



CITY OF WAUKESHA

Administration

201 Delafield Street, Waukesha, WI 53188
 Tel: 262.524.3701 fax: 262.524.3899
 www.ci.waukesha.wi.us

Committee: Finance	Date: 3/31/2021
Common Council Item Number: CC 21-1971	Date: 4/8/2021
Submitted By: Jennifer Andrews, Community Development Director	City Administrator Approval: Kevin Lahner, City Administrator
Finance Department Review: Bridget Souffrant, Finance Director	City Attorney's Office Review: Brian Running, City Attorney
Subject: Review and act on a TIF Development Agreement with The Glen at Standing Stone, LLC for the financial assistance for partial reimbursement of infrastructure expenses incurred by the Developer in the extension of Tenny Avenue, a public street, between E. Sunset Drive and STH 59/Les Paul Parkway. (TID 22)	

Details:
 Tax Incremental Finance District Number 22 was originally approved in 2013 to promote mixed use development and redevelopment in the vicinity of E. Sunset Drive, between East Avenue and Tenny Avenue. The first significant project in the district was the redevelopment of the former K-Mart into the Sunset Crossings retail center. Additionally, a major stormwater infrastructure project was completed to address stormwater/flooding issues in the area.

In June 2020 the City approved an amendment to TID 22 to include financial incentives for the extension of Tenny Avenue from E. Sunset Drive to STH 59/Les Paul Parkway. This project is outside of the boundaries of TID 22, but is within ½ mile of the district and is an eligible project cost Wisconsin Statutes 66.1105(2)(f)1.n.. This amendment was approved by the City's Plan Commission and Common Council as well as the Joint Review Board. The district was originally expected to close in 2024, however with this project it may extend the life to 2025.

This development agreement with The Glen At Standing Stone spells out the terms of this financial assistance. The City incentive is structured as a \$1,600,000 grant to the developer. The incentive will be paid out in two installments. This first fifty (50%) percent of the incentive payment shall be made to the Developer upon completion of public infrastructure work on Tenny Avenue totaling no less than \$800,000. The developer will be required to submit invoices for verification prior to the distribution of the incentive payment. The remainder of the incentive will be paid to the developer upon the completion of the Tenny Avenue extension, including the bridge over the wetlands at the south end of the property, and acceptance of the of the public infrastructure by the City in accordance with the approved plans. Additionally, this second payment will not occur until after the City and our third party consultant has completed a construction cost verification, in accordance with Section 5 of the Development Agreement. The final incentive payment, subject to any payment adjustments, if applicable, would not occur until these items are completed.

Unlike most TID projects, the Glen At Standing Stone is outside of the TID 22 boundaries. The city and other taxing jurisdictions will receive increased tax revenue based on the new value of the development as it occurs instead of



waiting for the TID to close. It is anticipated upon completion the development will ultimately have a total assessment of \$46,076,000.

Options & Alternatives:

1. Approve the Development Agreement
2. Deny the Development Agreement and the project would not move forward.

Financial Remarks: The addition of this project cost to TID 22 could extend the life of the district by one year. It was originally expected to close in 2024 but if this is approved it may extend the closure year to 2025. Additionally, since the entire Glen At Standing Stone is outside of the TID 22 boundaries, the City will receive increased tax revenue based on the new value of the development as it occurs instead of waiting for the TID to close. It is anticipated upon completion the development will ultimately have a total assessment of \$46,076,000.

Staff Recommendation: Staff recommends the Common Council approve the Development Agreement with The Glen At Standing Stone, LLC as proposed.