



City of Waukesha
 201 Delafield St. Waukesha, WI 53188
 Tel: 262.542.3700
 waukesha-wi.gov

Committee: Plan Commission	Date: 3/22/2023
Common Council Item Number: PC23-0375	Date: 4/6/2023
Submitted By: Doug Koehler, Principal Planner	City Administrator Approval: Click here to enter text.
Finance Department Review: Click here to enter text.	City Attorney's Office Review: Click here to enter text.
Subject: Review and consider a Resolution Approving an Amendment to the Project Plan and Boundaries of Tax Incremental District No. 17	

Details: Tax Incremental Finance (TID) 17, created in 2007, is larger Rehabilitation-Conservation District that contains parts of downtown and a large area of the neighborhood south of downtown. The district was created to promote redevelopment of these areas and provide greater employment opportunities, increased and improved central city housing opportunities and to broaden the property tax base. Some of the larger, successful projects in this district include redevelopment of the former YWCA facility into Dunbar Oaks, an infill neighborhood along West Avenue and the redevelopment of properties along N. Grand Avenue into three Carroll Dormitory buildings.

The territory addition and project plan amendment are being requested to facilitate the redevelopment of two parcels along the north side of Wisconsin Avenue, between Clinton Street and Grand Avenue; the former Associated Bank building and the City's Wisconsin Avenue surface parking lot. The proposal is for a 60-room Cobblestone Hotel which will also contain a restaurant.

The request is for \$1.4 million dollars in TIF assistance. There would be a \$1 million development incentive paid to the developer at the time of hotel occupancy and an additional \$400,000 in pay-as-you go assistance, which means the developer would be paid the assistance as the projects produces tax increment beyond the debt payments. In addition, the hotel developer would purchase the City's underutilized Wisconsin Avenue parking lot for \$200,000. The assistance is needed due to the extraordinary project costs which includes the demolition of the large two-story, 14,000 square foot vacant bank building.

The City's financial advisor, Ehlers, has reviewed the project proforma and has made the determination that but for the financial assistance this project would not be feasible, which is the statutory requirement when considering tax incremental financed projects.

The property is currently assessed at \$3,423,200. After completion of the rehabilitation work the projected assessed value would increase by \$6,500,000 for an assessed value of \$9,923,200. There will also be provisions in the Development Agreement that guarantee this value for the life of the district. It is anticipated the district could close in 15 years (2037).

The Final Site and Architectural Plans for this redevelopment will also need to be approved by the Plan Commission.

Options & Alternatives: The Plan Commission can reject the proposed resolution and the project would not move forward.

Financial Remarks: Once the district closes the City of Waukesha and all of the other taxing jurisdictions will see increased tax revenues based on the increased assessed value of the property. The City will also receive \$200,000 from the sale of the Wisconsin Avenue lot.

Staff Recommendation:

That the Plan Commission adopts the resolution approving an amendment to the Project Plan and Boundaries of Tax Incremental District No. 17