

Minutes
Community Development Authority Meeting
February 23, 2016

Chair Stolper called the Community Development Authority (CDA) meeting to order at 6:00 pm.

Present: Chair Tom Stolper, Mr. John Surdyk, Aldm. Kathy Thomas, Mr. Andrew Homburg, Aldm. Doug Wood, Mr. Scott Kelly, Mr. David Lombardo.

Also Present: City Planner Sonja Reichertz, City Administrator April Little, Planning Consultant Scott Harrington, Vandewalle & Associates, CDA Consultant Gary Becker, Vierbicher Associates, Mayor Bob Miller, City Attorney Bill Cole, Applicants Cari Fuss, Robert Proctor, and Carl Kampmeier.

MINUTES

A motion by Aldm. Thomas, seconded by Mr. Homburg, to approve the minutes of the October 27, 2015 meeting was carried.

APPEARANCES

There were no appearances.

OLD BUSINESS

A. Update on Riverfront Development Project

Scott Harrington, Vandewalle & Associates reviewed the most recent conceptual site plan. He explained that the City is pursuing two developers for a phase one, specifically for a residential piece and a hotel. He said the goal is to have enough value to fund the first phase of public improvements. He presented an email solicitation with links to all relevant riverfront project documents which will be distributed to a list of hotel developers. He also reported that the city's work group met with the WPS executive team to discuss their interest in the development and needs for the hotel. The work group plans to provide a survey to the 1,900 employees at the WPS Monona campus and the CDA agreed that would be valuable.

Mr. Homburg noted that the city's pursuit of individual developers rather than a master developer may be perceived as a negative message, that this site is not feasible for a master developer. He also urged that the city be cautious about a publicly owned parking garage because the ongoing maintenance will be costly and that revenues are often elusive.

NEW BUSINESS

A. Consideration of a Resolution to Exercise an Option to Purchase Real Estate Located at 6320 and 6321 Metropolitan Lane.

February 23, 2016

Approved March 29, 2016

Planner Reichertz said the city currently has an option to purchase the property at 6320/6321 Metropolitan Lane, Inland Marina, which expires on 3/31/16. The CDA previously requested additional information on whether the current owners would be willing to lease back the property beyond 3/31. Reichertz reported that the owners were willing to do so, and shared a proposal to lease back after the city exercises the option. The owners' proposal is to lease back the shop building for two months, until the end of August, for \$1.00 plus the pro-rated property taxes, maintenance, and insurance. They also proposed to lease back the building on the water including the boat slips for \$1.00 plus pro-rated property taxes, maintenance and insurance until the end of December. The total the City would get back is about \$5,000. City Attorney Bill Cole will formalize the details of the arrangement.

A motion was made by Alder Wood, and seconded by Alder Thomas to approve CDA Resolution No. 1-26-2016 to Exercise an Option to Purchase Real Estate Located at 6320 and 6321 Metropolitan Lane including the general terms of the lease-back arrangement as described.

Alder Wood noted that if the city does not purchase these properties then it means we would no longer pursue the redevelopment project.

The motion carried unanimously.

B. Consideration of Proposed Development of a Meineke Auto Service Center at 1000 E Broadway for Compliance with the Redevelopment Area #6 Project Plan.

Planner Reichertz provided background on the proposed development of the 7,000 square foot Meineke service center at 1000 E Broadway. She said the Plan Commission approved the zoning permit, site plans, and building elevations in November 2015. CDA and Council authorization to proceed is required because of its location in Redevelopment Area #6. The Plan Commission required additional masonry on the west elevation, which the applicants originally proposed as a sheet metal wall, because the proposed materials did not meet the district standards of four-sided architecture. Mr. Homburg added that metal architecture is the type of development the redevelopment plan intended to replace with higher quality architecture.

Cari Fuss, TIF consultant, presented background on the site and justification for a TIF request on behalf of the applicants and project owners. The project value is \$1.9 million and the TIF request is approximately \$303,000 which is broken into line items in the application submitted. Ms. Fuss explained the justification for TIF, including that it is funded by an SBA loan which does not support the additional costs of contamination and soil stability. She said if TIF funding cannot fill the gap, the project will not move forward on this site. She added it is highly likely that these costs will exist and require funding for any project proposed on this site. The current assessed site value is \$213,700.

A motion was made by Alder Thomas, seconded by Mr. Kelly, to approve the proposed development as consistent with the redevelopment area #6 project plan. The motion carried unanimously.

The CDA discussed the justification for TIF. The CDA discussed that contamination has been identified, but it is not clear what the DNR will require for remediation and what the associated cost will be. The CDA discussed the higher than average standard industry construction costs for this type of development. The applicants explained that the industry standard is for a metal building, not 3-4 sided masonry architecture, and therefore the industry standard numbers are skewed.

Gary Becker, CDA consultant, Vierbicher Associates provided his analysis of the TIF request. He said the TIF justification seems appropriate, and that the gap analysis showed there is a justified gap in the funding sources compared to the project costs. The project will cash flow within seven years.

- C. Convene in Closed Session Pursuant to Wisconsin Statute Section 19.85(1)(e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session (1. JACS Property Monona, LLC TIF Development Application; 2. Property Acquisition for Redevelopment).

A motion was made by Mr. Surdyk, and seconded to Alder Wood to convene in closed session. On a roll call vote, the motion carried unanimously.

- D. Reconvene in Open Session under Wisconsin Statute Section 19.85(2).

A motion was made by Mr. Homburg, seconded by Mr. Kelly, to reconvene in open session. The motion carried.

- E. Consideration of TIF Application and Direction to Staff Moving Forward with a Development Agreement with JACS Property Monona, LLC.

A motion was made by Alder Wood, seconded by Alder Thomas to table the request. The motion carried unanimously.

- F. Consideration of Property Acquisition for Redevelopment.

There was no further discussion.

REPORTS OF STAFF AND COMMUNITY DEVELOPMENT AUTHORITY MEMBERS

7.A. Update on Existing and Proposed Developments

City Planner Reichertz updated the CDA on development projects including the UniverCity Alliance Projects, and the Smart Growth Greater Madison event being held at the community center on March 9th. The CDA discussed their involvement in the UniverCity projects and requested that they have an opportunity to provide input on the scope of work and hear from UW Professor Kurt Paulsen on housing research opportunities. This will be scheduled for the March 29th CDA meeting.

Community Development Authority Minutes

February 23, 2016

Approved March 29, 2016

7.B. CDA Questions and Requests for Information Concerning Commercial/Residential Development Projects/Proposals.

There were no additional questions.

UPCOMING CDA MEETINGS - The next meeting is March 29, 2016 at 6:30 pm.

ADJOURNMENT

A motion by Aldm Wood, seconded by Mr. Homburg to adjourn was carried. (9:30 pm)

Submitted by:
Sonja Reichertz
City Planner