



# City of Madison

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

## Meeting Minutes - Approved ECONOMIC DEVELOPMENT COMMISSION

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Wednesday, December 3, 2008

5:00 PM

215 Martin Luther King, Jr. Blvd  
Room LL130 (Madison Municipal Building)

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### CALL TO ORDER / ROLL CALL

The meeting was called to order at 5:07 pm.

**Present:** 7 -

Mark Clear; Joseph W. Boucher; Douglas S. Nelson; Peng Her; Victoria S. Selkove; Sandra J. Torkildson and Edward G. Clarke

**Absent:** 1 -

Richard A. Slone

**Excused:** 2 -

Gabriel A. Sanchez and Susan M. Gleason

Also present: Matthew Mikolajewski, Peggy Yessa, Joseph Gromacki, Daniel Rolfs, Alder Michael Schumacher, Susan Schmitz, Carole Schaeffer, Gary Peterson, Debra Archer, Jim Hess, Delora Newton

### APPROVAL OF MINUTES

### PUBLIC COMMENT

Chairperson Clarke asked for public comments when their agenda item comes up.

Richard Slone arrived at 5:12 pm.

**Present:** 8 -

Mark Clear; Joseph W. Boucher; Douglas S. Nelson; Peng Her; Victoria S. Selkove; Richard A. Slone; Sandra J. Torkildson and Edward G. Clarke

**Excused:** 2 -

Gabriel A. Sanchez and Susan M. Gleason

1 [12869](#)

### EDC Committee and Subcommittee Rules of Order

Ms. Yessa briefly explained that City Commissions follow *Robert's Rules of Order* for meeting protocol. *Robert's Rules of Order* do not allow a commission chairperson to make or second motions or participate in the discussion and the chairperson can only vote when a tie exists. Each commission may amend and make their own rules of order.

Chairperson Clarke added that the Common Council Committee on Committees is looking at restructuring committees and commissions and he corresponded with its chair, Alder Rhodes-Conway, regarding the role of a commission chairperson.

Ms. Selkove said she is chairperson of the Affirmative Action Commission and is allowed to vote.

Alder Schumacher asked staff to follow-up with the City Attorney as to this motion covering the EDC Subcommittees. He added commission chairpersons invest a lot of their time on commissions and it makes sense to allow them to vote and participate. Other Commissions such as the ALRC allows this.

**A motion was made by Selkove, seconded by Boucher, to allow the EDC chairperson and the chairperson(s) of EDC subcommittees to make motions, second motions, participate in all discussions, and vote on motions. The motion was approved unanimously.**

2      [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](#)

Chairperson Clarke said the EDC TIF Policy Subcommittee brought back their previous recommendation, dated November 5, 2008, to the EDC.

**Mr. Boucher made a motion, seconded by Chairperson Clarke, to accept the recommendations from the EDC TIF Subcommittee that are in a memo from Matthew B. Mikolajewski dated November 5, 2008.**

Ms. Selkove asked for clarification of the last bullet of the memo.

Mr. Nelson explained that it should be reworded to consider recommendations from others.

Chairperson Clarke noted the "Perfect World" document is not perfect and still needs edits.

Ms. Selkove asked if the recommendation should refer specifically to the submittals by the various groups? Ms. Yessa confirmed that statements received are in the Legistar TIF file.

**Chairperson Clarke proposed the motion be amended to add that the text of the last bullet in the memo be changed from “make” to “consider” and to add a reference to the documents in Legistar. Mr. Boucher accepted the amendment to his motion (“To accept the recommendations from the EDC TIF Subcommittee that are in a memo from Matthew B. Mikolajewski dated November 5, 2008, with the text of the last bullet in the memo being changed from “make” to “consider,” and adding a reference to the documents in Legistar.”)**

Alder Clear asked if we are giving clear direction to the TIF Policy Committee?

Chairperson Clarke said this committee was not charged with writing the legislation. The EDC offers these recommendations to the TIF Policy Committee.

Alder Clear said TIF is the most important tool the City has and this is where we need the details.

Mr. Boucher asked if the EDC would see the TIF Policy Committee’s final edits?

Alder Clear said this probably would not happen. The TIF Policy Committee has to report to the Council.

Mr. Gromacki added the TIF Policy Committee is meeting on December 15.

Mr. Nelson said rewriting the policy is beyond the scope of the EDC and he is comfortable with what the EDC has done.

Ms. Selkove noted the bullets do not give guidance for the rationale behind the bullet items and this is not the best way to convey information on this important topic.

Mr. Slone asked if anything was missing from the bullets?

Ms. Torkildson asked for clarification if staff is being asked to summarize the meeting minutes?

**Alder Clear made a substitute motion, seconded by Mr. Boucher, for the Chairperson to work with staff to codify the recommendations as discussed in the November 5 memo into a single document**

Chairperson Clarke said the EDC TIF Policy Subcommittee would change the last bullet to “consider” the recommendations submitted by others.

Mr. Gromacki explained the TIF Policy Committee agenda packet would need to go out on December 8.

**\*\*Vote:**

**Aye: Boucher, Slone, Clear, and Nelson**

**Nay: Her, Clarke, Torkildson, Selkove**

**Motion failed.**

**Mr. Her made a motion, seconded by Alder Clear, that Mr. Clarke work with staff to explain why the job guarantee and equity kicker was removed.**

**A friendly amendment was made by Alder Clear to amend the memo by Dec. 8th. Mr. Her accepted the amendment.**

Alder Clear stated the goals of the TIF policy are number 1 job creation and number 2 neighborhood revitalization. Alder Konkel says this is a mixed message without specific language of how TIF can accomplish this.

**Vote:**

**Aye: Clarke, Clear, Her, Boucher, Slone, Torkildson, Nelson,**

**Nay: Selkove**

**The motion passed.**

Douglas Nelson left at 5:42 pm. A quorum was still present.

**Present:** 7 -

Mark Clear; Joseph W. Boucher; Peng Her; Victoria S. Selkove; Richard A. Slone; Sandra J. Torkildson and Edward G. Clarke

**Excused:** 3 -

Gabriel A. Sanchez; Douglas S. Nelson and Susan M. Gleason

4 [12829](#)

Accepting the Final Report of the Transient and Occupancy Tax Study Committee dated October 2008. - Jim Hess, Director

**Attachments:** [TOT Study Committee Final Report](#)

Chairperson Clarke reminded the EDC that Deb Archer, President/CEO of the Greater Madison Convention and Visitors Bureau, gave an informational presentation on the report at the November EDC meeting. This report has now been referred to the EDC for action.

Ms. Archer thanked the EDC for allowing her to present the report last month. She stated that the TOT Committee stands solidly behind the report.

Alder Schumacher said he was a member of the TOT Committee. He said the real goal is to give the Convention and Visitors Bureau higher relevance in the City. He asked for any guidance and help from the EDC in explaining the value of the CVB to the City.

Mr. Clarke said the report is important and noted the TOT funds are from non-Madison residents and are used to keep taxes down. In the future, if economic times are difficult, it will be even harder for the City to not to use TOT funds for tax relief. He referred to Recommendation #1, which noted that a key priority use of TOT funds is for tourism; and Recommendation #2, which provided statistics to show that the CVB is funded less than our competitor CVBs. Recommendation #3 noted that it is important to leave money in a rainy day fund.

Ms. Torkildson is a downtown business owner and said her bookstore depends on tourists from outside of Madison to support her store. It is not only restaurants and hotels that depend on tourists.

**This Resolution was Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES**

**Excused:** 2 -

Gabriel A. Sanchez and Susan M. Gleason

**Ayes:** 8 -

Mark Clear; Joseph W. Boucher; Douglas S. Nelson; Peng Her; Victoria S. Selkove; Richard A. Slone; Sandra J. Torkildson and Edward G. Clarke

3 [12868](#)

Small Cap TIF Program

**Attachments:** [Bassett Brochure 032008.pdf](#)

Chairperson Clarke recalled a meeting he attended where Police Chief Wray spoke about the need to stabilize Downtown neighborhoods as new housing is constructed and older housing is not cared for. Chairperson Clarke asked Mr. Olinger to present to the EDC the Bassett Neighborhood Small Cap TIF loan program.

Mr. Olinger said the Downtown is at risk of losing its character and the City often preserves housing in its plans but often projects do tear these older houses down. It is the 1-7 unit buildings that are student housing. He stated since 1990 there have been 34 projects adding 1,900 dwelling units with 5,000 bedrooms in the Downtown area. He has had conversations with large downtown employers, such as the hospitals, about housing for their workers. He said there is an opportunity to create programs to convert these older buildings into single family homes.

TIF # 28 in the Basset neighborhood had money available for a program to get people back downtown in this older housing stock. The program is now closed however three loans were made on houses valued under \$300,000.

Mr. Olinger mentioned Mansion Hill, TIF # 32 and Alder Konkel's district as possible locations for this type of program in the future.

Mr. Olinger said there are three challenges to using TIF money for this type of program. The first is TIF money is not easy to use on small projects because of affirmative action, prevailing wage, and best value purchases policies that the City requires the loan recipients to use.

Mr. Boucher said rents on State Street and Monroe Street are artificially high and questioned why we should believe prices will come down?

Mr. Olinger responded that housing dynamics are different than commercial real estate dynamics. He said the City Assessor is seeing some softening of the market.

Mr. Boucher asked if this program is cannibalizing the Downtown condo markets?

Mr. Olinger said the last proposed downtown condo project was originally proposed as a seven story building and was built as a three story building.

Mr. Slone asked if there is assessment data showing trends in the Downtown area and if the applicants for the Bassett small cap loans had problems accessing financing?

Mr. Olinger is getting trend data from the Assessor and three applicants were rejected because of financing issues.

Ms. Selkove asked for clarification on the three challenges in using TIF money for the program?

Mr. Olinger said the challenges are:

- Price
- Market
- The strings attached to using TIF money.

Chairperson Clarke said if there is a shift to devaluation of housing then perhaps Chief Wray is wrong about the destabilization of downtown neighborhoods.

Mr. Olinger said maybe the City is ahead of the trend and it is not being left behind with the creation of this type of program.

Chairperson Clarke said the EDC could be advocates for future programs.

Ms. Torkildson asked if this is only for owner occupants or can it be used for fix-ups or to rent the third floor to tenants?

Mr. Olinger said there are programs for rental properties already. Third floor rentals were possible in the Small Cap TIF program.

5      [11522](#)

Prioritization and discussion of the implementation of the City of Madison 3-5 Year Strategic Economic Development Implementation Plan recommendations, including adoption of a 2009 Economic Development Work Plan

**Attachments:**      [ED Work Plan 10-11-08.pdf](#)  
[ED Plan 9-16-08.pdf](#)  
[Current & Potential OBR Activities memo090308.pdf](#)  
[Alderspersons E D Plan Recommendations090308.pdf](#)  
[recommendationscolorchart.pdf](#)  
[Other Potential Priorities for Economic Development.pdf](#)  
[Konkelresolution080508.pdf](#)  
[EDrecommendationsdateorder.pdf](#)

Chairperson Clarke reviewed that the Council has accepted the 3 - 5 Year Strategic Economic Development Implementation Plan and now the EDC is deciding the next steps. Mr. Mikolajewski introduced the 2009 Economic Development Work Plan in October and this is the first time the EDC has had time to review the work plan.

Noting the time, and without objection of the Commission, Chairperson Clarke asked that this item be placed first on the January EDC agenda.

6      [12256](#)

Update on Economic Development Division Director

Mr. Mikolajewski explained there are seven candidates being interviewed next week.

Alder Clear added there are no Wisconsin residents among the candidates. He is on the interview panel along with Mark Olinger, Jim Garner, and Mario Mendoza. The Mayor will interview the finalists next Wednesday.

7      [11525](#)

Discussion of Workforce Development Subcommittee

Ms. Selkove explained the subcommittee is moving ahead on a workforce summit and key stakeholders have been contacted.

Mr. Slone asked if the event is for Madison only? He has mentioned it to Olivia Parry, Dane County Economic Development Specialist, and the County is willing to participate.

Ms. Selkove said this is a City subcommittee with a City focus.

8      [12257](#)      2009 EDC Meeting Schedule

**Attachments:**      [EDC2009meetingsmemo.pdf](#)

Some EDC members would like to look at changing the meeting schedule. Staff will develop a chart and email to EDC members to get their meeting day preferences.

The next EDC meeting will be Wednesday, January 7, 2009.

9      [12255](#)      Update on 2009 Executive and Capital Budgets

Mr. Mikolajewski reported that the Office of Business Resources has \$9,000 in 2009 for the purchase of business retention and expansion software. The position of the Economic Development Director remained in the budget. The funding of the Convention and Visitors Bureau was a significant economic development element.

**ADJOURNMENT**

**A motion was made by Clarke, seconded by Her, to Adjourn. The motion passed by voice vote and the meeting adjourned at 6:46 pm.**