

CITY OF VERONA
MINUTES
COMMUNITY DEVELOPMENT AUTHORITY (“CDA”)
February 28, 2019

1. **Call to order:** Errin Welty called the meeting to order at 5:03 pm.
2. **Roll call:** Luke Diaz, Katie Kohl, Errin Welty, Art Cresson, and Adam Frey. Steve Rudolph and Christopher Zak were absent.

Also in attendance: Dayna Sarver, Economic Development Manager; Adam Sayre, Interim City Administrator; and Katherine Holt, Community Development Specialist.

3. **Minutes:** Two amendments to the minutes were proposed. The first is to remove Mark Cresson from the roll call and the second is to change the arrival time of Adam Frey from 6:38 pm to 4:38 pm.

Motion by Diaz, seconded by Cresson to approve the January 17, 2019 CDA meeting minutes with the amended changes. Motion carried 5-0.

4. **Presentation: Roles and Functions of CDAs in Development Projects, Neil Stechshulte, Sun Prairie Economic Development Director.**

Stechshulte discussed information regarding his position in Sun Prairie such as assisting with land acquisition, financing debt through the CDA, and acquiring properties for assemblage for redevelopment. Redevelopment with the Downtown is on-going for Sun Prairie. A member from the CDA will be a part of the Board for the Downtown Redevelopment for the site of the previous explosion.

Stechshulte handed out a packet that contains his response to the five questions posed by the CDA, an overview of Sun Prairie’s CDA, including their local ordinance and the Wisconsin Statute for housing and community development authorities. Sun Prairie does not have a housing authority as part of the CDA at this time. Sun Prairie gives money to the Dane County Housing Authority to assist in doing this; however, the Mayor is monitoring the need to for Sun Prairie to do this instead of the County.

He recommended that the area targeted for redevelopment have a plan in place prior to soliciting developer interest. Planning and developing a proposal can be done in tandem, but is difficult. If there is a plan in place, the CDA can determine if a project will help meet the overall goal for this area, which will help to determine if things could be changed or modified to accommodate the overall development.

Owning and controlling property is the most important strategy for a CDA. It is worthwhile and helpful for the CDA to be at the table in the beginning for redevelopment especially during the planning process. He also thought it is important to meet with the public outside of a conference room when discussing a redevelopment project.

In Sun Prairie, the CDA always oversees redevelopment area, tax incremental financing (“TIF”) districts (reviews the requests), and high priority projects.

Sayre asked who actively purchase lands.

Stechshulte stated that the City creates TIF districts and using the TIF function as the primary funding source. The City does own the expansion for the business park, which was done via the City for funding. The St. Mary’s project fit better through the CDA for funding due to better rates; however, it is not advisable to have a non-profit as an anchor for a TIF district.

Welty asked if Sun Prairie has a housing renewal fund.

Stechshulte stated that the City does not yet have this. They are thinking about this in the foreseeable future. Tax Increment Districts (TIDs) have a limited number of years for the expenditure period with the last five years to complete repayment of the bonds. State Statute has enabled legislation to allow a TID to remain open for an additional year to collect more increment provided that a certain percentage is used for affordable housing and the remaining for improving the existing housing stock.

Sayre stated that the Downtown TID and Technology/Liberty Business Park TID will close in 2023. These could be extended for another year.

Stechshulte stated that the City does not like to be landlords. They are trying hard to sell the business park as it is an expensive venture to hold the property.

Welty asked if there is a policy that everything has to go through the CDA. What is the hope that using the development plan will translate into a request for proposal (“RFP”)?

Stechshulte stated that the Sun Prairie CDA is comprised of a lot of financial people. They are asked to attend Council meetings for projects to help answer questions and hold their own monthly meetings. The City tries to get as many projects in front of the CDA as possible for their thoughts.

Sun Prairie currently has a request for qualifications (“RFQ”) posted. They did not want to rush the property owners impacted by the explosion into making quick decisions. They asked the property owners what their intentions are for their properties. The City wants someone to push the envelope for development in that area and not necessarily go back to the way it was built previously. They want it to be compatible to the historic district across the street and creating a balance such as increasing residential density (market rate or affordable). The City lost 40 affordable apartment units in the explosion. Open space requirements will need to be included as Cannery Square is too small and there needs to be a memorial for the fallen firefighter. Madison Metro Bus Service will begin service in September of 2019 to Sun Prairie.

Sarver asked Stechshulte if he could provide an example of how a project goes through the development process from concept to approvals with the CDA.

Stechshulte stated that Sun Prairie has a new brew pub that opened last year. The City began a competitive selection process for a consultant to present several options for mixed use buildings up to 3-4 stories about 16 years ago. The plan went before the CDA, Plan Commission, and Common Council who adopted it. The CDA acquired property and obtained grant applications for remediating the site from environmental problems. There were not many responses to the RFP and the City invited several developers to submit proposals for redevelopment of the land. The CDA, Plan Commission, and the Common Council approved Veridian for the redevelopment. The CDA reviewed some individual redevelopment projects. TID projects always went before the CDA. CDA recommendation would go before the Common Council. This process occurred several times over. All of the City property was developed except a small property. CDA heard proposals for two different breweries on a small remnant property. One was not financially ready to move forward as quickly as the City had hoped. The final product ended up being a blend of the two proposals that were evaluated. The City financed the loan for an 8,000 square foot lot with the intent of the development paying back the loan over 5 years. The loan will be forgiven each year if they perform. The CDA capped any additional environmental cost for soil contaminates, but had to negotiate site preparation work due to structurally unsound soils and fill material.

The same process was followed over the 17 year long process from the City planning the area, purchasing the land, cleaning the property, selling the land, and redevelopments.

Frey asked if Cannery Square was done in phases.

Stechshulte stated Sun Prairie had to do it in phases with liability, environmental clean-up, and needed infrastructure. This also allowed the City to transition the development overtime with densities.

Welty asked what would have been ideal to include in Cannery Square.

Stechshulte stated a larger open space designed with larger events in mind and the establishment of a farmers market with their functional needs met. For example, locations for power and speakers would have been different as well as mitigating parking needs.

5. Discussion and Possible Action: Sugar Creek Elementary School and New Century School property site.

Welty submitted summarized examples for RFP and discussed these with the group.

Kohl liked the La Crosse proposal. Did they hire consultants for these ideas?

Welty stated that these were major corridors. La Crosse did hire consultants. Eau Claire did not have a specific idea. Wausau had a clearer vision. Sugar Creek Elementary School is not included in the Downtown Plan for a vision that can easily be shown to the public.

Sayre suggested that Staff could use these concepts and list out the ideas for discussions and getting more details. The CDA can determine what should occur on the site such as a public use, affordable housing, structure building for a community center, or pool. We want to zero in on the Sugar Creek Elementary School site.

Kohl suggested Staff or the CDA can put a list of general principles for New Century, Sugar Creek, and Downtown sites.

Sayre stated that the CDA will look at guiding principles at the next meeting. Staff needs to zero in on the needs for the property and the details. The CDA will need to determine if there is a need to hire a consultant to design the site. Is the design bubble based, which staff can do or conceptual, which a consultant would do.

Sarver asked if there are grants available from Wisconsin Economic Development Corporation (“WEDC”) for the planning process.

Welty stated that there might be grants available, but timing would not work as the deadline is April 1 for July allocations.

Sayre thought there are more affordable options such as using students. Carolyn Esswein from University of Milwaukee operates a Community Design Solutions company that made up of a small group of students. The City would obtain a student product supervised by professionals with an end product of a consultant caliber. He agreed to contact Carolyn.

Sugar Creek Elementary School site will be transferred at the end of 2021. Verona Area School District will close the school in 2020 with an extra year allowed before turning it over to the City just in case it is needed. The school is not in charge of demolishing the site. This type of work can be reviewed and negotiated with a developer. Environmental remediation would work the same way if it is needed.

6. Discussion and Possible Action: Future Downtown Redevelopment Sites.

This item was not discussed as part of this meeting.

7. Reports and comments from CDA members.

Cresson mentioned thinking about other potentially contaminated sites around the City. The gas station site from the old truck stop has been tested and has a report (currently Sugar Creek Commons development area). What about the old Michael’s (407 W. Verona Avenue)?

Sayre stated that Staff has not seen any environmental reports from the old Michael’s (407 W. Verona Avenue) site.

8. Reports and comments from City Staff.

Sarver stated that the CDA members need to promote the survey as it is still available. There have been 54 survey responses as of Tuesday. Staff needs about 90 responses to have a

reasonable degree of confidence in developing need-based programming. Since the Council has expressed interest in business incubators it would be beneficial for anyone the CDA members know of who has their own business or is thinking about starting their own business, them to fill out the survey.

Welty suggested doing a local search on Etsy or viewing the website for the 14th South Artist Group as a woman on Paoli Street is a member.

Sarver tried reaching out to the UW small business foundation, but they could not share their information.

Sarver will send out a doodle poll to determine the best date for the next meeting.

9. **Adjourn:** Motion by Kohl, seconded by Diaz, to adjourn at 6:10 pm. Motion carried 5-0.