

COMMUNITY DEVELOPMENT AUTHORITY

MINUTES

June 13, 2016

1. **Call to Order** – meeting was called to order by Secretary Harvey Potter at 5:31 p.m.
2. **Determination of quorum and that the meeting was properly posted** - It was confirmed that a quorum was present and the meeting was properly posted. In attendance were Jim Ahearn, Mike Elder, Jack Henrich, John Hogan, Harvey Potter and Jerrud Rossing. Mick Conrad was absent. Also in attendance were Village Administrator Matt Giese, Planning Director Erin Ruth, Kyle Adams from Ruedebusch, Mike Millage from Chamber, Greg Johnson from Ehlers and Village Clerk Lisa Kalata.
3. **Public Appearances** – Mike Millage President of Cottage Grove Chamber had asked if there was anything that could be done to incentivize developers to use local sub-contractors. This topic has been brought up to Mike and he would just like to pass it along for the Village’s consideration.
4. **Discuss and consider approval of minutes of the May 9, 2016 CDA meeting** – Motion by Henrich and seconded by Hogan to approve minutes as presented. Motion approved 6 – 0.
5. **Discuss Cottage Grove Chamber of Commerce proposal to UW Extension Center for Community and Economic Development for assistance with branding, economic analyses, and market studies for Cottage Grove.**
Mike Millage from the Chamber explained the proposal with the UW-Extension for three potential projects.
 1. Branding and community identity process
 2. Economic impact study for Rugby Club/Community Center
 3. Market study for land north of I-94It is anticipated that the CDA would be involved with the I-94 market study. The UW-Extension proposal will be brought back to the committee when it is completed by the end of June. There will be a fee for UW Extension to complete the work. The Village will likely be asked to contribute if there is interest in doing the project.
6. **Presentation by Village Financial Consultant Greg Johnson of Ehlers regarding the status of Village Tax Increment Financing Districts.**
Greg has worked with the Village for the last 2 years, and was asked to come talk to the board to explain the TIF districts.
TID#5 is an industrial TID, created in 2003 and ending in 2027. Development assumptions include estimated taxable value for several development projects. If these development values materialize, TID#5 is projected to close in 2026.
TID#6 is a mixed use and was created in 2004 and will close in 2025. TID#6 is presently not generating sufficient increment to cover debt service for projects financed in 2009. At the

end of fiscal year 2015, TID#6 had a deficit fund balance of (\$200,376). The majority of the 2016 debt service payment for TID#6 was covered by fund balance in the Village's debt service fund. Long-term, the Village needs to consider levying for TID#6 debt service if increment remains at current levels. If the Village commits other funding sources to pay debt service, increment generated from TID#6 can re-pay advances made from other funds. The Village can also close the District, but the Village must be prepared to absorb the debt service costs, funds, advanced and other administrative expenses if the TID closes.

TID#7 was created at the same time as TID#6 and is a mixed use TID as well. Increment generated from several of the new developments identified in the Development Assumptions pay an incentive on a Tax Increment Revenue Bond. The fund balance has been spent down on TID eligible expenses. Restructuring existing debt to match available revenues could help offset anticipated shortfalls if additional development does not occur.

There is the possibility of creating new TID's however all the increment value of each TID combined equals 8.29% of total equalized value in the Village. If a new TID is created, the increment value of current TID's and the base value of the new TID cannot exceed 12% of total equalized value. The base value of a new TID must have a value less than \$23,000,000.

7. Discuss capacity for completion of additional projects within Tax Increment Financing District #7.

Ruth reported with background information on the bike trail connector. A collaborative effort between the DOT, DNR and Dane County Parks Department, an RFP will be issued in the near future to hire a consultant to perform planning and design for the completion of an off-road bike trail between the Capital City trail in Madison and the Glacial Drumlin State Trail trailhead in the Village of Cottage Grove. The intention is that the consultant will begin work later this year, with trail construction intended to be completed by 2021.

Determination of the route is within the scope of the RFP, and will be part of the consultant's planning and design. The Village will have input into the route the path takes through the Village. Several potential project were presented that could help the Village capitalize on the trail.

8. Future agenda items.

Estimates for TID districts

Estimates for TID#7 for possible projects with bike trail

Study from UW-Extension

9. Adjournment –Motion by Potter seconded by Rossing to adjourn at 6:36 p.m.

Respectfully Submitted,

Lisa Kalata, Clerk

Village of Cottage Grove

Approved: July 11, 2016