

**MINUTES OF THE COMMUNITY DEVELOPMENT AUTHORITY OF THE
CITY OF CUDAHY, HELD AT THE CUDAHY MUNICIPAL BUILDING, 5050
S. LAKE DR., MILWAUKEE, COUNTY, WI HELD
Wednesday December 3, 2014 @ 5:30 P.M.**

ROLL CALL

Chairman Ald. Jason Litkowiec called the meeting to order at 5:30 pm. The following answered “present” to the roll call: Ald. Randy Hollenbeck, Joan Houlehen, Randy Pheifer, Bob Grans, Rick Ceschin. Absent and excused Marty Van Hoof, Executive Director Schuknecht. Also present Development Director Brian Biernat, and Mayor John Hohenfeldt.

MEETING STATEMENT

The proper open meeting statement was read at this time.

MINUTES

MOTION WAS MADE BY RICK CESCHIN, SECOND BY JOAN HOULEHEN to approve the minutes from the October 28, 2014 CDA meeting. Motion carried unanimously.

OLD BUSINESS

NEW BUSINESS

3. Update regarding the termination of the development agreement with Cobalt LLC. Director Biernat provided an update after the notice of termination was provided to Cobalt. Attorney Dave Muth provided an update to the CDA that the lawsuit has been filed, and that all parties have until December 11, 2014 to respond to the complaint. Potential settlement discussions have occurred with Cobalt. The defendants in St. Louis and Scott Yaulk have to terminate all conditions in the law suit and other necessary legal paperwork to lead to a resolution. Cobalt will provide all necessary information on development, and is talking about the \$83,000 in taxes and closing costs (totaling about \$85,000). If we cannot reach a settlement agreement, we would get into court in approximately February 2015. Atty. Muth will be back to a future CDA meeting to discuss appropriately in closed session any legal strategy that the CDA would wish to take in this matter.

4. Brian Biernat opened the discussion regarding the review and appropriate action regarding the proposal submitted by Bob Cigale of Endpoint Solutions, Llc for finalizing remediation of Parcel 3 in the Sweet Applewood Development District located at 3200 East Barnard Avenue. This is a continuation of the remediation at Parcel 3. To get finalization from the DNR, we need another period of monitoring on the site. Bob Cigale provided a summary of the material on Parcel 3 and proposal. Discussion ensued of necessary TIF funds for that project that are available. **A MOTION WAS MADE BY JOAN HOULEHEN, SECONDED BY RANDY PHEIFER,** to approve the proposal as submitted. On a roll call vote, motion carried unanimously.

5. Brian Biernat opened the discussion of the action regarding the proposal submitted by Bob Cigale of Endpoint Solutions for Phase II environmental analysis for the parcel at 3503-49 East Layton Avenue. The Phase II activities required are due to impending development interest on the site. There are currently an open GIS ticket on the site with the DNR but we need to move

forward due to the impending development. Bob Cigale discussed the current drilling activity on the site and finishing the necessary work on the site. **MOTION MADE BY RICK CESCHIN, SECONDED BY RANDY PHEIFER** to approve the proposal as submitted in an amount not to exceed \$20,000. On a roll call vote, motion carried unanimously.

6. Mayor Hohenfeldt provided an update to the CDA regarding the previously approved Neighborhood Loan Improvement Manual and Program previously approved by the CDA. By CDA and Common Council action, the program as approved changed how the loans were to be processed from an open ended to a close ended loan (with the 10 year maximum payback period). To comply with the actions of the governing bodies and State and Federal banking laws, the Mayor, staff, and representatives of North Shore Bank worked on this over a very long period and have incorporated the necessary changes and requirements into the revised loan manual. With the Mayor's additional requests, the City will need to be set up as a branch of North Shore within their system, the City will need to be set up with a credit reporting agency (to report on payments of loans by applicants), and the final legal agreement will need to be worked out between the City and North Shore Bank. They Mayor then presented a request to the CDA for the utilization of funds from TIF 105 for the preparation of documents to establish the City of Cudahy as a branch of North Shore Bank's Computer System (\$1,000), a request for funds for the credit reporting analysis system to be utilized in the loan approval process and processing by the City of Cudahy (\$600 per year), a request for funds and authorization for the City Attorney and North Shore Bank to finalize the legal agreement between the City of Cudahy and North Shore Bank (\$3,000), and the approve the neighborhood loan program manual revision A dated 11/122014 as presented.

A MOTION WAS MADE BY RANDY PHEIFER, SECONDED BY JOAN HOULEHEN to approve the four actions with the neighborhood loan program as presented. On a roll call vote, motion carried unanimously.

7. Brian Biernat explained the Request for Proposal – Downtown Cudahy Development Opportunity as submitted by staff. Director Biernat explained the previous summer utility projects work in preparation for the RFP. Mr. Carmody entered into a development agreement with the CDA and City on the Squire Avenue portion of the site. Bear Development has expressed interest in the north section of the block at Kingan and Layton Avenues and the need for the RFP. The RFP will be issued for publication and details will be placed on our website, and will run through the end of December. Discussion and questions ensued. **A MOTION WAS MADE BY ALDERMAN HOLLENBECK, SECONDED BY RICK CESCHIN** to approve the RFP as presented by staff. On a roll call vote, motion carried unanimously.

8. Michael Lerner, Development Consulting Services, Inc. provided a presentation on the conceptual redevelopment proposed for the former Nativity of the Load Parish and School, located at 3767 East Underwood Avenue and a request for Tax Incremental Financing Assistance. The size of the current site for this proposed development is 1.016 acres of land with multiple buildings on the site. Development on the site proposed is looking to finance under Wheda tax credits. The development would be for a 60 units building on the site, possibly five story (at the tower end), with a combination of 1-2-3 bedroom units. The current mix would 12 1 bedroom, 37 2 bedroom, and 11 3 bedroom units with underground parking on the site with the driveway coming off of Hammond Avenue with 81 underground parking spots. The maximum height of the building would be 54 to 58 feet on the on the north end (4 floors with mix of 1-2-3 bedroom units, 5th floor with 7 2 bedroom units) trying to blend the height of the building with the neighborhood. The 54 to 58 feet is the current height of the steeple existing, which would be the maximum height. The developer has been working with the Mayor and city staff on moving conceptual plans forward to the Plan Commission in December taking this property from currently tax exempt empty property to residential taxable property at an estimated cost to build of \$8.4 million. This project could be finance through Wheda, or other banks financing the project. This project is not a senior development or low income housing but a target market of

younger families or older residents who no longer want to own their own homes, but want to stay in the neighborhood. Unit size discussed were 1 BR (737/800 sq. ft.), 2 BR (987/1100 sq. ft.), 3 BR (1175/1200 sq. ft.). The 2 BR and 3 Br will have two full baths. His company Management Associates would manage the property as they currently do like other projects such as the facility in St. Francis. Discussion and questions ensued between the developer and members of the CDA.

9. Chris Laurent, Urbanapex Real Estate Development and Strategic Consulting Services provided a presentation for a conceptual mixed use redevelopment effort for the current City of Cudahy DPW facility located at 3555 East Pabst Avenue. The parcel is currently 3.5 acres, currently where the DPW garage and city yard are located. Common Bound Communities is based out of Minneapolis and is a non-profit developer. His personal previous work in the city included work on the Cudahy Commons and Buckhorn Station Projects (north end of city). The development being proposed is also a Wheda tax credit application submittal on this site, south of the Cudahy Family Library. This organized development would be a mix of a one building 62 unit apartment homes, mix of townhouses with garages. Parking on the site would at grade. The multi-story building on the site (close to railroad tracks) would be a proposed 4 story building. The total development would be an \$8.8 million dollar development. The developer would bring in \$6.4 million in equity to the project, a \$1 million dollar mortgage, and they are seeking a \$1 million request for use of TIF funds. The Mix of 1 2 3 bedroom units would be 1 BR (40%), 2 BR (40%), 3 BR (20%). Discussion and questions ensued between the developer and the members of the CDA.

10. S.R. Mills, of Bear Development, presented the conceptual mixed use redevelopment plans for the CDA owned parcel located at 3503-3549 East Layton Avenue. Sr. Mills provided a company history of Bear Development and different development projects in other communities. The building being proposed for this site is a 48,600 square foot facility with a mix of residential and retail. The building would be three story height, with underground parking. The residential would be 56 units, with most residential on the second and third floors. The first floor would contain 4,300 square feet of retail on the Layton Avenue side with the back side toward the alley being residential. There would also be a common area for the residential on the first floor. The unit mix is 26 1 bedroom, 21 2 bedroom, and 9 3 bedroom units. The financing standpoint would be through Wheda Tax credits with a combination of Wisconsin Economic Development Corporation (WEDC) blight elimination grant application, and WEDC site assistance grants, and financial participation with a current banking partner City Bank. Their goal is to have their Wheda application submitted by January 31, 2015. The construction cost would be \$10 million in value, with 60 underground parking stalls for residents, and 31 above ground stalls on the back side in the alley for mainly retail clients. They are currently in a market study on the building with Baker Tilly and will have results back in about two weeks. Discussion with questions and answers ensued between the developer and the CDA members.

After hearing the three CDA presentations, the CDA went into recess at 7:20 p.m.

The CDA reconvened into session after the recess at 7:25 p.m.

Adjourn into closed session per Wis. Stat. 19.85(1) (e) (g) for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session and/or to confer with legal counsel with respect to ongoing and/or likely litigation: **MOTION MADE BY RICK CESCHIN, SECOND BY JOAN HOULEHEN** to adjourn into closed session. On a roll call vote, motion carried unanimously.

MOTION MADE BY RANDY PHEIFER, SECOND BY BOB GRAMS to adjourn the closed session and reconvene in open session. Motion carried unanimously.

11. Action on the proposed redevelopment project and request for TIF assistance at 3767 East Adams Avenue. **A MOTION WAS MADE BY RICK CESCHIN, SECONED BY JOAN HOULEHEN,** to participate in the proposed redevelopment efforts project, with TIF assistance to a maximum 15% project cost participation for TIF eligible expenses. On a roll call vote, motion carried unanimously.

12. Action on the proposed redevelopment project, letter of interest, and request for TIF assistance at 3555 East Pabst Avenue. **A MOTION WAS MADE BY RICK CESCHIN, SECONED BY JOAN HOULEHEN,** to participate in the proposed redevelopment efforts project, with TIF assistance to a maximum 15% project cost participation for TIF eligible expenses, and to execute the Letter of Interest. On a roll call vote, motion carried unanimously.

13. Action on the proposed redevelopment project and request for TIF assistance at 3503-3549 East Layton Avenue. **A MOTION WAS MADE BY RICK CESCHIN, SECONED BY JOAN HOULEHEN,** to participate in the proposed redevelopment efforts project, with TIF assistance to a maximum 15% project cost participation for TIF eligible expenses. On a roll call vote, motion carried unanimously.

14. Director Biernat identified the desire of the public right of way in previous CDA meetings for the engineering, design and construction of the Public Street and extension of necessary water and sewer facilities to support district development adjacent to and south of K-Mart in the 6100 block of South Packard Avenue. These improvements as discussed and identified will provide for greater development to the back age lots, other development on the K-Mart out lot sites, and the impending development by Charlie Audi. Discussion and questions ensued. **A MOTION WAS MADE BY JOAN HOULEHEN, SECONED BY RANDY PFEIFER,** to utilize TID #1 project funds in an amount not to exceed \$200,000 for the the engineering, design and construction of the public street and extension of necessary water and sewer facilities to support district development adjacent to and south of K-Mart in the 6100 block of South Packard Avenue. On a roll call vote, motion carried unanimously.

15. Director Biernat again explained the Retail Incentive Program to accommodate not less than five new retail business occupying new construction within TID #1. The staff is requesting for the commitment and earmark of \$250,000 in TID #1 funds accommodating up to five capped awards at \$50,000 each. A program like this have been done in other communities and is designed to encourage retail that is desirable and sustainable (at least with a minimum 3 year lease). Local and regional entrepreneurs are desirable for this type of program. The goal with the creation of this program is to create 5 different new retail businesses in Cudahy and this is an important piece of that. Discussion ensued. **A MOTION WAS MADE BY JOAN HOULEHEN, SECONED BY RICK CESCHIN,** to approve the request for the \$250,000 in utilization of TID #1 funds for this retail incentive program. On a roll call vote, motion carried unanimously.

MOTION MADE BY RANDY PHEIFER, SECOND BY RICK CESCHIN to adjourn the meeting at 8:20 p. m. Motion carried unanimously.