



Successful Public Private Partnerships - Olympia Resort (Scotsland) Redevelopment

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The logo for Olympia Fields, featuring the words 'OLYMPIA FIELDS' in a bold, black, sans-serif font. Below the text is a stylized graphic of a wave or a field.



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Scotland Resort – 1972 (Pre-Olympia) Olympia Resort History



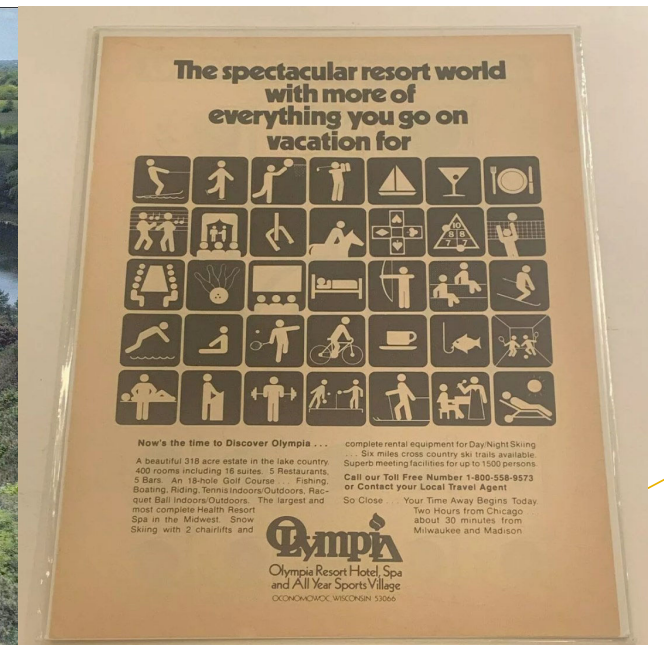
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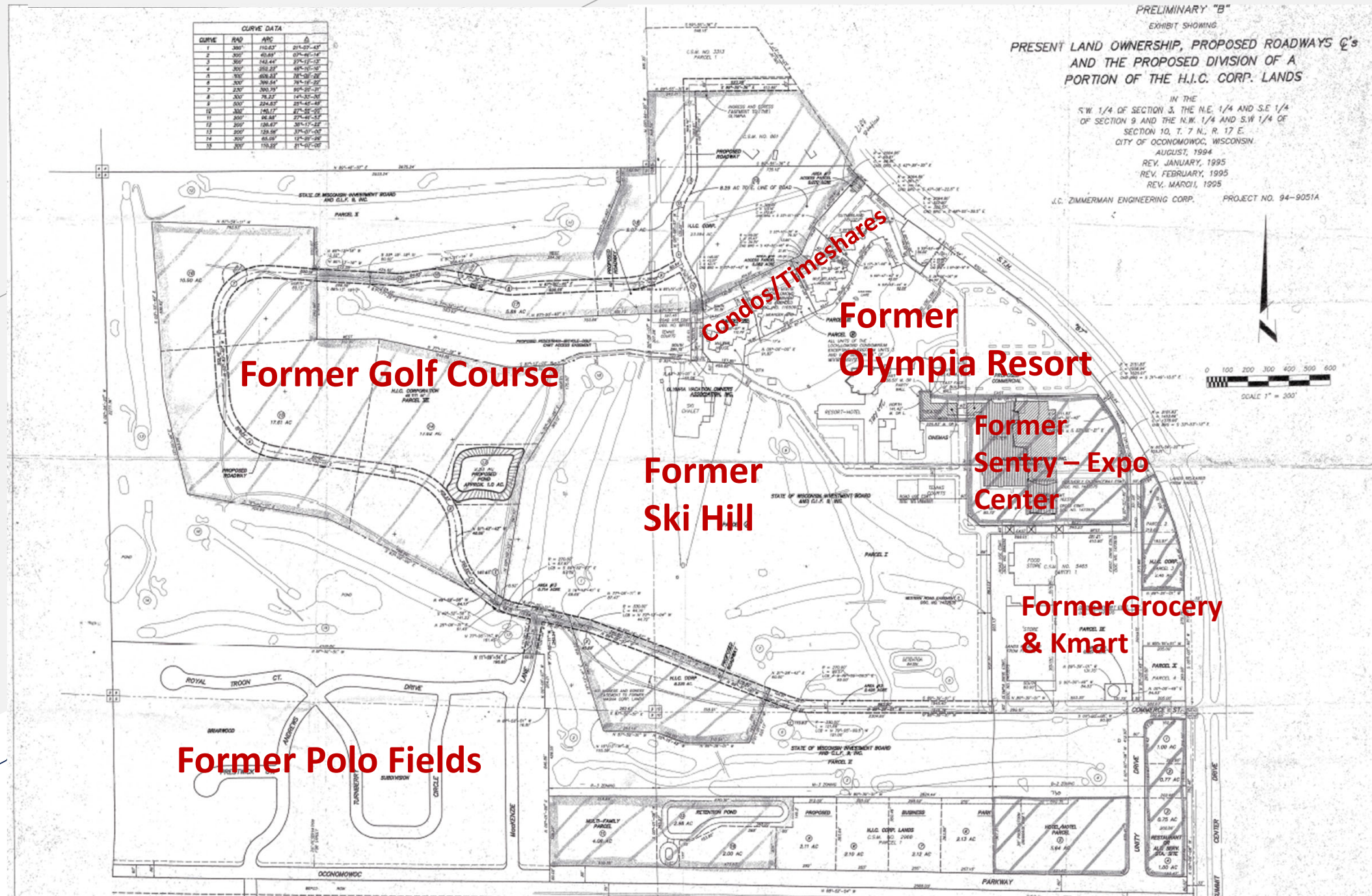
Olympia
Olympia Resort Hotel Spa and All Year Sports Village
OCONOMOWOC, WISCONSIN 53066



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SCOTSLAND – Initial
Break-up 1995





Former Olympia Resort, former Olympia ski hill, former Olde Highlander Golf Course, and Oconomowoc Plaza retail center.



History of Olympia

1970's The Resort

The 300-acre Olympia Resort, which was established in the early 1970's, included many of the amenities you would expect of a high-end resort of the time; a spa, several pools, many restaurants, 40,000 SF of conference space, its own 18-hole golf course, and the featured amenities were a ski hill and polo fields. In its earlier years, the resort also included a movie theater, a connected indoor mall and a Sentry grocery store. In the first decade of the 2000's, the property went through a foreclosure and the amenities were divided off, the movie theater ceased to function, and the mall was demolished. The ski hill and golf course were operated by another group. A subsequent foreclosure resulted in the ski hill & golf course being shut down & re-acquired by Edmond Baysari. When the ski hill stopped operating; it went from a full experience resort to a low-grade hotel and event venue. The 300-room hotel was again foreclosed upon in 2018.



- 1971**
Scotland Planned Development Starts Construction
- 1972**
Scotland Resort opens, including indoor mall and grocery store
- 1980**
Baysari sells polo fields for Kmart & grocery store development
- 1992**
Baysari loses resort in foreclosure.
- 1995**
Eckert & investors buy from East Coast Bank
- 1996**
Wangard Purchases Summit Center/Kmart
- 2001**
Pabst Farms begins development.
- 2005**
Grocery store relocates to Pabst Farms
- 2007**
After the original indoor mall and grocery fall into disrepair, the City orders Baysari to demolish the property.
- 2010**
Goodwill and Planet Fitness move into retail center where former grocery was located



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Over the next several years, with two different City administrations we pushed forward with master planning and redeveloping the property.

2016

City initiates the Summit Avenue Corridor Study

2018

In January, Olympia Resort closes its doors permanently and falls into foreclosure.
Sears (parent company of Kmart) files bankruptcy.
Edmond Baysari dies in September, with no Will
In November, Stewart Wangard acquires Olympia Resort.

2019

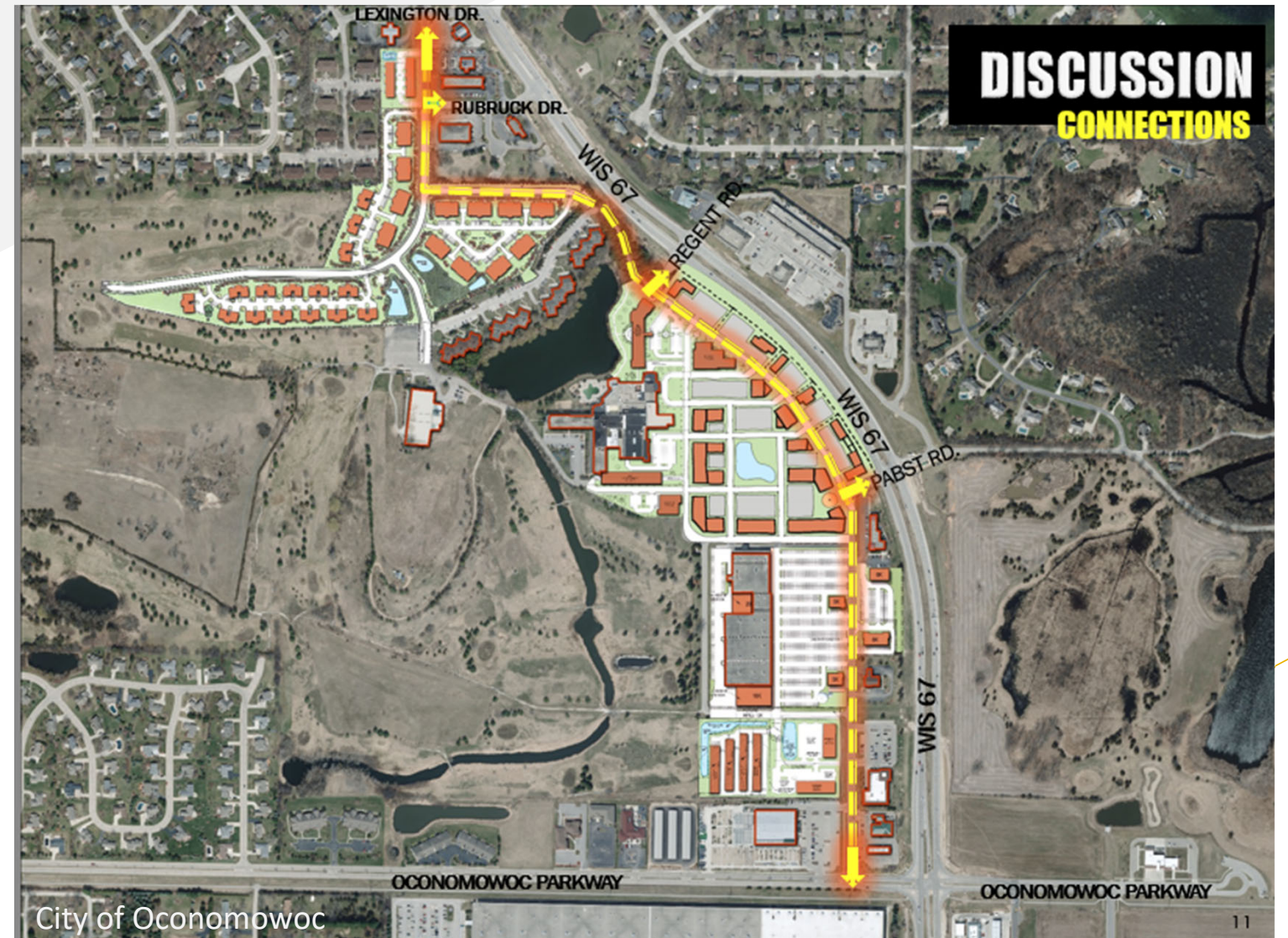
Kmart closes in early Spring 2019.
Wangard Olympia Fields Master plan was approved by the city.

2020

Negotiations begin with the City for TIF.
Architecture plans designed for multifamily component.

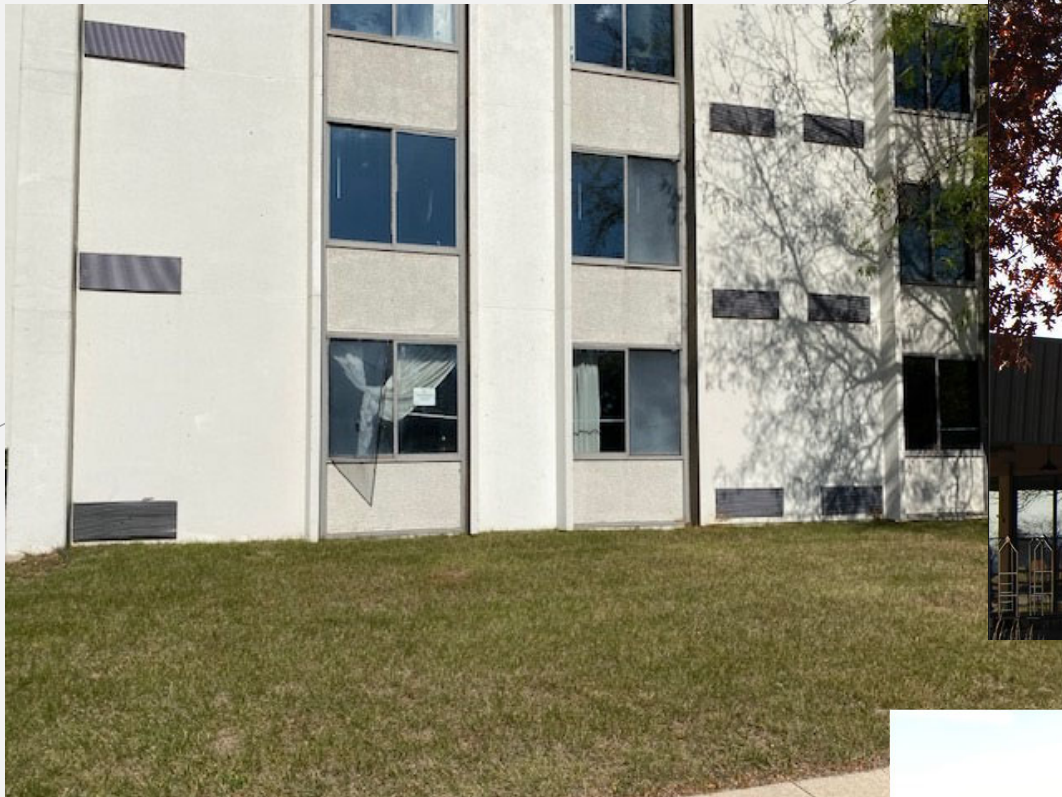
2021

February 2021 – The City approves a TIF plan with commitment to replace all infrastructure including access roads and underground utilities and provides funding to demolish the resort.
March 2021 – City acquires Baysari land by eminent domain.
April 2021 - The heirs of the Baysari estate hired Prairie Trust to liquidate the remaining 240+ acres.
May 2021 - Demolition of Olympia Resort and start of site preparation and infrastructure installation.
May 2021 – City started Phase I of Infrastructure replacement, ROW relocation
October 2021 Wangard starts first building pad for the Locklyn.



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Resort Conversion to Apartments Data

- During this time, we considered renovating the resort to apartments. The resort is constructed of solid concrete. The existing 300+ room “hotel room” building would have been remodeled into 135 Studio, 1 BR. 2 BR., and 3 BR. market rate apartments. The existing hotel lobby, restaurants, fitness areas were planned to be repurposed to covered parking. The existing convention space would have been repurposed at a later date.
- Along with the fact that the property contained asbestos in the majority of the building materials, a conversion would have left us with an energy consuming, white elephant that would have had unit sizes larger than what the market could support.
- As the team continued to explore this possibility, two realities emerged. The first was that the conversion would be very complex because the building’s systems were not integrated in any meaningful manner.
- Secondly, the City elected officials desired a master plan for the entire property with updated infrastructure, and the only fiscal way to accomplish this desire, was through generating significant new value on the property and the property nearby.





The Financial Implications of Conversion

“It took nearly 2 years to get the master project plan & TID approved. The process required a lot of collaboration, analysis, and creativity.” – Megan Michuda, Development Manager – Wangard Partners, Inc.

We initially explored saving the resort structure by converting the hotel rooms into apartment units and a parking garage. Based on our market study, these units would not have been able to command the rents needed to justify the development costs, even after considering the subdivision and sell-off/development of new retail on the excess land. This prompted our initial TIF discussions with the City. TIF will include: infrastructure removal and replacement; Olympia remediation & demolition; sustainable additions; stormwater management upgrades; engineering; easement clean-up and pond refurbishment, trail connections, wayfinding, and landscaping upgrades.

The Olympia Resort had a starting assessed value of \$3.3MM

The City had been trying to redevelop this area for years and saw this as an opportunity to finally get it done. However, a functionally obsolete, 50-year-old, architecturally insignificant structure did not fit well into that plan. The value of Olympia Resort after adaptive reuse would have been significantly less (1/2 to 3/4 as much) than value of remediating and removing the existing resort and replacing it with six to nine modern buildings. We therefore pivoted to pursuing the demolition/re-development multifamily plan, as part of a greater master plan.

Total private development \$\$\$ to be invested: ~\$100MM.

Incentives Received:

- ~\$1.5MM upfront for private site work & engineering
- ~\$2.3MM pay-go for demolition of the resort

Increment guarantees ensure the payback of the following City-paid expenses:

- ~\$11.1MM for public infrastructure
- ~\$2.6MM to purchase a Baysari parcel via eminent domain

Development Fee Concessions:

- Due to repayment of city-funded infrastructure expenses via our increment, we do not have any utility hookup fees within the development.
- We received credit for prior-use impact fees, which significantly reduced the impact fees owed.



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The Master Plan

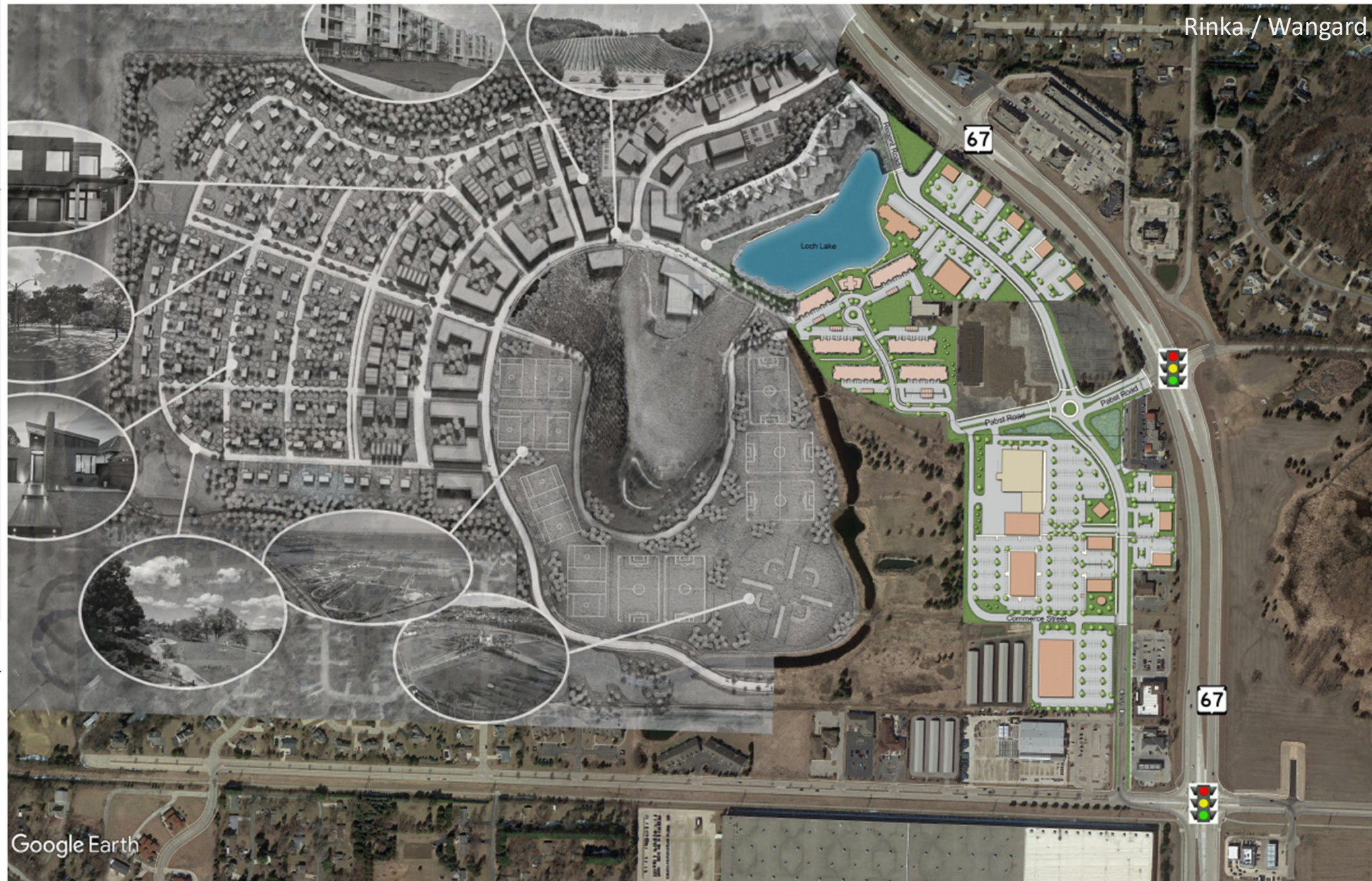
“Encouraging the development and redevelopment of the Olympia Fields area is critical to the continued growth and strategic business development goals for the City of Oconomowoc”. – Robert P. Magnus, Mayor, City of Oconomowoc, WI



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The Master Plan — The Evolution



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The Master Plan

“This is our chance to improve this property and make it a gift to the community.”
– Stewart Wangard, Founder/Executive Chairman, Wangard Partners, Inc.



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The Community Approval Process

“Olympia Fields is a prime example of working with a community to solve problems. Our approach was to first listen; then present alternatives, educate, and trust that the decision-makers would work with us to arrive at the right solution.” - Matt Moroney, CEO, Wangard Partners, Inc.

Our team knows this community well. The team knew that this was almost an impossible request to use eminent domain due to the perspectives of local elected officials. Oconomowoc had previously used this tool in a successful revitalization of its downtown years earlier. However, the use of eminent domain and handing the land over to a developer created divisions in the community. Most of the Common Council had made statements previously that they would not use eminent domain to the benefit of a developer.

Catering to All Needs

Due to the status of the Baysari estate, our team was unable to engage in any discussion with anyone of authority to administer the estate, so including the Baysari parcel in our original plan was not supported. **Instead, we laid the groundwork for the city common council to see the design and infrastructure needs of including the Baysari parcel.**

A New Mayor & A Renewed Perspective

The new Mayor asked a member of our team and his economic development director to sit down and explain the project in detail with each council member individually. Through this process, we identified issues and worked to resolve them. Wangard designed a plan where the City would use eminent domain for the purchase of the Baysari parcel. This allows the needed infrastructure to be installed and for the remaining parcels be purchased through an open RFP process where anyone could participate. **This approach yielded a surprising unanimous vote for the project.**



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After completion of the initial phase of “The Locklyn in 2022,” the Trustees of the balance of the Baysari estate to the west, sold their remaining land to the Neumann Companies (8/2023) for single-family development of the former Olde Highlander Golf Course.

2022

- September 2022 Roundabout Completed
- October 2022 Sendik’s Opens
- October 2022 - Olympia Clinical Building (Maxillofacial surgery) starts construction
- Dec 2022 Building 7 turn over (Fully Stabilized)

2023

- April 2023 - Oconomowoc VA Clinic starts construction.
- August 2023 - Landmark CU started construction on their New Corporate Store.
- August 2023 – Neumann purchases Baysari Trust property and starts earnestly on 350 Owner –Occupied Housing units at their Olde Highlander Development
- August 2023 – Unisource Center (Goodwill end of building) starts new face lift.
- October 2023 – Locklyn 2 (Buildings 8 & 9) start construction
- November 2023 – Mandel to purchase property from Neuman and start on Norden Range
- December 2023 – Olympia Fields Mixed Use starting

2024 - 25

- First Olde Highlander Lots start to be delivered
- Locklyn 2 Buildings come online
- Norden Range Buildings come online
- Olympia Fields Mixed-Use Building comes online



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PRA Architects



RDL Architects



Strang Architects



Kahler Slater

THE
LOCKLYN
AT OLYMPIA FIELDS



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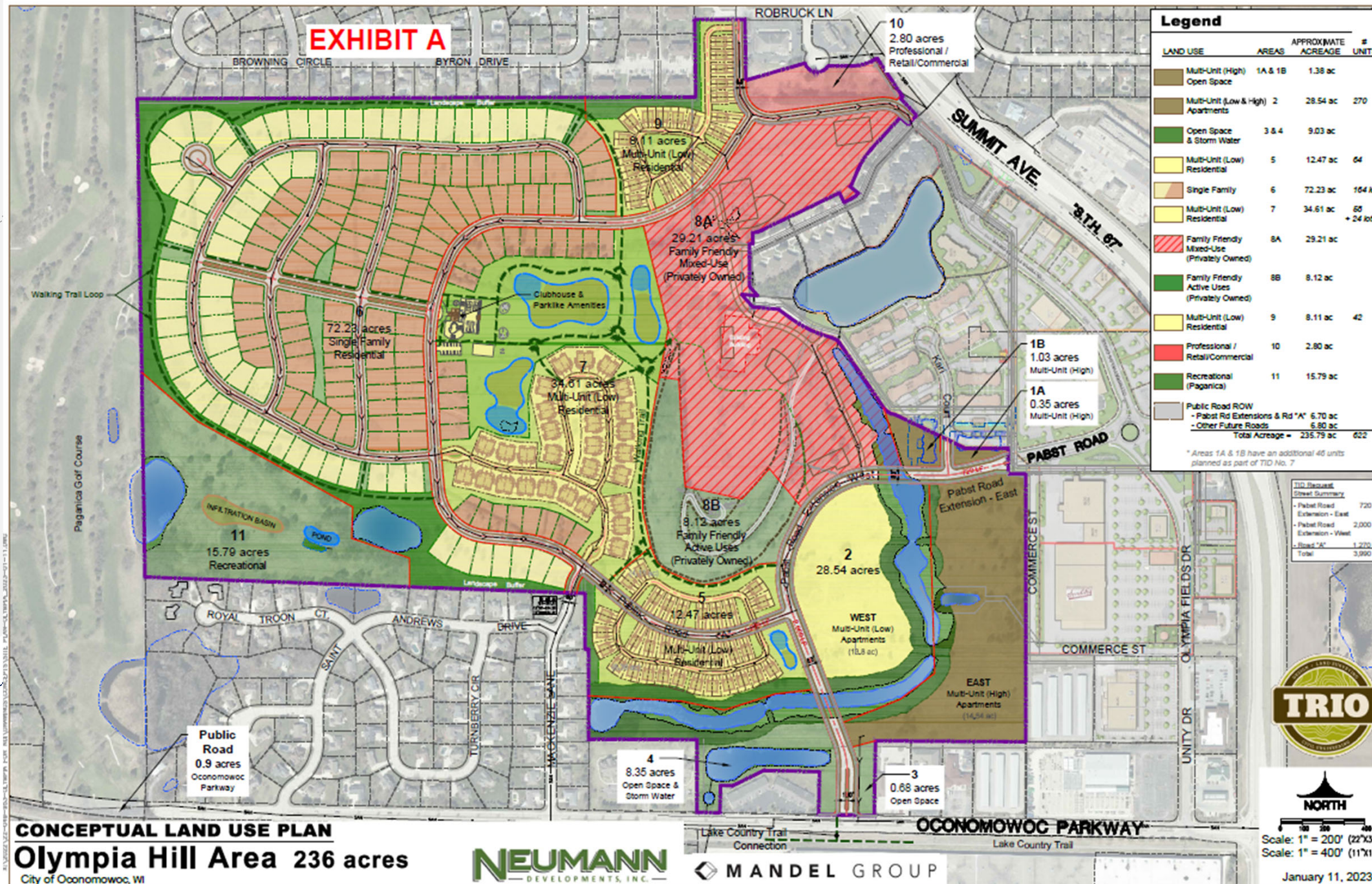
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Wangard – Mixed Use Site Plan – 2024

106 Apartments, 9 townhomes, 17,000 s.f. retail



Neumann – Conceptual Land Use Plan - 2023



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Partners in ROI:

- Developers – Provide taxable real estate investment into communities
- Municipality – Provides efficient, reliable public services and increases legitimacy and trust from citizens

Benefits:

- Mitigates & properly allocates risks
- Provide Incentives & shared costs
- Ensures value for both parties
- Allocates appropriate skills and management among partners
- Promotes vision and innovation
- Reduces Infrastructure investment required by private sector
- Establishes financing model for community improvement



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Effectiveness of the Model:

A stronger Partnership is built when...

- Government officials & staff understand how the private sector works and what motivates them.
- Private sector understands the established role, needs and vision for the community

A collaborative development vision can assist in cost effective implementation by both partners

Partnership Strengths...

Both development and government need to contribute to the partnership

- Private sector can be a source of efficiency, connections, and project management expertise.
- Government provides needed infrastructure expertise, legal framework, and creative financing methods.



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Roles:

- Private Partner / Developer:
 - Achieve defined levels of performance and real estate development
 - Attract businesses, goods, and services that support the development, and in, turn support the community
 - Provide expertise & market innovation
 - Provide access to private capital & financing
 - Facilitate community connectivity through pedestrian & trail amenities
 - Facilitate community placemaking through amenities & signage
- Government;
 - Sets policy, identifies opportunities and defines objectives
 - Ensures transparency and trust in the approval process
 - Safeguards the interests of the elected officials, stakeholders, and the general public



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Conclusion:

- Public Private Partnerships:
 - An emerging viable model for collaboration and implementation
 - Recommended for communities to encourage growth, be proactive, sustainable and regionally competitive
 - Increases private real estate investment potential and opportunities
 - Allows customization based on development needs & community requirements
 - Both entities need each other for future success.



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Successful Public Private Partnerships - Olympia Resort Redevelopment

Scotsland Redevelopment

Fiscal Impact

\$500 Million



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Thank You



Greenfire Construction

Presented By:

Bob Duffy, Economic Development Director at City of Oconomowoc, WI

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