

Developer seeks city funds for project

Written by KRISTYN HALBIG ZIEHM

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<http://www.ozaukeepress.com/images/072513/harrysSM.png>

Request for financial incentives to complete renovation of former bank, restaurant to be considered by Port council

Developer Gertjan van den Broek said he is seeking development incentives from the City of Port Washington to help him finance renovations to the former M&I Bank and Harry's Restaurant buildings in downtown.

Van den Broek — who has been working on plans to create a multi-million-dollar retail and luxury residential development called Harbour Lights Condominiums by renovating the two buildings and constructing a new building between them — said he has had ongoing discussions with city officials about the potential incentives.

The Common Council is expected to discuss them during a special meeting slated for Monday, July 29, officials said.



Concept plans for the \$7 million project have been approved by the city. Van den Broek said he is working on marketing the building and putting together a financing package that would include not only equity, presales of units and bank funding but also a city development incentive.

“Banks and cities are in business to get growth and development going,” van den Broek said. “The days of a bank financing 100% of a project are long over.”

When the city approved its downtown tax incremental financing district plan, it included a development incentive program in the list of proposed projects. If approved, this would be the first time the program would be used.

At the time, officials said the program would be ideal for large-scale projects, adding incentives could be used for everything from relocation costs to facade improvements.

The incentives are typically considered to be an investment by the community, which gets a return through the increased taxes on the project.

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Van den Broek would not say how much he is seeking, but said the city's assessor and financial advisor are looking at the project.

"The city's crossing its T's and dotting its I's," he said.

City Administrator Mark Grams said the council will meet in closed session as well as open session, but would not discuss the topic of the closed meeting other than to say it involves the M&I renovation project and the city's TIF district.

Van den Broek's plan calls for renovating the former M&I Bank and Harry's Restaurant buildings, expanding them to the east and constructing a new building between the two in the former bank drive-through.

The plan calls for the creation of five commercial spaces and 13 residential units in the buildings. The units would feature rooftop terraces, balconies and underground parking accessed from a lake-side municipal parking lot.

A small park would also be created along Franklin Street in front of the new building.

Although the city has already approved concept plans for the development, van den Broek said he completed the market studies, meeting with focus groups of people interested in the project.

Based on their feedback, he said, he has tweaked the plans for the project and finalized the design.

For example, instead of 18 units averaging less than 1,200 square feet each, the buildings now contain 13 condos of just more than 2,000 square feet.

"What we found was that (original size) was just way too small for people downsizing from their home to a condo," he said. "What was really important to people was a third room, so they would have a bedroom, guest room and an office, den or bedroom for the grandchildren."

The east facade was changed to reduce the open terraces originally proposed, adding balconies and increasing the amount of indoor space, he said.

The units, which are being marketed by First Weber, range in price from \$239,000 to \$895,000 for two 2,750-square-foot penthouse units that feature 18-foot ceilings and private rooftop gardens, van den Broek said.

The reception so far has been encouraging, he said, noting that more people have been asking about the lake-side condominiums than there are units available.

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“We have not aggressively marketed this yet,” he said.

Typically banks require 60% of the units to be presold before approving financing, van den Broek said.

The first-floor commercial space on the east side of the Harry’s building, which originally included an outdoor dining area, now has a four-season patio, van den Broek said. During warm weather, the windows can be opened for an open-deck feeling.

Construction is expected to begin sometime between October and March 2014, he said, and take a year to complete. The move-in date being advertised is spring 2015.

The fate of the former M&I Bank building has been a source of controversy for years. In 2007, Port Harbor Investments purchased the bank and announced ambitious plans to raze the building and erect a high-end retail and residential structure in its place. Those plans fell through, but not until after the firm gutted the building and partially removed the facade.

Despite the fact the city ordered the building to be repaired after pieces of the facade fell onto the sidewalk, the firm did nothing. In 2009, the city took Port Harbor Investments to court in an attempt to have the building repaired or razed.

The building was put into receivership, and Van den Broek later purchased it.

Image Information: THE EAST SIDE of the Harbour Lights Condominium project proposed by Gertjan van den Broek offers sweeping views of Lake Michigan. This rendering is drawn from the perspective of someone standing at the east end of Main Street looking at the development, which will encompass the former M&I Bank and the Harry’s Restaurant buildings.