



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Meeting Minutes - Draft COMMUNITY DEVELOPMENT AUTHORITY

Thursday, March 9, 2017

4:30 PM

GR27, Central Police District Community Room
210 Martin Luther King, Jr. Blvd.

SCHEDULED MEETINGS

Regular CDA Meeting: Thursday, April 13, 4:30 pm, CCB GR-27

CALL TO ORDER / ROLL CALL

The meeting was called to order at 4:31 p.m.

Present: 5 - Sara Eskrich; Sheri Carter; Daniel G. Guerra, Jr.; Sariah J. Daine and Dean Brassler

Excused: 1 - Claude A. Gilmore

Staff Present: Tom Conrad, Deborah Rakowski, Matt Wachter, Matt Mikolajewski, Ruth Rohlich, Abbie Kurtz

1 APPROVAL OF MINUTES

January 12, 2017 and February 9, 2017

A motion was made by Guerra, Jr., seconded by Eskrich, to Approve the Minutes. The motion passed by voice vote.

2 PUBLIC COMMENT

3 DISCLOSURES AND RECUSALS

Eskrich discloses that she serves on the Board of the Bayview Foundation.

4 [32700](#)

COMMUNICATIONS

Conrad provides updates.

- Public housing resident at West receives prestigious WI Association of Housing Authority scholarship
- Sally Jo Spaeni, Triangle manager, said staff person at Meriter/Unity Point has analysis showing that Triangle residents heavy users of emergency room; recommends placing staff at Triangle to provide services
- St. Mary's nurse retiring from Triangle Ministry
- Meriter/Unity Point makes \$4,000 available for beds for new residents moving in without them

5 [46437](#)

Authorizing the Mayor and City Clerk to execute loan agreements to fund a total of \$650,000 of Madison Capital Revolving Fund loans to Tribe 9 Foods, LLC to assist with the purchase of food manufacturing equipment at a facility to be located at 2901 Progress Road; and, amending the 2017 Madison Capital Revolving Fund budget to add an additional \$650,000 of loan expenditure authority.

Richard Ciurczak (Tribe 9 Foods), Michael Gay (Madison Region Economic Partnership) present to answer questions.

Mikolajewski provides information.

- In response to Eskrich's questions about other policy mechanisms for businesses - TIF (this project could not be funded from TIF; TID 39 not functioning well), Façade Grant program (funded from Revolving Fund), State St. retail grant program(funded from TID 32), Cooperative Business program, Technology-based Entrepreneurship Program, Healthy Retail Food Access program.
- In response to Carter's question about money remaining in fund -\$500,000 for additional projects.
- Concerns were raised about exceptions to policy, size of loan and especially forgivability of size of loan; Mikolajewski says guidelines for revolving loan program implemented in 1987, and have never been revised. The rationale was high private interest rates were a barrier to entrepreneurship; borrowing rates significantly lower now. And \$250,000 doesn't buy as much now as it did then. Today, forgiveness is attractive, to relieve debt service burden.
- Guerra, Jr. and Carter ask about minority and women ownership of these companies. No, says Ciurczak. Guerra, Jr. asks about people of color employment; RP Pasta employs 50-60% black employees, says Ciurczak.
- Gay says Madison epicenter of local foods, per IMCP (Federal government's Investing in Manufacturing Communities Partnership); Madison in top third of some of the 10 categories for food and beverage production in US, first in several sectors; this company is critical to the industry sector of ag, food, and beverage manufacturing in Madison. Gay sees this as a possible progression: first rent kitchen space for production 500 (FEED, Madison), then small batch co-packing facility 1,000-2,000 (WI Innovation Kitchen, Mineral Pt), and current proposal, contract manufacturing with Tribe 9 (now in CA), which could lead to larger manufacturing capabilities in Madison. Skill sets aligned with those of people laid off from Oscar Mayer. (Tyson, McCain foods lost manufacturing jobs, too.) Quick timeline on this project.
- Concerns were raised that there is a lack of a competitive and open process, so that all businesses have the same knowledge of and opportunity to obtain loans from this program.

A motion was made by Eskrich, seconded by Carter, to Return to Lead with the Following Recommendation(s) to the BOARD OF ESTIMATES, that city staff return with policy options for a more responsive economic development and redevelopment financing tool within the next six months, with Carter adding a friendly amendment encouraging outreach for the program, and Eskrich accepting the friendly amendment. The motion passed by the following vote: 2 ayes, 1 nay, 1 abstain.

Ayes: 2 - Sara Eskrich and Sheri Carter

Noes: 1 - Daniel G. Guerra, Jr.

Abstentions: 1 - Sariah J. Daine

Excused: 1 - Claude A. Gilmore

Non Voting: 1 - Dean Brassler

6 [41675](#) HOUSING OPERATIONS MONTHLY REPORT

6a Program Report

Conrad provides update.

- Conrad - re Sec 8, HUD says CDA will spend slightly less than their earlier projection, CDA is no longer considered in shortfall status; Section 8, working on report providing why people terminated; for public housing, working on first quarter vacancy report.

6b Financial Report

Conrad and Rakowski provide update.

- Conrad - for 2016, all major programs in the black (Sec 8 Housing Assistance payments in the red because of two resolutions passed by CDA authorizing spending up to \$800,000 in reserves, so utilization maintained at the goal of 1700)
- Rakowski - 2017 revenue; federal revenues stable, tenant rates estimated higher, subsidy same from City, other revenue probably the same; Conrad - 2017 first quarter report will be in May; won't know 2017 revenues until at least June
- Uncertainty for 2017 - Conrad & Wachter - HUD's proposed budget leaked to press, 14% cut HUD budget; CDBG, HOME programs, homelessness, food assistance, these smaller programs will suffer more than larger programs; Section 8 last to get cuts, then public housing; HUD Sec Carson's letter says these cuts are only an opening negotiation

7 [45009](#) 7941 Tree Lane Update

Wachter provides update.

Purchase price will likely be slightly less because of minor environmental issues; price should be finalized by end of next week, and phone meeting re new purchase price will be in two weeks.

8 [42445](#) 7933 Tree Lane Development

9 [46422](#) 1202 S. Park St. Update

10 [36526](#) BUSINESS BY THE COMMISSIONERS

ADJOURNMENT

A motion was made by Daine, seconded by Eskrich, to Adjourn at 5:50 p.m. The motion was passed by voice vote.