

WATERFRONT REDEVELOPMENT AUTHORITY

Monday, April 13, 2015

A meeting of the Waterfront Redevelopment Authority was called to order at 3:04 p.m. by Acting Chairperson Bill Galligan in Council Chambers, City Hall, 421 Michigan Street.

Roll call: Members Bill Galligan, Rick Wiesner, John Asher, Cap Wulf, and Ross Schmelzer were present. Absent: Member Stewart Fett. Excused: Member Tom Herlache. Also present were R.W. Baird Financial Consultant Brad Viegut, Mayor Thad Birmingham, City Administrator Steve McNeil, DCEDC Executive Director Bill Chaudoir, City Treasurer/Finance Director Val Clarizio, Aldermen Ron Vandertie, Jerry Stults, and Dan Wiegand, Community Development Director Marty Olejniczak, and Community Development Secretary Cheryl Nault.

Adoption of agenda: Moved by Mr. Galligan, seconded by Mr. Asher to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from February 16, 2015.
4. Consideration of: Issuance of approximately \$3,165,000 Taxable Note Anticipation Notes for Tax Increment District #4.
5. Consideration of: Update regarding West Waterfront Redevelopment Activities.
6. Adjourn.

Carried.

Approval of minutes from February 16, 2015: Moved by Mr. Wiesner, seconded by Mr. Schmelzer to approve the minutes from February 16, 2015. All ayes. Carried.

Consideration of: Issuance of approximately \$3,165,000 Taxable Note Anticipation Notes for Tax Increment District #4: Ms. Clarizio explained this item is in regard to the initial borrowing for TID #4. The City is looking at borrowing \$3,165,000 in Taxable Note Anticipation Notes.

Mr. Viegut continued with a presentation of the anticipated new growth in TID #4. A cash flow model is developed that demonstrates that this financing, along with future anticipated financings, will be supported from the new cash flows in TID #4. He went over the Cash Flow Proforma. This is very similar to a construction loan. The interest rate at this time is 1.82%. Expenses are to be recovered by 2036. The goal of this TID is to maintain as self-supporting and maintain a positive cash flow. Up to this point, the numbers are only estimates and the interest rates may fluctuate up or down.

Mr. Galligan asked if there were any concerns with increase of interest rates. Ms. Clarizio responded that there is always concern of interest rates increasing, but what is more important is the flexibility of the Taxable Note Anticipation Notes until a few of these projects are closer to fruition so that we understand what type of long-term borrowing to do, either taxable or non-taxable. Mr. Viegut added that for future financings very conservative estimates of interest rates

are used. From April 1, 2016, to the maturity date of April 1, 2017, the City can pre-pay the Note Anticipation Note without penalty. The pre-payment can be anticipated to be in the form of a bond issue. But, if other funds are available they can be applied to reduce the long-term borrowing amount.

After further discussion, it was moved by Mr. Asher, seconded by Mr. Wiesner to recommend to the Common Council that the City proceed to work with Robert W. Baird to issue approximately \$3,165,000 Taxable Note Anticipation Notes for Tax Increment District #4.

A vote was taken on the motion. All ayes. Carried.

Consideration of: Update regarding West Waterfront Redevelopment Activities: Mr. Olejniczak gave an update in regard to the West Waterfront Redevelopment activities. In terms of the waterfront park, a joint committee comprised of the Plan Commission, Park & Recreation Board, and Waterfront Design Review Board had been formed and met the end of March to evaluate and revise the plan for the waterfront promenade and park. Comments from the committee and public were offered to Vandewalle & Associates regarding the current and proposed design. V & A recently submitted two options for the park, which will be reviewed by the committee at the next meeting scheduled for April 28th. The goal for this committee is to come up with some consensus and make a recommendation of the general park design.

In regard to brownfield remediation, the DNR has completed its review of the materials submitted for Voluntary Party Liability Exemption. The two applications include the former DC Co-op parcel and the former US Coast Guard parcel. The USCG parcel was held up due to the high water mark and title issues. The DNR is requiring additional soil and groundwater sampling. This is due to show a stable or receding trend for contamination and to make sure all portions of the site are adequately tested. The original sampling on the former USCG parcel was done prior to the high water mark determination. So far no issues have been identified which would delay the start of new construction. A brownfield site assessment grant was received which covers 50% of the cost, that has covered everything up to this point.

Request for Proposals for the grain elevator site have been sent out. A number of inquiries have been made and a few inspections of the structure were organized for prospective developers. The deadline for submitting a proposal is June 5th.

AECOM has begun analysis of potential sites for relocation of the tugboats. Part one of the study is expected to be submitted by the end of April, which will identify one to three sites to focus engineering on.

Cedar Corp was selected as the City's engineer for the redevelopment project. They will perform the work for the public space, utilities, parking, and other public aspects of the project.

The hotel being developed by Bob Papke is officially being called the Lindgren Waterfront Hotel. The certified survey map to create the lot was approved by Council. On April 15th the Plan Commission will review the footprint of the building based upon the CSM and planned unit

development requirements, as well as the grading plan and landscaping plan. The hotel is still in the process of obtaining financing for its construction. The builder recently dug test pits to evaluate the soil conditions.

Gary Pressentin has withdrawn as a potential developer for the Harbor Place redevelopment site. Demolition of the buildings has occurred.

A Madison-based developer has been negotiating a development option for the Maple Street parcel (Bargain Corner) owned by Vegetable Truck, LLC, with the intent of proposing a multiple-family residential development. A concept meeting will be arranged.

The contract has been received for the Knowles-Nelson Stewardship grant for the parkland development in the amount of \$217,841.00.

Mr. Asher questioned if the tugboats would be able to stay at Bay Ship in the summer and at Graham Park in the winter. Mr. Olejniczak responded Bay Ship has indicated there was no room for the tugs in the summer since they needed the room for construction.

Adjourn: Moved by Mr. Wulf, seconded by Mr. Asher to adjourn. Meeting adjourned at 3:28 p.m. All ayes. Carried.

Respectfully Submitted,

Cheryl Nault
Community Development Secretary