

**MINUTES OF THE COMMUNITY DEVELOPMENT AUTHORITY MEETING HELD AT THE  
GREENFIELD CITY HALL, COMMON COUNCIL CHAMBERS, ROOM 100,  
ON TUESDAY, AUGUST 20, 2024**

**1 & 2. The meeting was called to order at 6:03 p.m. by Chairperson Steven Pietroske.**

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

ALSO, PRESENT: Gina Vlach – City Planner, CDA Secretary  
Joe Murray – Ehlers  
Paul Boening - Ehlers

**3. Approve the minutes of the October 9, 2023 meeting.**

**Motion by Ald. Bailey, seconded by Mr. Selin, to approve the minutes of the October 9, 2023 meeting. Motion carried unanimously. Mr. Selin abstained.**

**4. Public Hearing regarding the proposed creation of Tax Incremental District No. 9, the proposed boundaries of the District, and the proposed Project Plan for the District.**

**Motion by Ald. Kastner, seconded by Mr. Carlson to open the Public Hearing. Motion carried unanimously.**

Mr. Murray introduced himself and Mr. Boening and their role with Ehlers as it relates to the project. Mr. Murray provided a presentation on the creation of Tax Incremental District No. 9, the Project Plan and its boundaries. Mr. Murray went through the Project Plan, highlighting the following information:

Mr. Murray stated that TID 9 will be a rehabilitation district. The District will be comprised of five (5) parcels, approximately 28 acres. The proposed Project Plan includes incentives for development, City infrastructure, and ongoing administrative costs. The City is in discussion with the Mandel Group for the Cold Spring Crossing Apartment project. The Cold Spring Crossing Apartments will include 257 market-rate, luxury apartments.

The City anticipates estimated total project expenditures of approximately \$33.5 Million to undertake the projects within the Project Plan. The Project Costs include an estimated \$32.6 million in development incentives, \$500,000 in City infrastructure improvements for streetlights, and \$410,000 in administrative costs.

The project is projected to generate \$58 million of value, which will generate \$44 million in incremental revenue. Based on the Economic Feasibility Study, it is expected that the District will close in the 23<sup>rd</sup> year within the maximum of 27-year life.

Mr. Murray then went through the 11 findings of the summary of findings.

1. That “but for” the creation of this District, the development projected to occur as detailed in this Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.

Ehlers was hired to do a per forma review to look at the developer’s proposed cash flow and return for not only the incentives being proposed but also their costs associated with development.

The Project's projected internal rate of return on investment over 10 years without TIF assistance is substantially below market rates. The Developer has requested that the City provide incentive payments on a pay as you go (PAYGO) basis. Provision of the requested assistance would improve the Project’s return on investment to a rate slightly below a typical return in the range of 11% to 18%. Based on Ehlers review, provision of pay as you go (PAYGO) incentives in the amount requested is necessary to provide an acceptable return on investment, and indicates that “but for” the proposed incentives, the project would not likely proceed.

2. The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the City has considered the following information:

That the Development will construct 257 market rate, luxury apartments to increase City housing stock. That the Developer is likely to purchase goods and services from local suppliers in construction of the Project, and induced effects of the future households spending locally for goods and services from retailers, restaurants and service companies.

3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)04., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.

Mr. Murray commented on the Joint Review Board meeting, which met prior to the CDA, noting that the members appeared supportive of the project. He stated that the JRB did not act on the creation of the District.

4. Not less than 50% by area of the real property within the District is in need of rehabilitation or conservation work as defined by Wis. Stat. § 66.1337(2m)(a). The old Spring Mall parcel of 23.85 acres or 86% of the area is designated to be in need of rehabilitation or conservation.
5. Based on the foregoing finding, the District is designated as a district in need of rehabilitation or conservation.
6. The Project Costs relate directly to the rehabilitation or conservation of property and improvements in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that approximately 7.33 acres or 26.5% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. §66.1105(5)(b).
10. That there are no (0) parcels to be included in the District that were annexed by the City within the preceding three-year period.
11. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

Mr. Murray, in talking about Section 5 of the Project Plan, discussed the equalized value test. The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals \$301,854,500. This value is less than the maximum of \$525,009,396 in equalized value that is permitted for the City. This leaves the City approximately \$223 Million in capacity for additional TIDs before meeting its 12% capacity.

Mr. Murray, in talking about Section 6 of the Project Plan, discussed the eligible project costs. The City anticipates entering into a Pay As You Go (PAYGO) arrangement and provide a Municipal Revenue Obligation (MRO) to incentivize development. The MRO is anticipated to be negotiated up to 95% of the annual incremental tax revenue generated from the development remaining following the City's administrative costs.

The anticipated MRO would be for up to 24 years, from 2024-2048. The anticipated MRO is for the Cold Spring Crossing project being proposed by The Mandel Group on the old Spring Mall parcel (Parcel #571-8984-009) Additional development incentives on the remaining parcels may be considered on a case-by-case basis in the future as future development is proposed. Mr. Murray stated that the City does not anticipate incurring any debt associated with the project.

Mr. Murray provided further details regarding the development assumptions. He stated that the table provide the cash flow and economics of the project. The assumption is that

the Developer will purchase the site from the City this year, noting the City purchased the property approximately one year ago. In 2025 and 2026, the Developer is planning to build half of the 257 units in each year.

Mr. Murray stated that the estimated incremental revenue would be approximately \$44 million based on keeping the City's current tax rate (\$20.10) steady throughout the life of the TID and while providing a 3% annual escalator for inflationary values for the property, per the Developer's projections.

Mr. Murray discussed the estimated tax flow figures shown in Table 3 of the Project Plan. Mr. Murray offered to answer any questions the members of the CDA may have.

Mr. Selin asked for clarification on how the expenditures would not cost the City any money. Mr. Murray explained that the incentive would be provided to the Developer after the buildings had already been constructed.

Mr. Selin asked for clarification on the commercial development. Mrs. Vlach explained that only the Meyer's tenant space and the tenant space immediately west of the Meyer's was intended to remain; the rest of the multi-tenant commercial building is planned to be razed as part of the Mandel Cold Spring Crossing Apartment project.

Mr. Selin questioned why properties south of Cold Spring Road were not included within the creation of the TID. Mr. Pietroske responded that expansion of the TID could be considered in the future should such a need arise. Mr. Pietroske noted that other TID boundaries in the City had been amended in the past. Ald. Kastner noted the condition of the properties included within the proposed boundary as compared to those not currently included.

Mr. Selin noted a disparity between numbers provided on page 5 and page 37 of the Project Plan for the percentage of the territory devoted to retail business. Mr. Murray stated that the correct number is found on page 5 and he will make that correction.

Ald. Bailey asked for clarification on the City's current amount of equalized value within Tax Incremental Districts. Mr. Boening stated that 6.9% would be within a Tax Incremental District, which would include the proposed Tax Incremental District No. 9.

**Motion by Ald. Kastner, seconded by Mr. Carlson, to close the public hearing regarding the proposed creation of Tax Incremental District No. 9, the proposed boundaries of the District, and the proposed Project Plan for the District. Motion carried unanimously.**

5. **Consideration and possible action of a "Resolution Establishing the Boundaries of and Approving the Project Plan for Tax Incremental District No. 9."**

**Motion by Ald. Kastner, seconded by Mr. Selin, to approve the Resolution Establishing the Boundaries of and Approving the Project Plan for Tax Incremental District No. 9. On a roll call vote, motion carried unanimously.**

6. **Adjournment.**

**Motion by Mr. Chowanec, seconded by Ald. Kastner, to adjourn the meeting at 6:33 p.m. Motion carried unanimously.**

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gina Vlach". The signature is written in a cursive, flowing style.

Gina Vlach  
City Planner  
Community Development Authority  
of the City of Greenfield Secretary