

**Minutes
Community Development Authority
April 25, 2023**

Chair Stolper called the Community Development Authority (CDA) meeting to order at 6:30 pm.

Present: Chair Tom Stolper, Alder Doug Wood, Alder Brian Holmquist, Mr. Scott Kelly, Mr. Andrew Homburg and Mr. Dave Lombardo.

Excused: Mr. Jeff Staver.

Also Present: Interim City Administrator Marc Houtakker, Planning Director Doug Plowman, Mayor Mary O'Connor, City Attorney Bill Cole, Gary Becker, Katrina Becker, Randy Christianson, Robert Procter, Dave Diamond, and Roger Shank.

MINUTES

A motion by Mr. Kelly, seconded by Alder Wood, to approve both the open and closed session minutes of March 28, 2023, meeting carried with no corrections.

APPEARANCES

There were no appearances.

OLD BUSINESS

- A. Continued Review, Discussion, and Possible Action (if necessary) of Development Proposal and Tax Increment Finance Request for 5105 Monona Drive (Walter Wayne Development, LLC).

Dave Diamond of Walter Wayne Development introduced the project to the CDA. He shared that the proposed project is seen as the highest and best use for the site. It is their opinion that multi-family works well at this location. He acknowledged the relative size of the TIF request, but added that the increment is larger given that the lot is currently vacant. The financial analysis requires that the project meet its debt coverage ratio once the TIF award has finished. The financial model with the requested TIF award shows a sustainable project that is viable into the future. He added that the biggest hurdle for the site is the construction of the parking garage. There is very limited parking around the building, necessitating covered parking on-site. The TIF request meets the cost of the parking garage as verified by Mc Gann construction estimates included in the packet. Mr. Diamond added that financial projections for 27 years show around \$5 million generated by the project, with the TIF request approximately 37% of that.

Robert Procter, owner of the property at 5105 Monona Drive introduced himself to the CDA. He is a Monona resident, and he bought the site that has been vacant for the last 12 years with a business partner. He compared the proposal to the nearby Fairway Glen

development, and outlined some of the challenges presented at the site, especially given the parking requirements of the City as compared with other projects in the County.

Mr. Lombardo arrived at 6:42 pm.

Randy Christianson, VP of Development with Walter Wayne gave some background to the project. He shared how plans have evolved through discussions with City Staff and the Plan Commission. The City Council approved a rezoning of the parcel in February, which allows for a project of this style to be built on the site. The applicant has met with Gary Becker to discuss their financial model, and to understand how the TIF review process typically works in Monona. He added that Walter Wayne want to be partners, and are looking at another site along Monona Drive that they hope to redevelop as well.

Alder Wood asked the applicant to outline their extraordinary costs for the project. The applicant cited construction of the parking garage, and referenced the letter from Mc Gann construction included in the meeting packet. Mr. Homburg asked about another recent project completed by Walter Wayne at the Emerson in Madison. He asked if this received TIF assistance, to which the developer responded that it did not. Chair Stolper discussed elements of the financial documentation with the applicant. This included the loan to value ratio, and guaranteed value for the project. He was concerned that the valuation for the bank was different to that presented to the CDA. Mr. Dave Diamond responded that the difference between these values was the inclusion of soft costs for one, rather than just including hard costs. The CDA discussed that while the assessment in year 1 considers hard costs, year 2 onwards looks at revenue and NOI for the assessment.

Chair Stolper shared that the request was at a 75% pay-go payback rate, although City policy is to offer 66% instead. He added that this just has the impact of paying back over a longer payback period. There was discussion of the existing TID 7 that this project is located within, and if a new district should be created.

- B. Convene in Closed Session (if necessary) Pursuant to Wisconsin State Statute Section 19.85(1)(e) Deliberating or negotiation the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session (5105 Monona Drive and 1208 E. Broadway).

Motion by Alder Holmquist, second by Mr. Homburg, to convene in closed session. On a roll call vote, all members voted aye to convene in Closed Session at 7:08 pm.

- C. Reconvene in Open Session Under Wisconsin State Statute 19.85(2) (if necessary).

Motion by Alder Wood, second by Mr. Kelly, to reconvene into open session. Motion carried. The CDA reconvened into open session at 8:23 pm.

- D. Discussion and Possible Action on Items Arising from Closed Session (5105 Monona Drive and 1208 E. Broadway) (if necessary).

No further action was taken.

NEW BUSINESS

None.

REPORTS OF STAFF AND CDA MEMBERS

Planning Director Plowman shared that he expects the Bloom development project to return for further PIP consideration at a Plan Commission meeting in June.

UPCOMING CDA MEETINGS

The next meeting dates are May 23, 2023 and June 27, 2023.

ADJOURNMENT

A motion was made by Mr. Lombardo, seconded by Alder Holmquist to adjourn. The motion carried. (8:24 pm)