



Community Development Authority
Meeting Minutes
Friday, June 7, 2019
3930 N. Murray Avenue, Shorewood, WI 53211

1. Call to order.

The meeting was called to order at 7:38 a.m. Members present: Chair Peter Hammond, Tr. Davida Amenta, Tr. Wesley Warren and John Florsheim. Also Present: Planning and Development Director Bart Griepentrog and Finance Director Mark Emanuelson.

2. Consideration of April 5, 2019 meeting minutes. (Part 1, 0:32)

Mr. Florsheim moved to approve the minutes, as drafted, seconded by Chair Hammond. Vote 4-0.

3. Update on selection of financial consultant. (Part 1, 1:15)

Chair Hammond referenced the summary within the meeting materials and added that he was also involved in the review and participated in two of the four interviews. He noted that the recommendation is to select Baker Tilly. Tr. Amenta, who was also involved in the review, added that Baker Tilly has a broad range of experience, including work in other states that should bring value. Tr. Warren concurred that from the information in the packet the choice looked clear. It was noted that the costs were comparable.

4. Consider calling Kensington Liquor loan. (Part 1, 4:08)

Chair Hammond noted the long history of the loan, including multiple attempts to make it work. Finance Director noted that the costs associated with recovering the loan will be covered by the applicant. Mr. Florsheim asked for clarification, and Director Emanuelson noted that there is a real estate security associated with the loan. Tr. Warren cautioned that good money should not be thrown after bad, but indicated that he was fine with calling the loan if there is good security. Director Emanuelson noted that Village Manager Ewald was coordinating the effort with attorneys. He also noted that it is not the intent to force a sheriff sale of the property listed for security, but rather to exercise as much diligence as possible to resolve it in a timely manner. Tr. Amenta questioned if there was also thought of taking the applicant to court. Director Emanuelson noted that his understanding was that this was more of a procedural filing at this point. Tr. Warren added that the applicant would have a chance to appear at a court hearing, but that it would likely be perfunctory. He also added that attorney fees would be involved and could build up.

Mr. Florsheim moved to proceed with legal recourse of default under the terms of the Kensington Liquor loan agreement; seconded by Tr. Amenta. Vote 4-0.

5. Review Q1 CDA financial report. (Part 1, 12:10)

Director Emanuelson presented the report and noted that it was pretty general. He noted that there was no information from the BID, as activity in the first quarter was minimal. He mentioned that a few façade grant payments had been made. Chair Hammond questioned the amounts of standing items, such as administrative fees, and Director Emanuelson responded that those are added at the end of the year. Tr. Amenta questioned how often loan income is received, and Director Emanuelson noted that it was monthly, but that one of the loans was currently not being collected. Tr. Warren questioned what the \$2,000 in legal fees was budgeted for and was informed that it was provisional, not specific. Tr. Amenta questioned what the

communication/education line was expected for, and Director Emanuelson noted that it was nothing specific, but that the benchmark budget from the TID transfer had certain assumptions noted. Chair Hammond noted that an update to the “Imagine Shorewood” document was approved and still pending. Director Griepentrog noted that those expenses would likely be charged to business or developer recruitment. Chair Hammond also noted a large balance due at the end of the year within the Business Loan Summary. Director Emanuelson confirmed that a lump sum payment is to be made at the end of the loan. Chair Hammond questioned if we reach out to the applicant to remind them, and Director Emanuelson indicated that he has and will do so more formally in the near future.

6. Discuss draft investment policy. (Part 2, 4:04)

Chair Hammond noted the impetus for this discussion is based on the CDA now maintaining funds and needing a policy to insure their fiduciary responsibility. Director Emanuelson presented the draft, which is a tweaked and condensed version of the Village’s investment policy. He noted that it was tailored specific to the CDA’s activities. He also mentioned that staff does not recommending considering this policy in isolation without looking at the MOU between the Village and the CDA, which identifies that CDA funds will remain in the general checking reserves.

Mr. Florsheim questioned the need to keep 25% in cash without gaining interest versus 5% or 10% or keeping it in a money market account. Director Emanuelson noted that it was intended to be responsive to requests that would come in without needing approval from the CDA for transfers, but also mentioned that he could see some flexibility in this requirement. Tr. Warren noted that purchases and sales required CDA approval and wondered if only having monthly meetings was too long to wait. Director Emanuelson indicated that he would advocate for the most simple and direct processes, such as putting funds in the local government investment pool and certificates of deposit with laddered maturities. This would require additional action to reinvest, which would allow for continued monitoring, but not to make it a part of regular monthly meetings. The concept is to earn something versus virtually nothing. Chair Hammond also suggested that a sub-group of the CDA could be formed to authorize investment with subsequent reporting to the full CDA. Director Emanuelson indicated that he would foresee doing this on a quarterly basis with update reports. Mr. Florsheim recommended keeping only 10% in cash. Chair Hammond asked to hear thoughts on short term mutual funds. Director Emanuelson noted that there was approximately \$750,000 to invest and would recommend keeping things simple.

Chair Hammond summarized that the guidance was to tweak the cash reserves requirement to 10% and noted that the policy can always be revisited in the future. He requested that the policy be brought back to the CDA along with the MOU.

7. Discuss Housing Market Study RFP. (Part 2, 15:20)

Chair Hammond mentioned that the CDA has been talking about the housing market for a while. Director Griepentrog noted that the Neighborhood Loan Program and TIF Policy discussions could benefit from additional data to identify housing needs and clear up perceptions. Chair Hammond noted the significant costs differential between the two study examples, and Director Griepentrog noted that the differential may relate to the specialization of the firms, data requests or public involvement. Director Griepentrog indicated that keeping the scope focused on things we need could help contain costs. He also mentioned that the current scope had some unique questions from the Elder Service Advisory Board’s recent Age-Friendly Plan, as well as a line item to cover State-mandated affordable housing reports. Chair

Hammond confirmed that the RFP was drafted in a manner that would identify requests by line-item, so that they would be known and could be considered individually.

Tr. Warren noted that the study would help the CDA focus on what programs to deploy. Tr. Amenta confirmed and iterated that the CDA needs to be clear on what they want to get out of this. She also mentioned that housing market demand is regional. She noted that study should help answer what aspects of demand our supply does not meet, such as affordable, very affordable, number of bedrooms, housing for people with disabilities, or institutional or supportive housing. Mr. Florsheim questioned how to quantify specific demands, and Director Griepentrog noted that the consultant may talk with realtors or have access to specialized data to help answer that question. He noted that public engagement is expected within the scope of the project.

Tr. Warren noted that more public input should be expected and requested to amend the RFP to indicate possibly two or three sessions. Tr. Amenta questioned if fewer sessions would suffice, since the intent of this study is to obtain data. Chair Hammond also noted that we need to manage expectations in any public engagement and make it clear that no one is promising any particular actions.

Chair Hammond also clarified whether or not potential consultants would be interviewed, and Director Griepentrog indicated that he would amend the RFP to make it clear that interviews were expected.

Chair Hammond also wanted to be sure that the study would provide examples of what other communities are doing, both public and private, to meet their demands moving forward. Tr. Amenta noted that the comparison universe will be very important, and suggested that the data will look very different if compared to Milwaukee County versus the North Shore, and suggested that we should clarify that within the interviews. She also mentioned the topic of tear-downs and getting a better understanding of why that is taking place in Whitefish Bay and whether or not we should expect it. Chair Hammond questioned if she was hoping for recommendations to address that issue, and Tr. Amenta clarified it was more about understanding what conditions are causing it to take place, such as market trends or zoning.

Tr. Amenta mentioned that the study could be tricky, and suggested starting with understanding what people currently in Shorewood want and then trying to understand what people outside of Shorewood are looking for here. Mr. Florsheim agreed that the objective of the report is more nuanced than just obtaining data. Director Griepentrog pointed out that Task 2 of the RFP specifically details community questions and noted that he would reconfirm that this section is complete based on today's conversation and general themes he's heard elsewhere.

Director Griepentrog discussed the expected procedure of the analysis and noted that the RFP would be brought back in July for consideration. Mr. Florsheim questioned who would pay for the study, and Director Griepentrog confirmed, noting that a budget request would need to accompany any selected proposal. Chair Hammond noted that the CDA has the funds, but has also already committed \$30,000 to the Transportation and Parking Analysis this year. It was also noted that no funds were spent on studies last year.

Tr. Amenta noted that the study should look at specific populations, such as seniors, people with disabilities and families with children. Director Griepentrog also noted

the growing issue of short-term rentals, and Tr. Amenta that could be reviewed alongside corporate housing as well. Chair Hammond also suggested that diversity and inclusivity be included. The CDA agreed on the importance of diversity, but also noted that this study may not be able to provide policy direction on that particular issue.

8. Discuss date and goals of plan review meeting. (Part 4, 6:48)

Chair Hammond introduced the topic to reiterate the purpose of the meeting is to review current documents and make sure everyone is on the same page. It was noted that getting a date that worked for everyone was difficult in June and that it was hoped that staff could be involved. The meeting could also serve as a good orientation to new members and could become annual. Tr. Warren suggested using the regular meeting in August for this purpose. Director Griepentrog noted that he would talk with Village Manager Ewald about scheduling. It was further noted that the first Friday in August would not work, so staff would explore scheduling it for August 9.

9. Review of PDD and BID monthly reports. (Part 4, 13:05)

Director Griepentrog answered questions relating to his monthly report. The concept of shipping container businesses was discussed. Chair Hammond also noted that additional information pertaining to educational activities could be shared, if helpful. Tr. Amenta requested an update be shared on the status of the Developer Agreement for The Oaks, and Director Griepentrog noted that the required connection to the Oak Leaf Trail has been twice denied by Milwaukee County, so fulfilling that requirement may not be feasible.

10. Adjournment. (Part 5, 5:30)

Tr. Amenta moved to adjourn the meeting at 8:52 a.m., seconded by Tr. Warren. Vote 4-0.

Recorded by,



Bart Griepentrog, AICP
Planning & Development Director