



Community Development Authority
Meeting Minutes
Thursday, February 11, 2021 at 9:00 a.m.
via Tele/Video-Conference

Present: Chair Peter Hammond, Tr. Davida Amenta, Michal Dawson, Jon Krouse, Joe LeSage (9:08 a.m.), Desty Lorino (9:12 a.m.) and Tr. Kathy Stokebrand.

Also present: President Allison Rozek, Village Manager, Rebecca Ewald; Assistant Village Manager, Tyler Burkart; Finance Director Mark Emanuelson; and, Michaela Huot (Baker Tilly).

1. Call to order.

The meeting was called to order at 9:01 am.

2. Consider January 8, 2021 meeting minutes. (9:02 a.m.)

Ms. Dawson motioned to approve the minutes as drafted; seconded by Tr. Stokebrand. Vote 5-0.

3. Consider possible fees for a Phase I application for public assistance. (9:05 a.m.)

Chair Hammond introduced Tom Baade, Catalyst Development, and noted he was interested in conforming with the Village's TID policy. Catalyst has offered to pay the fees for Phase I application review as outlined in the draft policy. President Rozek was concerned regarding the offer of payment for processing an application in the absence of an approved policy and fee schedule. It was noted that this is not a revenue generator for the Village and the application fee is simply a reimbursement for financial review fees.

President Rozek relayed her concern is that there is no fee or something that allows us to accept money from a developer for an application. She further relayed this would not hold up receiving an application from a developer, as CDA could continue reviewing any development request as it has been handled in the past. She is not against TIF or TIF requests, she is only against taking money from a private developer without an approved policy or fee schedule.

Tr. Amenta shared the concern of charging an ad hoc fee. She noted this was the last round of changes to the policy and she was curious about the developer's rush to submit an application and if they have applied for to the state for low income tax credits. Chair Hammond relayed the policy review process has been taking several months and he was unsure as to whether the CDA could commit to adopting the policy in 1-2 weeks. Tr. Amenta noted there is a strong desire of the current board and her to adopt the policy. Mr. Baade relayed he started talking with Shorewood last fall. Catalyst has deadlines with closing on the properties and if they proceed they need to have their plan defined. They have been working with Shorewood to understand the policy in place and when it was not approved last month, they approached staff to see how to best move forward, offering to compensate for the fees discussed, as their option on the property were expiring. In order to close on the properties their plan needs to be defined. Catalyst desires to pursue affordable housing and if they don't proceed with a TIF and affordable housing, they will pursue market rate housing. With regards to affordable tax credit, initially this project was ran with an 80/20 affordable market rate and the debt service wasn't covered. They did not believe they would be awarded for the 9% competitive tax credits given WHEDA's recent

emphasis on rural housing for the next year or two. They are not asking the Village to hurry anything, they were simply asking for an alternative in order to move forward with the project review.

President Rozek didn't understand why a fee was being required and if timing is an issue, she didn't understand the hold up. Mr. Baade noted they are only trying to work with us on the policy and it married up with their project, he is just running out of time. Chair Hammond noted that no one is requiring anything. Mr. Baade was just trying to figure out the best path forward. It was confirmed that the policy will be listed on the next Village Board agenda, if recommended by the CDA today. Mr. Baade relayed he was happy to wait until after Monday. Tr. Stokebrand noted her desire to head down the road utilizing the policy and fee.

It was noted that the developer was not able to pay Baker Tilly directly, as the client is the Village. President Rozek noted the property owner is Paul Hackbarth. She further relayed she was excited about the project when it was disability housing and since the project has changed to a few units of affordable housing, she relayed that she would lean not looking favorably on this type of development.

If the policy is approved Monday, everyone can proceed. If the policy is not approved, is there a contingency plan? Option 4 would be the CDA making a motion to charge the developer the Phase I application charge and it would be supplanted by the policy and fee schedule when adopted by the Board. The CDA could receive the funds and pay Baker Tilly. President Rozek noted that if the Village President is not comfortable without a policy and fee schedule, she does not believe that the CDA would be working in partnership with the Village. President Rozek does not want to hold up the developer, and if he is ready to apply, apply to the CDA without a fee changing hands until a fee is implemented by the Village Board. There would not be a retroactive payment if a new fee is approved in the future. The CDA would pay Baker Tilly the expenses involved with the application review, not the developer.

Tr. Amenta noted the fee schedule adopted by the Village Board annually. The fee needs to be reasonably related to the work performed. She wanted to note that there is a process for setting fees. At this point there is no fee in place. If the developer wants to put in an application, he can do so. The Board will be discussing this on Monday, she is wondering if there are ethical issues outside of an adopted fee schedule. She prefers the developer wait until Monday.

Ms. Dawson noted the CDA meeting scheduled next week, and she suggested deferral of the item to allow the Village Board time to adopt the policy and fee structure next Monday. If not, the CDA could take up the issue next week. It was noted that the CDA can afford the amount of the application review. The timeline for policy approval is unknown. Mr. Krouse supported the CDA moving forward with application review now. Ms. Dawson noted her support to work collaboratively with the Village Board and giving them the benefit of the doubt, moving forward with a week delay. President Rozek agreed with both Ms. Dawson and Mr. Krouse.

Ms. Dawson moved for the CDA to delay action on this item until next week, but no later than the meeting next week, to allow the Village Board time to put a fee in place and adopt the TID policy. Tr. Amenta seconded. Motion carried 7-0.

4. Consider requested modifications to Policy 40 – TID creation and TIF assistance. (9:38 a.m.)

Chair Hammond reviewed the proposed amendments to the policy based upon Village Board comments.

1 – Included a statement that there must be another benefit(s) in addition to increased tax base to provide TIF assistance.

2 – Further definition of disadvantaged class related to hiring and contracting requirements. The language was a combination of City of Milwaukee and Milwaukee County policy examples. The

threshold of \$1million identified was provided by the City of Milwaukee. It was noted that Shorewood's prior project were large projects and contributed more than \$1 million in public funds. Mr. Krouse noted that with building costs and other requirements, it does not make sense to have the requirements for project less than \$1 million.

3 – No longer specifying an incentive for hiring or contracting with disadvantaged classes, as there is now a goal and compliance plan required.

4 – Included language regarding green infrastructure. The language was a combination of City of Milwaukee and Milwaukee County policy examples. It calls for the developer to submit a plan and then measure the energy efficiency two year after development completion. Chair Hammond met with the Conservation Committee to review other options for developers to consider. Encouraging conservation at the beginning of design was to encourage sustainable aspects within the development. The information is not tied to any specific requirements. It was noted that members of the Conservation Committee were comfortable with the language and providing their resource sheet to developers. Conservation Committee member Donna Pollack concurred.

5 – Included a statement that development with only luxury and market rate housing is not eligible for TID creation or assistance. Tr. Amenta suggested removing the word “generally” from the statement. President Rozek concurred. Tr. Stokebrand clarified that a mix of affordable and market rate would be ok. Mr. Krouse suggested adding, “unless the project incorporates affordable housing.” The CDA members concurred with both language adjustments. Chair Hammond noted the current board is not interested in subsidizing market rate housing, but future boards may not feel the same way and in such case would change the policy. It is very definitive in his opinion. Mr. Krouse concurred.

6 – Listed the \$5,500 as the Phase I application fee and Phase II \$8,000 the financial study fee and any additional costs above \$8,000 for TID creation and assistance costs. The Phase II study fee may be refunded to the developer upon successful TID creation or approval for financial assistance.

Tr. Stokebrand moved to approve Policy 40 – TID creation and TIF financing assistance, as amended with requests by the Village Board. Ms. Dawson seconded. Motion carried 6-0. It was noted that Mr. Lorino left the call prior to voting on this item.

5. Adjournment.

Tr. Stokebrand motioned to adjourn the meeting at 10:03 a.m.; seconded by Mr. Krouse. Vote 6-0.

Respectfully submitted,

Rebecca Ewald

Village Manager