



Community Development Authority
Meeting Minutes
April 8, 2016

3930 N. Murray Avenue, Shorewood, WI 53211

1. Call to order.

The meeting was called to order at 7:30 a.m.

Members present: Chair Peter Hammond, Pete Petrie, Andrea Roschke (arrived 7:34), Trustee Tammy Bockhorst (arrived 7:38), Trustee Davida Amenta and John Florsheim.

Also present: Village Manager Chris Swartz and Business Improvement Director Jim Plaisted.

2. Consideration of March 4, 2016 meeting minutes.

Mr. Florsheim moved to approve the minutes noting additions to #6 per Ms. Amenta, seconded by Mr. Petrie. Vote 4-0.

3. Discussion and recommendation of business assistance request for new business proposal 4144 N. Oakland Avenue.

Mr. Hammond introduced the item. Shorewood residents Paul Miller and Scott Schwebel were present to present their project proposal, to open a restaurant at 4144 N. Oakland Avenue that is a one-story vacant building. Both are Shorewood residents. They will lease the site from the property owners.

Mr. Miller has been interested in this building for some time and saw potential, having fond memories of walking to the old Baskin-Robbins ice cream shop with his children with nowhere to sit other than the car bumpers. He believes there has been an absence in the village when the ice cream shop closed. The proposed restaurant is for hamburgers and ice cream. He envisions this area becoming a special corridor in the village with people walking, biking and skate boarding to the restaurant.

Mr. Schwebel presented site renderings. The current building has limited if any functionality. The building addition and outdoor patio opens the space to the street and he took inspiration from urban pocket parks. Their objective is to create an engaging street presence and create translucency between inside and outside. The entire façade and other elements are custom, paying close attention to all details. They are cognizant of how people would view the building, for example, they will wrap the utilities on the north end of the site. The project touches every part of the site. They believe there is no better way to advertise a community's vibrancy than through people being outside. This would be a good example for other buildings that are set back from the street, to bring activity to the sidewalk. They also believe this would be a strong counterpoint to the Metro Market across the street. They stated that with the grocer bringing in more people from outside the community, it allows for other retailers to be successful.

The CDA next reviewed the supporting documentation for the façade request.

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Tr. Bockhorst commented on the use of sustainable elements and inquired if the owners planned a green roof. It is not planned.

Tr. Amenta commented that she loves Colectivo and believes it is great for the community. At the same time, she is concerned about how to fund road and sewer improvements and other Village needs as well as manage the Village's debt. She believes we need to look at the whole picture of the Village as we evaluate these opportunities. She has concerns about whether and how this request fits in with vision of how the Village should support businesses.

Mr. Miller stated that he sees this project as a catalyst. Appropriate retail is an important part of the fabric of communities for people to shop on their own streets. As an urbanist, the goal is to get closer to the people and this will be a great example of what others could be. Oakland Avenue wasn't always attractive and the Village laid the groundwork for making Shorewood's commercial corridor vibrant.

Tr. Amenta commented that the Metro Market has a myriad of food choices and more food choices coming with the Village Pub site and the new pizza place. She stated that Mr. Miller may be right that the project is catalytic, but that it is conjecture.

Mr. Miller noted that retail is going through dramatic change.

Mr. Hammond noted that this type of business is internet-proof.

Mr. Florsheim added that this is exactly the type of project that the Village needs. It's very unusual for a small business to invest a million dollars in a property they don't own.

Tr. Amenta asked what would be modified if the applicants did not receive the grant.

Mr. Miller was not sure and noted that the majority of the overall investment is in the things that are not seen such as electrical, plumbing. You can't run a business without these investments, but it's not what people see. At the end, it's what is seen that is important and they intend to use quality materials to ensure the long term viability of the building.

Tr. Bockhorst thanked the applicants for taking into consideration the Village's vision statements, proposing a business that engages the community, has sustainable elements, and adds green space.

Mr. Swartz noted a correction in the staff memo to the CDA for this item, regarding the parking. The parking structure does not have assigned daytime parking spaces that could have been a consideration for use by this business. A parking study is being done before this consideration goes to the Plan Commission this month.

Mr. Hammond noted that this project lines up perfectly with what tax increment financing should be used for. The proposal would increase vibrancy in this corridor. In addition, the

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ratio of public money to private investment is significantly lower than past projects. He also reminded the CDA that this project would not change the date of TID #1 closure.

Tr. Bockhorst added that the façade program is all about what the public gets to view and is an improvement the entire community gets to enjoy.

Mr. Florsheim stated that this is a matter of perspective of how people think about the use of TID funds.

Mr. Hammond commented that the CDA's role is to encourage reasonable economic development and improve quality of life in the community. This project fits in with what the CDA has been tasked to do by the Village Board.

Allison Rozek (elected April 5 as village trustee) complimented the applicants and was appreciative of the proposal. She supports a façade program and believes it is very beneficial to communities. However, she believes Shorewood's program funding is higher than other communities that usually offer \$5,000 to \$10,000 and suggests keeping all projects at \$25,000. She thinks the request is disrespectful to the taxpayers to slide this through the grant program. She believes it should be considered as a redevelopment project and evaluated through a formal TIF request including a "but for" analysis.

Village Board Trustee Ms. Ann McKaig reminded members of the financial analysis done for TID #1 which evaluated different case scenarios for closing it in year 2021 (required to close year 2022) and this request did not change that. She also noted that because the business would not own the property, it should not be viewed as a development. She encouraged the CDA to continue on this process.

Mr. Florsheim commented that looking at Shorewood today versus other communities shows the Village's commercial district is vibrant. This is in part because the CDA looks at each project differently. Since the business owner would not own the property, the risk is much bigger on behalf of the community. Given what the community would get out of this project, he does not believe this façade request is disrespectful to taxpayers.

Mr. Petrie noted that this is a perfect use to encourage because it won't go away since the request is a permanent improvement to the building façade. He also noted that Shorewood has become a destination and this is largely due to the work done within TID #1 including the Façade Program. He also reminded the CDA that this project fits in with Shorewood's long range plans and projections.

Ms. Roschke commented that this project is exactly what TIF money is for and it is not for fixing alleys.

Business Improvement District Director Mr. Jim Plaisted said the project meets the program criteria and has qualified expenses. The grant does not cover any surface area improvements. Vertical elements, such as screening, signs, enclosures, glass, are covered. Fire pits are not

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covered. The program does not require the applicant to show a need. He stated that over last 10 years, over \$850,000 grants were approved: seven of the grants that exceeded \$25,000 were approved by the Village Board. He stated that the purpose of the program is to leverage private investment to achieve public improvements.

Tr. Bockhorst reminded the CDA that smaller projects are not specifically anticipated and it is difficult for the TID budget to plan for projects in general. She recalled that the Village Board and CDA were deliberative in reviewing the annual TID financial plans. She believes it is exceptional that Shorewood has projects like this unlike other area commercial districts that see blight and don't have support from leaders.

Mr. Hammond then opened the discussion to residents present at the meeting. An extensive discussion ensued with various residents commenting. Most residents appreciated the design. Some noted that they were against a façade grant above \$25,000 and some felt there should not be a façade grant program.

Mr. Hammond reminded participants that the applicants have done nothing wrong and have followed all of the requirements of the application process approved by the Village Board.

Mr. Miller stated that he meant no disrespect in applying for the grant. As a business owner, he is well aware that this business is very risky but strongly believes in the benefit of this business to the community.

Mr. Hammond concluded the discussion.

Mr. Florsheim moved to recommend to the Village Board approval of the \$103,000 façade grant for the proposed project based on 50% of the invoices associated with the project. Seconded by Ms. Roschke. Vote to approve 5-1. Ms. Amenta voted no.

4. Discuss business incentive loan program.

Mr. Hammond stated that the CDA shall review the program and determine how to extend the loan program beyond the life of the TID. Members will review the program and suggest any adjustments at the subsequent CDA meeting.

Mr. Plaisted reviewed the current business loan process. He noted that he met with all village staff that is involved with the program to ensure the program manual and current processes are in synch. Any edits to the document reviewed by the CDA at the meeting were merely process clarifications. Unlike the façade program, the loan is need-based. The application is not provided until after there is a meeting to review the proposed project. There needs to be a 1:1 ratio of the village loan and bank loan. Loans may be deferred up to 18 months before the first payment. Southeastern Wisconsin Regional Planning Commission is the underwriter. Once approved and two bids are reviewed, the village building inspector reviews costs. The program is set up to minimize risk to the Village.

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Mr. Plaisted noted that some communities offer forgivable loans which helps small businesses. He also stated that the Village could offer smaller loans that are easier to apply for and provide business plan templates for new business owners to assist in the application process.

Mr. Hammond reminded members of the model that was created for the program in the TID financial report. The program currently assumes two loans a year at \$60,000. The model can be used to evaluate program changes.

Members requested John Meland from SEWRPC attend the next meeting and discuss best practices.

Mr. Petrie left the meeting at 9:46 a.m.

5. Update façade grant program.

Mr. Hammond noted that at the previous meeting members noted revisions to the reporting template, which will be provided at the subsequent meeting.

6. Discussion of the CDA Project List and associated initiatives as required.

For the Metro Market project Mr. Swartz said that project numbers will not be available until the entire project is complete, scheduled for the end of the year. The senior apartments by Sherman developer should close mid-April and start construction. Other updates: the Mod Gen building is on the market; the Retail Relations Subcommittee met and will plan to meet quarterly and report back; staff is working on retail recruitment.

Ms. Roschke left the meeting at 10:02 a.m.

7. Future agenda items.

Tr. Bockhorst requested the CDA work on an information campaign.

8. Scheduling of future meetings.

The next meeting is May 6, 2016.

9. Adjournment.

The meeting was adjourned at 10:10 a.m.

Recorded by,

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A handwritten signature in black ink that reads "Ericka Lang". The signature is written in a cursive, flowing style.

Planning Director Ericka Lang