

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

1. The meeting was called to order at 6:40 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
Donald Carlson	Present
Ben Rucka (Alt.)	Present

ALSO PRESENT: Mayor Michael Neitzke
Paula Schafer – City of Greenfield Finance Director
Charles Erickson – Greenfield Community Development Manager

2. **Motion by Ald. Kastner, seconded by Ald. Bailey to approve the minutes of the February 20, 2017 meeting. Motion carried unanimously**

3. **Public Hearing regarding the proposed amendment of project plan for Tax Incremental District No. 6. Per the Public Hearing Notice which was published on March 9, 2017 in the Greenfield NOW legal notice section, the purpose of the proposed amendment is as follows:**

- **Allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as allowed under Wisconsin Statutes Section.66.1105(2)(f)1.n.**
- **The proposed additional and updated projects costs may include, but are not limited to: various public improvements and cash grants to owners, lessees or developers of land located within the District (development incentives), and professional and organizational services, administrative costs, and finance costs.**

The public hearing opened at 6:45 p.m.

Present were Dawn Gunderson-Schiel with Ehlers & Associates, Atty. Bruce Block with Reinhart Boerner Law Offices, Dan Roskopf with Cobalt Partners, Tony Votik with CW Purpero, and Craig Raddatz with Fiduciary Real Estate Development.

Ms. Gunderson-Schiel spoke on how at the last Community Development meeting held was to authorize proceeding with this public hearing as part of a CDA consideration of a possible Amendment to TID #6. Since that meeting, a project plan was prepared for that Amendment. TID #6 was created in August, 2015, with statutory changes for project plans and boundary purposes being allowed up to four times, however there will not be changes occurring to the boundaries, nor will there be any changes to the amount of City borrowing approved in 2015 for \$29.7 million. Also identified were projects within a half-mile radius of the plan area.

Ms. Gunderson-Schiel then referenced via a series of pictures the various stages of the development that has occurred at the site, showing the acquired property, the demolition of property, the implementation of infrastructure improvements, and now the structural improvements. The City has undertaken four debt issues up to this point, and at March 21st Common Council meeting will finalize

the costs associated with the original project plan and the last financing to support development on the site, as well as some of the cost related to the area outside the district (the half-mile radius area), which includes some street improvements. There are still two large developments that the City is in the process of doing due diligence on. One of them is the multi-family component, and the other is a medical office building which may require assistance to put in a parking structure. These two components weren't contemplated at the time of the original project plan. In order for the City to continue the negotiations on those two projects and incur any assistance that's deemed appropriate and necessary, one of the steps needed would be amending the original project plan. This would be structured as a Pay As You Go (Pay Go) payment, meaning rather than the City borrowing money to incur project costs, these expenses would then be undertaken by the developer, the developer would front the money and pay for all of the development, and then will recoup the assistance as a Pay Go.

The figure being used is a "placeholder", and there is language in the plan that allows flexibility based on the final figures. The plan is just a plan, not an absolute dollar value. Ms. Gunderson-Schiel then pointed out a section of the Project Plan Amendment report where value was assigned to the project by the Department of Revenue at the end of 2015. With the current state of construction, land and infrastructure improvements, it is estimated at \$15.8 million in the ground at the end of 2016, and taxes will be collected in the beginning of 2018. The medical office building with parking is estimated at \$41.4 million above and beyond the land, while the multi-family residential portion is estimated at \$32.2 million. Both of these two projects are seeking development assistance in the form of a Pay Go.

Atty. Block spoke on the two projects being considered for the Pay Go that are driving the amendment to the TID, and how they are beneficial to the project and are making it stronger. The benefit is the risk is now shifted entirely to the developer. It is structured in such a way it does not count against the City's debt limit. It is also structured so that the underlying \$29 million in debt that has been incurred as general obligation debt will in fact be preserved as a base value that is locked in, and only above the base will the increment from these projects be available to cover the Pay Go.

Mr. Selin questioned where the City is at with its overall debt limit and how close are we to it at this point. Ms. Gunderson-Schiel replied that the City's debt limit is 5% of the equalized value of the City, and that the City just had their rating discussion, which came in at less than 3%. With our existing bond rating and at this current debt level, there is still plenty of leeway for other projects.

Mayor Neitzke thanked Ms. Gunderson-Schiel and Atty. Block for their presentations. He stated that the medical office component is a high-value addition to the site and will bring 200-400 jobs to the area, and that a significant portion of constructing their parking structure will be fronted by the developer. He mentioned that originally the residential component originally called for 216 units. After review it was determined that 289 units made the most sense.

Mr. Hodson questioned the addition of Kohl's, which is leaving Southridge, to 84 South. Mayor Neitzke stated that there was no development assistance from Greenfield to lure Kohl's to 84 South. Kohl's made a corporate decision to relocate from shopping malls. So while Southridge is losing Kohl's, it was probably inevitable that they would have eventually sought out a location outside of a shopping mall setting. They are however remaining in the area, benefitting both Greenfield and Greendale due to the traffic they generate. It is clear as times change that communities need to work together to retain businesses as they shift their business models. He cited the improvement of the street lighting occurring along the commercial corridor, and how that is an enhancement to the City. He sees the momentum created by 84 South extending to other property owners, an example being the relocation of Music Go Round from the Greenfield Fashion Center to a standalone building nearby, with the new owner creating plans that he said wants to resemble 84 South.

Motion by Ald. Kastner, seconded by Mr. Hodson to close the public hearing at 7:10 p.m. Motion carried unanimously.

4. **Consideration of “Resolution Approving a Project Plan Amendment for Tax Incremental District No. 6, City of Greenfield, Wisconsin”.**

Motion by Mr. Selin, seconded by Mr. Carlson to recommend to the Common Council the approval of a “Resolution Approving a Project Plan Amendment for Tax Incremental District No. 6, City of Greenfield, Wisconsin”. Motion carried unanimously.

5. **Motion by Mr. Carlson, seconded by Mr. Bailey to adjourn the meeting at 7:15 p.m. Motion carried unanimously.**

6. **The next meeting of the Community Development Authority will be held at the Greenfield City Hall at the call of the Chair.**

Respectfully submitted,

Alison J. Meyer
Administrative Assistant

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