



Community Development Authority

October 22, 2019

6:00 p.m.

Civic Center West Committee Room

1. Call to order:
 - Alderman Brickner, Alderman Damon, Sarah Calderon, Richard Grubanowitch, Jay Iverson, Jim Paradinovich, Ralph Voltner
2. Minute Approval:
 - June 25, 2019 - [CDA Minutes 06-25-2019](#)
3. Discussion and Action Items: Updates
 - Preliminary Amendment – Project Plan TID 5 - [St. Francis TID No. 5_Draft Cashflows_2019-10-17](#)
4. Adjourn

PUBLIC NOTICE

Upon reasonable notice, a good faith effort will be made to accommodate the needs of individuals to participate in public hearings, which have a qualifying disability under the Americans with Disabilities Act. Requests should be made as far in advance as possible, preferably a minimum of 48 hours. For additional information or to request this service, contact the St. Francis City Clerk at 481-2300. The meeting room is wheelchair accessible from entrances.

NOTE: There is a potential that a quorum of the Common Council may be present.

MINUTES OF THE COMMUNITY DEVELOPMENT AUTHORITY MEETING HELD JUNE 25, 2019

Present: Sarah Calderon, Rick Grubanowitch, Jay Iverson, Jim Paradinovich, Ralph Voltner

Also Present: City Administrator Johnsrud, City Clerk/Treasurer Uecker, City Engineer Dejewski

Excused: Alderman Brickner and Alderman Damon

Chairman Voltner called the meeting to order at 6:00 p.m.

Moved by Rick Grubanowitch, seconded by Jay Iverson to place on file the minutes of the Community Development Authority meeting held April 30, 2019. Motion carried.

3901 South Lake Drive – formerly Lakeside Auto:

The new Code Compliance Officer is working on this property and finally has contact information for the owner. At this point citations could be issued or there is potential for a raze order. The land may be contaminated or there may be storage tanks buried. More research through the DNR will be done to identify if storage tanks are buried there.

Moved by Rick Grubanowitch, seconded by Jay Iverson to direct the City Administrator to issue a letter to the property owner stating that the City has concerns about the future plans of the property, that the building will need to be inspected and to see if the owners can verify if storage tanks are buried. Motion carried.

4000 South Lake Drive – The Mariner Apartments:

The City has currently hired the Concord Group as the project manager. Concord has been submitting to the City a punch list of items that need to be completed and/or corrected. Two major issues have been found – safety glass in the windows and ADA toilets. Bear Development has also erected a retaining wall that needs a fence and the plans that were submitted were not up to code. Occupancy most likely will not be granted until the end of July. The CDA members reviewed the punch list items provided by Concord. As of right now, there has been no breach of contract between Bear Development and the City.

4200 South Lake Drive – The Campbell Group:

Financing and investors have been solidified. The DOT has approved the 2nd entrance to the property. The investors have committed to making this a truly upscale project.

3900 East Norwich Avenue – St. Francis Animal Hospital:

The City has been going back and forth with the Animal Hospital as they want the City to do more of the development plans so they don't have to have that added expense. Currently the project is scheduled for two phases. The first phase would be the hospital at 4800 square feet and then the second phase would be the boarding facility. The City is suggesting a second entrance into the property. The initial PUD and CSM need to go to the Planning Commission.

2517 East Norwich Avenue – Milwaukee Maker's Space:

A detailed PUD has been submitted to the Planning Commission. There is an encroachment issue with the building on Mid America Barrel property which has delayed the project.

1306 East Bolivar Avenue – former King Kase site:

Sigma has been working on the standard closure and closure is expected in the next month. A sign will be put on the property listing it as a potential development site.

3950 South Pennsylvania Avenue – Mid America Barrel:

Mid America Barrel is working with RA Smith to engineer a site plan so that issues will be in compliance with the City code. The same engineer is working for the City to redesign Norwich Avenue. The redesign will be of value to the City in order to clean up that area. The City has offered Mid America to enter their property through City owned property from Howard Avenue to eliminate some of the truck traffic on Pennsylvania. At this time, Mid America hasn't given any inclination if they would be interested in that proposal.

2918/2922 East Layton Avenue – formerly Liberty Tax:

The City currently owns both these properties. Currently there is a tenant in 2922 East Layton who can stay until November. Once both properties are vacated, they will be razed. It creates a great opportunity to be a player in the redevelopment of that section of Layton Avenue.

2040 East St. Francis Avenue – Dysland Mini Storage:

The City has been receiving a lot of complaints regarding the maintenance of this property. As of now over \$255,000 in citations have been issued for code violations. The owners are working on trying to fix the code violations on the mini storage units to get occupancy. All three properties owned by Mr. Dysland have code violations but are owned by different LLC's so it's hard to go after Mr. Dysland personally to get the properties back in compliance.

2800 Hidden Drive – Hidden Ponds:

This was designed as a high density condo development but only 8-9 units have been built and no development has happened since then. Eric Lentz informed the City that the developer was foreclosed on by the bank, but for some reason the new bank refinanced the mortgage and wiped out the second mortgage held by Eric Lentz. Any new development will have to come back to the City as the Developers Agreement for that project has expired. The City doesn't want high density there but would rather have "twindominiums". It would need to be a new PUD which would allow the City to have a bit more control over the development.

Moved by Jay Iverson, seconded by Jim Paradinovich to adjourn. Motion carried.

Time: 7:03 p.m.

City of St. Francis, WI
Tax Incremental District #5
Development Assumptions

Construction Year		Actual ¹	Estimated Correction ²	The Mariner Apts. ³	Campbell Dev. Group Project ³	Milwaukee Makerspace	E. Norwich Residential	KK Corners Commercial	Mandel Prop. Mixed Use	Hidden Ponds Residential	3600 S. Lake Mixed Use	Annual Total	Cumulative Increment	Cumulative Total Value	Construction Year	
1	2015	(1,114,500)										(1,114,500)	(1,114,500)	80,261,700	2015	1
2	2016	4,685,200										4,685,200	3,570,700	84,946,900	2016	2
3	2017	6,291,900										6,291,900	9,862,600	91,238,800	2017	3
4	2018	2,374,100										2,374,100	12,236,700	93,612,900	2018	4
5	2019		9,865,077	10,000,000	0							19,865,077			2019	5
6	2020		(4,932,538)	5,128,340	25,179,936	1,500,000						26,875,738			2020	6
7	2021			0	10,791,401		4,000,000					14,791,401			2021	7
8	2022			0	0			10,000,000	18,000,000			28,000,000			2022	8
9	2023			0	0				7,000,000	8,000,000	15,000,000	30,000,000			2023	9
10	2024			0	0						15,000,000	15,000,000			2024	10
11	2025			0	0						15,000,000	15,000,000			2025	11
12	2026			0	0						0	0			2026	12
13	2027			0	0						0	0			2027	13
14	2028			0	0						0	0			2028	14
15	2029			0	0						0	0			2029	15
16	2030			0	0						0	0			2030	16
17	2031			0	0						0	0			2031	17
18	2032			0	0						0	0			2032	18
19	2033			0	0						0	0			2033	19
20	2034			0	0						0	0			2034	20
Totals		12,236,700	4,932,538	15,128,340	35,971,337	1,500,000	4,000,000	10,000,000	25,000,000	8,000,000	45,000,000	161,768,915	24,555,500			

Notes:

¹Actual annual increase or reduction in value per Wisconsin Dept. of Revenue.

²Per 9-12-2019 e-mail from City assessor, equalization ratio of 100% used to determine 1-2019 TID change in value should have been 94.9% which will result in a correction in 2020/21.

³Updated valuations and buildout schedules as provided by City on 9-10-2019.

⁴Estimated valuations and timing provided by City on 10-3-2019, except timing for Mandel property and 3600 S. Lake Drive calculated by Ehlers to reflect latest build dates to cash flow estimated incentive amounts.

City of St. Francis, WI

Tax Incremental District #5

Tax Increment Projection Worksheet

Type of District	Mixed Use	Base Value	81,376,200
Creation Date	July 21, 2015	Appreciation Factor	2.50%
Valuation Date	Jan 1, 2015	Base Tax Rate	\$30.35
Max Life (Years)	20	Rate Adjustment Factor	
Expenditure Periods/Termination	15 7/21/2030		
Revenue Periods/Final Year	20 2036		
Extension Eligibility/Years	Yes 3		
Recipient District	No		

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate ¹	Tax Increment
1 2015	(1,114,500)	2016		(1,114,500)	2017	\$32.07	0
2 2016	4,685,200	2017		3,570,700	2018	\$30.62	109,327
3 2017	6,291,900	2018		9,862,600	2019	\$30.35	299,282
4 2018	2,374,100	2019		12,236,700	2020	\$30.35	371,324
5 2019	19,865,077	2020	305,918	32,407,694	2021	\$30.35	983,416
6 2020	26,875,738	2021	810,192	60,093,624	2022	\$30.35	1,823,550
7 2021	14,791,401	2022	1,502,341	76,387,366	2023	\$30.35	2,317,986
8 2022	28,000,000	2023	1,909,684	106,297,050	2024	\$30.35	3,225,599
9 2023	30,000,000	2024	2,657,426	138,954,476	2025	\$30.35	4,216,593
10 2024	15,000,000	2025	3,473,862	157,428,338	2026	\$30.35	4,777,185
11 2025	15,000,000	2026	3,935,708	176,364,047	2027	\$30.35	5,351,792
12 2026	0	2027	4,409,101	180,773,148	2028	\$30.35	5,485,587
13 2027	0	2028	4,519,329	185,292,476	2029	\$30.35	5,622,727
14 2028	0	2029	4,632,312	189,924,788	2030	\$30.35	5,763,295
15 2029	0	2030	4,748,120	194,672,908	2031	\$30.35	5,907,377
16 2030	0	2031	4,866,823	199,539,731	2032	\$30.35	6,055,062
17 2031	0	2032	4,988,493	204,528,224	2033	\$30.35	6,206,438
18 2032	0	2033	5,113,206	209,641,430	2034	\$30.35	6,361,599
19 2033	0	2034	5,241,036	214,882,465	2035	\$30.35	6,520,639
20 2034	0	2035	5,372,062	220,254,527	2036	\$30.35	6,683,655
Totals	161,768,915		58,485,612		Future Value of Increment		78,082,435

Notes:

¹Tax rate shown for 2019 and preceding years is actual TID Interim Rate from the City's Tax Increment Calculation Worksheet (DOR Form PC-202).

<u>Project Costs</u>	<u>Original Project Plan</u>	<u>As of 12/31/2018²</u>	<u>Projected 2019 - 2036</u>	<u>Total Act. & Projected</u>	<u>Increase or Decrease</u>
Development Incentives					
PAYGO - FBI Project	\$ 2,475,000	\$ -	\$ 2,080,086	\$ 2,080,086	\$ (394,914)
Debt Service - The Mariner	\$ 9,906,545	\$ -	\$ 9,855,537	\$ 9,855,537	\$ (51,008)
PAYGO - Campbell Development Group	\$ -	\$ -	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000
Debt Service - Milwaukee Makerspace	\$ -	\$ -	\$ 518,079	\$ 518,079	\$ 518,079
PAYGO - KK Corners	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
PAYGO - Mandel	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
PAYGO - Hidden Ponds	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
PAYGO - 3600 S. Lake	\$ -	\$ -	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000
Capital Expenditures					
		\$ 816,906	\$ -	\$ 816,906	\$ 816,906
Demolition of Old City Hall	\$ 225,000	\$ -	\$ -	\$ -	\$ (225,000)
Land Acquisition	\$ 100,000	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 900,000
Debt Service Interest	\$ -	\$ -	\$ 57,965	\$ 57,965	\$ 57,965
Milton Vretenar Memorial Municipal Park	\$ 75,000	\$ -	\$ -	\$ -	\$ (75,000)
Nojoshing Trail System	\$ 25,000	\$ -	\$ -	\$ -	\$ (25,000)
Greene Park	\$ 121,000	\$ -	\$ -	\$ -	\$ (121,000)
Bay View Park	\$ 159,000	\$ -	\$ -	\$ -	\$ (159,000)
Road Construction (2900 E. Norwich)	\$ -	\$ -	\$ 1,942,796	\$ 1,942,796	\$ 1,942,796
Transfers					
To Tax Incremental District No. 3 ^{1&3}	\$ 6,340,928	\$ -	\$ 166,873	\$ 166,873	\$ (6,174,055)
To Tax Incremental District No. 4 ³	\$ -	\$ -	\$ 2,441,107	\$ 2,441,107	\$ 2,441,107
Admin. & Prof. Services Expenses					
	\$ 70,000	\$ 589,553	\$ 2,410,447	\$ 3,000,000	\$ 2,930,000
Total	\$ 19,497,473	\$ 1,406,459	\$ 58,572,890	\$ 59,979,349	\$ 40,481,876

Notes:

¹Forecasted transfers to TID No. 3 as shown in the Project Plan Amendment to TID 5 that was approved concurrent with the District's creation.

²Per audited City financial statements.

³Estimated future transfers based on TID 3 and TID 5 cash flow projections as of 10-17-2019. Transfer amounts may increase or decrease dependent on the future financial performance of those districts.

City of St. Francis, WI

Tax Incremental District #5

Cash Flow Projection

	Projected Revenues						Projected Expenditures														Balances			Year		
	Tax Increments	FBI Project Shortfall Payments	Bear Deficiency Payments	Debt Proceeds	Other Revenue	Total Revenues	FBI Project Dev. Incentive	The Mariner Incentive Debt	Campbell Dev. Group Incentive	Milwaukee Makerspace Incentive	KK Corners Incentive	Mandel Property Incentive	Hidden Ponds Incentive	3600 S. Lake Drive Incentive	2018 STFL Debt Service	2020 STFL Debt Service	2021 STFL Debt Service	Transfer to TID No. 3	Transfer to TID No. 4	Capital Exp. & Land Acq.	Admin. & Prof. Services	Total Expenditures	Annual		Cumulative ¹	Outstanding Liabilities ²
2015						0														109,460	38,816	148,276	(148,276)	(148,276)		2015
2016					1,000	1,000														124,431	45,608	170,039	(169,039)	(317,315)		2016
2017					1,388	1,388														1,398	83,546	84,944	(83,556)	(400,871)	2,272,979	2017
2018	109,327	51,236		246,501	64,890	471,954													581,617	421,583	1,003,200	(531,246)	(932,117)	2,326,588	2018	
2019	299,282	31,393				330,675	191,174													213,558		404,732	(74,058)	(1,006,174)	9,235,413	2019
2020	371,324	31,393		400,000		802,717	191,174		400,000	0	0	0	0	33,830						199,717		824,721	(22,004)	(1,028,179)	19,023,153	2020
2021	983,416	31,393	91,148	1,500,000		2,605,957	191,174	615,971	0	0	0	0	0	33,830	51,808				1,500,000	199,717	2,592,500	13,457	(1,014,722)	20,023,315	2021	
2022	1,823,550	31,393	0			1,854,942	191,174	615,971	0	0	0	0	0	33,830	51,808	194,280				199,717	1,286,780	568,162	(446,560)	19,312,107	2022	
2023	2,317,986	31,393	0			2,349,378	191,174	615,971	764,089	0	0	0	0	33,830	51,808	194,280				199,717	2,050,869	298,510	(148,050)	30,314,419	2023	
2024	3,225,599	31,393	0			3,256,992	191,174	615,971	679,685	273,106	491,591	0	0	33,830	51,808	194,280		259,364		199,717	2,990,527	266,465	118,415	44,113,804	2024	
2025	4,216,593	31,393	0			4,247,986	191,174	615,971	679,685	279,934	695,056	218,485	409,659	33,830	51,808	194,280		241,966		199,717	3,811,565	436,421	554,835	41,049,819	2025	
2026	4,777,185	0	0			4,777,185	169,200	615,971	679,685	286,932	712,432	223,947	829,560	33,830	51,808	194,280		242,867	1,000,000	199,717	5,240,230	(463,044)	91,791	37,532,481	2026	
2027	5,351,792	0	0			5,351,792	169,200	615,971	679,685	294,106	730,243	229,546	1,259,959	33,830	51,808	194,280		253,249		199,717	4,711,592	640,200	731,992	33,527,608	2027	
2028	5,485,587	0	0			5,485,587	169,200	615,971	679,685	301,458	748,499	235,284	1,291,458	33,830	51,808	194,280		262,925		199,717	4,784,115	701,473	1,433,464	29,432,702	2028	
2029	5,622,727	0	0			5,622,727	169,200	615,971	679,685	308,995	767,211	92,737	1,323,744	51,808	51,808	194,280		232,703		199,717	4,636,051	986,676	2,420,140	25,426,284	2029	
2030	5,763,295	0	0			5,763,295	65,067	615,971	679,685	316,720	786,392	0	1,356,838		51,808	194,280		231,326		199,717	4,497,804	1,265,491	3,685,631	21,527,925	2030	
2031	5,907,377	0	0			5,907,377	0	615,971	679,685	324,638	806,051	0	1,390,759			194,280		234,499			4,245,883	1,661,495	5,347,126	17,654,939	2031	
2032	6,055,062	0	0			6,055,062	0	615,971	679,685	114,112	826,203	0	1,425,528					232,208			3,893,706	2,161,355	7,508,481	14,103,415	2032	
2033	6,206,438	0	0			6,206,438	0	615,971	679,685	0	846,858	0	1,461,166					234,489			3,838,169	2,368,269	9,876,750	10,589,169	2033	
2034	6,361,599	0	0			6,361,599	0	615,971	679,685	0	868,029	0	1,497,695				166,873	15,511			3,843,765	2,517,834	12,394,585	6,996,161	2034	
2035	6,520,639	0	0			6,520,639	0	615,971	679,685	0	889,730	0	1,535,137								3,720,524	2,800,115	15,194,700	3,322,106	2035	
2036	6,683,655	0	0			6,683,655	0	615,971	679,685	0	831,707	0	1,218,497								3,345,860	3,337,795	18,532,495	0	2036	
Total	78,082,435	270,984	91,148	2,146,501	67,278	80,658,346	2,080,086	9,855,537	9,600,000	400,000	2,500,000	10,000,000	1,000,000	15,000,000	304,466	518,079	1,942,796	166,873	2,441,107	3,316,906	3,000,000	62,125,851				Total

Projected TID Closure

Notes:
¹Cumulative fund balance for year ending 2018 is actual per City's draft 2018 audited financial statements.
²Includes balance of any PAYGO obligations plus City debt principal amounts.