



CITY OF WAUWATOSA
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JOINT COMMON COUNCIL/WEDC BOARD MEETING

Thursday, April 23, 2009 – 12:05 p.m.

PRESENT: Aids. Birschel, McBride, Krol, Meaux, Nikcevich, Stepaniak, Walsh -7

ALSO

PRESENT: Mayor Didier; Mr. Archambo, City Admin.; Ms. Welch, Community Development Director; Mmes. Szudy and Ferguson, City Planners; Mr. Wojcehowicz, Water Utility Supt.; Mr. Rusch, Intern; WEDC Vice-President Bob Gintoft; WEDC Board members Robert Simi, Steve Smith, Bill Bode; WEDC Secretary Lisa Mauer; WEDC Interim Executive Director Theresa Estness; Ryan Horton (via phone) and Nathan Guequierre, Ryan Horton/URS

Ald. Krol in the Chair

Presentation of Draft Economic Development Vision, Structure, and Implementation Plan. Mr. Guequierre explained that Ryan Horton/URS was retained by the city and WEDC (Wauwatosa Economic Development Corporation) to perform a study concerning the organization and status of economic development activities in the city. During December 2008 and January 2009, 29 key stakeholders (as identified by the city and WEDC) were interviewed as part of the effort to determine the state of economic development – its challenges, problems, successes, and road blocks - in Wauwatosa. Input was also received from 25 community roundtable participants. Goals and objectives were developed as a result of the information gathered.

A component of the information gathering was the comparison of Wauwatosa to other similar ‘peer cities’ who mirror Wauwatosa in a number of key areas, and who also have very good reputations for economic development activities.

A structure to redevelop economic activities within the city has been drafted; Mr. Guequierre reviewed some key findings which lead to the restructuring proposal: Wauwatosa is not entirely conceived of itself as a redevelopment community; it is in a maintenance mode. There is no one person in the city responsible for the overall economic activities. WEDC has no powers over land use or funding tools, and has no sustainable funding source. Its mission is not clearly articulated, and the volunteer nature of the board is problematic in terms of effectiveness and stability. The city is financially risk-averse and the Common Council evaluates development projects with *ad hoc* and subjective standards.

Mr. Horton reviewed the six ‘peer cities’ of West Allis, WI, Richfield, MN, Emeryville, CA, Southfield, MI, Speedway, IN, and Shaker Heights, OH. All are built-out, fully developed communities that are considered land-locked, inner ring suburbs. They have large retail and commercial components. In the area of economic development, all have received awards and recognition therefor and have evidence of ambitious, pro-active redevelopment planning efforts.

Mr. Horton noted that in all cases, the six 'peer cities' have larger staff capacity devoted to economic development efforts, rely on the tax levy to support their operations, have revolving loan funds (RLFs) administered by development departments, and have powerful development authorities, but do not have independent economic development corporations.

It is proposed that beginning in 2010, the plan, if implemented, will result in economic development efforts concentrated in the Department of Community Development. The Common Council will set policy, and measure progress, but will not interfere with the day-to-day management decisions. Staff must be trusted to 'do the right thing.' The Common Council will be represented on all boards, i.e., the Economic Development Advisory Committee (EDAC), the new WEDC, the new Community Development Authority (CDA), etc., and will have its say in every instance concerning policy or fiscal impact. It will be up to the Common Council to structure the Community Development Authority and to determine the extent of its power. Under the new model, WEDC will be defunded, but the body will remain to accept tax deferred donations of land and funding. Additionally, the WEDC Board will assume control over the revolving loan fund.

The Economic Development Advisory Committee, a citizen committee, will guide the macro economic development policy, and will shape TIF policy. This Committee may also be involved in any future city-wide economic development plan.

Mr. Horton then reviewed recommended first steps for implementation: Agree to fund WEDC through the end of 2009 to ensure an orderly transition; eliminate the WEDC executive director position; earmark funds to hire an economic development manager for the new Economic Development Division (2010); earmark funds to hire a CDBG administrator (2010); earmark funds to hire a business services specialist (2011). Funding should be established for 'Economic Development 101' and continuing education. Legal counsel will be needed during the creation of the CDA. Funds for master planning activities should be allocated. Mr. Horton acknowledged that expanding the public payroll is a difficult argument to support in challenging financial times, but if the end result is an expanded tax base, the expense will pay for itself.

In calendar year 2010 the assets of the revolving loan fund and control thereof should be transferred to the in-house WEDC. Members of the EDAC and WEDC should be appointed. The CDA should be established. Baseline indicators should be established for measuring success. Policy guidelines for incentives programs should be created.

Questions and feedback from the audience were sought at this point. Theresa Estness, WEDC Interim Executive Director, noted that members of the revolving loan fund (RLF) seem generally unaware of recommendations to move that function out of the comptroller's office. She asked whether any members had been included in transition discussions.

Mr. Guequierre noted that at least one RLF board member was spoken to. In the model 'peer' cities, revolving loan funds are not housed in comptrollers' offices.

Mr. Horton added that assets and liabilities of the current RLF need to be made known, including how many loans have been issued. Efforts to obtain this information to date have been unsuccessful. Many of the stakeholders interviewed echoed the perception that it is difficult to get information from the RLF members, who tend to be reactive, rather than proactive.

In response to Ald. Stepaniak's question, Mr. Guequierre replied that Finance Director Ronald Braier has not been interviewed. Ald. Stepaniak expressed concern, since according to the RLF's by-laws, he is a member of the RLF and a key person with both the Housing and Redevelopment Authorities. He further

pointed out that the RLF is a separate 501 (c)3 corporation who must dissolve itself in order for some of the study's recommendations to occur.

Mr. Guequierre acknowledged these points, but noted that the RLF is not a primary development tool. A longer transition time for the RLF is not a 'deal-breaker.'

Robert Gintoft, WEDC Vice-President, stated he was not speaking on behalf of WEDC. He noted that nothing in the draft report addresses Milwaukee County's difficulty in creating a comprehensive development strategy. This situation distinguishes Wauwatosa from the 'peer cities' inasmuch as Wauwatosa would not have the same resources available to it.

Mr. Horton acknowledged that a more robust redevelopment structure involving the City and County of Milwaukee would enable city staff to pursue federal dollars. Additional city staffing will also facilitate this process. These points should receive more prominence in the final report. The Milwaukee region does not do a good job of securing federal funds for economic development.

Mr. Gintoft expressed concern about the CDA possibly having power to condemn areas for the purpose of redevelopment. Is this a typical CDA power in other cities nationally? Does litigation ensue that will slow down the entire redevelopment process?

Mr. Guequierre explained that CDA's can be constituted to make these recommendations; Mr. Horton added that the most effective condemnation efforts ought to be initiated in compliance with a master plan that is grounded in a comprehensive plan.

Bill Bode, WEDC Board member, endorsed the CDA concept which consolidates function, but with some real authority. He cautioned that such action, however, will require a paradigm shift for the city's government and for the community. Such action will require considerable investment of dollars that will reap benefits in the future in terms of increased tax base and jobs. If pieces are not in place to capture development opportunities, they will be lost for years. He opined that Wauwatosa has not reached its potential because it is content to be 'good enough.'

Mr. Horton agreed that political will is required to implement components of the plan. West Allis was forced into the redevelopment arena because of the tremendous loss of jobs and tax base; Wauwatosa is fortunate in that there is no such crisis at present.

Steve Smith, WEDC Board member, asked for specifics on how the EDAC would work. Mr. Guequierre explained that an effective EDAC captures citizen expertise. Mr. Horton added that the EDAC would not be involved in approving specific TIF proposals, as its role is advisory. It would have as much authority as the mayor and common council would allow. Madison uses the EDAC as a tool to build closer relationships with businesses and to solicit their ideas and feedback. Another city's EDAC develops a five-year economic development plan, and identifies priorities, thereby giving the city its direction and focus for the next five years. That EDAC, however, does not vote up or down specific plans.

Ald. McBride commented that he was struck by the sizes of the 'peer' cities' common councils; all are smaller than Wauwatosa's. Mr. Horton noted it was beyond the scope of their study to recommend council size; it is up to each community to decide on appropriate levels of representation. Stakeholders did comment that with Wauwatosa's two representatives per district, project proposals must attempt to garner support from two council members, rather than one. He added that Wauwatosa's common council is the same size as Milwaukee's.

In responding to a follow-up question about an implementation schedule, Mr. Horton pointed out it is up to the elected representatives to determine what ought to be done first, and how quickly. He suggested that from a planner's perspective, development processes ought to be streamlined, and that a separate entity needs to be in charge of economic development. Moving the WEDC function to the city is a priority. Using the \$95,000 allocated in the 2009 budget for economic development to fund the new position of economic development manager is a priority. That person knows economic development financing and how to structure TIF proposals. Creating a CDA is a priority.

Bob Simi, WEDC Board member, stated he was impressed with the report, confessing that he was not initially in support of it. His public policy experience has taught him that governments typically do not act unless there is a real or perceived crisis. West Allis had a real crisis that propelled it to action; he questioned whether Wauwatosa's common council can successfully undertake an effort of this magnitude. He opined that Wauwatosa faces an imminent crisis; the elected officials are charged with the health, safety, and welfare of its residents. There is a budget crisis coming and the city must reduce expenses by cutting services, raising taxes, or finding another funding source. That funding source ought to come from economic development. It is the only answer. The possibilities are exciting. Who will lead? Consultants don't "do." They recommend. Both the elected officials and WEDC are guilty of wildly under-performing. A competent economic development person with the support of the council is needed.

Lisa Mauer, WEDC Secretary, echoed Mr. Simi's remarks, and voiced support for the study recommendations. The WEDC Board has begun the discussion concerning dissolution, but needs to know from the Common Council its willingness to fund WEDC. By mid-June WEDC will run out of money, and a smooth transition to the city will require some additional funding support. There will be no interim executive director after mid-June.

Ald. Krol assured that a Committee of the Whole will be scheduled soon to discuss this issue. He added that while implementation of a new structure is doable, funding for all the components may be another step. He asked whether any of the 'peer' cities have scaled back economic development efforts because of the current financial climate.

Mr. Horton replied that there has been some trimming, but he also pointed out that 'peer' cities are operating economic development activities at much higher levels than is Wauwatosa.

Warren Groff, 2243 N. 61st Street, stated he was a member of stakeholder roundtable discussions. The consensus is that a think tank of some type is needed; the critical mass of resources within the citizenry ought to be tapped. Input from engineering sources, corporations, medical sources, and the like could be invaluable. What is the future of this region? There are digital and cyber communities across the world; there are not a lot of them here. This could be worth developing.

Both Mr. Guequierre and Mr. Horton agreed that communication with institutions, employers, and intellectual assets is important and suggested that spots on economic development committees be reserved from representatives from these fields.

Ms. Welch recommended that a more formal public hearing be conducted once the final consultant report is submitted.

There being no further business, the meeting adjourned at 1:35 p.m.

Carla A. Ledesma, CMC, City Clerk

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