



## CITY OF WAUWATOSA

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### MINUTES COMMUNITY DEVELOPMENT AUTHORITY Monday, August 31, 2015 – 12:00 P.M. Committee Room #1

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

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

OTHERS PRESENT: Ald. Pantuso.

1. Meeting called to order at: 12:05 p.m.

2. Request by Panagiotis Panagos Jr. (Bamboo Door, Inc.) for CDBG funding for building renovations to the property at 6502 W. North Avenue for a restaurant and bar)\*

Ms. Eick opened the floor to the applicants.

David Glazer summarized the project. Said they would be closing on the property September 16<sup>th</sup> and renovations to start immediately afterwards.

Ms. Rettko asked what the capacity was. Mr. Panagos stated it was 100 indoors and 60 on the patio.

Ms. Wakefield asked if they were taking down any of the building for outside space. Mr. Panagos stated there was no need. There was room enough outside.

Mr. Schulz asked if any parking was being removed by creating a patio. Mr. Panagos stated there were only two spaces on the property that would be lost. Mr. Schulz asked if they expected most customers would park on the street. Mr. Panagos said yes, that was the assumption.

Ms. Eick asked if they had met with the neighbors to discuss parking issues. Mr. Glazer state that they did and the neighborhood was supportive even while cognizant of potential parking density increases in the area.

Mr. Wick asked if the increased renovation scope was funded by an increase in equity or in bank commitment. Mr. Glazer stated is was with more equity. Ms. Eick asked if the added equity was cash. Mr. Panagos said it was. Mr. Wick also asked fi the bank was requiring a separate LLC for ownership of the property. Mr. Panagos said that it was.

Ald. Byrne asked how the projections were made. Mr. Panagos stated they were based on averages and not on full capacity estimates. They consulted with nearby Camp Bar and other additional businesses in the area.

Ald. Byrne wanted to know if they had accounted for the Davis Bacon requirements during renovation. Mr. Panagos said their designers (Flux) already does projects that have to comply with Davis Bacon requirements so have no problem doing it for this project.

Mr. Wick asked if they had a fixed price contract. Mr. Panagos stated that they did, the total package cost was \$875,000.

Mr. Schulz asked if there was a garage in back. Mr. Glazer said there was and that the door would be converted for use and would open up to the patio space.

Ald. Tilleson noted the delays they had run into at the start of the process and wanted to know, if approved, where they stood in the process. Mr. Panagos stated they had one more Design Review Board meeting approval and they would be ready to go. David Glazer added that the delays were not on the buyer end.

Mr. Schulz asked about the status of the SBA loan. Mr. Panagos stated they were no longer using it and Spring Bank was the sole lender. Mr. Schulz asked if the CDA was the last financing contingency. Mr. Panagos said that, yes, they were. Mr. Schulz added that it was helpful that they got some projection estimates from other local businesses.

Ms. Wakefield asked when they were planning on opening. Mr. Panagos stated, December.

MOTION by Ald. Tilleson to move into closed session\* SECOND by Ms. Rettko. MOTION CARRIES 7-0

MOTION by Ald. Tilleson to move into open session. SECOND by Ms. Eick. MOTION CARRIES 7-0

MOTION by Ald. Tilleson to approve funding based on the following conditions:

- 10% of funding be withheld until job creation begins.
- Applicants create fourteen (14) full-time-equivalent (FTE) jobs.
- 51% of all jobs created shall be filled by persons from low to moderate income (LMI) households within twelve (12) months after commencement of project.
- Applicants must obtain all required permits, licenses, and approvals.
- Owners with over 20% stake must provide personal guarantees
- Guarantee of continued involvement of LLC majority owners over the five-year period.
- Pending staff review of final details
- Business shall be held in ownership by the BORROWER for a minimum of five (5) years or the BORROWER shall remit the CDBG forgivable loan 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

SECOND by Ms. Eick. MOTION CARRIED 7-0

### 3. Discussion regarding the Community Development Authority's role in Tax Incremental Finance District Project Plans and related term sheets.

P. Enders summarized TIF approval process.

Ald. Byrne asked what the CDA is specifically approving in these situations. P. Enders said it was feasibility and community impact.

Mr. Schulz said that state statutes are a minimum of standards and the CDA should be obligated to put in their input beyond yes or no. A. Kesner noted that the Council also had the same concerns about the TIF coming into their meetings with “pre-baked” negotiated terms.

Al. Wick asked the alderpersons on the CDA if they get to see the term sheet sooner. Ald. Tilleson said that they do and that maybe the CDA should also see the term sheet earlier. He suggested the CDA have members attend the Council meetings and could agendize the discussion to hear the project simultaneously with the Financial Committee.

Ald. Byrne wanted the City to notify the CDA when the TIF terms are being discussed.

Mr. Schulz suggested an early meeting that notifies when the other boards hear on TIF issues. J. Archambo stated that the task isn't to 2<sup>nd</sup> guess the Council but that there is valuable information in interpreting assumptions of TID's based on the CDA boards' expertise.

Al Wick left at 1:12pm.

Ms. Rettko stated she would like to see a more formal process with the ability to make recommendations earlier in the process. A. Kesner stated the CDA can meet in closed sessions during the council deliberations of a TID.

MOTION by Ald. Tilleson to table the issue while P. Enders and staff analyze the issue and determine if there was any need to amend the bylaws of the CDA to formalize their duties in regards to TID approval. SECOND by Mr. Schulz. MOTION CARRIES 6-0.

#### 4. Discussion regarding remnant fire station parcel.

There was a brief discussion of the ongoing planning around the remnant fire station parcel. J. Archambo stated they hoped the full corner gets developed as one project.

MOTION by Ms. Eick, SECOND by Ms. Wakefield to adjourn. MOTION CARRIED 6-0

Meeting Adjourned 1:41 pm.

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.