



CITY OF WAUKESHA

Administration

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Committee: Finance Committee	Date: 6/30/2020
Common Council Item Number: ID# 20-0749	Date: 7/7/2020
Submitted By: Jennifer Andrews, Community Development Director	City Administrator Approval: Kevin Lahner, City Administrator Click here to enter text.
Finance Department Review: Diane Gard, Interim Finance Director DG	City Attorney's Office Review: Brian Running, City Attorney BR
Subject: Review and recommend approval of a TIF agreement between the City of Waukesha and Fox Run 3, LLC	

Details:
 On October 15th the Council approved a term sheet laying out potential TIF assistance for the redevelopment of acres of land located at 2250-2360 W. St. Paul Ave. The redevelopment includes a new medical facility, new multi-family development and various commercial development. This agreement details the terms and conditions of the TIF assistance the City will provide to incentivize this redevelopment project.

The developer will complete development projects on this property that will have a final assessed value exceeding \$32 million dollars. The City will provide \$3.7 million dollars in incentives to be earned by the developer as value is added to the site. The final year for the developer to earn incentive payments is 2031. The developer will also install public sidewalk on City and Water Utility lands. The City will reimburse the developer for this work through TID 27.

The agreement has provisions for limiting internal rates of return on the project and reviewing/confirming construction costs. If costs are lower than projected or returns are higher than expected the amount of the incentive will be reduced accordingly.

Options & Alternatives:
 Approve the TIF Assistance agreement with Fox Run 3, LLC and allow the redevelopment project to move forward.
 Deny the agreement causing the redevelopment project to not move forward.

Financial Remarks:
 TID 27 was created in 2020. The incentives and sidewalk costs will be paid through tax increments accumulated in the district.



Executive Recommendation:

Approve the TIF assistance agreement as proposed.