



City of Verona

COMMUNITY DEVELOPMENT AUTHORITY AGENDA

MONDAY, APRIL 20, 2012, 6:00 P.M.

VERONA CITY CENTER

111 Lincoln Street
Verona, WI 53593-1520
www.ci.verona.wi.us

1. Call to Order
2. Roll Call
3. Welcome and Introductions
4. Overview of Duties, Responsibilities, and Powers of Community Development Authorities and Review of State Statutes related to CDAs
5. Community Development Authorities in Other Communities: What do they do? What have they done?
6. Scenario Discussions:
 - #1 Redevelopment Project
 - #2 Downtown Programming Exercise
7. General Discussion – Date, Timeline, and Topics for Next Meeting(s)
8. Adjourn

Jon Hochkammer, Chairperson

A possible quorum of the City of Verona Common Council may be present at this meeting for the purpose of gathering information and participating in discussions. No business of the Common Council will be conducted at this meeting.

POSTED: Verona City Hall
Verona Public Library
Miller's Market
City Web Page at www.ci.verona.wi.us

IF YOU NEED AN INTERPRETER, MATERIALS IN ALTERNATIVE FORMATS, OR OTHER ACCOMMODATION TO ACCESS THE MEETINGS, PLEASE CONTACT THE CITY CLERK AT 845-6495 AT LEAST 48 HOURS PRECEDING THE MEETING. EVERY REASONABLE EFFORT WILL BE MADE TO ACCOMMODATE YOUR REQUEST.



Verona CDA

April 20, 2015

1. Organizations which do “development” work
 - a. Cities
 - b. RDAs/CDAs
 - c. EDCs (local, county, private, and public/private)
2. Roles of CDAs

66.1335 Housing and community development authorities.

(4) POWERS AND DUTIES. The community development authority has all powers, duties and functions set out in ss. [66.1201](#) and [66.1333](#) for housing and redevelopment authorities. As to all housing projects initiated by the community development authority it shall proceed under s. [66.1201](#), and as to all projects relating to blight elimination, slum clearance, urban renewal and redevelopment programs it shall proceed under ss. [66.1105](#), [66.1301](#) to [66.1329](#), [66.1331](#), [66.1333](#) or [66.1337](#) as determined appropriate by the common council on a project by project basis. As to all community development programs and activities undertaken by the city under the federal housing and community development act of 1974, the community development authority shall proceed under all applicable laws and ordinances not inconsistent with the laws of this state. In addition, if provided in the resolution or ordinance, the community development authority may act as agent of the city to perform all acts, except the development of the general plan of the city, which may be otherwise performed by the planning commission under ss. [66.1105](#), [66.1301](#) to [66.1329](#), [66.1331](#) or [66.1337](#).



- (9) POWERS OF AUTHORITY.** An authority is a public body and a body corporate and politic, exercising public powers, and has all the powers necessary or convenient to carry out and effectuate the purposes and provisions of ss. [66.1201](#) to [66.1211](#), including the following powers in addition to others granted in this section:
- (a) Within its area of operation to prepare, carry out, acquire, lease and operate housing projects approved by the council; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part of a housing project.
 - (b) To take over by purchase, lease or otherwise any housing project undertaken by any government and located within the area of operation of the authority when approved by the council; to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal property or any interest in the real or personal property.
 - (c) To act as agent for any government in connection with the acquisition, construction, operation or management of a housing project or any part of a housing project.
 - (d) To arrange or contract for the furnishing of services, privileges, works, or facilities for, or in connection with, a housing project or the occupants of a housing project.
 - (e) To lease or rent any dwellings, houses, accommodations, lands, buildings, structures or facilities embraced in any housing project and, subject to the limitations contained in this section, to establish and revise the rents or charges for the housing project.
 - (f) Within its area of operation to investigate into living, dwelling and housing conditions and into the means and methods of improving those conditions; and to engage in research and studies on the subject of housing.
 - (h) To acquire by eminent domain any real property, including improvements and fixtures on the real property.
 - (i) To own, hold, clear and improve property, to insure or provide for the insurance of the property or operations of the authority against any risks, to procure insurance or guarantees from the federal government of the payment of any debts or parts of debts secured by mortgages made or held by the authority on any property included in any housing project.
 - (j) To contract for the sale of, and to sell, any part or all of the interest in real estate acquired and to execute contracts of sale and conveyances as the authority considers desirable.
 - (k) In connection with any loan, to agree to limitations upon its right to dispose of any housing project or part of a housing project.
 - (L) In connection with any loan by a government, to agree to limitations upon the exercise of any powers conferred upon the authority by ss. [66.1201](#) to [66.1211](#).
 - (m) To invest any funds held in reserve or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control.
 - (n) To sue and be sued, to have a seal and to alter the same at pleasure, to have perpetual succession, to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority.
 - (o) To make and amend and repeal bylaws, rules and regulations not inconsistent with ss. [66.1201](#) to [66.1211](#), to carry into effect the powers and purposes of the authority.



(p) To exercise all or any part or combination of powers granted in this section. No provisions of law with respect to the acquisition or disposition of property by other public bodies are applicable to an authority unless otherwise provided.

(q) To execute bonds, notes, debentures or other evidences of indebtedness which, when executed by a housing authority, are not a debt or charge against any city, county, state or any other governmental authority, other than against the authority itself and its available property, income or other assets in accordance with the terms of an evidence of indebtedness and of this section, and no individual liability exists for any official act done by any member of the authority. No authority may levy any tax or assessment.

(r) To provide by all means available under ss. [66.1201](#) to [66.1211](#) housing projects for veterans and their families regardless of their income. The projects are not subject to the limitations of s. [66.1205](#).

(s) Notwithstanding the provisions of any law, to acquire sites; to prepare, carry out, acquire, lease, construct and operate housing projects to provide temporary dwelling accommodations for families regardless of income who are displaced under ss. [66.1201](#) to [66.1331](#); to further slum clearance, urban redevelopment and blight elimination; and to provide temporary dwelling accommodations for families displaced by reason of any street widening, expressway or other public works project causing the demolition of dwellings.

(t) To participate in an employee retirement or pension system of the city which has declared the need for the authority and to expend funds of the authority for this purpose.

(u) To join or cooperate with one or more authorities in the exercise, either jointly or otherwise, of any of their powers for the purpose of financing, including the issuance of bonds, notes or other obligations and giving security for these obligations, planning, undertaking, owning, constructing, operating or contracting with respect to a housing project located within the area of operation of any one or more of the authorities. For this purpose an authority may by resolution prescribe and authorize any other housing authority, joining or cooperating with it, to act on its behalf with respect to any powers, as its agent or otherwise, in the name of the authority joining or cooperating or in its own name.

(v) To establish a procedure for preserving records of the authority by the use of microfilm, another reproductive device, optical imaging or electronic formatting if authorized under s. [19.21\(4\)\(c\)](#). The procedure shall assure that copies of records that are open to public inspection continue to be available to members of the public requesting them. A photographic reproduction of a record or copy of a record generated from optical disk or electronic storage is deemed the same as an original record for all purposes if it meets the applicable standards established in ss. [16.61](#) and [16.612](#).

(w) To exercise any powers of a redevelopment authority operating under s. [66.1333](#) if done in concert with a redevelopment authority under a contract under s. [66.0301](#).

(x) To, within its area of operation, either by itself or with the department of veterans affairs, undertake and carry out studies and analyses of veterans housing needs and meeting those needs and make the study results available to the public, including the building, housing and supply industries.



66.1333 Blight elimination and slum clearance.

.....

.....

(3) REDEVELOPMENT AUTHORITY.

(a)

.....

(5) POWERS OF REDEVELOPMENT AUTHORITIES.

(a) An authority may exercise all powers necessary or incidental to carry out and effectuate the purposes of this section, including the power to do all of the following:

1. Prepare redevelopment plans and urban renewal plans and undertake and carry out redevelopment and urban renewal projects within the corporate limits of the city in which it functions.
2. Enter into any contracts determined by the authority to be necessary to effectuate the purposes of this section. All contracts, other than those for personal or professional services, in excess of \$25,000 are subject to bid and shall be awarded to the lowest qualified and competent bidder. The authority may reject any bid required under this paragraph. The authority shall advertise for bids by a class 2 notice, under ch. [985](#), published in the city in which the project is to be developed. If the estimated cost of a contract, other than a contract for personal or professional services, is between \$3,000 and \$25,000, the authority shall give a class 2 notice, under ch. [985](#), of the proposed work before the contract is entered into.
3. Within the boundaries of the city, acquire by purchase, lease, eminent domain, or otherwise, any real or personal property or any interest in the property, together with any improvements on the property, necessary or incidental to a redevelopment or urban renewal project; hold, improve, clear or prepare for redevelopment or urban renewal any of the property; sell, lease, subdivide, retain or make available the property for the city's use; mortgage or otherwise encumber or dispose of any of the property or any interest in the property; enter into contracts with redevelopers of property containing covenants, restrictions and conditions regarding the use of the property in accordance with a redevelopment or urban renewal plan, and other covenants, restrictions and conditions that the authority considers necessary to prevent a recurrence of blighted areas or to effectuate the purposes of this section; make any restrictions, conditions or covenants running with the land and provide appropriate remedies for their breach; arrange or contract for the furnishing of services, privileges, works or facilities for, or in connection with a project; temporarily operate and maintain real property acquired by it in a project area for or in connection with a project pending the disposition of the property for uses and purposes that may be deemed desirable even though not in conformity with the redevelopment plan for the area; within the boundaries of the city, enter into any building or property in any project area in order to make inspections, surveys, appraisals, soundings or test borings, and obtain a court order for this purpose if entry is denied or resisted; own and hold property and insure or provide for the insurance of any real or personal property or any of its operations against any risks or hazards, including paying premiums on any insurance; invest any project funds held in reserves or sinking funds or the funds not required for immediate disbursement in property or securities in which savings banks may legally invest funds subject to their control; redeem its bonds issued under this section at the redemption price established in the bonds or purchase the bonds at less than redemption price, all bonds so redeemed or purchased to be canceled; develop, test and report



methods and techniques, and carry out demonstrations and other activities, for the prevention and elimination of slums and blight; and disseminate blight elimination, slum clearance and urban renewal information.

4.

a. Borrow money and issue bonds; execute notes, debentures, and other forms of indebtedness; apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the city in which it functions, from the federal government, the state, county, or other public body, or from any sources, public or private for the purposes of this section, and give such security as may be required and enter into and carry out contracts or agreements in connection with the security; and include in any contract for financial assistance with the federal government for or with respect to blight elimination and slum clearance and urban renewal such conditions imposed pursuant to federal laws as the authority considers reasonable and appropriate and that are not inconsistent with the purposes of this section.

.....

.....

9. Exercise any powers of a housing authority under s. [66.1201](#) if done in concert with a housing authority under a contract under s. [66.0301](#).

(b)

Community Development Authority Activities in Other Communities

Whitewater CDA

- Very Active CDA
- Responsible for economic development within City
- Manage TIF districts
- Owns the Innovation Center
- Negotiates land purchases
- Operates CDBG- Capital Catalyst Fund

Baraboo CDA

- Moderately Active/limited CDA
- Owns 110 HUD funded Housing units (majority of time spent with these)
- Assists with economic development activities
- Operates CDBG- Capital Catalyst Fund

Watertown CDA

- No activity in economic development
- 100% time spent on housing
- Working to redefine role of CDA

Sun Prairie CDA

- Active with Downtown redevelopment activity
- Issued lease revenue bonds to assist with downtown

Wausau CDA

- Very engaged in redevelopment and community development
- 40 units of scattered site public housing and 7-story high rise development
- Manages section 8 vouchers and other HUD funding
- Has participated in a variety of deals with various partners and multiple funding sources

Examples of Community Development Authority Activities:

Marathon Rubber Manufacturing Redevelopment: This neighborhood revitalization project consisted of acquiring (via a friendly condemnation legal agreement) an approximately 20,000sf vacant, contaminated former manufacturing plant on about 4 acres located at the corner of 5th Avenue and Sherman Street. The CDA acquired, environmentally-tested the entire site; razed the building(s); remediated contaminated hot spots, prepared (brought-in needed “fill” and topsoil and graded the site; constructed a neighborhood park (Now called Werle Park). Three new single family housing units and two multi-family residential buildings were constructed on the former Marathon Rubber site.

Cost: Approximately \$390,000

Funding Sources: Federal ‘earmark’, CDBG and City ‘force account’

Timing: 2 ½ years

Franklin School – Pine Bar Redevelopment: This Franklin neighborhood project of a joint venture between the City, CDA and School District. The CDA (with City approval) negotiated and acquired approximately 6 out dated, deteriorating and blighted commercial properties located at the corner of 6th Street and Bridge Street. Three businesses occupying a portion of the commercial buildings and the approximate 4 residential apartment residents were relocated (all to much improved units). The buildings were razed, contamination remediated and site prepared and improved. The Pine Bar block was transferred to the School District and incorporated into their adjacent Franklin Elementary school property to enhance the school as a neighborhood asset.

Cost: \$1.5M shared equally between School District and City and CDA

Funding Sources: City, CDA via CDBG and ‘force account’ and School

Timing: 1 ½ years

Railroad and Motor Service Redevelopment: In an attempt to connect the downtown with its Wisconsin River waterfront The City and CDA negotiated, acquired and salvaged two railroad lines (The Chicago & north to Scott Street and the Wisconsin Central rail line from Scott Street north to the “y-out”. The acquired property provided pedestrian access and access for the kayak and canoe (north) portion of the river raceway. The entire area was developed into a riverfront walkway.

The blighted Motors Service property located on the Wisconsin Central railroad and waterfront was negotiated, acquired, relocating the business to Bridge Street. The heavily contaminated Motor Service building was razed, remediated and site prepared for redevelopment. (The property is now a portion of the Dudley Office Tower property with remnant being owned by the Judd S. Alexander Foundation).

Cost: Approximately \$350,000 for Motor Service and \$65,000 for both rails.

Funding Sources: City and CDA, CDBG and levy

Timing: 2 years

Wausau Energy Redevelopment Project: The Wausau Energy Company was an out dated, deteriorating and blighted property located next to the Chicago & Northwestern main rail line at 901 E. Thomas Street. The building and property for bulk oil and LP gas office, warehouse and storage distribution yard. The CDA negotiated the acquisition and remediated the environmental contamination. Once clean the building and property was sold to a retail and wholesale wood flooring showroom and warehouse. Subsequently the property was sold again, remodeled and is now the home of Big Bull Falls Brewery.

Cost: \$250,000

Source of Funds: CDA, CDBG and other income

Timing: 2 years

Sun Prairie – Cannery Square
Project



Redevelopment Resources Work in Verona

Phase I

1. Community Development Authority (CDA) Reenergizing “Boot Camp”



a. Host kick off meeting with CDA, City Council and Plan Commission to introduce the effort and investigate opportunities and threats, as well as brainstorm and create a vision outline for the work.



b. Conduct a two-hour educational session with CDA – workshop to include a review of powers and obligations, potential activities under the statutes, review of successful operations across the state/country, open dialogue about potential of organization

c. Continue with second CDA strategy workshop to clearly define goals and work through potential strategy with accompanying work plan for proactive development activities the City can implement.

d. Provide ongoing coaching at regular CDA meetings for 6-9 months.

2. Market Analysis & Local Resources Review



a. Conduct market gap analysis (includes retail, restaurant, commercial, service and office related uses)



b. Catalog local financial and technical resources for business growth

c. Recommend marketing tools in response to market data utilizing existing resources

3. Action Plan Development

a. Work with CDA to develop an action strategies based on market review

b. Develop organizational structure recommendations

c. Action plan produced as final deliverable of this phase

Scenario #1

City Staff has recently met with a Developer and the Developer's support staff (Attorney, CPA, Engineer, and Real Estate Professional) to discuss their desire to purchase both the former Zurbachan Oil and Cenex Gas Station sites. They have accepted offers to purchase the sites.

The Developer indicated that as part of the Offers to Purchase, they would be responsible to for all environmental clean-up cost. They would like to construct a 100,000 square foot retail grocery center. They project that they would average 1,750 cars per day. Their market projections indicate that approximately 50% of the traffic would be residents from Verona.

As City staff has indicated, both sites have environmental contamination. The sites have exhausted their PECFA funding. Therefore, any clean-up costs would be out of pocket for the Developer. As part of the prior records, the City has both Phase I and Phase II reports.

It is the opinion of the City Staff that this new store would be a draw and they expect other adjacent sites to be redeveloped as retail sites. With the additional development, they expect an additional 50% increase in traffic in the area.

The site is currently zoned light industrial. The proposed development would require the site to be rezoned. The Developer is asking that it be rezoned as commercial zoning.

The Developer's team has indicated that both financial incentives as well as concessions from the City regarding their projected development will be necessary. They would like the City to create a TIF district to help with the project. They would also like the City to assist with the purchase of the property and to create a landscaping plan for the area. Additionally, they would like the city to assist with the environmental clean-up of the area.

With the increase in traffic in the area, staff indicated that the roadway area would be severely compromised with the traffic total being planned. The current Capital Plan does not project any new road improvements for the area until 2025. The City engineer is very concerned about the ability to serve the area with both the increase traffic as well as the impact on the road itself.

CDA

At the monthly CDA meeting, the items are being presented to you by City Staff. The meeting is being held in closed session since it regards potential financial incentives provided by the City. The Developer is also present at the meeting. They speak highly of their project and how quickly they want to proceed.

After the presentation and questions, the CDA asks the Developer to leave so they can discuss the project.

1. What details do you need to know about the project from the Developer to start to formulate any decision on the project?
2. What are the goals for this property for both the City and CDA?
3. How can we, as the CDA assist in making sure the right project happen on this site?
4. If this is not the right project, what is?

City Council

In a closed session working meeting, the CDA has made recommendations to you regarding the proposed development. As the City Council what action do you take?

1. What options do we have?
2. Should this project be viewed as a catalyst redevelopment, therefore justifying a significant contribution to overcome all the issues?

Chamber of Commerce

As the Chamber, you have heard serious rumors that a new grocery is being proposed in the community. The Chamber is happy to see the new development, but the Executive Board is concerned that the new development will seriously distract from the downtown area and its potential redevelopment. The Executive Board is also concerned that the direct competition to the present grocery will hurt this business.

How do you proceed as the Board?

Plan Commission

The City has received a request to rezone the current site from light industrial to commercial. This request is contrary to the 2020 Comprehensive Plan. However, you see the proposed new development as being very attractive and the feel it will help the city in the long term.

One of the initial concerns is that based upon the size of the development. It does not provide sufficient parking as required in the City Ordinances. How do you address this problem?

How would you proceed as a Plan Commission?

Scenario #1 Map: Zurbachan Oil and Cenex Gas Station Sites



Scenario #2

The City has recently purchased some vacant property in the downtown area. They intend to remove the existing buildings and convert the property into open space. It is their intent to place some benches and picnic tables in the open space. It is the desire of the city to make this a gathering place in the downtown area.

The Chamber of Commerce is in favor of the concept and has pledged their support for the project. They have requested that the city help form a BID district and to help with financial support for the project.

One concept the Chamber would like to have the city help with is a splash slide in the area. They feel that this would draw many people into the downtown area and to help support the local businesses. They have indicated that they would be willing to pay $\frac{1}{4}$ of the total cost for the project.

While the City Council, CDA and Plan Commission whole heartedly support additional attractions in the downtown, they have many concerns about the plan. The concerns are:

1. Where does the City get the balance of the funding?
2. What is the liability for operating this type of a facility?
3. Who will manage the site? The Parks Department does not have sufficient staff to assist.
4. You question if all the businesses support the concept. How do you find out if this is supported?
5. With the increase in traffic, how is the parking issue addressed?