

**Minutes
Community Development Authority
May 31, 2022**

Chair Stolper called the Community Development Authority (CDA) meeting to order at 6:30 pm.

Present: Chair Tom Stolper, Alder Doug Wood, Mr. Jeff Staver, Mr. Andrew Homburg, and Mr. Dave Lombardo.

Excused: Alder Kathy Thomas, Mr. Scott Kelly.

Also Present: Interim City Administrator Marc Houtakker, City Planner Doug Plowman, City Attorney Bill Cole, Mayor Mary O'Connor, Gary Becker, Christopher Gosch, Jason Iverson, Bert Slinde, Jeff Slinde, Jeff Gillis, and Pete Moegenburg.

MINUTES

A motion by Alder Wood, seconded by Mr. Lombardo, to approve the minutes of the April 26, 2022, meeting carried with 3 corrections.

APPEARANCES

There were no appearances.

OLD BUSINESS

- A. Continued Review, Discussion, and Possible Action (if necessary) of Development Proposal and Tax Increment Finance Request for 6501 Bridge Road (Semovski & Zytelja, LLC and Populance, LLC).

Mr. Gosch presented his application for a mixed-use redevelopment of the Monona Garden Site at 6501 Bridge Road. He was last before the CDA in 2021, and has since revised the plans with feedback from the Plan Commission. The project no longer includes car sharing, and a large amount of the ground floor parking needs are accommodated within the extensive City right-of-way in front of the building.

Andrew Homburg asked about the condominium live/work product to which Mr. Gosch responded there has been strong demand at a similar project in Madison. Alder Wood inquired about the fees listed in the submitted financial materials. The applicant responded that a breakdown of costs was shared with former City Administrator Gadow. City Planner Plowman will work with the applicant to locate another copy before the next meeting. Andrew Homburg asked the applicant about the PACE financing. This financing is a loan (4.9% interest rate), and the applicant will use it to cover the geothermal costs for the project. Dave Lombardo and Chair Stolper asked about the fees and management of the job. Gary Becker responded that the construction administration fees appeared reasonable when he analyzed them. There was discussion regarding the

differences between Mr. Gosch's numbers and those included in Gary Becker's analysis. The two will work together to align their assumptions before the next meeting for ease of review.

Chair Stolper asked if this would be a Pay-Go TIF request versus a traditional bond. It is likely this will utilize Pay-Go. Andrew Homburg asked if the live/work units are modeled for-sale or as rental. Mr. Gosch responded they are still flexible, and that they have been modelled both ways. Estimated sale values were derived from the rental units financial performance.

NEW BUSINESS

- A. Preliminary Review, Discussion, and Possible Action (if necessary) of Development Proposal and Tax Increment Finance Request for 112-208 Owen Road (Slinde Realty Company).

Mr. Bert Slinde introduced his application for a two-phased mixed-use development of the former Village Lanes bowling alley and the current USPS strip mall at 112-208 Owen Road. He introduced the project team and shared background on the project. The numbers presented to the CDA are as current as possible given Mr. Gillis is a partner on the project and leads a construction company. The plan is to relocate the existing USPS business from its current location to the new multi-family building when completed. The first phase will also include a workforce-housing component, offering a type of housing that is not currently available in Monona. He shared that costs have continued to rise during the planning process, and that the Plan Commission approved both the General Development Plan (GDP) and Precise Implementation Plan (PIP) for Phase I, but at a reduced density and increased parking levels. The plan is to hold the asset for the long-term and with no plans to sell.

Alder Wood asked about Phase II and if it was included in the CDA proposal. Mr. Bert Slinde responded that condominiums were the goal, but that it could also be additional multi-family units given the difficulty of financing condominiums. Andrew Homburg asked which units would be workforce (60-80% AMI) as it was not clear from the financial materials. The applicants responded that it would mostly be the studio and one-bedroom units and would likely account for 30 of the 96 units. Chair Stolper asked about the cap rate as well as how the financials and TIF request evolved when the interest rates increased. The applicant responded that they were cautious with the cap rate given the retail and workforce elements to the project.

- B. Convene in Closed Session (if necessary) Pursuant to Wisconsin State Statute Section 19.85(1)(e) Deliberating or negotiation 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 (6501 Bridge Road Project and 112-208 Owen Road Project).

Motion by Mr. Homburg, second by Alder Wood, to convene into closed session. On a roll call vote, all members voted aye to convene into Closed Session at 7:45 pm.

C. Reconvene in Open Session Under Wisconsin State Statute 19.85(2) (if necessary).

Motion by Alder Wood, seconded by Mr. Lombardo, to reconvene into open session. Motion carried. The CDA reconvened into open session at 9:15pm.

D. Discussion and Possible Action on Items Arising from Closed Session (6501 Bridge Road Project and 112-208 Owen Road Project) (if necessary).

No further action was taken.

REPORTS OF STAFF AND CDA MEMBERS

City Planner Plowman provided an update on the Bloom project which he expects to return to CDA for further discussion in June. He also provided an update on the workforce housing project on E. Broadway that successfully received \$1.2m of WHEDA funding.

Andrew Homburg asked about the South Towne Office Park redevelopment discussion that took place at the Plan Commission.

UPCOMING CDA MEETINGS

The next meeting date will be June 28th at 6:30pm.

ADJOURNMENT

A motion was made by Andrew Homburg, seconded by Mr. Lombardo to adjourn. The motion carried. (9:21 pm)