



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

## City of Waukesha Cover Sheet

<b>Committee:</b> Finance	<b>Meeting Date:</b> April 14, 2026
<b>ID Number:</b> 26-03398	<b>Ordinance/Resolution Number:</b> <i>(if applicable):</i> n/a
<b>Name of Submitter:</b> Jennifer Andrews	<b>Target Next Board/Council Meeting Date:</b> April 21, 2026
<b>Agenda Item Title:</b> Review and possible action on a proposed amendment to the Tax Incremental Finance District (TID) #27 Development Agreement	
<b>Issue Before the Board/Council:</b> Consider a request for Tax Incremental Finance assistance for the development of a 63-unit multi-family building approved for Lot 4 within the TID 27 (Fox Run Redevelopment) boundaries. The assistance would be to a maximum of \$2,040,000. The TIF assistance will be structured as a developer-financed/pay-as-you-go (PAYGO) where the developer will finance the project and be reimbursed as the project generates increment.	
<b>Options &amp; Alternatives:</b> Reject the amendment and the project would not move forward	

## **Additional Details:**

### **Background**

TID 27 was created in 2020 to incentivize redevelopment of the blighted and vacant Fox Run Shopping Center, located at the northwest corner of W. Sunset Drive and W. St. Paul Avenue. The TID has resulted in the development of the Ascension Micro-Hospital and Clinic, a Landmark Credit Union branch, and the Den at Fox Run, a 72-unit multi-family housing development.

Two undeveloped properties remain in the district: a Waukesha Water Utility reservoir and Lot 4, a vacant parcel east of the Den at Fox Run apartments. The original development agreement (July 17, 2020) designated Lot 4 for commercial use. Due to a lack of commercial interest, the applicant requested a PUD Amendment to allow residential uses. The Plan Commission approved the amendment on December 17, 2025, followed by Common Council approval on January 20, 2026. The Plan Commission then approved the final site and architectural plans on January 28, 2026 for the new 63-unit residential building.

### **Request & Financing Details**

The request is for \$2,040,000 structured as developer-financed/pay-as-you-go (PAYGO) TIF. Under this, there will be no upfront money. The developer will finance the project and be reimbursed as the project generates increment. The developer will guarantee a minimum total assessed value for the district of no less than \$42,338,549 (the previous guaranteed value was \$33,300,000). It is expected the new 63-unit residential building will be assessed at \$12,675,993.

The project's financial proforma was reviewed by the City's third-party advisor, Ehlers, who determined that the project would not be feasible "but-for" the TIF assistance. They also determined that the developer is not unduly enriched by receiving assistance and that even with the assistance, the developer is realizing a below-market rate of return.

Once completed, there will be a verification of project costs to ensure that the costs represented to the City were indeed realized as part of the project. If the costs are lower than projected, the incentive will be reduced. The agreement also includes provisions limiting the owner's ability to contest their assessment or sell to a tax-exempt entity.

*A redlined version of the agreement is attached to see the changes from the original agreement from 2020.*

## **What is the Strategic Plan Priority this item relates to:**

People-centered development.

## **What impact will this item have on the Strategic Plan Priority?**

The plan provides 63 new units of housing, which, similar to the adjacent Den at Fox Run, are targeted to the local workforce.



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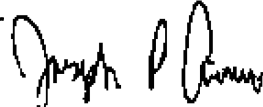
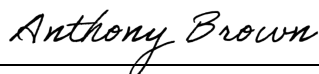
**Financial Remarks:**

The project will be valued at \$12,675,993. Once TID 27 closes, the city and other taxing jurisdictions will see an increase in tax revenue based on the new value

**Suggested Motion:**

I move to approve the amended TID 27 Development Agreement between the city and Fox Run 3, LLC as proposed.

**Reviewed By:**

City Attorney 	Date Reviewed 10 Apr 2026
Finance Director Joseph P. Ciarro 	Date Reviewed 04/10/2026
City Administrator Anthony W. Brown 	Date Reviewed 04/10/2026