the
110 project moves forward.

111
112 On voice vote, motion carried.

113
114 **Item 5 – Discussion & Consideration of the Onalaska Redevelopment Project:**

- 115
116 a. Background and Market Summary
117 b. Stakeholder Questions/Comments

118
119 Bryan Harjes said HKGi had conducted some of the stakeholder meetings Tuesday morning and
120 that stakeholders in both the downtown and the State Trunk Highway 16 corridor districts had
121 provided valuable information. Bryan said he would like to spend the majority of the time
122 discussing the market summary data that had been compiled. Bryan noted a “touchpoint call”
123 with the working group had occurred earlier in August, and he also noted HKGi had done some

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124 analysis mapping beyond what Katie had done originally with some of the zoning data. Bryan
125 said HKGi had built a “redevelopment scoring category.” HKGi has added attributes within the
126 database to help its consultants understand what candidate sites might exist, and how everything
127 fits together based on a candidate site’s overall value, the age of a structure, and if a building is a
128 high-quality component compared to the land value. Bryan said HKGi will attempt to continue
129 its monthly meetings with the CDA, and its consultants will discuss the outcomes of the
130 stakeholder meetings at the September CDA meeting. Idea exploration will occur during
131 October and November, and another round of “select” stakeholder meetings will be held. Work
132 then will begin on the plan document.

133

134 Bryan referred to the stakeholder meetings held earlier Tuesday, pointing out the Pathos
135 Properties site and stating there may be “low interest” in putting a significant investment in the
136 facility. However, it might be prudent to listen to investors about possible future opportunities if
137 they are cost-efficient. Bryan said the meeting with downtown stakeholders included Mary
138 Cody, Todd Delagrave, and Dave and Barb Skogen. There are redevelopment opportunities on
139 the parcels located next to Dash-Park and owned by the Skogens. Bryan complimented the
140 feedback representatives from Gundersen Health System had provided, noting Gundersen is
141 exploring the possibility of demolishing the former Fauver Hill Elementary School. Bryan said
142 Gundersen representatives had discussed long-term access and walkability that would allow
143 employees (currently approximately 1,500 in this area) to reach local restaurants. Bryan referred
144 to an area near the Gundersen campus that faces the conservancy that originally was slated for
145 senior housing, and he said Gundersen has not yet found “the energy and the momentum behind
146 that.” Bryan also referred to a site Gundersen has envisioned as a corporate site. Bryan said
147 Mark Hansen had taken a more global view regarding the district. Bryan referred to a site that
148 might be an ideal location for mixed-use opportunities. Bryan said the long views over the
149 conservancy might be better suited for property zoned Residential, or at least a portion of that
150 site. Bryan also said Mark believes a site located near Interstate 90 was better suited to be zoned
151 Commercial. Bryan said he also had met with Marvin Wanders of Three Sixty Real Estate
152 Solutions and Onalaska School District Superintendent Fran Finco, discussed development in the
153 downtown district, and received an update on one of Marvin’s proposed residential projects.
154 Bryan noted the Onalaska School District had invested in its district offices located on 2nd
155 Avenue South.

156

157 City Administrator Rindfleisch said transportation and other access is a major obstacle for
158 Gundersen Health System and the possibility of expanding in the future.

159

160 Bryan asked if perhaps there is an opportunity to look for an overpass on the I-90 corridor.

161

162 Bryan addressed circulation and visibility and said access controls with the state highway is
163 important if the CDA is looking at a larger picture location. Bryan noted traffic along Theater
164 Road is becoming a challenge and said HKGi will attempt to create potential solutions for this

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165 area. Bryan said HKGi will meet Wednesday with representatives from Crossroads Shopping
166 Center, representatives from the City of La Crosse regarding the Valley View Mall site,
167 representatives from Farm & Fleet, and Harry Dahl, among others.

168

169 Bryan was asked if he had mentioned the Shopko property, which located along STH 16.

170

171 Bryan said HKGi had received a call from a representative of the property, but had not received a
172 significant amount of information.

173

174 Bryan addressed general characteristics and said he will begin with a demographic overview
175 before addressing the retail components in the downtown and STH 16 districts and then the
176 residential aspect. Bryan described the City of Onalaska as “an established community with a
177 stable amount of growth.” There are a few lots remaining in the city, but HKGi will begin to
178 look at redevelopment for additional residential units. Bryan said the City of Onalaska is more
179 affluent than neighboring communities, and there is energy behind recent redevelopment in the
180 downtown district. The I-90 corridor is an attraction that Bryan described as “a funnel of traffic
181 and energy” as well as “a major retail destination.”

182

183 Ron said he has been told the Onalaska School District has a higher percentage of students
184 received free or reduced lunches than neighboring communities.

185

186 John asked how much that could be affected by school choice.

187

188 Mayor Chilsen noted he has worked with the Food Pantry and described the City of Onalaska as
189 being “kind of polarized.”

190

191 City Administrator Rindfleisch said that while the majority of the newest development in the
192 community is an affluent community, that might not be the case with the schools.

193

194 Bryan showed slides with data regarding demographics within the city, noting the community is
195 aging. Bryan said it is important to think about housing options as the population ages, and also
196 how to bring new families into the community. Bryan noted HKGi utilizes ESRI, a national
197 database source, to collect data, and shared the five generic categories of the city’s population:

198

- 199 • **Planning for, but not retiring:** Likely in management or healthcare, and financially
200 healthy. Interested in experiences and sense of place.
- 201 • **Old and newcomers:** Budget-minded, not broke, good day-to-day, may not hold major
202 investments, single or two-person household, more likely to rent. This group is not
203 necessarily looking for something in the city.
- 204 • **Midlife constants:** Seniors close to retirement, above-average net worth, attendant to
205 price, but will pay for quality.

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- 206 • **Bright, young professionals:** Millennials, active, white collar, no children as of yet, do
207 not want to live in the “true urban area of downtown,” but enjoy urban amenities. This
208 might include the neighborhood surrounding the downtown district, or new housing in
209 and amongst downtown.
210 • **Savvy suburbanites:** At the peak earning points in their careers, empty-nesters, perhaps
211 a “downsizing” group.

212
213 Bryan asked CDA members to think about these groups and where they fit within the downtown
214 and STH 16 districts when looking at potential redevelopment, and also within the community as
215 a whole.

216
217 Bryan next addressed the retail along the STH 16 corridor, noting HKGi had taken a radius
218 around the other regional centers (cities with populations greater than 35,000). Bryan noted the
219 retailers located along STH 16 are drawing from a large radius, citing the number of automobiles
220 with State of Iowa license plates in the Farm & Fleet parking lot. Bryan said drive times also
221 influence where people are coming from, pointing out an area shaded in brown and noting there
222 is a 15-minute drive time from the I-90/STH 16 interchange. Bryan said there is a population
223 base of 90,000 within 15 minutes of the aforementioned corridor. Bryan also said the city begins
224 to overlap with the City of Rochester, Minnesota, on the west side 45 minutes away from the I-
225 90/STH 16 corridor.

226
227 Bryan addressed retail categories, noting the City of Onalaska is a destination for many. Bryan
228 local demand for food, drink and retail within “the box of Onalaska” is approximately \$286
229 million, and local sales are \$428 million. However, Bryan noted there are notable gaps in car
230 dealerships, gas stations, e-shopping, specialty food (e.g. meat markets, cheese shops), and
231 drinking establishments.

232
233 Bryan next addressed “capturing,” noting there is a 60-percent capture rate of the population
234 within the City of Onalaska, Village of Holmen, Village of West Salem, City of La Crescent, and
235 perhaps two-thirds of the City of La Crosse. Bryan noted some of the capture statistics are “well
236 above” the target area for areas located 30 to 45 minutes away. Bryan also noted the north-south
237 corridors pulling traffic from Holmen and West Salem through Onalaska also is drawing people
238 through. However, Bryan also said that while the transportation corridors serve as lifelines, there
239 also are long-term concerns regarding the tax base as e-commerce becomes more prevalent.

240
241 Bryan next addressed average daily traffic volumes passing through the area, noting both the
242 U.S. Highway 53 and STH 16 corridors carry significant amounts of traffic. Bryan also pointed
243 out there is a significant amount of commuter traffic traveling north on U.S. Highway 53.

244
245 Mike noted 27,400 cars utilize one corridor (either U.S. Highway 53 or STH 16) and 27,300
246 utilize the corridor, and he mentioned a statistic referring to 40,900 automobiles traveling from

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247 the south to the north.

248

249 Jarrod said a motorist could be coming from Kohl's or Dick's Sporting Goods, make a right turn
250 and drive toward Holmen.

251

252 Bryan said he would like to investigate the amount of traffic on Theater Road compared to STH
253 16.

254

255 Jarrod said the number of automobiles decreases from approximately 20,000 between Green
256 Coulee Road and the onramp on East Main Street to between 16,000 and 18,000 at Main Street
257 and East Main Street.

258

259 Bryan addressed regional retail and the retail cluster located along the STH 16 corridor, and he
260 said a goal is to strengthen this area and perhaps increase local competition. Bryan also said e-
261 commerce is a vulnerability, noting it has had an adverse effect on department stores. Bryan said
262 e-commerce has not seemed to significantly harm general commerce stores such as Target and
263 Wal-Mart. Bryan said that perhaps in the future storefronts will still be in use, but they will
264 become "the last mile distribution hub for online activity."

265

266 Ald. Olson said the son of a friend resides in Shanghai, where e-commerce kiosks have become
267 popular. Consumers order products online from the kiosks, and they are delivered to their
268 residence.

269

270 John mentioned YourBox, a business from the late 1990s-early 2000s where consumers picked
271 up packages placed in cubicles by the United States Postal Service, UPS, or FedEx after
272 receiving a text.

273

274 Bryan next discussed the downtown area, noting the city's reach is expansive, and also that it is
275 drawing a large population base to the north in a 15-minute timeframe. Bryan noted the average
276 daily traffic volumes on the STH 35 corridor (15,000 to 17,000) are significant and can support
277 commercial development. Bryan addressed commuting patterns and noted that 57 percent work
278 either in La Crosse or Onalaska and other jobs on the I-90 corridor.

279

280 Bryan next addressed retail and experience retail within downtown Onalaska, which would
281 present opportunities to draw consumers from Onalaska, Holmen, West Salem, Bangor, and the
282 Town of Campbell. Bryan also said his discussions earlier Tuesday included utilizing outdoor
283 recreation (e.g. Great River Landing, Dash-Park, Great River State Trail) to attract people to the
284 downtown area. Other objectives would be to expand the demographic reach for families, and to
285 attract more people through experience. Bryan said there still is a component of convenient
286 space retail and service uses; specifically, more support service uses. Bryan referred to a
287 conversation he had had earlier Tuesday regarding people seeking smaller-scale businesses

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288 within a 3,000 to 4,000 square foot range. These individuals wish to own the businesses and
289 have their own market brand on that corridor as a supporting service corridor to downtown, and
290 also Onalaska itself.

291
292 Jeff showed a slide with employment statistics, noting more individuals are commuting into
293 Onalaska to work than commuting out.

294
295 John referred to a past discussion regarding Onalaska possibly patterning itself after other cities –
296 specifically, utilizing retail space with 2,000 to 3,000 square feet – and he asked if HGKi had
297 researched this yet.

298
299 Bryan said that while HKGi has started, nothing has been formalized as of yet. Bryan said HKGi
300 will wait until the stakeholder meetings have been completed and promised to bring forward
301 information at the September CDA meeting.

302
303 Bryan next addressed the residential aspect and said that while new subdivision development is
304 minimal, this might change over time as potential redevelopment is examined. The number of
305 housing permits issued during the 1970s, 1980s, and 1990s was significant. However, activity
306 slowed down in the mid-2000s in the corridor. Bryan said that while growth is stable, he also
307 asked what form it will take in the future – more redevelopment and higher-density housing
308 developments, and less new development. Bryan referred to an Edina Realty map, pointing out
309 two locations surrounding the downtown area and noting the price range for houses in these
310 areas is between \$115,000 and \$280,000. Bryan said longtime residents living in older homes in
311 the downtown district likely will move, and first-time homebuyers (young families) will
312 purchase these homes. Bryan referred to his conversation with Fran Finco, who told him the
313 Onalaska School District is seeking visibility, and that he wants to make the Onalaska School
314 District “the aspirational school district.” Bryan asked if home prices are affordable for school-
315 age families. Bryan noted the own-or-rent mix is strong, as is the vacancy rate. Sixty-five
316 percent are owners.

317
318 John asked if there will be any implications related to zoning, pointing out that many individuals
319 want higher-density homes but do not want to own them.

320
321 John cited the example of having a duplex, noting that zero-lot lines are not allowed in many
322 areas and stating that if they are allowed it will promote ownership in a higher density format.

323
324 Katie said the bulk of the city center area already is zoned to allow single-family or two-family
325 development.

326
327 John referred to Marvin Wanders’ proposed development and asked if perhaps condominiums
328 could be constructed in place of rentals.

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329
330 Katie said yes.

331
332 Bryan presented rental data regarding monthly rents that HKGi had obtained. Bryan said “there
333 is a lot of upside” to residential in the city, stating, “Positive perception – it’s a desired place to
334 live. There are still very strong schools. The location is great. There is a slow or steady, but
335 still positive, population growth. And the amenities people are seeing put or reinvested in the
336 downtown are an exciting draw for people to reenergize neighborhoods in or around the
337 downtown or attract development projects to those areas.” Bryan said the city must determine if
338 it wants to consider more housing rehabilitation. Bryan also asked if there are pockets where it
339 would be logical to examine having additional mixed-use or higher density housing
340 intensification. Bryan asked if the older population can continue to age in Onalaska, also asking
341 where active adult amenities could be located.

342
343 Mayor Chilsen asked, “Are we looking at the people who are here now, or the people we’re
344 wishing to attract?”

345
346 Bryan said part of it is the flow of the population base that is coming to the city for the first time.
347 Bryan said, “I think it’s still the brand of Onalaska and that draw that this is still a desirable place
348 to live.”

349
350 Mayor Chilsen asked Bryan what is he calling the brand of Onalaska.

351
352 Bryan said, “That it’s the city, the suburb, to live in this region.”

353
354 Jeff said the demographics HKGi is studying are included in the city’s Comprehensive Plan.

355
356 Mayor Chilsen said the City of Onalaska really does not have a brand and suggested, “Maybe we
357 should be working on that.”

358
359 Bryan suggested that perhaps there could be a different target for each district.

360
361 Mayor Chilsen said, “There really are people who are here now and people who we wish to
362 attract.”

363
364 Bryan asked, “Who do we wish to attract who’s not here today?”

365
366 Mayor Chilsen said, “That’s what I’m saying this group could tackle. Who are we really trying
367 to serve here? It may be the people who are already here, but I think we need to think about
368 that.”

369
Reviewed 8/30/18 by Katie Aspenson

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370 Bryan said, “There are two ways to think about that. The residential side is those who are
371 staying here. On the retail/commercial side, you’re drawing from three or fourfold of what the
372 town is. Every demographic in the region is coming to Onalaska for goods and services and
373 commerce, for the most part.”

374

375 Jeff said much of the residential aspect is based on the age breakout today, and he noted those
376 demographics change. Jeff said the demographics likely will grow if there is a significant
377 amount of housing for young families.

378

379 Mayor Chilsen reiterated that perhaps the city should work on developing a brand and striving to
380 attract people to that brand.

381

382 Jeff referred to a past meeting where a discussion had occurred regarding separate visions for the
383 downtown district and STH 16. Jeff noted the CDA has supplied a significant amount of input
384 about those two areas, but not the community in general.

385

386 Ann said there is uncertainty regarding the land located along Sand Lake Road that was
387 purchased by Mayo Health System for future development, stating she does not believe it can be
388 ignored as there is the potential to create a “bumped-up population growth.”

389

390 Jarrod noted Mayo had performed a traffic analysis for the site to determine the number of
391 automobiles that could be handled. Jarrod said the traffic analysis was done for a maximum of
392 4,000 individuals (patients and employees) coming and going.

393

394 Ann said there had been a past discussion about the downtown area possibly being a location for
395 high-rise, high-density housing for Mayo employees.

396

397 Bryan said HKGi had constructed a database off the city public data and created rankings and
398 scorings for both the STH 16 and downtown districts, and he presented this data to CDA
399 members.

400

401 Bryan reminded CDA members additional property stakeholder meetings will be held
402 Wednesday. This information will be blended with the physical analysis. HKGi will confirm
403 some data points and then work on the redevelopment approach diagrams. Bryan said HKGi
404 would like to discuss opportunity locations for potential redevelopment with the CDA at its
405 September meeting. Bryan said HKGi plans to bring diagrams showing redevelopment scenarios
406 that can be examined and discussed at the October CDA meeting.

407

408 Katie said that would be the time to bring back the key stakeholders so that they can provide
409 feedback.

410

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411 John said it would be beneficial to involve Mayo Health System and ask for details and a
412 timeframe regarding its planned development along Sand Lake Road.

413

414 Mike asked if the CDA's meeting, scheduled for September 12, can begin at 3:30 p.m.

415

416 Katie agreed to move the starting time from 4 p.m. to 3:30 p.m.

417

418 **Adjournment**

419

420 Motion by Mike, second by Ald. Olson, to adjourn.

421

422 The meeting was adjourned at 5:20 p.m.

423

424

425 Recorded by:

426

427 Kirk Bey