



**CITY OF WAUWATOSA
COMMITTEE OF THE WHOLE
MINUTES • MARCH 5, 2013**

Regular Meeting

Common Council Chambers

6:30 PM

7725 West North Avenue, Wauwatosa, WI 53213

PRESENT: Alds. Donegan, Dubinski, Hanson, McBride, Moldenhauer, Organ, Pantuso (6:47 p.m.), Roznowski, Tilleson, Walz-Chojnacki, Wilke (6:40 p.m.), Wilson, Berdan, Birschel, Causier -15

EXCUSED: Ald. Ewerdt

ALSO PRESENT: Mr. Archambo, City Administrator; Mr. Kesner, City Attorney; Mr. Porter, Public Works Director; Mr. Ruggini, Finance Director; Fire Chief Ugaste; Police Chief Weber; Ms. Enders, Development Director; Ms. Ledesma, City Clerk

Common Council President McBride in the Chair

The Common Council President called the meeting to order at 6:32 p.m.

COMMITTEE OF THE WHOLE ITEMS

1. Selection of two aldermanic representatives to the ad hoc Marketing Committee

The Chair explained that the Mayor wishes to make appointment to the ad hoc Marketing Committee which was created by Council resolution on September 6, 2011. The resolution provides that the committee shall be made up of ten members, consisting of not less than two members of the Common Council who shall be chosen by the Common Council.

Ald. McBride stated that emails of interest had been submitted by Alds. Causier, Pantuso, and Roznowski. Nominations would also be accepted from the floor.

No other nominations were made from the floor. Brief comments were made by candidates Causier and Roznowski; Ald. Pantuso had not yet arrived for the meeting.

It was moved by Ald. Birschel, seconded by Ald. Donegan to appoint Alds. Causier and Roznowski as the aldermanic representatives to the ad hoc Marketing Committee. -13

RESULT:	ADOPTED [14 TO 0]
MOVER:	Donald Birschel, Alderman
SECONDER:	Peter Donegan, Alderman
AYES:	Donegan, Moldenhauer, Causier, Wilson, Roznowski, Dubinski, Hanson, Walz-Chojnacki, Organ, McBride, Tilleson, Birschel, Berdan, Wilke
EXCUSED:	Ewerdt
AWAY:	Pantuso

2. Presentation by Community Development Authority (CDA) on the remnant fire station parcel on Underwood Avenue

Mr. Kesner opened this presentation with a review about the formation and authority of the Community Development Authority (CDA). The formation of this committee was recommended by the Horton Report, the intent being that this body would be the chief development tool for the Development Department. Members have expertise in different areas. This committee, as a separate body politic, is not required to report its activities to anyone, though certain actions will require final Common Council approval.

The CDA replaces the Housing Authority and Redevelopment Authority and was created by ordinance in 2011. Support staffing is provided by the Development Department. It has the power to redevelop land for purposes of blight elimination and has the power of eminent domain; it can sell and hold property. The CDA replaces the Plan Commission as one of the steps in the creation of tax incremental finance districts.

Ald. Pantuso present 6:47 p.m. -15

Ms. Enders continued the presentation, stating that in May 2012, the Common Council gave the CDA control of the parcel that formerly housed the old fire station in the Village, with the intent that it be redeveloped. It is within the CDA's purview to proceed without further approvals if they choose an option that does not require city money or rezoning of the parcel. The CDA has the authority to sign an agreement with a developer and proceed.

A Request for Proposals was developed that reflected in large part the Village Plan; it was issued in July 2012. Evaluation criteria for the developers was drafted. Three proposals were submitted by the August 31, 2012 deadline from Metropolitan Development, Phelan/WiRED, and Wangard Partners. Proposals were reviewed and meetings were scheduled with each of the developers. All three proposals contained detailed budgets, all included buildings higher than three stories, and all had a financial gap. All proposals also featured a multi-parcel (rather than single parcel) development, though Phelan/WiRED did also submit an option for a single-site development. A preferred developer, Phelan/WiRED, was selected.

Several members of the CDA were present for this meeting, including Julie Rettko, Scott Busch, and Aids. Tilleson and Wilson.

Ald. Wilson began the CDA's portion of the presentation, stating that Metropolitan's proposal included the use the Lochrie property at 7746 W. Menomonee River Parkway. The Phelan/WiRED proposal (Ardor in the Tosa Village) has been the focus of the CDA and, as mentioned previously, has submitted an option to just utilize the remnant fire station parcel. A challenge with a multi-parcel development is that it is predicated on the willingness of another party to participate.

Linda Craite owns the building at 1457 Underwood Avenue that abuts the remnant parcel. She has worked out terms with Phelan/WiRED for the acquisition of her property which, in turn, allows a larger project to be undertaken.

Ald. Wilson cautioned that while Phelan/WiRED has been designated as the 'preferred developer,' it has not definitely been selected as 'the' developer.

Ald. Wilson noted that the size of the proposed buildings for all three proposals was similar. This project would abut Church Street and many of that street's residents don't like the size or the look of the current offering. The CDA is well aware of these concerns, having gone on a field trip to the site to view the project location from residents' back yards, and having compared proposed building height with that of a fire truck's ladder.

As a result of these discussions, consideration of a reduced height building was requested. Rather than the original four-story structure, the proposal is now for three stories, with retail and parking on the first floor and two levels of apartments above that. The topographical changes of the parcel also serve to reduce the overall impact of the building on the neighborhood.

Ald. Wilson confirmed that financing is a consideration. The financial gap was \$1.6 million dollars with the original four-story building. With a three-story building, it increases to \$1.8 million dollars. The cost of acquiring the 1457 Underwood Avenue property factors prominently in the gap. However, if a multi-parcel arrangement is not worked out, and a single-parcel project is developed instead, there will be no public parking, no underground parking, and no retail uses included. So the policy issues become how much financing the City is willing and able to provide, and does the City want to see a single-parcel development or a multi-parcel development.

Ald. Tilleson added that a three-story development would be closer to Underwood Avenue, and would still have commercial uses. He stressed that the design is not finalized and noted that many area residents were displeased with the appearance of the initial rendering, since it appears incompatible with other Village buildings. Appearance will evolve based upon feedback.

Ms. Enders noted that the CDA has discussed the issue of a single versus multi-parcel site. With a single-parcel project, the financial gap drops considerably; it could potentially be funded without TIF monies. However, a parcel gap (of undeveloped property) is created between the existing development (Craite property) and a new, single-parcel project. This is less desirable, synergistically, for the Village. Additionally, the cash flow of a single parcel may be more difficult.

Ms. Enders added that a single-site development also compromises the ability to add future development to the gap parcel as no underground parking could be constructed.

Mr. Ruggini noted that the estimated project cost of a 4-story building is \$8.2 million dollars, and \$8.1 million dollars for a three-story building. The number of apartments would be reduced from 36 to 30. A lot of efficiency is being lost, as well as potential income, but costs are not reduced by much in comparison. With interest rates becoming more favorable, a potential \$1.8 million dollar gap might drop by another \$300-400,000 in the near future. By contrast, construction only on the remnant parcel creates 18 apartments and a \$600,000 gap.

In addressing financing options, Mr. Ruggini stated that the City can likely assemble \$800,000 - \$1 million dollars in non-TIF dollars, assuming a public parking component. Amounts over \$1 million dollars will have to be TIF-financed. With a single site, staff recommends a 'pay as you go' option such as was used with Annex and the Enclave developments. A single-parcel financial gap of \$300-600,000 would be structured as a loan.

Ald. Wilson also clarified that while all three of the proposals utilized the Craite property as part of a multi-parcel proposal, only Phelan/WiRED had secured an agreement with the property owner. (She is unwilling to work with another developer.)

Ald. Tilleson stated that the CDA is seeking some feedback from the Committee of the Whole concerning the possible level of city financing, and proposed building height.

Ald. Donegan noted that his constituents on Church Street oppose the project; there are concerns about the project's appearance, and about traffic. While the developer says he cannot make this a viable project without city assistance, part of the financial gap is due to the excessive selling price of the 1457 Underwood Avenue property. This project has also been made more complicated with the addition of the public parking component; this also adds to the financial gap. Perhaps that should be pulled from the project. Maybe this entire project should wait until the market is more favorable.

Answering questions from Ald. Organ, Mr. Ruggini stated that financial assistance up to \$1 million dollars assumes the City is contributing \$500-600,000 for public parking; the balance would be a loan. A single-site project with a gap of \$600,000 and no public parking would be strictly a loan. He further explained with respect to the Village's public parking near Noodles & Company that when TIF #1 closed, there was a cash balance that was used to construct that public parking.

Ald. Wilke opined that the public parking is needed; as this project creates what the Village Plan is looking for, he will support it. It is the most attractive of the three proposals. He noted that the existing fire station is closer

to neighbors' homes than this development will be. The project has to be constructed to a density level that will work. The 'jewel box' feature of the building is critical to maintain.

Ald. Pantuso concurred that the 'jewel box' feature sold him on the project as well; the building height is of less importance to him. He stated that he is not supportive of \$1.8 million dollars in financial assistance, but will consider up to \$1 million dollars. The economy is improving and perhaps waiting just a bit longer will result in better financing for the developer.

Ald. Roznowski observed that the Village has a master plan that should be adhered to, to the extent possible. He would support financial assistance of less than \$1 million dollars, preferably without a TIF.

Ald. Tilleson stated that the CDA is close to making a final decision, so it does not seem prudent to begin the RFP process again. There is no assurance more than three proposals would be received with a second attempt.

Ald. Moldenhauer concurred with his colleagues that he could not support financial assistance of \$1.8 million dollars. He also expressed concern for the impact this development could have on Church Street residents. Since the selling price of the Craite property figures into the financial gap, he agreed that the City is being asked to pay an exorbitant amount for that land. More evaluation is needed.

Responding to Ald. Causier's query about potential tax revenue, Mr. Ruggini said he and the assessor are still working with the developer to arrive at an estimate. As proposed, a three-story project costing \$6.8 million dollars may generate \$135-140,000 taxes annually for all taxing jurisdictions.

Ald. Causier pondered how far the city can extend itself with providing financial assistance. Something under \$1 million dollars is preferable.

Ald. Dubinski concurred that \$1.8 million dollars cannot be justified. He also wondered whether the project has changed so much from the original scope of the RFP that the process ought to be started over.

Ald. Berdan agreed that she was not comfortable with financial aid of \$1.8 million dollars and noted that resident input needs to be considered. Ald. Birschel commended the CDA for the amount of effort expended to date.

Ald. McBride opined that the CDA received some valuable direction from Committee members at this meeting. The CDA is well aware of the complexity of a development on this site, and of the need to balance residents' concerns against the economic well-being of the Village. The Village is urban in nature, without gaps; gaps are counter to the Village Plan. The Plan calls for mixed retail and residential uses. Something ought to be built on the available property; it is an opportunity for the City to utilize undeveloped land and to maximize tax revenues. He urged further discussions with the property owner at 1457 Underwood Avenue to ensure that the multi-parcel development occurs. He agreed that there is little support for \$1.8 million dollars in financial aid. It is a mistake to create a multi-parcel development and not develop public parking or have mixed uses.

The meeting adjourned at 7:55 p.m.


Carla A. Ledesma, CMC, City Clerk