

**MINUTES OF THE SPECIAL MEETING OF THE COMMUNITY DEVELOPMENT
AUTHORITY FOR THE CITY OF CUDAHY, HELD AT THE CUDAHY MUNICIPAL
BUILDING,
5050 S. LAKE DR., MILWAUKEE COUNTY, WI HELD
Tuesday July 22, 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, Rick Ceschin, Marty Van Hoof, and Randy Pheifer. Sean Smith was excused. Also present Mayor John Hohenfeldt, Development Director Brian Biernat, and Finance Director Bruce Schuknecht.

MEETING STATEMENT

The proper open meeting statement was read at this time.

MINUTES

MOTION WAS MADE BY JOAN HOULEHEN, SECOND BY MARTY VAN HOOFF to approve the minutes from the June 10, 2014 CDA meeting. Motion carried unanimously.

OLD BUSINESS

None

NEW BUSINESS

3. Review a preliminary site development plan and request for TIF assistance for a new retail building to be constructed at 6143 S. Packard Avenue, submitted by Michael Peine on behalf of owner Charles Audi. The proposed site is located in the TID #1 Buffer Zone.

MOTION MADE BY RICK CESCHIN, SECOND BY JOAN HOULEHEN to approve a preliminary site development plan and request for TIF assistance. Motion carried five for with one member abstaining.

4. Review the proposed offer to sell submitted by owner Christian Jensen for the property located at 5317 S. Lake Drive. The property forfeited its legal nonconforming status and may no longer be used for business or commercial uses. It may not be economical or practical for the existing principal structure to be converted to single family use, resulting in a blight condition. Mr. Jensen acquired the property in March 2012 for \$ 139,000. The property is located within the TID #1 Buffer Zone. Staff recommends consideration of the offer in order to eliminate the blighted condition of the property and allow the owner to relocate his business to an appropriate district in the City of Cudahy with use of the sale proceeds. The disposition plan for the property would entail demolition of the existing structure and marketing the lot for new, single family construction. Lot dimensions are 89’x120’ and meet district requirements for new construction. The land is currently assessed at \$ 101,600. Mr. Jensen has not paid property taxes on the property since 2012. All taxes due and owing will be deducted from the sales proceeds. **MOTION MADE BY RICK CESCHIN, SECOND BY ALD. RANDY HOLLENBECK** to hold this item over in closed session at a future CDA meeting. Motion carried unanimously.

5. Discuss the chronology of activity in Environmental Tax Increment District # 2 from October 2012 to present. Identify remaining deliverables due by Cobalt Partners LLC as a condition for executing the pending development agreement amendment proposed at the October 22,

2013 meeting. Development Director Brian Biernat provided a verbal narrative of the chronology of events over the past 24 months in pursuing mutual objectives for development in ETID#2 with Cobalt Partners LLC. In October 2012, the CDA, finalized the bond sale of lease revenue bonds in the amount of approximately \$ 1.4 million. That issue was pursued and concluded by the CDA in a good faith effort to properly fund the eligible costs involved in Phase I and II of the agreement. A portion of proceeds from the sale were applied to the closing balance for the City of Milwaukee parcel, and the remaining balance was used to pay off the Developer Note and all outstanding eligible costs incurred by the Developer to date. Going forward, the CDA also arranged for transfer from ETID #1 to the ETID#2 project fund all excess increment funds. As a result, going into 2013, the Developer was funded sufficiently to conclude Phase II activities if such activities were to be undertaken. During the course of 2013, the development market and possibilities remained somewhat fluid. Through the summer and fall of 2013 city staff and the CDA met regularly with the Developer to discuss an opportunity pursued by Cobalt for ETID#2 that identified the Milwaukee Rave as a potential end user that could possibly drive even more dense development on the site. In October 2013, the CDA reviewed a request by the developer to amend the agreement allowing for TIF funding to be increased proportionally to the proposed added value in the district, which was then estimated at about \$43 million. The CDA agreed to the amendment but conditioned executing the amended agreement upon receipt of three deliverables: 1) Project schedule, 2) Project budget and 3) Final Development Plan. These deliverables were expected by early 2014 and were requested by the City to accommodate the timeline needed to obtain necessary City approvals for the proposed development including conditional use permits, design reviews and approvals and other necessary permits/ approvals. In addition, staff informed the Developer at the May 2014 CDA meeting that 30-60 days advance time would be needed to work with Ehlers & Associates to perform the necessary financial review of the final proposed development in order to prepare for the Phase III bond issue, all of which needs to be completed before the contractual deadline of September 15, 2014. Development Director Brian Biernat indicated that as of the current meeting date, the Developer has not produced the required deliverables and has not advanced the remaining necessary work to prepare for the Phase III bond issue as referenced in the Development Agreement, Section 7.5 Obligations of Cobalt to Satisfy or Obtain Waiver of the Pre-conditions to Phase III Closing. Development Director Brian Biernat indicated that it was now extremely unlikely that the Developer would meet contractual requirements or milestones prior to the September 15, 2014 Development Agreement termination date, should these requirements not be met. Development Director Brian Biernat recommended that the Development Agreement terms and conditions not be extended.

6. Review the financial statement for Tax Increment District #1, supplied by Finance Director Bruce Schuknecht. Mr. Schuknecht informed the committee that in 2014 TID #1 has expended \$ 3,232,698 with a Fund Increment Balance of \$ 6,567,816 as of June 30, 2014. One member brought up the Packard Ave Road Reconstruction for \$ 1,750,000 and questioned if this item needed CDA approval. Mayor Hohenfeldt stated that he would ask City Attorney Paul Eberhardy to clarify.
7. Review staff recommendation for final disposition of portions of the vacant lot at 3541 E. Barnard Avenue proposed for sale to Landmark Credit Union, City of Cudahy Public Library, and the Library Square Condominium Association. **MOTION MADE BY RANDY PHEIFER, SECOND BY MARTY VAN HOOFF** approved the final disposition of portions of the vacant lot at 3541 E. Barnard Avenue proposed for sale to Landmark Credit Union, City of Cudahy Public Library, and the Library Square Condominium Association. Motion carried unanimously.

MOTION MADE BY RANDY PHEIFER, SECOND BY JOAN HOULEHEN, to adjourn the meeting at 6:40pm. Motion carried unanimously.

