



CITY OF WAUWATOSA

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MINUTES COMMUNITY DEVELOPMENT AUTHORITY Thursday, May 14, 2015 – 12:00 P.M. Committee Room #1

PRESENT: Ms. Rettko, Ald. Byrne, Mr. Wick, Ms. Wakefield, Mr. Schultz, Ald. Tilleson.

EXCUSED: Ms. Eick

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

OTHERS PRESENT: David Glazer, Wauwatosa, WI
Mike Harrigan, Ehlers & Associates
Michael Campbell, Campbell Capital Group, LLC
Ald. Jeff Roznowski, District 6.

1. Meeting called to order at: 12:00 p.m.

2. Approval of minutes from April, 16, 2015

MOTION by Ms. Rettko, SECOND by Mr. Schultz to approve minutes from April 16, 2015. MOTION CARRIED 5-0.

Ald. Tilleson Arrived.

3. Election of Officers

Ms. Rettko asked if anyone was interested in the Vice Chair nomination. Ms. Enders stated that nobody had come forward with interest in the position. Ald. Tilleson stated that he would nominate Mr. Wick if he had no objections. Mr. Wick was agreeable.

MOTION by Ald. Tilleson to nominate Mr. Wick as Vice Chair for the next term of the CDA. SECOND by Ald. Byrne.

MOTION by Ms. Rettko, SECOND by Ms. Wakefield to elect Mr. Wick as Vice Chair of the CDA's next term. MOTION CARRIED 5-0 (Mr. Wick abstained from vote).

As part of the decisions made in 2013, the current Vice Chair becomes the Chairperson of the CDA in the next term. Per this decision, Ms. Eick will move from Vice Chair to Chairperson.

Ms. Rettko moved item #6 in the agenda up.

4. Request by Sara Mahalko (AlignLife) for a Sign Forgivable Loan Program funding for property at 8812 W. North Avenue.*

Mr. Glazer stated that he was there as a representative for Sara Mahalko as she was unable to attend the meeting. Mr. Glazer summarized the project. Mr. Schultz inquired as to the status of the lease. Mr. Glazer state there were 3-4 more two-year options and that Sara had already exercised one of them to extend the lease. Mr. Wick clarified that one of the requirements of the forgivable loan was the 5 year commitment to the location of the business.

Ald. Byrne stated that this was the first sign forgivable loan applicant from the mid-town Wauwatosa district.

Ald. Roznowski added that mid-town Wauwatosa in in the early stages of forming a neighborhood/business group and that he was there as a show of support and encouragement for this improvement application.

Ald. Tilleson stated that he did not think that the board needed to move into closed session to discuss this approval as it has no private financial information as part of the discussion. The rest of the board agreed.

MOTION by Ald. Tilleson to approve the Sign Improvement Forgivable Loan for Sara Mahalko (d/b/a AlignLife). SECOND by Mr. Wick. MOTION CARRIED 6-0.

5. Public Hearing regarding the proposed project plan, boundaries, and creation of Tax Incremental District No. 10. (See Public Hearing Notice published on April 30, 2015 & May 7, 2015.)

Ms. Rettko officially opened the public hearing.

Mr. Harrigan summarized TID #10 project plan and analysis.

Ms. Enders state that the term sheet was emailed to the CDA board.

Mr. Schultz asked if all units were market rate and what occupancy rate was used in the analysis. Mr. Harrigan stated that they used a 5-7% vacancy rate. He added that the develop pays cash up front and the city provides a note in sum and pays principal payments presuming revenue is available from the TIF district transfers.

Mr. Schultz asked if 90% for 3 years up to 100% in the later years was typical. Mr. Harrigan stated that in this case the goal was to close out the TID as quickly as possible. Mr. Kesner added that the sewer and bike path revenue can be had with 10% rather than the typical 30%. Mr. Schultz asked if the bike path was going beyond the borders of the TID, Mr. Kesner stated that it would possibly go down to Walnut and they, per the law, fund utilities and such up to ½ mile outside of the district. Mr. Harrigan added that there is a look back provision to revisit estimates in the even profitability is higher to allow for a quicker payback.

Mr. Wick asked what would happen if the vacancy rates were not met. Mr. Harrigan state there was no guarantee on the floor. P. Enders added that the developer does not have a guaranteed amount, just a percentage of the incremental increase.

Ald. Byrne stated that she liked that the risk was moved from the city and put on the developer. She added that housing studies were currently underway in the city and that the anecdotal information is that there is demand for this type of property/unit.

Mr. Campbell summarized the history of the planning stages and the description of the proposed project.

Ms. Rettko asked why the building did not have more floors when the ability to have a taller building was much easier at this location than other projects. Mr. Campbell stated that they felt this was already a very large development and if they felt that they could have made it taller (more units) they would have. Ms. Rettko inquired as to why other developments in the city said they needed 4 stories or more to make the project work. Mr. Campbell said that was probably due to the size/density ratio of those particular sites.

Ald. Tilleson inquired as to why this project needed a TIF when their similar projects in Atlanta did not require TIF funding. Mr. Campbell stated that Milwaukee has higher costs, higher real estate taxes, a higher cap-rate, that rents are not high enough to attract the \$12 million in equity, and that there are few comparable sales in Wisconsin / Milwaukee with which to determine price at future point of sale. Mr. Campbell added that they rarely sought out TIF financing in projects and if they felt they could have done it without the financing they would most certainly have gone that route.

Ms. Wakefield inquired as to numbers on the project (parking spots, number of units, size, etc.) Mr. Campbell state that they were roughly 870 net square feet (930 gross), 1-2 bedrooms with den, 6 floor plans, and 1.45 parking spaces per unit. Ms. Wakefield inquired as to if this project could be potentially converted into condominiums in the future. Mr. Campbell felt that currently the market is already saturated with condominiums but if the market changed they could at some point in the future be converted.

Ald. Tilleson stated that the vote at council was not unanimous and that there were some concerns with TIF financing but that he felt this site met a lot of the city goals for density/parking/etc. and that he supports the project and feels there is the high potential for success.

Mr. Schultz asked what protections the city had with respect to minimum value. Mr. Kesner stated that the city does include minimum value provisions sometimes but are not in this project since the developer is paying the costs up front and is only reimbursed after value add has been realized.

Ms. Rettko asked if there were any more questions or comments. There were none. Ms. Rettko closed the public comments portion of the meeting.

6. Consideration of "Resolution Designating Proposed Boundaries and Approving a Project Plan for Tax Incremental District No. 10, City of Wauwatosa, Wisconsin."

MOTION by Ald. Tilleson to approve resolution as proposed. SECOND by Ms. Rettko. MOTION CARRIED 6-0.

7. Discussion of negotiation strategies regarding potential purchases of certain properties within the City of Wauwatosa.*

This agenda item was moved to the next CDA meeting.

8. Adjourn.

MOTION by Ms. Rettko, SECOND by Mr. Wick to adjourn. MOTION CARRIED 6-0

Meeting Adjourned 1:27pm.

Mike Citro
Business Services Specialist

*The body may convene into 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 may reconvene into open session.