



# OFFICIAL MEETING MINUTES

OF A SPECIAL SCHEDULED ANNUAL MEETING OF THE **JOINT REVIEW BOARD** HELD ON OCTOBER 25, 2018 @ 8:00 AM, IN THE MAIN CONFERENCE ROOM, 2000 NORTH CALHOUN ROAD, BROOKFIELD, WISCONSIN

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## **MEMBERS PRESENT:**

Mayor Steven Ponto  
Glen Allgaier  
Cary Tessmann  
Norman Cummings  
Timothy Rhode

## **MEMBER ABSENT AND EXCUSED:**

## **OTHERS PRESENT:**

Executive Director, Dir. of Community Dev. Dan Ertl; Dir. of Finance Robert Scott; Economic Dev. Coordinator Todd Willis

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## **Roll Call**

Chairperson Cary Tessmann called the meeting to order at 8:03 am. Mr. Willis took a roll call of the Joint Review Board noted a quorum present.

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## **Announcements**

Director Ertl stated that the meeting of the Joint Review Board annual meeting was properly noticed.

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## **Order of Business**

**Item 1** – Approval of the June 13, 2018 Joint Review Board meeting minutes for City of Brookfield Tax Incremental District No. 8.

*Motion was made by Mayor Steve Ponto, seconded by Mr. Glen Allgaier for approval of the June 13, 2018 Joint Review Board meeting minutes for the City of Brookfield Tax Incremental District No. 8.. Motion carried 5 – 0.*

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**Item 2** – Staff Report: 2017 Annual Reports submitted by the City of Brookfield to Wisconsin Department of Revenue for City of Brookfield Tax Increment Districts 3,4,5 and 6; and, September 4, 2018 memorandum outlining City Annual Report of Tax Increment Districts Number 3,4,5 and 6. Also generalized report on status of Tax Increment Districts Number 7 and 8 located in the City of Brookfield.

Mr. Robert Scott explained that the reports that he supplied to the Joint Review Board had a little more detail than what is required to be sent to the Department of Revenue. He also mentioned that some of the added information that was supplied in the reports were at the request of some of Brookfield Common Council's members. Mr. Scott then reviewed each of the sheets in the report briefly for the Joint Review Board. He added that outlined in the summary page, TID No. 4 was the only active TID in the City of Brookfield that there was any concerns about. He explained that the concerns were related to the lack of construction that had taken place to date, but that the infrastructure was in place, and the expenditures to date, were lower than had been projected.

Chairperson Cary Tessmann asked if the City could explain what the current TID's were proposed for, when the original projection date for the TID's closure was, the current closure projections and where the projects are in relation to spending? Mr. Ertl stated that TID No. 4 was in the Northwest corner of the City, north of Capitol Dr. and Gumina Road, and was an industrial based park TID. He added that there has no performance, but that the infrastructure was in place, and was a 15 year term that should expire 2029. Chairperson Tessmann asked if it was still planned to be retired in 2029? Mr. Scott stated that since the infrastructure was in place, there is still the possibility of it being able to still retire in 2029. Mr. Allgaier asked that if the debt was not able to be retired, or any development happens, then the debt would have to come out of the City's General Fund? Mr. Scott, said that was correct and the City would have to subsidize the debt. He explained that it was also the least amount of expenditures when the council approved, and in the end the City would have an infrastructure ready industrial site, and the City

subsidy would be minimal. Mr. Allgaier asked if like in some of the other TID's in Brookfield, if there were any guarantees made by the developer to create construction in order to cover the debt? Mr. Ertl, stated that there was no guarantees made in relation to TID No. 4.

TID No. 5 is the former Ruby farms property now known as The Corridor being developed by Irgen's. Mr. Cummings asked if there was a development agreement in place for the property. Mr. Ertl stated that there was a development agreement in place for all of the TID's in the City of Brookfield, but not all had development increment guarantees except for TID No.'s 6 & 7. Mr. Ertl explained that TID No. 5 was exceeding projections to date based on the development that has already occurred. Mr. Scott explained that the reason there was no guarantee for TID No.'s 4 & 5 was because the debt incurred was for public infrastructure and most of the debt was then tax-exempt. Mr. Ertl explained that the current completed construction included: Dick's Sporting Goods, Portillo's, a 2 tenant parcel, and a medical office building. Future development on the site includes: a 3 tenant building next to Dick's, 2 hotels, and Lifetime Fitness. Mr. Cummings asked about the potential office buildings that were to be located on the property? Mr. Ertl stated that, Irgens has expressed a desire to construct a 225,000 sq. ft. office building once they have enough leasing options to move forward with the project. He also explained that the site for the office building was where the City had been negotiating with Fiserv for their potential relocation. Mr. Cummings asked if there was any intention to amend the current plan at all? Mr. Scott, stated that the only potential issue that could cause the need to amend the current plan, would be if a parking structure related to the office building was needed, but at this point all the parking can be accommodated by surface parking. Chairperson Tessmann asked when it was planned to be closed out, and when the current expectation was to be closed out. Mr. Scott stated that it was expected to be closed out in 2029, and that is still the current projection, but that some of the increment levels for the new development may be conservative, and may allow for it be closed a year or two earlier. Mr. Allgaier stated that he thought some of the TID calculations assumed a level of new employment in the district, and if those goals were still going to be met with the change in the number of office buildings that are projected? Mr. Ertl, stated that the level of employment is not at the current projected levels, but the addition of LifeTime Fitness, would add to the employment levels. Mayor Ponto, added that if the office is built, it would be 225,000 sq. ft. rather than the 120,000 sq. ft. space that was intended for Fiserv.

TID No. 6 & 7 are related to the expansion of the Milwaukee Tool campus. TID No. 6 involved the construction of a 200,000 sq. ft. 4-story office building that exceeded their employment projects. It was expected to add 300-350 employees, and was a 15 year term for the TID that was created in 2015. Chairperson Tessmann asked if there was any anticipation for the TID to be closed early? Mr. Scott mentioned that it would depend upon values of the building, because the timing of construction was a little off based on TID creation timelines and assessments. Mr. Allgaier asked if the City had received any pushback from the developers on the project related to the development guarantees? Mr. Scott stated that no, there was no pushback related to that, and Milwaukee Tool understood the need for it. Mr. Cummings stated that more and more developer guarantees was becoming the norm across the County. Mr. Ertl stated that the exceeded employment expectations from TID No. 6 led to the creation of TID No. 7, which is currently under construction across the street from the TID No. 6 expansion, and also includes a developer guarantee. The development includes an 114,000 sq. ft. 3-story office building, creating 350 more jobs, with a 15-year term and was created in 2018. Mr. Ertl also mentioned that Milwaukee Tool has maintained that it strongly prefers to keep its campus in Brookfield, and the 124<sup>th</sup> St. corridor allows them a lot of the support services nearby, and ultimately induces reinvestment in the area. Mr. Rhode asked if both of the buildings were assessed by the state or by the City. Mr. Scott stated that the City assesses the properties because they are not considered manufacturing/industrial. Mayor Ponto added that in 2011 Milwaukee Tool had 300 employees in the City of Brookfield, and currently is at close to 1,300 and are the largest employer in the City. Mr. Ertl mentioned that Milwaukee Tool's CFO was on the Waukesha County Center for Growth board, and is able to help communicate some of the issues facing major employers today in Waukesha County.

TID No. 8 has a focus on the South end of Brookfield Square mall and the former Sears property. Chairperson Tessmann asked about the property division between the Hilton Garden Inn and the City's Conference Center. Mr. Ertl stated that the land and building for the Conference Center will be owned by the City, but will be operated by the hotel owner and operator. The other part of TID No. 8 relates to sidewalk public improvements along Moorland Road. Mayor Ponto added that after all of the hotels currently under development in the City of Brookfield, the City will be the area will have the 2<sup>nd</sup> largest concentration of hotels in the area. Mr. Scott handed out a line item sheet that showed the relative funds that were to be released to the taxing authorities based on the closure of TID No. 3 earlier this year.

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## Adjournment

*Motion was made by Mr. Glen Allgaier, and seconded by Mayor Steve Ponto to adjourn the Joint Review Board meeting. Motion carried 5 – 0. Meeting adjourned at 8:40 am.*

Next meeting: TBD