



**City of Waukesha**  
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| <b>Committee:</b><br>Finance   | <b>Date:</b><br>12/13/2022  |
| <b>Common Council Item Number:</b><br>ID#22-5416   | <b>Date:</b><br>12/20/2022  |
| <b>Submitted By:</b><br>Jennifer Andrews, Community Development Director   | <b>City Administrator Approval:</b><br>Kevin Lahner, City Administrator |
| <b>Finance Department Review:</b><br>Joe Ciurro, Finance Director  | <b>City Attorney's Office Review:</b><br>Brian Running, City Attorney   |
| <b>Subject:</b><br>Review and act on a Development Agreement outlining the TIF assistance for the Wildeck Inc. & North Street Plant15, LLC redevelopment at 1900 E. North Street (TID 31). |   |

**Details:** The City of Waukesha recently created Tax incremental Finance District #31, a rehabilitation-conservation district located at 1900 E. North Street. This district was created to facilitate the redevelopment of the property which will be leased by Wildeck, Inc., a manufacturer of industrial steel work platforms, vertical lifts, industrial guard rails and other products for use in warehouses and manufacturing facilities. Wildeck will consolidate their Waukesha and Pewaukee locations into this property. The developer is proposing significant improvements to this property to make it useable for Wildeck's operations including demolition of 90,000 square feet of antiquated building space, construction of 40,000 square feet of new office space, renovation of existing manufacturing and office space, and a series of infrastructure improvements including the relocation of a fire pump.

Under the terms of the proposed agreement, the developers will receive a \$1 million Development Incentive Grant, payable upon the issuance of an occupancy permit for the new office space and completion of a construction cost verification, to make sure the actual development costs are in line with the project budget used to determine the financial gap to make this project go forward. The developers have agreed the property will be valued at no less than \$9,900,000 by January 1, 2025, and if they do not reach that value, they will owe a payment in lieu of taxes (PILOT) equal to the property taxes that would have been paid on the difference in value between the actual combined assessed value of the property and \$9,900,000. There are additional provisions that warranty this value after the TID is closed.

It is anticipated the district could close in 20 years (2042) after which the City and other taxing jurisdictions would receive additional tax revenue based on the increased value of the property and improvements.

- Options & Alternatives:**
1. Approve the Development Agreement as proposed
  2. Deny the Development Agreement and the project would not move forward.

**Financial Remarks:** It is anticipated TID 31 could lose in 20 years. During the life of the TID the City would continue to receive tax revenue on the base value of the district. Once the district is closed the City and other taxing jurisdictions will receive increased tax revenue based on the new value of the property.

**Staff Recommendation:**

Staff recommends the Finance Committee approve the TIF Development Agreement between the City and Wildeck, Inc. & North Street Plant 15, LLC.