

COMMUNITY DEVELOPMENT AUTHORITY
July 10, 2018

CDA20180710-1
UNAPPROVED

A meeting of the Community Development Authority of the City of Cedarburg, Wisconsin, was held on Tuesday, July 10, 2018 at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers.

The meeting was called to order by Mayor Mike O'Keefe at 7:02 p.m.

Roll Call: Present: Mayor Mike O'Keefe, Council Member Jack Arnett, Eric Stelter, Eric Arvold, Dale Lythjohan

Excused: Andy Dettro, Joe Kassander

Also Present: City Administrator/Treasurer Christy Mertes, Attorney Charles Sweeney, DJ Burns and Chelsea Colson of Drake Consulting, Chris Bonniwell of GHD

STATEMENT OF PUBLIC NOTICE

Mayor O'Keefe acknowledged that the agenda for this meeting was posted and distributed in compliance with the Wisconsin Open Meetings Law.

COMMENTS & SUGGESTIONS FROM CITIZENS - None

APPROVAL OF MINUTES

Motion by Council Member Arnett, seconded by Eric Stelter, to approve the minutes from the February 21, 2018 meeting. Motion carried unanimously with Andy Dettro and Joe Kassander excused.

NEW BUSINESS

Update on TID #4; and Action Thereon

City Administrator/Treasurer Mertes distributed the first quarter financial report for the project. Through March 31, 2018 there is \$58,426 in expenditures for the project. The expenditures are made up of Ehlers planning and creation of the TID, legal fees, and administrative fees from City staff. No increment has been created yet to add value to the property so no revenues have been received to date. The City's General Fund has paid all the expenditures for the TID.

City Administrator/Treasurer Mertes has participated in many meetings on the project since the end of last year. The latest meeting was at the DNR office with DNR representatives, the EPA, County legal counsel, DJ Burns, and Chelsea Corson. The DNR is currently working on an agreement with DJ Burns and Oliver Fiontar. This agreement is necessary for the County to complete the transfer of ownership through the in rem process. DJ Burns is expecting to receive the agreement this week.

The process to forgive the property taxes was followed at the County but won't be completed until the agreement is in place between Oliver Fiontar and the DNR. There is a hearing scheduled for August 3 at the County. The County has an agreement drawn up for the transfer of the property which includes the City/CDA but is limited. The City is a party to the agreement for the sole and limited purpose of acknowledging the receipt of the written notice of forgiven property taxes. The property will be immediately quit claimed over to Oliver Fiontar. The CDA is exercising no control over the property.

City Administrator/Treasurer Mertes is waiting to borrow the funds until the ownership transfer occurs.

DJ Burns distributed a map of the National Priorities List (NPL) site showing the two parcels he will be acquiring and cleaning up. Also included were maps showing the areas and levels of contamination on the property. The final document was his project plan with a timetable and costs. DJ Burns reviewed the history of the property and how it is a NPL site. He stated that there is potential for the EPA to clean the southeast corner of the office (south) parcel where the blue and red areas are marked on the map. The parcel may also be used by the EPA as a staging area if they pursue clean-up of the rest of the site.

Mayor O'Keefe asked what the EPA timeline was for the project. DJ Burns stated he was not sure and it was dependent upon all the demands on the Department. He felt the City involvement would help promote the EPA involvement.

DJ Burns mentioned he had a letter from the EPA stating they are looking forward to working on the project. City Administrator/Treasurer Mertes passed around a copy of the letter to the members.

DJ Burns stated he was hopeful he would receive the agreement soon. He stated Chelsea created the agreement and the DNR is editing it and returning it. He would then just have to review the edits.

There was a discussion on the Amcast bankruptcy history and acknowledgment of not available funds from Amcast to help with the project.

Dale Lythjohan asked what will happen after August 3, once the property ownership has been transferred. DJ Burns stated he would do a clean sweep of the property. This would allow him to figure out what has to be contained and removed from the property to eliminate any possible new issues. He will secure the perimeter of the site. He would use the EPA deconstruction checklist. Deconstruction would happen in phases. He expects to leave a portion of the manufacturing building up for reuse. He would also work on cleaning up the office building and move his business into this building. City Administrator/Treasurer Mertes mentioned that the Developer's Agreement requires DJ to have \$275,000 of value added to the property by January 1, 2020, which would be due to his office move.

In answer to Dale Lythjohan's question, City Administrator/Treasurer Mertes explained that the City will borrow the funds for the project after there is an agreement between the DNR and

Oliver Fiontar, an agreement with the County, and the transfer of ownership between the CDA and Oliver Fiontar takes place. The borrowing will take approximately 30 days. The Common Council has already approved the initial borrowing resolution.

DJ Burns wants the property to be aesthetically appealing as soon as possible.

Consider GHD Proposal for Professional Services in the Form of Oversight of Remediation Activities Associated with the Former Amcast Site; and Action Thereon

City Administrator/Treasurer Mertes explained that the original firm Wilcox is no longer in Cedarburg. Chris Bonniwell is still in the City and with a new company named GHD located in the Cedar Creek Settlement. Chris Bonniwell has followed the project since signing with the City in August 2016. City Attorney Mike Herbrand has reviewed the agreement and had two changes. GHD has agreed to increase the liability coverage to \$25,000 and a clause will be added to allow the City to terminate coverage with written notice.

Council Member Arnett asked what the rates were initially with Wilcox. City Administrator/Treasurer Mertes stated that the proposed rates are approximately 20% higher.

Motion made by Council Member Arnett, seconded by Dale Lythjohan, to approve the agreement subject to the two changes suggested by City Attorney Herbrand and negotiation of a lower hourly rate between staff and the consultant. Motion carried without a negative vote with Andy Dettro and Joe Kassander excused.

ADJOURNMENT

Motion made by Eric Stelter, seconded by Eric Arvold, to adjourn the meeting at 8:14 p.m. Motion carried unanimously with Andy Dettro and Joe Kassander excused.

Christy Mertes
City Administrator

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