



CITY OF WAUKESHA

Administration

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Committee: Finance Committee	Date: 8/8/2017
Common Council Item Number: 17-1155	Date: 8/15/2017
Submitted By: Jennifer Andrews, Community Development Director	City Administrator Approval: Kevin Lahner, City Administrator Click here to enter text.
Finance Department Review: Rich Abbott, Finance Director RA	City Attorney's Office Review: Brian Running, City Attorney BR
Subject: Approve a modification of the development agreement for TID 18.	

Details:
The original development agreement for TID 18 was signed in the summer of 2008. The developer was provided an incentive in return for environmental remediation of the property, site preparation and infrastructure improvements. The developer also guaranteed certain assessed values on each of the parcels in the district. The developer completed the remediation, site preparation, utility and road construction. Shortly after the first 2 parcels were developed the developer lost control of the property to the financing bank. First Federal Bank took formal ownership of the remaining undeveloped property in 2015 by recording the deed which was turned over. The bank has sought and found new buyers/developers for the remaining parcels. The first development will be a series of duplex residential structures along the south side of Fleetfoot Dr. This amendment is an adjustment to the guaranteed value for those parcels. At the time the original agreement was signed the real estate market was commanding much higher values for these types of developments. The original value assigned to these parcels was \$3,250,000. The proposed new guarantee value is \$3,105,000 which is \$145,000 lower. We have worked with the developer to maximize the number of units on the property and feel that the assessment will meet or exceed this estimate. We also expect that the property will appreciate in value over the life of the TID and the district will gain additional revenue over time.

- Options & Alternatives:**
1. Approve the revised development agreement and allow the development to move forward.
 2. Deny the revision and wait for a developer that would be willing to guarantee the higher value.

Financial Remarks:
The approval of this revised agreement and the timely construction of the project would be beneficial to the overall health of TID 18.

Executive Recommendation:
Approve the revised agreement and allow the development to move forward.

