

**MINUTES OF THE COMMUNITY DEVELOPMENT AUTHORITY MEETING HELD AT THE
GREENFIELD CITY HALL, COMMON COUNCIL CHAMBERS, ROOM 100, ON THURSDAY,
DECEMBER 6, 2022**

1 & 2. The meeting was called to order at 6:07 p.m. by Chairperson Steven Pietroske.

ROLL CALL:	Steven Pietroske (Chair)	Present
	Ald. Bruce Bailey	Present
	Donald Carlson	Present
	Troy Chowanec	Present
	James Hodson	Present
	Ald. Karl Kastner	Present
	Robert Selin	Present
	Ben Rucka (Alt.)	Present
	Stephanie Kosmeder (Alt.)	Present

ALSO PRESENT: Kristi Porter – Community Development Manager
Paula Schafer – Finance Director
Tim Sowinski – Deputy Comptroller
Joe Murray – Ehlers
Scott Yauck – Cobalt Partners, LLC
Dan Roskopf – Cobalt Partners, LLC

3. Approve the minutes of the April 15, 2021 meeting.

Motion by Don Carlson, seconded by James Hodson, to approve the minutes of the April 15, 2021 meeting. Motion carried unanimously with Steve Pietorske, Troy Chowanec and Stephanie Kosmeder abstaining.

4. Public Hearing regarding proposed amendment of the boundaries and Project Plan of Tax Incremental District No. 6.

Ms. Porter and Mr. Murray provided a presentation on the Project Plan Amendment. Cobalt Partners, LLC, has purchased the vacant 25-acre site on the west side of S. 92 St., north of I-894 for development of 273 townhouse-style market rate apartments. Their intent is to extend the 84 South TID 6 boundary to include 201 of the 273 units at this time. The property is split into a 7-acre northern lot and an 18.3-acre southern lot. The northern lot, which will house 72 units, is located in the Whitnall school district; the southern lot, which will house 201 units, is located in the Greenfield School District. The estimated value added to the TID 6 boundary amendment would be approximately \$51 million.

With the help of the increased value from the 92nd & Cold Spring townhouse development, the developer is requesting three (3) new developer incentive MROs within TID 6's boundaries and a donation from TID 6 to TID 8 as part of the proposed amendment. The MROs include up to \$19 million for infrastructure improvements in the vicinity of S. 92 St. and W. Cold Spring Rd.; \$9,250,000 for developer incentives for The Lokal development at the NW corner of S. 84 St. and W. Layton Ave.; and, \$1,840,000 to complete outlot development within 84 South. The TID 6 donation to TID 8 would be

a total of \$16 million. Without the boundary amendment grabbing the increment from Cobalt's 92nd & Cold Spring development, these requested MROs and the TID donation would not be possible.

TID 8, Loomis Crossing, is behind on its projections. The delay in construction materials, the increased cost of construction materials, and increased interest rates over the last two (2) years have substantially delayed construction. At its current pace and projecting necessary financial assistance with future development, after reevaluating the financial analysis, TID 8 is not projected to be able to close out within its statutory obligated timeframe. Therefore, TID 8 is in need for financial assistance from TID 6. The proposed Project Plan amendment calls for \$16 million in TID donations from TID 6 to TID 8 with the first payment taking place in 2023. The Project Plan amendment also calls for cash flow for TID 8 receiving shared increment in the form of multiple MROs for TID 8: \$8,125,000 for infrastructure expenses; \$7,500,000 for multi-family Phase 1A development; \$5,500,000 for multi-family Phase 1B development; \$9,500,000 for multi-family Phase 2 development; \$10,085,000 for business park development; and, \$4,850,000 for medical office building development.

Ms. Porter and Mr. Murray explained that per the 2021 Annual Report, prior to discussions about a TID 6 amendment, TID 6 was projected to close in 2031. With the amendment, the projected closure year is 2038. The statutory/mandatory closure date is 2042. Ms. Porter explained that as of January 1, 2020, approximately \$174 million of new value has been created within the current TID 6 boundary amendments. With the future development and the proposed boundary extension and completion of 84 South, the final value is projected to be \$266 million. TID 6 started with a base value of \$8 million.

Ms. Porter explained the remaining approval timeline for the TIF District: The Common Council is scheduled to discuss and consider the same resolution as the CDA, at its Tuesday, December 6, 2022 meeting at 7:00 p.m. The Joint Review Board is scheduled to discuss and consider a resolution adopting the Project Plan amendment on December 27, 2022 at 10:00 a.m.

Mr. Selin asked how item #15 on the Common Council agenda is related to the proposed Project Plan amendment. Ms. Porter explained that it's related to the Development Agreement between the City and Cobalt for the medical office building (MOB) at Loomis Crossing, and that some minor modifications were required from the investor of the MOB.

Ald. Bailey asked if the proposal weakens TID 6. Mr. Murray explained that the proposal extends the life of TID 6, but does not weaken the TIF District. He added that the main impact of the proposed amendment is that it lengthens the life of the TID by six (6) years.

Mr. Chowanec asked for verification that if not for the adoption of the amendment, TID 8 could be in jeopardy of meeting its statutory obligations. He asked what the ramifications could be to the City if the proposal was not adopted. Ms. Porter stated that it could negatively impact the City's bond rating. Mr. Murray stated that the City issued \$16M+ in GO bonds for development incentives to TID 8 in 2021 to assist with the project costs of acquisition, demolition, etc. to get the Loomis Crossing development started. The City is on the hook for those GO bonds, so the City's exposure is \$16.6M in

principal and \$5.4M in interest. There are also professional and administrative costs that are at the City's risk. If the Loomis Crossing development fails, the City would lose those investments.

Ald. Bailey asked if a donation to a TIF District is unusual. Mr. Murray explained that he's seen this in several communities. Mr. Selin asked if any of the City's other TIF Districts could be the donor TID, rather than TID 6? Mr. Murray explained that there are certain criteria, set by the State of Wisconsin, to be a donor TID and a recipient TID. TID 6 is a Rehabilitation TID and TID 8 is a blighted TID, both eligible. Ms. Porter explained that TID 2 is at its statutory expenditure period, so it cannot become a donor TID. It is also in a different school district, which is not allowed for donor/recipient TIDs. TID 3 is closed, TID 4 does not have the excess cash flow needed to assist TID 8. TID 5 is closed. TID 6 is what is being considered, and TID 7 is brand new and does not have excess cash flow and is also in a different school district, which is not allowed.

Ald. Kastner stated that at the end of the day, he believes that TID 8, while it may be struggling now, will be very successful, it just needs a push now at the beginning due to the unforeseen construction cost increases and interest rate increases.

Motion by Ald. Kastner, seconded by Troy Chwanec, to close the public hearing regarding the proposed amendment of the boundaries and Project Plan of Tax Incremental District No. 6. Motion carried unanimously.

5. **Consideration and possible action of a "Resolution Approving an Amendment to the Project Plan and Boundaries of Tax Incremental District No. 6."**

Motion by Ald. Kastner, seconded by Troy Chwanec, to approve the Resolution Approving an Amendment to the Project Plan and Boundaries of Tax Incremental District No. 6. On a roll call vote, motion carried unanimously.

6. **Set next meeting date and time.**

The next meeting of the Community Development Authority will be held at the Greenfield City Hall at the call of the Chairperson.

7. **Adjournment.**

Motion by Don Carlson, seconded by James Hodson, to adjourn the meeting at 6:49 p.m. Motion carried unanimously.

Respectfully submitted,

Kristi Porter
Community Development Authority
of the City of Greenfield Secretary