



CITY OF WAUWATOSA

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MINUTES COMMUNITY DEVELOPMENT AUTHORITY Thursday, September 10, 2015 – 12:00 P.M. Committee Room #1

PRESENT: Ms. Eick, Ms. Rettko, Mr. Schulz, Ald. Byrne.

EXCUSED: Ms. Wakefield, Mr. Wick, Ald. Tilleson

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

OTHERS PRESENT: Nini Buranabunyut – Sartori Management

1. Meeting called to order at: 12:08 p.m.

2. Approval of past meeting minutes.

MOTION by Ms. Rettko, SECOND by Ald. Byrne to approve minutes from the 8/13/15 meeting. MOTION PASSED 4-0

MOTION by Mr. Schulz, SECOND by Ms. Rettko to approve minutes from the 8/31/15 meeting. MOTION PASSED 4-0

3. Request by Sartori Management, LLC for CDBG funding for property acquisition located at 8725 W. North Avenue for a restaurant.*

Nini Buranabunyut summarized the project plan to purchase the property and open the Thainamite restaurant by the end of 2015.

Ms. Eick asked if they had spoken with the neighbors near the building to discuss parking issues. Nini Buranabunyut said that they had and had also worked out parking lot sharing with the neighboring store after their normal business hours. Ald. Byrne added that Sartori Management had been very proactive in working with the neighbors and businesses in the area. She stated that they had done more to work with the neighboring area than most. She added that Sartori Management had also voluntarily reduced late night open hours because of concerns from the neighbors.

MOTION by Ald. Byrne to 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. SECOND by Ms. Rettko. MOTION CARRIED 4-0.

** CLOSED SESSION DISCUSSION**

MOTION by Ald. Byrne, SECOND by Ms. Eick to move back into open session. MOTION PASSED 4-0.

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

- 10% of funding be withheld until job creation begins.
- Applicants create twenty three (23) 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. Rettko. MOTION CARRIED 3-1(Schulz)

4. Discussion regarding CDBG guidelines, policy, etc.

P. Enders provided application submission guidelines for the CDA that were adopted last year.

Ald. Byrne asked for a definition of 'catalytic' project. P. Enders stated that it was up to the CDA to define that term as part of their process.

J. Ruggini state that the WRLF has some discomfort with the forgivable loans. The WRLF assumed when CDBG funds were transferred over to the CDA that they would be used in the form of repayable loans. He added that the WRLF has added assets via repayment of old loans. He encouraged making the revolving loan fund the default assistance program and save the forgivable loans for special circumstances.

Ald. Byrne asked if there was a risk of losing funds if they weren't used in forgivable loans or not used as frequently. There was some discussion of the issue and Ald. Byrne stated that it would be good to see a formal write-up of how the funds are allocated and what the timelines are for spending such funds or losing them. J. Ruggini added that there was work being done by staff to come up with a plan to decide what direction to send applicants (loan vs. forgivable loan) in prior to their applying to the WRLF or CDA.

Ms. Eick asked how much money there was in existing CDBG funding. J. Ferguson stated there was \$145,000 in existing CDBG funding. J. Ferguson added that now is the time to decide if we want to allocate more to the WRLF. J. Ruggini added that a special committee board would decide on the allocation. He stated that Wauwatosa was one of only three communities in the area receiving CDBG funds. Ald. Byrne asked why Wauwatosa was one of the recipients, J. Ruggini answered that it, in part, is based on the size of the community at the time of application. The County decides allocation for the rest of the funds. Ald. Byrne asked if there was a danger of the funds going away. J. Ruggini stated there was

if the federal government reduced funding of the program, or if guidelines changed, or if the city of Wauwatosa no longer fit into existing guidelines.

Ald. Byrne asked if it was just our community that used these funds for restaurants or if it was a similar use of funds compared to the other communities. A. Kesner stated that restaurant jobs more easily fit the federal job requirements (based on income levels of employees, and other factors) so they were just more likely to be the applicable type of project than many other types of business. Ms. Eick added that retail would be the other type of jobs that fit the requirements easily. P. Enders added that other manufacturing and warehousing businesses were harder to fit into the CDBG requirements due to needing more experience and the requirement of 51% of the new hire employees being low-to-moderate income was sometimes too tough to fit into.

Ms. Eick asked who would be deciding the proper ration of loan to forgivable loans. J. Ruggini stated that as part of the analysis, staff would recommend details and the CDA would take under advisement. He mentioned that unless there is some policy or preference in place, applicants themselves will naturally gravitate towards the forgivable loans.

D. Schulz added that job creation is a good metric but that the CDA should also look at things like property improvement. He also felt that true financial 'need' should be more strenuously examined as a requirement.

Ms. Eick stated that she felt that the CDA needs to revisit their qualifications and guidelines but to beware of making them so strict that nobody can ever actually qualify.

Ms. Rettko added that when talking about a decision making process or matrix analysis that the CDA needs to be careful to not overuse metrics in lieu of looking at the small business applicant in a larger context. Ms. Eick added that in her experience she has seen other organizations rely too heavily on metric scoring alone and inadvertently disqualifying many perfectly good small businesses.

Ald. Byrne felt there should be some added discussion as to which types of projects are suitable for traditional loans vs. forgivable loans.

Ms. Eick stated that the CDA members should look at the guidelines individually and get their questions and comments ready to discuss at the next CDA meeting.

MOTION by Ms. Eick, SECOND by Ms. Rettko to adjourn. MOTION PASSED 4-0

Meeting Adjourned 1:23 pm.

Mike Citro
Business Services Specialist

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