

JOINT FINANCE AND ECONOMIC DEVELOPMENT COMMITTEES

Date and Time: Tuesday, April 10, 2018 @ 6:15 pm., Council Chambers

Finance Members Present: Rasmussen (C), Kellbach, Nutting, Gehin & Smith

Economic Development Members Present: Neal (C), Wagner, Rasmussen & Gehin

Members Excused: Peckham (ED)

Others Present: Groat, Lindman, Mielke, Stratz, Gisselman, McElhaney and other interested parties.

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. The Finance Committee meeting was called to order by Chairperson Rasmussen and the Economic Development Committee was called to order by Chairperson Neal at 6:15 pm.

JOINT ITEM WITH ECONOMIC DEVELOPMENT COMMITTEE

Discussion and Possible Action on the Proposal Received for Parcels 1, 6, 7, 8, 9, 22, 23, 24, 25, 27 and 28 on Thomas Street.

Rasmussen explained that Economic Development put out an RFP for the remnants along Thomas Street and Blenker Construction sent in a public/private partnership proposal which was deferred from last ED meeting to the joint Finance/ED meeting.

Groat explained the TID 6 project plan and the vision for redevelopment for about \$300,000 into the TID district. There was a phone conversation with Quarles regarding rent and they felt that we should do a change to the project plan and amend this in 60 days. There is a value of \$2 million of new tax base along the Thomas Street corridor but this plan only has one parcel included in the TID 6, therefore, we would not have to wait for retirement of the TID. Rasmussen asked about the closure date of the TID 6, in which Groat replied 2026. Rasmussen replied that we would have time to get other developments in before that time. Gehin asked what parcel was in the TID 6 and Groat explained the lot on the corner of 15th Avenue and Thomas Street. Neal asked Stratz what she thought of the proposal and if there was anything unusual or if there was any certain precedence involved. She replied that there has been a long time struggle with these properties and she believes that these are great designs and thought the project would be a nice buffer for the other residents along Thomas Street. Rasmussen agreed and thought that with diverse materials, colors, etc. they would be a nice addition to the area. She asked Stratz about the rent rates, in which there will be 3 buildings under the HOME, CDBG funds with lower rents depending on managed income and the market rate rents with the other 6 buildings would be around \$1,000 per month. Blenker's 2% interest loan with the City would be deferred for 5 years and then payments would be amortized out. Smith asked about the fair market prices and appraisals on the remnant pieces and then asked if the ED department went over the break-even analysis and figured out when we would recover what we put into the project. Groat added that these properties total \$57,000 per year of taxes and we would be using increments from other areas of the TID. Neal also added that he thought this project was great potential for replacing a displaced neighborhood and Rasmussen agreed reminiscing that previous ED committees were concerned about mitigating blight in this area and replacing it with tax dollars. She enjoys that the multi-family units look like a single family home and thinks the aesthetics of the project will be a big plus. Neal agreed about the aesthetics and asked that there be more windows on the final plans, for look and safety reasons. Smith wanted to know if TID 6 was in the black and how we would be using finances from this TID for this project.

Finance Committee:

Motion by Kellbach, second by Nutting to approve the proposal from Blenker for Thomas Street remnants. Motion carried 4-0, 1 opposed.

Other Finance Committee discussion followed with Smith stating that he thought we were giving away too much money, Rasmussen stating that some parcels along this corridor are challenged and thinks this is the best land use, by mixing commercial and residential on these properties and that this will be less work for DPW because when the lots are sitting vacant they are having to shovel sidewalks and cut grass. Groat thought Sherman Street was a good example of this situation. There are lots sitting empty and virtually no movement going on. Nutting thought it was something to be appreciated that the elderly neighborhoods would see new residential construction and Gehin added that the commercial buildings going up along this corridor would add to the total value.

Economic Development Committee:

Motion by Wagner, second by Gehin to approve the proposal from Blenker for Thomas Street remnants. Motion carried 4-0.

No further Economic Development Committee discussion.

Rasmussen stated there would be no need for closed session.

Special Instructions or Directives to Staff:

Neal wanted to acknowledge Gehin and Wagner's work in the past few years.

Adjournment

Motion by Kellbach, second by Smith to adjourn the Finance Committee meeting. Motion carried 5-0.

Motion by Wagner, second by Gehin to adjourn the Economic Development Committee meeting. Motion carried 4-0. Committees adjourned the joint meeting at 6:34 pm.