



CITY OF WAUWATOSA

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MINUTES COMMUNITY DEVELOPMENT AUTHORITY Thursday, April 10, 2014 – 4:00 P.M. Committee Room #1

PRESENT: Ms. Eick, Ms. Wakefield, Mr. Wick, Ald. Tilleson

EXCUSED: Ms. Rettko, Ald. Wilson

ALSO PRESENT: Martin Beaudoin (Red Dot 6715 W. North Avenue), Paul and Natalia Hackbarth (Camp Bar 6600 W. North Avenue), Merrick Fructman (East Tosa LLC)

STAFF PRESENT: Mayor K. Ehley; A. Kesner, City Attorney; J. Archambo City Administrator; P. Enders, Development Director; J. Ruggini, Finance Director; T. Szudy, Principal Planner; J. Ferguson, Assistant Planner; M. Citro, Business Services Specialist

Ms. Eick called the meeting to order at 4:04 p.m.

Minutes

Motion by Ald. Tilleson, second by Ms. Wakefield to approve the minutes of the meeting held on March 13, 2014 - Approved 4-0.

Subordination request from East Tosa, LLC

Merrick Fructman summarized the reason for his subordination request.

Ms. Eick questioned whether or not the CDA would continue to be in second position. Mr. Fructman stated the CDA would remain in second position.

Ms. Enders stated, per the attached affidavit, the project was funded by the WEDC, but all assets and liabilities have been transferred to the CDA.

Motion by Mr. Wick, second by Ms. Wakefield to approve the subordination request - Approved 4-0.

Discussion and Possible Action Regarding CDBG Forgivable Loan Guidelines

Ms. Ferguson provided a background description of the proposed guidelines, the CDBG fund balance of \$400,000, and a summary of existing loans.

Atty. Kesner clarified that even though the program is a forgivable loan program it operates as a grant.

Mr. Wick stated the language needs to be clear that the CDA has approval authority and to further clarify the maximum potential loan amount in the guidelines.

Motion by Ald. Tilleson, second by Ms. Wakefield to approve the CDBG forgivable loan guidelines with changes stated by Mr. Wick - Approved 4-0.

Request by Red Dot for CDBG Funding for Remodeling Located at 6715 W. North Avenue

Mr. Beaudoin introduced himself and summarized his project and application for funds.

Request by Paul Hackbarth for CDBG Funding for Acquisition of Property Located at 6600 W. North Avenue for a Second Camp Bar Location

Mr. Hackbarth introduced himself and summarized his project and application for funds.

Motion by Ald. Tilleson, second by Mr. Wick to convene in closed session pursuant to Sec. 19.85(1)(e), Wis. Stats., for the purpose of deliberating or negotiating 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, and the CDA may reconvene into open session - Approved 4-0

Closed Session

Motion by Ms. Wakefield, second by Mr. Wick to reconvene in open session - Approved 4-0.

Request by Red Dot for CDBG funding for remodeling located at 6715 W. North Avenue.

Ms. Enders mentioned Mr. Beaudoin's request for WRLFC funding had been denied. She also asked the applicant if he was planning on reducing the size of his project to adjust for the loss of funding. Mr. Beaudoin stated he is bringing in an extra investor to provide operating capital and would prefer not to reduce his remodel/patio expansion plan. Ms. Wakefield inquired if the WRLFC was going to meet again to discuss approval after the new partner is brought on. Ms. Enders stated the WRLFC was planning on revisiting Mr. Beaudoin's application for funding in the future.

Motion by Ald. Tilleson, second by Ms. Wakefield to approve \$100,000 in CDBG funds specifically for creation and remodel of patio/outdoor space and exterior windows and patio doors, contingent on:

1. A detailed, itemized budget is provided.
2. The project is scaled back to account for lack of WRLF funding.
3. All partners provide personal guarantees.
4. Three (3) full-time equivalent positions shall be created and 51% of all FTE positions created shall be filled by persons of low to moderate income households within 12 months after commencement of project.
5. The applicant must obtain all required permits, licenses, and approvals.
6. The applicant must comply with federal David-Bacon requirements for construction.
7. Property must maintain current ownership for five years or the borrower shall remit CDBG funds to the City in the following proportion:

Year 0 - 1	100% of eligible grant funds
Year 1 - 2	80% of eligible grant funds
Year 2 - 3	60% of eligible grant funds
Year 3 - 4	40% of eligible grant funds
Year 4 - 5	20% of eligible grant funds

Approved 4-0

Request by Paul Hackbarth for CDBG funding for acquisition of property located at 6600 W. North Avenue

Motion by Mr. Wick, second by Ald. Tilleson to approve \$150,000 in CDBG funds for the acquisition of property located at 6600 W. North Avenue to open a second Camp Bar location, contingent upon:

1. Funding is limited to property acquisition.
2. All partners provide personal guarantees.
3. Nine (9) full-time equivalent positions created shall be created and 51% of all jobs created shall be filled by persons of low to moderate income households within (12) months after commencement of project.
4. The applicant must obtain all required permits, licenses, and approvals.
5. Property shall be held in ownership by the borrower for five years or the borrower shall remit CDBG funds to the City in the following proportion:

Year 0 - 1	100% of eligible grant funds
Year 1 - 2	80% of eligible grant funds
Year 2 - 3	60% of eligible grant funds
Year 3 - 4	40% of eligible grant funds
Year 4 - 5	20% of eligible grant funds

Approved 4-0

Mr. Hackbarth asked if the 'low and moderate income' qualification could be explained.

Ms. Enders discussed low and moderate income household status and explained there would be follow-up discussion related to the execution of the funding agreement.

Discussion and possible action regarding incentive programs

Ms. Enders described the three incentive programs (Sign Improvement, Code Compliance, and Façade Improvement). She stated the programs had been approved by the Economic Development Advisory Committee. Staff was recommending the following limits: \$1,000.00 for Sign Improvement, \$5000.00 for Code Compliance, and \$5000.00 for Façade Improvements.

Ms. Eick asked if that was enough money for a sign.

Ms. Enders explained that it was enough of an incentive to spur most business owners into making improvements.

Motion by Ald. Tilleson, second by Ms. Eick to approve all three incentive programs with staff recommendations - Approved 4-0.

Update on 2578 Wauwatosa Avenue and remnant fire station parcel

Ms. Enders summarized the current status of the remnant fire station parcel. The developer is planning on submitting a TIF application to the City, but nothing has been received to date.

Ms. Enders stated the Milwaukee County Board meets this month to action on the transfer of the former Vogue dry cleaner property to the CDA. EPA is currently involved in the environmental assessment portion of the project, along with the WDNR. Neighborhood Alderman have been notified and have been willing to work with staff to keep the residents up to date about well placement/monitoring and when it is

to occur. Ms. Wakefield asked if the back taxes on the garage were brought current. Ms. Enders stated Mr. Collison had paid the back taxes.

Adjourn

Motion by Ald. Tilleson, second by Mr. Wick to adjourn – Approved 4-0. The meeting adjourned at 5:58 p.m.

Mike Citro
Business Services Specialist