Joint Community Development Authority

and Village Board

MINUTES

October 6, 2021

Members Present CDA: Justin Rupert, Austen Conrad, Dan Kolk, Stephanie Brassington, Ken Brost

Members absent CDA: Jerry Dietzel, Toni Stolarik

Members Present Village Board: Stephanie Brassington, Justin Rupert, Mike Flaherty, Carolyn Clow, Carrie Nelson, Ed Wreh, Chris St. Clair

Members absent Village Board:

Staff Present: Andrew Bremer, Karen Knoll, Stephanie Miller, Kong Thao, Matt Schuenke

1. CALL TO ORDER

Brassington called the meeting to order at 7:00 pm.

2. PUBLIC APPEARANCES

None

3. BUSINESS

a. Presentation and discussion regarding a revised Tax Increment Financing Development Incentive Application from Waubesa Village LLC (Ryan Quam) for 4902 & 4908 Terminal Drive as Waubesa Village Phase 4 located within Tax Increment District #3.

Bremer summarized the history of this project as included in packets. The review process of this proposal started in April of 2021, at the July CDA meeting it was unanimously recommended to the Village Board approval of the revised TIF development request. At its July meeting the Plan Commission motion to approve the PUD failed on a vote of 3 -3. At the July 26, 2021 Village Board meeting the PUD ordinance to rezone the property, including the general and detailed plan was unanimously approved, at the same meeting the motion on the CDA's recommendation on the TIF Development Incentive Application failed on a vote of 3-3. Some of the feedback was that this is a 100% multi-family housing project that lacks sustainability or non-market rate units.

Staff has met with Quam to address some of the concerns brought forward at the Village Board meeting. Quam obtained a quote to add rooftop solar to the building. His option to purchase 4908 Terminal Drive expired over time, he has entered into another offer to purchase agreement, however it is at a higher price than previously. Bremer reviewed the additional costs to the proposal. Quam submitted a revised TIF application seeking $226,500 in a Tax Increment Loan at Occupancy, plus sale of 4902 Terminal Drive for $1 (estimated value $73,255), plus completion by the Village of the curbing and sidewalk along Terminal Drive, estimated value $24,000, as part of future Village consideration of reconstruction of Terminal Drive, including curb and gutter and sidewalk or trail which will move forward with or without the Quam project.

Bremer indicated tonight's open joint session meeting is to have the opportunity to review the proposal and ask Quam any additional questions. Bremer reviewed the closed session process for tonight's meeting along with the agenda items.

Quam summarized his application as provided, with Trustees and CDA members. He feels there is a lot of demand for apartments of this type, and this is a good fit for the area. The lot is a difficult site to develop and he has storm water management in place for the majority of the project, which is something another developer would not have. He will install solar roof panels, which is something he has not done before. He is asking for additional funds for the increased lot cost. Quam indicated the delay in the project is causing him additional costs and risks. Quam advised there is a lot of demand for this type of apartment and the lifestyle it offers to residents. Quam indicated he has also had a lot of positive feedback from local business that benefit from the Waubesa Village apartments and its resident's spending money in the community.

Brassington polled CDA members and Village Board Trustees for their thoughts and questions about the proposal. Attendees discussed the benefits of this project on this lot, the issues with the lot itself, the need for TIF funds and TIF amounts used in former projects, the assessment guarantees on the phases, the social benefits, solar usage on the project, the increase of the tax base, when the TID could possibly close, concerns over land availability in McFarland, affordable housing, commercial aspects and TID guidelines. Along with the history of the CDA and how projects were approached.

In response to some of the questions and concerns, Quam did indicate as a developer he can build this project in another community and have less costs and issues with development of a site. There are other communities who have sites available which are level and do not have the costs involved with developing the land as this one does. The cost per door to develop this is much more than other communities. He feels this compliments the current Waubesa Village project. If he did not move forward with this site and another developer came in, that party would have the issue of having to develop their own retention pond on the site, gaining access to any potential underground parking. They would be starting from scratch rather than completing something that is already started.

b. Presentation and discussion regarding role and responsibility of the Community Development Authority.

Bremer reviewed this agenda item is presented as an opportunity to review the powers and duties of the CDA under the Village Municipal Code and to discuss how the CDA can continue to support the Village Board, including potential discussion of initiatives the CDA or Village Board may desire to undertake per the municipal code. Traditionally the one of the primary roles was the creation and management of the TIF districts. Along with blight elimination, urban renewal and community development programs, outside of TIF Districts. It is not specific to one area, often blight elimination is in a TIF district. The powers and duties of the CDA are included in packets.

Attendees discussed the history of developers wishing to build in McFarland, a balanced approach to development, the municipal code drawing up the description, the length of term for a CDA member, the need for consistency for developers, the Wisconsin statues as they relate to the CDA, the process of a TIF request, the level and scope of the CDA, the need for the Village Board to not only trust the decisions of the CDA, but also the other committees, how the committees should be considered the voice of community.

Clow will have the topic of the process of grants on a future Village Board agenda.

c. Discussion regarding the policy manual for the Tax Increment Financing request.

Bremer reviewed the manual was set up in 2017 in order to provide guidance and consistency for how the CDA, Village Board, staff and developers work through request for development incentives in a TIF district. It was vetted by the CDA and then adopted by the Village Board, with some minor changes in 2019. Bremer reviewed the manual as provided in packet and took feedback from attendees. Clow suggested the CDA review the TIF policy manual for potential amendments including review of past applications regarding any exceptions that may have been allowed in order to inform decisions on policy updates.

4. CLOSED SESSION.

a. Discussion and action in order to convene in Closed Session in accordance with Wis. Stats. 19.85(1)(e) to deliberate or negotiate the purchasing of public properties, the investment of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session including the sale of property and the investment of public funds regarding:

Brassington moved to convene into closed session, Clow seconded the motion. Motion carried on a roll call vote CDA -5-0; Village Board 7-0.

Meeting moved into closed session at 8:50 p.m.

Brassington moved to reconvene in open session. Rupert seconded the motion. Motion carried on a roll call vote CDA -5-0; Village Board 7-0. Meeting reconvened into open session at 9:25 p.m.

5. RECONVENE INTO OPEN SESSION

a. Community Development Authority (Trustees Brassington & Rupert).

1. Discussion and possible action to make a recommendation to the Village Board regarding a revised Tax Increment Financing Development Incentive Application from Waubesa Village LLC (Ryan Quam) for 4902 & 4908 Terminal Drive as Waubesa Village Phase 4 located within Tax Increment District #3.

Brassington moved to recommend approval to the Village Board regarding a revised Tax Increment Financing Development Incentive Application for Waubesa Village LLC (Ryan Quam) for 4902 & 4908 Terminal Drive as Waubesa Village Phase 4 located within Tax Increment District #3. Rupert seconded the motion. Motion carried 5-0.

b. Village Board

1. Discussion and action regarding a revised Tax Increment Financing Development Incentive Application from Waubesa Village LLC (Ryan Quam) for 4902 & 4908 Terminal Drive as Waubesa Village Phase 4 located within Tax Increment District #3. Conditional upon

Flaherty moved to approve a revised Tax Increment Financing Development Incentive Application from Waubesa Village LLC (Ryan Quam) for 4902 & 4908 Terminal Drive as Waubesa Village Phase 4 located within Tax Increment District #3.
Conditioned on:

1. Approval of a Real Estate Acquisition and Development Agreement by the Village Board, including but not limited to:
- A total tax increment incentive valued at $323,755, consisting of a $226,500 Tax Increment Loan at Building Occupancy, sale of 4902 Terminal Drive for $1 (estimated value of $73,255), and completion by the Village of a sidewalk/bike trail and curbing along Terminal Drive (valued at $24,000).
- Applicant to provide an assessment guarantee of at least $3,800,000 by January 1, 2023 and throughout the life of the TID.

Rupert seconded the motion. Motion carried 5-2 with Wreh and St. Clair voting nay

6. SCHEDULE NEXT MEETING DATE.

a. Wednesday, November 3, 2021 at 7:00 pm. for CDA members Thursday October 7, 2021 at 6:00 pm. for Village Board members.

7. ADJOURNMENT.

Clow moved to adjourn. St. Clair seconded the motion. Motion carried 5-0 by the CDA and 7-0 by the Village Board. Meeting adjourned at 9:32 p.m.