



# City of Madison

City of Madison  
Madison, WI 53703  
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## Meeting Minutes - Approved SUSTAINABLE DESIGN AND ENERGY COMMITTEE

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Monday, November 10, 2008

4:00 PM

215 Martin Luther King, Jr. Blvd,  
Room 300 (Madison Municipal Building)

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**Present:** 13 -

Satya V. Rhodes Conway; William Bremer; Sherrie Gruder; Michael J. Vickerman; Paul D. Muench; Catherine E. Mackin; David W. Drummond; Garrick R. Maine; David C. Boyer; James D. Armstrong; Lou W. Host-Jablonski; Leslie C. Schroeder and Peter J. Taglia

**Excused:** 3 -

Judy Compton; Lance T. McGrath and Julia D. Voss

**Also attending were Joe Gromacki, Karl Van Lith and Jeanne Hoffman.**

### CALL TO ORDER / ROLL CALL

The meeting was called to order at 4:05 pm.

### APPROVAL OF MINUTES

David Boyer moved to approve the minutes and the motion was seconded by Jim Armstrong. The minutes were approved unanimously.

### PUBLIC COMMENT

There was no public comment.

### NEW BUSINESS

11531

City of Madison TIF Objective & Policies Report.

**Attachments:** [memo to tif committee from sde 11-08.pdf](#)  
[DRAFTTIF Memo to EDC 11-5-08.pdf](#)  
[11531-DMI\\_TIFComments11-05-08.pdf](#)  
[11531-Smart Growth TIF policy rec 11-3-08.pdf](#)  
[11531-EDC Memo on Shortened TIF Policy 10-22-08.pdf](#)  
[11531-DMI\\_TIFComments10-31-08.pdf](#)  
[11531-PMuenchTIFComments10-31-08.pdf](#)  
[TIF POLICY With Strikethroughs - FINAL\\_2008](#)  
[TIF POLICY With Strikethroughs - 8-18-08.pdf](#)  
[TIF POLICY - Final Report of the TIF Policy Comte 8-19-08.pdf](#)  
[2008 TIF Policy Summary.pdf](#)  
[EDC TIF Memo to TIF Policy Committee 12-8-08.pdf](#)  
[TIF Policy Comte Memo on Perfect World TIF Policy 12-09-08....pdf](#)  
[Chamber of Commerce TIFcomments.pdf](#)  
[Perfect World TIF Policy with OBR Edits 12-15-08.pdf](#)  
[EDC-TIFSubcomMinutes10-29-08.pdf](#)  
[EDC-TIFSubcomMinutes11-3-08.pdf](#)  
[Smart Growth TIF comments 12-23-08.pdf](#)  
[Erik Paulson TIF feedback Jan 09.pdf](#)  
[Smart Growth Madison TIF comments 12-23-2008.pdf](#)  
[TIF Policy with Appendices 1-22-09.pdf](#)  
[TIF Policy Cover Memo 1-22-09.pdf](#)

Joe Gromacki gave a short presentation on what TIF is and how the City of Madison's TIF policy has changed over time.

The report attached to this Legistar file was completed in June and was forwarded to the EDC for comment and will then return to the Ad Hoc Committee. EDC will meet on TIF next week and then the Ad Hoc Committee will meet in mid-December to finalize the report.

Jeanne Hoffman clarified for the committee that this policy will go on to other committees and that SD&E will not have the final say on this document, so the committee needs to keep that in mind. The committee should be looking at broad issues regarding this policy and not edit it or get into the specifics.

Sherrie Gruder passed out the 2007 language that the SDE was considering (attached to the Legistar file). This language would require LEED silver certification. Sherrie asked where this language would fit into the policy?

Joe Gromacki referred to 5.1 sub-paragraph 18 as the language that the policy already has regarding green building.

Sherrie Gruder asked if there is where SD&E could suggest we include the LEED language.

Joe Gromacki indicated that there could be an issue if the certification isn't achieved. This similar issue was discussed regarding job growth. He also asked who would inspect the project for LEED and suggested there may need to be some language in section four to address that issue. Finally, Joe indicated that the industry itself is dealing with the issue of LEED and certification.

Sherrie Gruder indicated that SD&E knew that claw backs were an issue and that she wanted to let the Ad Hoc committee deal with it and now that they have figured out how they want to deal with claw backs that not achieving LEED would also require a claw back.

Joe Gromacki also suggested that you needed something in the Goal and Objectives Section in addition to green building elements that you address through the process.

Paul Muench suggested that before the committee talks about LEED requirements, we need to know if these costs would be TIF eligible.

Joe Gromacki briefed the committee about how costs are listed in state law - the state law does say that capital costs and soft costs that are related to the project can be eligible TIF costs. City fees and accessible costs are not reimbursable with TIF.

Paul Muench asked if a project came to the City applying for TIF, and the project had a lot of solar on the building, which increased the cost of the building, how would TIF staff look at a project like that in terms how much TIF it gets?

Joe Gromacki explained that part of the TIF question is that you need to look at the value of the building or the new tax over and above what was there before the project. This new tax is the TIF increment and the City forecasts out for 20 years how much new tax the property would pay and then the City discounts it back to a present day value. Joe also explained that because of that 20-year outlook, it is basically a guess on the part of the City. Because of that, the City doesn't want to give out too much TIF because then the City would be on the hook if the City makes a mistake on the 20-year forecast. This is where the City's a policy of giving only 50% of the increment comes from.

Joe Gromacki also indicated for Union Corners, the LEED costs were \$600,000 on a \$30 million project so not a lot. Paul Muench asked if those elements be considered as real costs and are TIF eligible?

Joe Gromacki indicated that yes, they are, but the bigger question is can the project support the request per the 50% policy? He also explained that the Council could go beyond the 50% rule if there is something that the Council feels is very important. Finally, Joe did say that the Council does have a problem when the City gives all the TIF dollars from a project or 100%. The City also likes to have funding available for other City projects, such as PW projects. When staff is not sure how the Council will react to a request, staff would go to BOE with a project and get BOE to say yes or no to various elements of a project, maybe even funding for LEED.

Sherri Gruder indicated that broadly speaking, we are talking about Green Building and Sustainability for the Goals and Objectives section.

Joe Gromacki asked about Energy Star. Sherrie Gruder indicated that Energy Star is a certification for residential and existing buildings. Joe Gromacki indicated that it is important that if the committee uses a certification program,

that it work for all types of projects.

Michael Vickerman pointed out that solar and wind systems are not taxable.

Joe Gromacki indicated that it depends on what the rest of the project is worth. If the building supports more than enough tax increment, the funding these elements of the projects is not a problem, but if the building doesn't have enough tax increment to cover the request, then there is a problem.

David Drummond made the point that Trader Joe's is great to have, but that now residents on West Lawn have had to replace their lawns because they don't get any sun, due to the shadow from the building. David noted there is nothing in the TIF policy about the impact the project has on the project surroundings.

Joe Gromacki explained that is more of a land use issue and that really doesn't need to be in the TIF policy and that the role of Plan Commission is to deal with those issues. Joe also indicated that there is some information in the policy about planning, but the primary reason for the TIF policy is for making financial decisions. The City does have a policy for the TIF proposal and the Land Use approvals to be voted on by the Council at the same time. Joe admitted that the TIF policy is not a perfect document, but the process of having both Land Use and TIF voted on at the same time, is a step in the right direction.

Sherrie Gruder asked where the best place would be to put the goal about green buildings, because green buildings promotes the economy, but also other goals in the TIF policy.

Joe Gromacki suggested just forwarding a goal regarding green buildings to the Ad Hoc TIF Committee and let them deal with it or SD&E wants you to consider these goals and process issues regarding green building and sustainability. Then the Ad Hoc Committee would deal with it in terms of where in the policy these goals and other issues should go.

Joe Gromacki also mentioned that he would let the SD&E committee know when the December meeting of the Ad Hoc TIF committee was, so that someone from SD&E could go to the meeting.

Joe Gromacki left to go to BOE.

Sherrie Gruder then made a suggestion for the Goals and Objectives section that there be language regarding Green Building and Sustainable Energy and that this could support the goals of economic development and neighborhood revitalization.

Paul Muench suggested that SD&E recommend to the Ad Hoc TIF Committee that costs related to Green Building or Sustainable Energy be allowed to go in excess of the underwriting standards of 50%, that those costs are a legitimate reason for going over the 50%.

Sherrie Gruder agreed that green building and sustainable energy costs may exceed the 50% of increment underwriting policy.

Paul Muench explained that this is similar to the affordable housing policy, which can also go above the 50% policy for affordable housing.

Sherrie Gruder suggested that the committee look at the application process in section four.

Paul Muench noted that speaking as a developer and not a member of the SD&E, that he would like for the City to use TIF more liberally. In Madison, only 50% of the increment can be spent on the project, with another 10% of the increment in the district going to affordable housing. Other communities don't have these guidelines. He had heard that Cannondale Bicycle Company didn't come to Madison and maybe TIF could have helped. LEED would yet be another requirement for TIF. Another reason is that a developer needs to show the bank where the financing comes from. TIF is made at the end if LEED is required, because you have to get LEED.

Sherrie Gruder indicated that the EED check list would be submitted - to show that you are following LEED. Paul Muench stated it should be good enough for the City to know what the builder is going to build and not do LEED.

Lou Host-Jablonski asked when the City might be getting a green building?

Paul Muench indicated that the City is making a land use and/or TIF decision and at that time, the developer indicates if he is going to be doing something sustainable.

David Boyer indicated that it sounded like TIF needs to be first money in a project so that the other money going into the project, from banks, doesn't go away.

Sherrie Gruder suggested changing the language.

Jeanne Hoffman indicated that elements on the building such as PV could be checked as part of the building inspection process. Lou Host-Jablonski indicated that with the LEED process, you don't get certification until very late in the process, so there is timing issue.

Paul Muench stated that by state statutes, without TIF the project would not move forward. He would rather say that all projects must meet LEED regardless of whether they need TIF or that TIF should be more efficiently used and we should not have all of these restrictions.

David Boyer suggested that we could require LEED silver as specifications that the design must be met, regardless of whether it meets LEED.

Sherrie Gruder commented that time is running out and the committee needs to decide what it wants to do. Paul Muench stated again that we don't need to have LEED for TIF and that these projects are already hard to finance. If we required LEED for TIF projects, this will create sprawl because projects that would be in Madison will be driven out.

Sherrie Gruder asked if there is support for having developments designed and

constructed to LEED and then stated there are only five members that want to move forward with this requirement. Sherrie Gruder reviewed what the committee wants to say to the Ad Hoc TIF Committee.

Lou Host-Jablonski asked if there is a way to make this a carrot? You get more if you do LEED. Paul Muench stated that would be great, but we needed to get more systems installed.

Sherrie Gruder added language regarding green building design to allow going above the 50% policy or that LEED documentation and certification would be more than 50% policy.

David Boyer stated that he would rather have a building in Madison rather than a building outside the City or no building at all. How do we make the building as green as possible and then use LEED to educate and show LEED is good for business?

Lou Host-Jablonski stated that we could expand the language to include storm water issues, water issues, energy efficiency and renewable energy.

Satya Rhodes-Conway stated that to get TIF, you must meet "the but for...." and that in other cities, they hand TIF out like candy. My question is, "is it enough?" What about LEED gold?

Sherrie Gruder stated that SDE recommends sustainable design be allowed to go above the 50% rule. Garrick Maine asked about requiring some form of certification so that we know if we are getting a green building that we asked for. Satya Rhodes-Conway indicated that if we are going to put City money behind something, we should do something big.

Michael Vickerman indicated that the apartment building off of Central Park is much better than LEED-Silver. Sherrie Gruder stated that is why we should have something that requires TIF funded projects to have 30% better than energy codes. David Boyer pointed out that this is not the same as economic development and neighborhood revitalization. Green building is more of an incentive, not a policy.

Paul Muench stated that a developer thinks about getting TIF because the cost of the project exceeds the ability to finance the project. Satya Rhodes-Conway made the point that developers try to get TIF because they think they can get it.

Lou Host-Jablonski moved and Peter Taglia seconded that the SD&E send a memo to the Ad Hoc TIF Committee stating that they include goals for green building into the TIF policies and that they also allow the TIF increment for green buildings to go above 50%. The motion was approved.

10922

Presentation and Training of The Natural Step - Sustainability Framework by Karl Van Lith

Karl started the presentation by going through the agenda. Karl then went through the PowerPoint presentation. (Attached to these minutes.) Judy asked about recycling our computers. Staff indicated that the City sells/gives away some computers and the City also has a contract with Cascade Asset Management to recycle our old computers. Satya wanted to know how do the TNS projects grow? Staff mentioned that the projects do grow and used the energy wasters as an example. The City first determined which buildings use the most energy and now FM is taking steps to reduce energy use at these building. Staff also mentioned Fleet. The TNS project was to develop CAFE standards for our Fleet, but the project now includes a whole host of other initiatives - like AVL/GPS on our fleet, vehicle type, etc. Sherrie also mentioned Green Cleaning, which started out at Monona Terrace and is now used in all City agencies. Judy asked, what is our goal? Staff mentioned the Mpowering Madison goal of reducing the community's CO2 emissions by 100,000 tons by 2011 and the City's CO2 emissions by 15,000 tons by 2011. Committee members then worked on developing their Compelling Vision Headline Karl will compile headlines. (These will be posted to the minutes when available.)

Next the group developed and discussed the baseline information they would need to be able to move toward their headline. Finally, the group developed and discussed actions that would need to be taken to achieve their vision. Committee members then shared their actions with the group. Karl passed out the homework and explained it to the group. (Attached to these minutes.)

**Attachments:** [baselineinformationenergy 6-30-08.pdf](#)  
[Overview of The Natural Step.doc](#)  
[TNS SC Analysis Worksheet v4 6-30-08.doc](#)  
[TNS SDE presentation 6-30-08.ppt](#)  
[Visions SDEC for agenda 7-14-08.doc](#)  
[SDE Committee Members email from Sherrie Gruder.doc](#)  
[TNS Worksheet.doc](#)

**This item was referred to the December meeting.**

12003

Residential Energy Upgrades: opportunities and options - by Sherrie Gruder

**Attachments:** [SDEnergy efficiencyprogrammodels \(2\) 11-08.doc](#)  
[EnergyEfficiencyUpgradeProgramsNationalSnapshop.pdf](#)

**Sherrie Gruder made an announcement about the Capital Budget and Energy Efficiency Upgrades and handed out a fact sheet (available on Legistar).**

**ADJOURNMENT**

**A motion was made by David Boyer and seconded by Jim Armstrong to adjourn the meeting. The meeting was adjourned at 6:00 pm.**