

City of Portage
Community Development Authority Annual Meeting
Tuesday, September 23, 2014, 5:30 p.m.
City Municipal Building, 115 West Pleasant Street
Conference Room Two
Agenda

Members: Steve Benck, Michael Decker, Kyle Dumbleton, James Grothman,
Martin Havlovic, William Kutzke, Charles Poches

1. Roll call
2. Approval of minutes of April 29 meeting
3. Election of new Chairperson
4. TID change update
5. Update and discussion of By-Laws and evaluating purpose and goals of the CDA.
6. Discussion on action plan for downtown distressed properties
7. Update on 101 W. Cook St
9. Adjournment

City of Portage
Community Development Authority Meeting
Tuesday, April 29, 2014 – 5:30pm
Municipal Building, Conference Room One

Members present: Michael Decker, Michael Oszman, James Grothman, and Kyle Dumbleton
Members absent/Excused: Steve Benck, Martin Havlovic and Charles Poches.

Also present: Craig Sauer (PDR), and Steve Sobiek, Business Development and Planning Director

Approval of Minutes from February 25, 2014. Motion by Dumbleton, second by Oszman to approve the minutes from the February 25, 2014 meeting as presented. Motion passed 4-0 on a call of the roll.

Election of Officers - Chair Decker nominated Mr. Oszman for Chair. Motion by Grothman, second by Dumbleton, to elect Mr. Oszman as Chair. Motion passed 4-0 on a call of the roll.

Grothman nominated Mr. Decker for Vice Chair. Motion by Grothman, second by Dumbleton, to elect Decker as Vice Chair. Motion passed 4-0 on a call of the roll.

Oszman nominated Mr. Sobiek as Secretary. Motion by Decker, second by Oszman to elect Sobiek Secretary. Motion passed 4-0 on a call of the roll.

Update on proposed TID Changes - Sobiek presented a update on the proposed TID changes.

Update on Property Acquisition Discussions - Sobiek presented a brief update on property acquisition discussions.

Adjournment - Motion by Decker, second by Grothman to adjourn the meeting. Motion passed 4-0 on a call of the roll. Meeting adjourned at 5:51pm.

Minutes prepared by Steve Sobiek, Business Development and Planning Director

**BY-LAWS OF THE COMMUNITY DEVELOPMENT AUTHORITY
OF THE
CITY OF PORTAGE, WISCONSIN**

ARTICLE I – THE AUTHORITY

Section 1. Name Authority. The name of the Authority shall be “The Community Development Authority of the City of Portage, Wisconsin”. The Community Development Authority of the City of Portage is created pursuant to a resolution adopted by the City Council of the City of Portage and shall exercise its authority under the scope of duties provided for in the authorizing resolution and any subsequent resolution adopted by the City Council.

Section 2. Office of Authority. The offices of the Authority shall be in City Hall in the City of Portage, State of Wisconsin.

ARTICLE II – OFFICERS

Section 1. Officers. The officers of the Authority shall be a chairperson, a vice-chairperson, and a secretary.

Section 2. Chairperson. The chairperson and in his/her absence the vice-chairperson, shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority the chairperson shall sign all contracts, deeds, and other instruments made by the Authority. At each meeting, the chairperson shall submit such recommendations and information as he/she may consider proper concerning the business, affairs, and policies of the Authority.

Section 3. Vice-Chairperson. The vice-chairperson shall perform the duties of the chairperson in the absence or incapacity of the chairperson; and in case of the resignation or death of the chairperson, the vice-chairperson, shall perform such duties as are imposed on the chairperson until such time as the Authority shall select a new chairperson.

Section 4. Secretary. The secretary shall keep the records of the Authority, shall act as secretary of the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to his/her office.

Section 5. Treasurer. The City Treasurer shall act as treasurer of the Authority. He/she shall have the care and custody of all funds of the Authority and shall deposit the same in the City bank accounts. A separate fund shall be established by the City to account for all financial activity of the Authority. Payment for all Authority expenses shall be made by the City in the same manner as it pays its own expenses and will be charged to the Authority's fund.

The City Treasurer shall provide annually and at such other times as requested, reports to the Authority to show activity and financial condition of the Authority.

Section 6. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Authority or the by-laws or rules and regulations of the Authority.

Section 7. Election or Appointment. The chairperson, vice-chairperson and secretary shall be elected at the annual meeting of the Authority from among the commissioners of the Authority and shall hold office for one year or until their successors are elected and qualified.

Section 8. Vacancies. Should the offices of the chairperson, vice-chairperson or secretary become vacant, the Authority shall elect a successor from its membership at the next regular meeting, and such elections shall be for the unexpired term of said office.

Section 9. Budget. Annually the Authority shall prepare a budget requesting appropriations to implement its plan of work. Such request shall be submitted and approved by the City Council with the annual budget. The Authority may expend its fund balance in implementing Authority projects, as detailed in their plan of work, without additional council approval.

Section 10. Additional Personnel. The Authority may from time to time employ such personnel and consultants as approved in the annual budget and as it deems necessary to exercise its powers, duties and functions as prescribed by the Blight Elimination and Slum Clearance Act of Wisconsin and all other laws of the State of Wisconsin applicable thereto. The selection and compensation of consultants shall be determined by the Authority subject to the laws of the State of Wisconsin. The selection of any other personnel shall be in conformance with City of Portage policies.

ARTICLE III – MEETINGS

Section 1. Annual Meeting. The annual meeting of the Authority shall be held on the last Tuesday of April at 5:30 pm at the City Municipal Building. In the event such date shall fall on a legal holiday, the annual meeting shall be held on the next succeeding secular day.

Section 2. Regular Meeting. Regular monthly meetings shall be held on the fourth Tuesday of the month at 5:30 pm, or on the next succeeding secular day in the event of a legal holiday.

Section 3. Special Meetings. The chairperson of the Authority may, when he/she deems it expedient, call a special meeting of the Authority for the purpose of transacting any business designated in the call. The call for special meeting may be delivered to each member of the Authority or may be mailed, e-mailed or phoned to the business or home address of each member of the Authority at least twenty-four (24) hours prior to the special meeting, which notice must inform each commissioner of the date, time and location of the meeting.

Section 4. Quorum. The powers of the Authority shall be vested in the commissioners thereof in office from time to time. A majority of those commissioners appointed and serving on said Authority shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Authority upon a vote of a majority of the commissioners present.

Section 5. Order of Business. At the regular meetings of the Authority, the following shall be the order of business:

1. Roll call
2. Approval of minutes

3. Communications
4. Old business
5. New business
6. Report of the Secretary/Executive Director Bills
7. Adjournment

All resolutions shall be in writing and shall be copied in a journal of the proceedings of the Authority.

Section 6. Manner of Voting. The voting on all questions coming before the Authority shall be by roll call. Upon request of any commissioner the yeas and nays shall be recorded in the minutes of the meeting. A simple majority of those commissioners duly appointed, serving, and voting on each action shall determine the prevailing vote.

Section 7. Subcommittees. The Authority, by a majority vote of its members, may establish working subcommittees to review and act on matters relevant to community development, revitalization, and housing. The roles and responsibilities of such subcommittees shall be as prescribed by the Authority. Furthermore, the Chairperson, or the membership of the Authority by a majority vote of its members, may establish ad hoc groups for the purpose of study and review of issues as determined by the Authority. Such ad hoc groups shall have no power to act except to report findings and recommendations to the Authority.

ARTICLE IV – AMENDMENTS

Amendments to By-Laws. The by-laws of the Authority shall be amended only with the approval of at least four of the members of the Authority at a regular meeting or a special meeting. All amendments shall be submitted for City Council approval at its next regular meeting after adoption by the Authority.

August 22, 2014

TO: Shawn Murphy, City Administrator

FROM: Steve Sobiek, Business Development and Planning Director

RE: Committee Evaluation/Redefining Committee Roles for a Better Economic Development Focus

This memo summarizes my evaluation and recommendations regarding the Community Development Authority and the Economic Development Revolving Loan Fund Committee, as well as the creation of a separate City Economic Development Committee.

As part of my charge, I studied the Committee structures and missions of several municipalities to gauge their effectiveness regarding economic development.

Community Development Authority

The City's Community Development Authority (CDA) is an important economic and community development tool that is utilized by many, if not a majority of Wisconsin cities, large and small. By state statute this entity can perform many housing, blight elimination, and development functions with borrowing authority.

The current CDA acts as a quasi-economic development committee, and as such, diminishes its focus and potential effectiveness as a development arm of City government as delineated by State statutes. In my evaluation, I believe the City's CDA it has been reasonably effective in working on important projects, including the Blacks building parcel and current efforts to acquire and develop the adjoining DeWitt Street property.

Municipal 'Economic Development Committees'

After reviewing several economic development related committee models in literally dozens of Wisconsin cities, I noted that one very effective model is an economic development committee or commission.

Although relatively very few municipalities have a 'economic development committees', I have found that the ones that do see these committees provide a needed city and community focus -- and in most cases direction -- on economic development efforts, in the short and long term. Clearly, there seems to be a correlation between successful economic development programs in cities with 'economic development committees'.

Communities with Successful Economic Development Committees and Active Community Development Authorities:

Port Washington

With a similar population to Portage, Port Washington (population 11,000) is the County seat of Ozaukee County. Like Portage, Port Washington lies on a key interstate highway about a 35 minute drive north of a large metropolitan area (Milwaukee). From a business and economic development standpoint, this port city competes with many nearby communities, including Cedarburg, Saukville and Mequon.

The city has seen economic development success, including impressive redevelopment of its downtown and harbor areas.

The city has a very active CDA that concentrates on the standard statutory activities of blight elimination, urban renewal, housing and redevelopment projects.

Interestingly enough, the city also has a BID District Board, an active Chamber of Commerce, and a downtown Main Street organization.

In addition, Port Washington has an active 11 member Economic Development Committee. Active since 1997, the Committee is chaired by the Mayor and a membership comprised of one Council member, one citizen member, and eight business representatives.

This Committee provides a focus on the city's economic development efforts, including TID functions, but also serves as the City's revolving loan fund review committee. The Committee also engages the city's business community by sponsoring semi-regular business breakfast meetings.

Waunakee

Waunakee, our Dane County neighbor to the South, also has a similar (12,000) but slightly larger population compared to Portage. Waunakee has done a good job recruiting business and industry to the city and its industrial park, with an impressive new job creation rate of 12 percent.

Waunakee's Economic Development Commission was established in 2009. This advisory Commission develops the Village's economic development program, establishes annual goals and objectives for economic development and is responsible for helping implement the Village's strategic vision plan.

The Waunakee Economic Development Commission meets monthly and is comprised of 9 members, including three citizens at large, two Village Trustees, the City Administrator, a School District representative, and a representative of the Chamber of Commerce.

Waunakee also has a Community Development Authority that has effectively developed downtown properties through property acquisition.

Larger City Models with Economic Development Committees

Other larger cities I looked at for economic development committee models included Wauwatosa, a Milwaukee suburb, and LaCrosse. These municipalities provide good models on how to structure a separate and effective economic development committee model, while retaining traditional CDAs. Likewise, these communities are experiencing economic success with this focused 'economic development committee' model.

Economic Development Revolving Loan Fund Committee

I studied the structure and mission of the City's Economic Development Revolving Loan Fund (RLF) Committee. In light of my February 17 memo to you outlining my recommendation that the City join the proposed Capital Area Region Revolving Loan Fund (RLF), I do not recommend any changes in the City's Economic Development RLF Committee at this time. As you know, the new proposed regional RLF is still awaiting approval by the State Department of Administration and the U.S. Department of Housing and Urban Development. Joining the regional RLF, should it be approved, would not necessitate the need for the City to disband the Economic Development Revolving Loan Fund Committee. Under the proposed rules, this City committee could serve as the 'Local Review Committee' to approve or deny any loans under the \$200,000 threshold. However, the City's current RLF manual would be voided as the Capital Area Region RLF manual and underwriting guidelines would then apply to all loans.

My Recommendations:

Based on my evaluation of the CDA, as well as studying the economic development committee structure of the communities I studied, I recommend the following:

1. Community Development Authority (CDA)

Retain the CDA in its present form, concentrating the Authority's mission and function as a development authority, primarily focused on blight elimination, urban renewal, redevelopment, and housing projects.

The CDA is most effective when it is allowed to perform and focus on these functions alone -- as needed and as redevelopment opportunities arise. I believe past experience, as well as the experience of the various municipal CDA's I have studied; have shown this to be the case.

As opportunities arise, the CDA should continue to utilize its statutory authority to complete projects and goals, including those identified by the City Economic Development Commission, should it be established, including:

- **Acquiring property through contract or condemnation**
- **Issue double tax exempt revenue bond debt with approval of the City Council**

- Recommend approval of development agreements with property owners or developers regarding parcels or property the CDA is either assisting in or is actively developing or redeveloping
- Build or contract for the construction of housing as a Housing Authority
- Issue lease revenue bonds (LRB's)

I have reviewed the CDA By-laws and I do not believe any changes are needed.

2. City Economic Development Commission

Create a new advisory City Economic Development Commission to provide focus and leadership for achieving economic development goals, as well as elevating the importance of economic development, particularly from a strategic standpoint, as an important City priority. This was a key recommendation of the Voltage Economic Development Report. An ordinance creating this Commission should include:

- a.) **Member Composition** - In addition to the mayor or City Council member, and a key City staff representative, Commission membership should include representatives of the Portage Area School District, key private sector businesses, Portage Ventures, Inc. and the Portage Area Chamber of Commerce. Special effort should be made to select a good cross section of industries represented in the city's business community, including manufacturing, health care, banking, and downtown entrepreneurs and retail. This would bring the Commission membership to approximately nine (9) members. Alternately, Commission membership could be expanded to include a representative of Madison Area Technical College, and Downtown Portage, Inc.

Creating a broad community-based Commission membership such as this will allow more expertise and experience to be harnessed toward economic development pro-activity. I believe it will also allow adequate City representation. It will also assist in demonstrating to the community that the City is achieving economic development goals and, hopefully, success.

- b.) **Committee Appointments** – Multi-year appointments, similar to other City Committees
- c.) **Mission** – The Commission's mission should be to assist the mayor, common council, Director of Business Development and Planning and related City committees to foster and facilitate the development of a healthy, diversified economy in Portage in which business can innovate, grow, prosper and support and maintain a strong property tax base.
- d.) **Duties-**
- Evaluate economic conditions in the community and provide recommendations to the mayor and common council

- **Identify opportunities to spur economic growth**
- **Recommend and evaluate specific policies, programs and projects, including multi-year and long range economic development plans for the city**
- **Seek and accept input from the community at large, the business community and other economic development stakeholders and partners in the community regarding economic development.**

3. Economic Development Revolving Loan Fund Committee

No changes recommended at this time.