

**Minutes
Community Development Authority
August 23, 2022**

Chair Stolper called the Community Development Authority (CDA) meeting to order at 6:34 pm.

Present: Chair Tom Stolper, Alder Kathy Thomas, Alder Doug Wood, Mr. Scott Kelly, and Mr. Andrew Homburg.

Excused: Mr. Dave Lombardo, and Mr. Jeff Staver.

Also Present: Interim City Administrator Marc Houtakker, Planning Director Doug Plowman, City Attorney Bill Cole, Gary Becker, Christopher Gosch, Sean O'Brien, Lane Manning, and Blake George.

MINUTES

A motion by Alder Thomas, seconded by Mr. Kelly, to approve the minutes of July 25, 2022, meeting carried.

APPEARANCES

There were no appearances.

OLD BUSINESS

A. Consideration and possible action on TID #4 Boundary Amendment.

Gary Becker updated the CDA on the status of the proposed boundary amendment. The JRB meeting will take place on September 9, 2022 and the public hearing will follow on September 19, 2022.

B. 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).

Chair Stolper outlined the review process for the development agreement. The CDA does not negotiate the document; instead, the Applicant, City Attorney, City Staff and CDA Chair do on their behalf. The CDA reviews and votes on the final document, as well as any issues that arise. Mr. Gosch outlined his term sheet comments to the CDA, and requested that the development agreement include clarifications regarding the public improvements. He added that none of the comments changes the intent of the term sheet. Chair Stolper provided feedback on the development fee, and that it is typical for some of this to be dispersed, but that some must remain in the project, at least in the short-term. The applicant added that the fee is performance based and is the last element to be paid. He is also happy to demonstrate how it will be taken. The CDA wants to ensure the developer keeps an interest in the project and this is achieved through this fee.

- C. 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).
- D. Reconvene in Open Session Under Wisconsin State Statute 19.85(2) (if necessary).
- E. Discussion and Possible Action on Items Arising from Closed Session (6501 Bridge Road Project) (if necessary).

The CDA did not need a closed session for this item, and the Old Business Section was closed.

NEW BUSINESS

- A. Informational Presentation for Proposed Redevelopment and Tax Increment Finance Request for 1208 E. Broadway (Northpointe Development Corporation).

Mr. O'Brien and Mr. Manning presented details of their project to the CDA. They have two parcels at the Whitehorse property under contract. The applicants presented a number of other local projects that they have developed, and outlined their approval timeline for the Monona project. The Plan Commission approved a General Development Plan (GDP) in fall 2021, and they plan to return for their Precise Implementation Plan (PIP) in the next couple of months. The project includes 75 units across three buildings, with 59 workforce units and 16 market-rate. High quality interior finishes will be used, alongside masonry and composite siding on the exterior. The estimated project cost is \$22.4 million, with annual tax payment expected to be \$140,000. WHEDA tax credits have been awarded, and these will be sold for equity. As part of the WHEDA funding, the applicant is required to cap rents for these units at 30-60% of the Area Median Income (AMI). Dane County has committed \$1.25 million towards soft funds for the project, and the applicant has applied for other grants. The applicants seek the opportunity to discuss TIF options for the project before finalizing their application.

Mr. George also discussed the adjacent parcels in the development, and possible plans for those. Commercial uses are planned for adjacent parcels, valuing the Beltline visibility offered. Alder Thomas shared that the City's recent DEI report highlighted the limited number of affordable units in the City, and the importance of a project like this. The CDA discussed access across the lots, and via existing driveways. Andrew Homburg shared that he is glad to see the commercial component to the project, and that he would otherwise have had concern about the isolation. There was some discussion about the proposed building design, and the importance of meshing the buildings in a cohesive manner. Andrew Homburg added his concern for tax credits depressing the rents and tax values. Mr. O'Brien responded that of the \$22 million development cost they expect \$7 - \$8 million in assessment value for the project. Mr. George added an estimate of between \$2.5 - \$3.5 million assessed value for each of the adjacent commercial parcels.

There was discussion regarding the infrastructure improvements for the site, and Mr. George would like to use TIF for the road. The intent would be for the road to be a private drive with a public street level of finish. Mr. George added that this would be privately maintained. Attorney Cole added that this could be included as part of the development agreement if the CDA deemed it appropriate. Gary Becker asked the CDA if they would rather receive multiple TIF requests for the property or for it to be combined. There was discussion among members about the interdependence of the applications, and the current status of each of the projects. Chair Stolper and Alder Thomas shared that it is difficult to render an opinion with only one piece of the application. There was also discussion regarding TID 6, and if that could support this project. Interim City Administrator Houtakker responded that it could close in six years. Andrew Homburg suggested the City analyze the math as well as what is proposed for each phase and when it will be added.

REPORTS OF STAFF AND CDA MEMBERS

Planning Director Plowman updated the Board that the Neutral Project returned to the Plan Commission at their August 22 meeting for a number of prehearing discussions. Feedback was generally favorable, and they will need to demonstrate full site control before pursuing formal considerations.

UPCOMING CDA MEETINGS

The next meeting date will be September 19 at 5:00pm.

ADJOURNMENT

A motion was made by Mr. Homburg, seconded by Alder Wood to adjourn. The motion carried. (7:51 pm)