

**VILLAGE OF PLEASANT PRAIRIE
COMMUNITY DEVELOPMENT AUTHORITY**

Village Hall Auditorium

9915 39th Avenue

Pleasant Prairie, WI

March 24, 2010

6:00 p.m.

A regular meeting of the Pleasant Prairie Community Development Authority was held on Wednesday, March 24, 2010. Meeting called to order at 6:05 p.m. Present were John Steinbrink, Monica Yuhas, Gary Hutchins, Kate Jerome, Phil Godin and Larry Nelson. Tom Reiherzer was excused. Also present were Mike Pollocoff, Executive Director, Tom Shircel, Assistant to the Administrator, Kathy Goessl, Treasurer and Jane Romanowski, Secretary.

1. CALL TO ORDER

2. ROLL CALL

**3. MINUTES OF MEETINGS - REAPPROVE FEBRUARY 18 AND OCTOBER 21, 2009
MINUTES INCLUDING CLOSED SESSION DISCUSSION AND NOVEMBER 18, 2009**

**YUHAS MOVED TO REAPPROVE THE MINUTES OF THE CDA MEETINGS OF
FEBRUARY 18, 2009 AND OCTOBER 21, 2009 INCLUDING CLOSED SESSION DISCUSSION
AND NOVEMBER 18, 2009; SECONDED BY NELSON; MOTION CARRIED 6-0.**

4. CITIZEN COMMENTS - None.

5. COMMISSION COMMENTS - None.

6. NEW BUSINESS

**A. Consider an Award of Contract for Village Community Development Authority
Land Market Study.**

Mike Pollocoff:

Mr. Chairman, staff issued an RFQ that we visited with before about identifying a consultant to help us establish some values and take a look at the CDA properties that we have along the Interstate. Initially I was a little tentative about putting this out because I think everybody knows the market isn't the greatest right now., but on the other we don't have an evaluation of what that really means in order to give us the ability to say whether or not we want to hold onto this land for a longer period of time or we want to be able to sell it.

The CDA is in a good position in one respect that we're going to receive about \$7 million from the State that we hadn't anticipated on receiving for the Frontage Road work that's occurring because originally that was going to be a Village expense and those would be Village roads, and the State came back and said we want to take those roads over so we were compensated for that, not 100 percent because we had made them substantially bigger than what the State would have, but, nonetheless, it gave us \$7 million in resources to use. So it gives us some ability to hold that

CDA Meeting
March 24, 2010

land a little bit longer. We wanted to have somebody come in and take a look and see what the pricing strategy is, whether or not the evaluation of the planned development that we put up for that area if that's going to be viable or how long do we think it's going to take to put that together.

We had three respondents, Baker Tilly which is the old Virchow Krause; Land Use USA with Teska and Land Use USA they've worked in the area. They did the initial property or market study for the Village Green across the street, the property four years ago or about 2004. And then S.B. Friedman who is out of Chicago and done a lot of work in Milwaukee and down in Chicago and they're fairly familiar with the I-94 corridor. We had established a budget of \$25,000 to prepare this work. In the interviews we felt that S.B. Friedman had been the most concise and submitted the best approach for the project. We're willing to recommend them to begin that project to do that. I don't know if anybody has any questions or any comments on the proposal from Friedman.

Monica Yuhas:

Mike, have we used Friedman before for anything in the Village?

Mike Pollocoff:

No. They've done a lot of work with Milwaukee, and I think they've done some work in Mt. Pleasant. In fact, they are working on Mt. Pleasant's Village Center or Town Center.

Phil Godin:

Are we just going to cap them at \$25,000? Or, just not to exceed \$25,000?

Mike Pollocoff:

Yeah. I mean there might be some incidentals as far as reports but that's what I'm looking for. If we decide to hold onto this we might want to go back out again. There are some things that could change dramatically. I hope to get that answered in this study is what happens if Abbott starts sooner or later because that could change the dynamics of that intersection as well. Right now we don't have a date on when that's going to happen.

Phil Godin:

That \$7 million - did that go to the Village or is that CDA?

Mike Pollocoff:

CDA. It pays the TIF off that the CDA is using.

CDA Meeting
March 24, 2010

Phil Godin:

So, right toward the debt.

Mike Pollocoff:

Right.

Phil Godin:

What is our TIF debt?

Mike Pollocoff:

Out there?

Phil Godin:

Yes, about \$35 million maybe? So it's almost \$50?

Mike Pollocoff:

You've got to remember that TIF goes on both sides of the Interstate and Lakeview. So just that segment. I want to say just the CDA's work was about \$21 or \$22 million just for the redevelopment property out of the entire TIF.

Phil Godin:

So \$40?

Mike Pollocoff:

For the entire TIF.

Phil Godin:

After this payoff?

Kathy Goessl:

We're on a debt schedule for all our debt. We didn't have it structured before we got the \$7 million. We had some property sales in there which we haven't sold any property yet so this Frontage Road payment is helping us fill those gaps. We got \$2 million in December, and it's like over three or four years that they pay us so we don't get the whole \$7 million up front.

CDA Meeting
March 24, 2010

Gary Hutchins:

Back to the study, you said it's concise, but what were some of the specific factors that made Friedman stand out over the other two?

Mike Pollocoff:

I think in large part experience on the Interstate and value in the Interstate properties as well as they have access to a firm for doing hotel evaluations because our plan calls for a hotel site. We know right now hotels are just non-starters in the market. They're not doing well. Baker Tilly - we weren't familiar that they had a lot of - we know Virchow Krause didn't have somebody that was doing a lot of that. Their approach was really to almost re-create the planning process to some extent and then give us a value on that. We've done a fair amount of work on the planning process, and I guess we thought the most efficient use of our money, and that's what Friedman did, is taking a direct look at what we have and telling us what the absorption is for that and what are values are.

Larry Nelson:

So the study is going to provide enough information even for the future. So it's what it is today if you were to sell it tomorrow, right, and then as the recession comes out of it what impact does the other development around it will have as it gets going. And it compares to Illinois land, Milwaukee land.

Mike Pollocoff:

And what the traffic patterns are right here. They've going to visit with Uline and Abbott to get their input from those companies. Of course, Uline is almost done but they still have another building to put up. And Abbott we'll see we get out of that, as much as anybody gets anything out of Abbott. I think what I'm looking for them to say is here are what the values are today and what the potential for absorbing is - we could probably sell a lot of this land really cheap, but we want to be able to know how long we will have to wait to get a good price for it. I think the longer that time frame goes on we might want to renew the study or have another look at it down the road if we're waiting four or five years.

Larry Nelson:

That's what my next question was, is the timing of the study correct? I guess you won't know until you see some numbers, but it just seems with the economy so down its like why do it now? Let's wait a year until something happens here.

Mike Pollocoff:

If we look at our records for what land sales were going at, we're at that \$300,000 an acre for some of that land that's right at the intersection there. That isn't happening. Those sales, some of

CDA Meeting
March 24, 2010

the sales, are in part driven by Abbott, but it's probably more in the \$180,000 range. So for us to be able to make a judgment on how long we think we're going to have to hold this and take a look at our budget in the future, I think we need to find out what the realistic market price is for it for now so we know where we are and then get input on how long we're going to have to hold onto it - what's the price we could sell it for today and what's the highest potential price we could sell it for if we wait on it for two years or three years or four years. I don't think we're evaluating at the real bottom of the market but it's not far from the bottom of the market.

Phil Godin:

That's why I'm all for this because we need an evaluation to decide if we're going to sell . . .

Mike Pollocoff:

And we've had some people wanting to come and talk to us about wanting to buy it and we floated out the price and they just kind of looked at us. I really don't know and I'm not sure how to price it. I think we need to have somebody give us an expert opinion on where we're at today. If it's too low then we know we need to hang on to it and we know what that cost is going to be o, it gives us the opportunity to jumpstart the whole development and what that number is going to be.

Larry Nelson:

And that's the decision we can make once we see the numbers.

Monica Yuhas:

Mike, this is showing that the estimated project schedule is going to take about two months?

Mike Pollocoff:

Yes.

Monica Yuhas:

And it was slated to start on March 8th. Obviously it's not going to start on March 8th. So with the approval then we'd be looking at April/May and looking at something coming back in June?

Mike Pollocoff:

Yes.

Larry Nelson:

Will they be making the presentation to us or to you?

CDA Meeting
March 24, 2010

Mike Pollocoff:

I can have them make a presentation to you which I think would be the best thing.

John Steinbrink:

Let's have an associate make it.

GODIN MOVED TO CONCUR WITH THE RECOMMENDATION FROM THE EXECUTIVE DIRECTOR AND AWARD A CONTRACT NOT TO EXCEED \$25,000 TO S.B. FRIEDMAN & COMPANY TO PREPARE A LAND MARKET STUDY FOR THE CDA REDEVELOPMENT AREA; SECONDED BY HUTCHINS; MOTION CARRIED 6-0.

7. ADJOURNMENT

GODIN MOVED TO ADJOURN THE MEETING; SECONDED BY JEROME; MOTION CARRIED 6-0 AND MEETING ADJOURNED AT 6:18 P.M.