

Highland Ridge project remains on hold

Written by STEVE OSTERMANN
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Residential work at former mall site has yet to begin, but upturn in housing market sparks optimism among officials

It's been more than five years since Grafton officials approved redevelopment plans for the former Manchester Mall property in the village's south commercial district.

Although the commercial phase of the Highland Ridge project — a shopping center anchored by a 61,000-square-foot Pick 'n Save grocery — was completed in 2009, the residential phase has yet to be started.

Developers have cited a sluggish housing market as the chief reason for a delay in constructing a multifamily project that originally called for 65 townhouses and 71 condominiums in a 17-building complex on 12 acres.

However, local officials believe the economic recovery of the past year should help give the project new life, according to Village Administrator Darrell Hofland.

"The original development plan was for 100% condominiums or owner-occupied townhouses and apartments," Hofland said.

"Ultimately, due to the recession and changes in banking practices, that concept was not financially feasible. But since then, there has been considerable interest in other options."

Village officials were expected to revisit the project this week when the Community Development Authority considered amending a development agreement with Oak Street No. 1, the firm overseeing the Highland Ridge plans.

Hofland said the amendment is not expected to change the basic requirements of the agreement, which was approved in May 2008 and revised in January 2011. The agreement called for completion of commercial and residential development having a total property value of \$38.6 million by Jan 1, 2013, Hofland said.

With only the commercial phase, valued at \$10.7 million, completed, the project remains \$28 million behind schedule. In lieu of meeting construction deadlines, the developer must pay the village annually to cover any property tax shortfalls.

Hofland said the developer has made each annual payment, but completion of the project remains the ultimate goal.

Last year, the developer proposed selling nine of the 12 acres to MSP Development Co. as part of a plan calling for 192 multifamily units south of the Pick 'n Save. Included in the plan were 72 apartment units in three buildings, along with a 120-unit senior campus building that would have some units with tax-credit-subsidized rent.

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That plan was dropped after the Community Development Authority and Village Board objected to the housing density and building layouts, but Hofland said the proposal signaled a renewed development effort.

“The village continues to work with the developer on finding a co-developer for the parcel,” he said.

Highland Ridge remains a key project in the village’s efforts to redevelop the south commercial district, according to Hofland.

“In light of the property’s location within the south commercial district, it should be an attractive site for multifamily housing,” he said.

The village’s Plan Commission this week reviewed a concept plan for another housing project in the south commercial district: a 20-unit community-based residential facility for the elderly.

The project calls for the facility, which would be the largest of its kind in Grafton, to be built on 1.5 acres on the west side of Highland Drive between Falls Road and Maple Street. The vacant parcel is immediately north of the post office.

Because the facility would have more than 15 units, it will require rezoning the land from office to conditional use in a multifamily residential district.

Hofland called the project “a great fit for residential use on an undeveloped parcel.” He said the project is not expected to have an adverse impact the fire department’s emergency medical services, a concern voiced by village officials in considering past CBRF projects.

“With the increases in service staff being made by the Grafton Fire Department, it is not as pressing of a concern,” Hofland said.

There are three other CBRFs currently operating in Grafton, ranging in size from eight to 12 units: the Hamburg Home, 1951 First Ave.; Washington Heights, 1515 Washington St.; and Serenity Homes of Grafton, 1706 Washington St.