

MINUTES OF THE COMMUNITY DEVELOPMENT AUTHORITY MEETING HELD AT THE GREENFIELD CITY HALL COUNCIL CHAMBERS ON MONDAY, FEBRUARY 20, 2017

1. The meeting was called to order at 6:45 p.m. by Mr. Pietroske, Chairperson

Steven Pietroske (Chair)	Present
Ald. Bruce Bailey	Present
Troy Chowanec	Present
James Hodson	Present
Ald. Karl Kastner	Present
Robert Selin	Present
Ben Rucka (Alt.)	Present
Donald Carlson (Alt.)	Present

ALSO PRESENT: Mayor Michael Neitzke
Alderson Shirley Saryan
Paula Schafer, City of Greenfield Finance Director
Atty. Bruce Block – Reinhart Boerner Law Offices
Dawn Gunderson-Schiel, Ehlers & Associates

2. **Motion by Ald. Kastner, seconded by Mr. Chowanec to approve the minutes of the June 29, 2016 meeting. Motion carried unanimously, with Mr. Selin abstaining.**

3. **Presentation and discussion on current status of the 84 South project.**

Scott Yauck and Dan Roskopf were present to answer questions, along with Craig Raddatz with Fiduciary Real Estate Development (FRED).

Mr. Yauck gave an update on the project status of 84 South. Due to the mild winter good progress is being made. He then gave a review of the layout of the site as to what is occurring in each portion.

Currently under construction is Midbox East, which will have eight retail tenants, with expected openings occurring around Labor Day, however Fresh Thyme will take a little longer for their opening. Steinhafels freestanding store is also underway and they hope to be out of their current location by October. To the east there is the yet to be named fitness tenant and office building.

To the west will be the FRED apartment component, consisting of 268 units in four, three-story buildings. Also a three-unit retail building west of Portillo's will break ground by July, with Portillo's having a projected April opening. The pad to the east of Portillo's will be mixed local and national restaurants.

Mr. Yauck stated that when they were last in front of the CDA in June, 2016, the discussion was to increase the density of the apartment units, and that they planned to have a retail component in what is now slated for office use. At that time the increment was projected to be \$106 million over the base of \$8 million. He spoke on the report being distributed tonight that details each component of the development, the timetable to completion, and its value. The incremental amount is \$139 million, total development is \$145 million. The difference is the base value of the TIF district.

Tonight's discussion is related to potential Pay Go assistance on the increased multi-family from 216 units to 268 units, and for the parking structure, with an estimated cost of \$16-17 million.

Mr. Raddatz then gave an update on the apartment component. What began originally as a 10 acre parcel is now down to 7.5 acres. Changes were made to the original plan to maximize cost and it will now consist of 268 units, in four three-story buildings. A major change from the original proposal is there will be no plaza parking with green roofs, which was determined to be too costly. Construction

will begin in May or June and continue in one cycle, with all four foundations poured this year. There will be two different types of brick at the base, four different treatments of hardi-plank, and depth will be added to the shadowboxes with planks, along with caps on the corners.

The current plan parking ratio is 1.66 per unit. The determining factor they use is the per bedroom factor. This formula equals the 75% mark for parking ratios.

The Pay Go request was explained by Atty. Block. The request is to set the table for an amendment to the Project Plan that would authorize the City to proceed with Pay Go investments in the housing and office building portion. Over the course of 30 days or so, an analysis will be performed to determine whether there is a basis in providing this assistance, sizing the assistance, and then negotiating a Development Agreement with the residential developer and the office developer that will help the project go forward. Both of those would be structured as a Pay Go, which means that unlike the initial investment the City made with this bond that is being repaid via a TIF, the Pay Go issues a revenue bond to the developer and the developer would be at risk for receiving the tax increments to repay that bond. The City will not be issuing any more debt and with this structure, the City is the one who gets their money repaid first, therefore the City's credit remains in tact. There is sufficient increment to repay the \$29 million of debt with tax increments before the repayment of the Pay Go portion begins. In a nutshell, with very conservative projections, it appears that this is working really well. The original \$106 million of projected increment will be more than sufficient to repay the \$29 million before the statutory expiration date. The project has had great success to date on leases, and the weather also has helped keep the project on course.

With respect to the residential portion, funds will be used to close a gap between the cost of the project and the revenues coming in. Fair Market Value is being paid for the land and comparables are being used from similar projects. Ehlers will review for any financial gaps that may be occurring. As for the parking structure costs, the tenants may have to pay for some portion of the cost, which is not unusual.

Mayor Neitzke spoke on the status of the project and how the City has been both reasonable and prudent in money the City spent for developing the project. Utilities are in along Sura Lane and Falcon Pass and traffic signals are wired, so those public roads are getting ready to open soon, with the Portillo's slated for an April opening.

Other City-wide improvement occurring are traffic improvement measures at 92nd and Forest Home, which are currently funded and are in the process of being implemented. The Greenfield portion of 92nd Street will not be fully reconstructed, but will be repaved, with a sidewalk along the 84 South portion. Lighting along 60th Street and Layton Avenue up to Konkel Park will be updated and will be brighter.

4. Discuss a preliminary feasibility analysis as it would relate to a possible Project Plan Amendment to TIF #6 (84 South).

Ms. Gunderson-Schiel gave a review of tonight's packet to show where the project is today and the how the costs will be absorbed and recovered. She discussed how the Pay Go would take the City outside the scope of the original 2015 plan, requiring a Public Hearing for an Amendment to the Project Plan. The consideration tonight is to review this scope and to set the Public Hearing allowing to incorporate those additional project incentives and project costs into the district's plan. Wisconsin statutes allow unlimited amendments to the plan's scope during the life of the district.

Ms. Gunderson-Schiel then reviewed where the project is to date financially and where the scope of the projects stand with the additional financing. The actual Pay Go has not been structured into these figures, but they have done analysis that provides the ability to have a potential early close on the district. The increment value of the net growth of this district is \$136 million. 2017 will be the first year when taxes are realized on the project. Pay off without the amendment is conservatively projected for 2031.

Mr. Hodson questioned the payment of the Pay Go bonds in regard to fluctuating market changes to which Mayor Neitzke replied that as it stands now, that with the original TIF, without the amendments, without the office building, and without the extra residential units, there was enough money to flow it based on the present values and using conservative estimates. The office building and the extra residential units provide a portion that would otherwise not be there to recover the dollars and pay off the bonds. Mr. Block then gave an explanation of the how the Pay Go is affected in the case of lower values and the impact of recessionary markets. There is enough of a substantial cushion going in where there should not be an adverse impact that could occur from the Pay Go. Ms. Gunderson-Schiel stated that their models are conservative and factor in possible recessionary circumstances.

Mr. Yauck said in a lot of lease scenarios they have precluded an appeal of the valuation in regard to some areas of the TIF. There are protections in place, with a base guarantee from Fiduciary Real Estate Development that exists to guarantee value.

5. Consider approval of a public hearing date/time for TIF #6 Project Plan Amendment.

Motion by Mr. Hodson, seconded by Mr. Selin to recommend a public hearing date/time of Monday, March 20, 2017 at 6:30 p.m. Motion carried unanimously.

6. Staff to provide a general update on pending and/or anticipated development activities throughout the community.

Mr. Erickson stated Meijer's is anticipated to open in April/May, the Greenfield Highlands project is continuing, and the Loomis Crossing site still is one of the next development areas in the City. A 12 lot subdivision off of 37th & Edgerton has started and is known as Tuckaway Woods. The Glen of Greenfield condos are being built and the majority are already spoken for. The owner of Glen of Greenfield is also taking over a condo development called The Woodlands at 117th & Beloit that had gone thru a receivership. They are anticipating carrying out the previous developer's condo design plans. The Spring Mall site is still a challenge. Mayor Neitzke said there has been interest in Spring Mall but there are site issues at the site. He stated he has also met with developers regarding the Loomis Crossing site.

Mayor Neitzke also spoke on the how Layton from Loomis to 27th Street is scheduled for reconstruction in 2020, with the possibility of sidewalks to be consistent with the rest of area. This has been long-awaited with the original street having been installed in 1956 and only having had repavings since then.

7. Motion by Mr. Chowanec, seconded by Ald. Kastner to adjourn the meeting at 7:55 p.m. Motion carried unanimously.

8. The next meeting of the Community Development Authority will be held at the Greenfield City on Monday, March 20, 2017 at 6:30 p.m.

Respectfully submitted,

Alison J. Meyer
Administrative Assistant

Distributed March 14, 2017