



CITY OF WAUKESHA

Administration

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Committee Common Council	Date: 1/4/2022
Common Council Item Number: ID# 21-3340	Date: 1/4/2022
Submitted By: Jennifer Andrews, Community Development Director	City Administrator Approval: Kevin Lahner, City Administrator Click here to enter text.
Finance Department Review: Bridget Souffrant, Finance Director Click here to enter	City Attorney's Office Review: Brian Running, City Attorney Click here to enter text.
Subject: Review and act on a Letter of Intent from Berg Management regarding the excess City Hall property.	

Details:
Early in 2021 the staff worked with Community Design Solutions to develop concepts of how the excess City Hall property at the corner of Barstow and Buena Vista could be developed. In May the report was presented to Common Council. The Council asked for a recommendation from the Plan Commission and Redevelopment Authority. In June the Plan Commission and Redevelopment Authority met and forwarded a recommendation that the parcel be combined with the privately owned parcel at the corner of North St. and Barstow to allow for an apartment building with approximately 73 units to be developed. On July 6th the Council asked the staff to work with the owner of the neighboring property, Alan Huelsman, to create a conceptual development plan for the 2 properties within 6 months. The staff and Mr. Huelsman have met and discussed his concept for the development of a 77--unit apartment building. Attached is a Letter of Intent Mr. Huelsman has sent to the City outlining his proposal.

In the letter Mr. Huelsman references the need for TIF assistance. The City's process for determining the need for TIF assistance is to have a third party financial advisor review the project proforma and determine if there is a financial gap that would make the project infeasible. If a gap is identified the advisor would determine the amount of that financial gap and provide that information back to the City. In this case, if the City chooses to assist the project with TIF money there would be a need to amend the existing TIF 29 project plan, as this project was not included in the original plan.

- Options & Alternatives:**
1. Accept the Letter of Intent and advance the project.
 2. Reject the Letter of Intent



Financial Remarks:

Mr. Huelsman is proposing to purchase the property for \$300,000.

He is also estimating the need for 3 million dollars in TIF assistance. The need for this amount would be vetted at a later date once the design and proforma are completed. However, Mr. Huelsman is saying that to make the project financially feasible he will need TIF assistance.

Executive Recommendation:

If the Council likes the design being presented and is willing to provide TIF assistance to get it built then they should approve the Letter of Intent and advance the project. If the Council does not like the design and/or does not want to provide TIF assistance for this project then they should reject the Letter of Intent and direct the staff to pursue one of the other development options previously presented.