

**MINUTES OF THE COMMUNITY DEVELOPMENT AUTHORITY MEETING
HELD AT THE GREENFIELD CITY HALL COUNCIL CHAMBERS ON
TUESDAY, JUNE 30, 2015**

1. The meeting was called to order at 6:30 p.m. by Mr. Pietroske, Vice Chairperson

James Podewils (Chair)	Excused
Ald. Karl Kastner	Present
Ald. Bruce Bailey	Present
James Hodson	Present
Steven Pietroske	Present
Robert Selin	Present
Troy Chowanec (Alt.)	Present
Ben Rucka (Alt.)	Present
Donald Carlson	Excused

ALSO PRESENT: Mayor Michael Neitzke
Richard Sokol – Director of Neighborhood Services
Charles Erickson – Community Development Authority
Dawn Gunderson-Schiel – Ehlers & Associates

2. **Motion by Ald. Kastner, seconded by Mr. Bailey to approve the minutes of the June 2, 2015 meeting. Motion carried unanimously.**
3. **Discuss the proposed project plans, boundaries and creation of Tax Incremental Districts No. 4 and No. 5. (NOTE: Due to a publication error made by the Greenfield NOW, the City’s official newspaper, the legal notice for the TIF-related public hearing was not published at all, therefore, the public hearing initially scheduled for this meeting is cancelled. See Agenda Item #5 which pertains to a new hearing date.)**

Mr. Sokol stated that it was the intention to have a public hearing today, however; that will not take place due to an error with publishing of the notice in the Greenfield NOW. A revised project schedule was distributed, with it noted that discussions have now begun regarding a third TIF, TIF #6. The City is trying to integrate the three TIFs together going forward in order to minimize the number of meetings and address any issues simultaneously.

Ms. Gunderson-Schiel gave some background information. She first discussed TIF #4 (60th Street & Layton Avenue), followed by TIF #5 (Loomis Crossing). She gave a review of both properties and their Project Plans, along with a financial feasibility analysis for each.

Mr. Hodson questioned the impact of borrowing on the overall City debt service, to which Ms. Gunderson-Schiel replied there is flexibility to amend the plan based on things that may come up in the future, thereby changing the scope, so the financial impact is always able to be reviewed and adjusted accordingly.

Mr. Hodson questioned if there is an advantage or a disadvantage in closing out the project plans early. Ms. Gunderson-Schiel responded that with TIF #4, knowing that the bulk of the anticipated project costs are fairly early on (such as street improvements), the development incentives would be the one variable piece that could be left out there for a while. There isn’t an advantage to closing out early, nor is it detrimental to keep the plan open. Ms. Gunderson-Schiel

stated there is the ability to do amendments in the future, as the statues allow for us to add or subtract boundaries throughout the statutory life. Mr. Sokol said the City's goals and what it takes to achieve them are enhanced by this element of flexibility.

Ms. Gunderson-Schiel then gave a review of the role WisDOT and the Memorandum of Understanding play in relation to TIF #5.

Mr. Selin questioned the parcels that are listed as owned by the City and why there was value on them. Mr. Erickson replied that the parcel at 4001 W. Loomis was purchased by the City thru a foreclosure. Ms. Gunderson-Schiel stated that regardless of whether it is City-owned, the Wisconsin Dept. of Revenue requires that a value be applied to each parcel upon creation of the TIF District. If the TIF District is created before September 30, 2015, the State would go back to what the property was valued at January 1, 2015. Along with 4001 W. Loomis there are two additional properties that are owned by the City. If the District is created by the cutoff date of September 30, 2015, the paperwork must be filed in October.

Mr. Selin questioned the list of non-project costs shown on page 29 of the handout for TIF #5. Mr. Sokol stated the reimbursement of the shown \$1.2 Million in non-project costs were costs incurred prior to the creation of the proposed TID #5 to assemble portions of the project. When the parcels are sold the proceeds are not eligible to go toward the TIF. Ms. Gunderson-Schiel stated that in issuing general obligation debt you're pledging your tax base. If the revenue from the district is not sufficient to pay the debt service, the City is obligated to pay it from another source, such as raising taxes to do so.

Mayor Neitzke stated that a way to look at this is that no money is going to be borrowed unless something is going to happen. There is some urgency as far as the Meijer project goes. The debt associated with these projects will be paid by the people using those project in the future, instead of the current taxpayers paying today for something in the future.

4. Hear and discuss presentation regarding the preliminary financial feasibility and area map for TIF #6 (Cobalt/Chapman).

Scott Yauck and Dan Roskopf with Cobalt Development were present to answer questions along with Steve Anderson with Anderson Commercial on TIF #6, in the area of 84th & Layton.

Mr. Sokol gave a review of the preliminary development plan and showed a map identifying the area and how it will be used. This development is moving along very quickly. Tonight is a preliminary discussion; with its project plan and a broader financial feasibility analysis being formally presented at a future meeting.

Mayor Neitzke spoke on how the City was interested, during the re-do of I-894 & Loomis a few years ago, in doing a redevelopment district, in acquiring property, etc. Now it is the opposite approach as a developer has come on board, approaching the existing property owners, and laying out a plan and timeline. This takes the City out of the required statutory costs that would have fallen on us and shifts them to the developer.

Ms. Gunderson-Schiel said the formal plan has not been drafted yet for this type of district. There was an analysis done to determine the type of district that will be occurring, with it being determined that this district falls under the category of "in need of rehabilitation or conservation". The benefit of this classification is that it is 27 years long versus 20 years, which gives a longer time period to both take costs and recover costs. Also, it fits this designation due to the

percentage of vacant land involved, which cannot exceed 25%. Vacant land is defined as no improvement on it, and also if the building value has a tax value less than the land, then it is considered vacant.

Ms. Gunderson-Schiel then gave a brief overview of the plan, which will include the building of a new Steinhafels, retail, restaurants, fitness center, hospitality and residential components. Again, the September 30th deadline to have the funding in place is critical to meet, in order to qualify for this designation and meet the 7-year window as it relates to “vacant”. She then presented the financial considerations and the revenue streams that would be available for project costs.

Mr. Sokol stated that the City has retained an appraiser for forming a judgement as to the value of the real estate after it is assembled and improved, along with retaining an engineer to perform due diligence.

Mr. Yauck then spoke on the development. They have strong interest and support for their plan. Ald. Kastner questioned if one could say that this is now past merely a vision and that it is now in the nuts and bolts stage, to which Mr. Yauck stated that is true. Mr. Yauck said they have national users and have targeted local businesses as to their interest. Their cost will be approximately \$41 million, with a gap of approximately \$29 million they are looking to have funded.

Mayor Neitzke spoke on how the goal is to maximize the value of the property. If storm detention were to be located underground it would add another approximately \$9 million in developable area, as opposed to doing it at ground level. The vision for this site is realistic. The farmer’s field site on the west end of this development has historically been unavailable. The only developmental interest in that site since the 2007 real estate collapse has been stick-built apartment developers, where there could be a value of \$12-15 million realized, but would force the City to incur a greater impact on our school system. This plan is a golden opportunity to achieve all the smaller attempts for this site that have been brought forward but never come to fruition.

Mayor Neitzke continued by saying that when it comes to risk there are two types of TIFs. Either you could turn the farm field into an industrial park with roads and business will come to Greenfield (the premise of build it and they will come) or the pay as you go type, where the developer finances all. An example of that is the Highlands off of Hwy. 100 and Cold Spring. With this development there is risk, but there is also a commitment to develop. What will sell? Great architecture and good name entities. Ald. Kastner said it is already clear that Steinhafels will be rebuilt at the site. Mayor Neitzke stated that years ago there was talk of Shopko at this site, followed years later by the possibility of Target. None of that happened and the hard money just “stepped away”. Now the neighborhood is ready for development.

5. Consider approval of a public hearing date/time for TIF #4, #5, and #6 creation.

Motion by Ald. Kastner, seconded by Mr. Chowanec to approve July 23, 2015 at 6:30 p.m. for a public hearing for TIF #4 and TIF #5, and TIF #6 creation. Motion carried unanimously.

Also, on July 23, 2015 there will be an initial meeting of the Joint Review Board to inform them on the creation of TIF #4, TIF #5 and TIF #6. There will be a Common Council meeting in mid-August to hopefully vote on the approval of all three TIFs.

Mayor Neitzke stated he appointed, and the Common Council concurred to have, Ald. Karl Kastner and Denise Collins as the “public” member of the Joint Review Board.

6. Election of Officers.

Motion by Mr. Hodson, seconded by Mr. Chowanec to approve the appointment of Steve Pietroske as Chairperson of the Community Development Authority. Motion carried unanimously.

Motion by Mr. Selin, seconded by Ald. Kastner to approve the appointment of Robert Selin as Vice-Chairperson of the Community Development Authority. Motion carried unanimously.

7. Staff to provide a general update on pending and/or anticipated development activities throughout the community.

No update.

8. Motion by Ald. Kastner, seconded by Mr. Chowanec to adjourn the meeting at 8:20 p.m. Motion carried unanimously.

9. The next meeting of the Community Development Authority will be held at the Greenfield City Hall at the call of the Chairperson.

Respectfully submitted,

Alison J. Meyer
Administrative Assistant

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