



MINUTES OF AN OFFICIAL MEETING: DRAFT

Regular Meeting: *Community Development Authority*

Date and Time: *Tuesday, June 22, 2021 at 4:15 pm*

Location: *Brookfield City Hall, 2000 N. Calhoun Rd, Brookfield, WI, 53005, Council Chambers*

Members Present: *Chairman Mayor Steve Ponto, Alderman Mike Jurken, Mike Faber, David Raysich, Gordon Rozmus, Greg Bauer, John Kersey*

Members Excused: *None*

Others Present: *Robert Scott - Director of Finance & Administration, Dan Ertl – Director of Community Development, Todd Willis – Economic Development Coordinator, Judie Taylor – Executive Director of Economic Development (Waukesha County Center for Growth-WCCG)*

1. Roll Call

Mayor Ponto noted a quorum present and called the Community Development Authority meeting to order at 4:18 pm

2. Announcements - None

3. Minutes of the April 1, 2019 Meeting

Motion by Commissioner Faber, second by Commissioner Rozmus to approve the minutes of the April 19, 2019 Community Development Authority. Motion carried 7 - 0.

4. Unfinished Business - None

5. New Business

- a. Re-approval of the “Guidelines for the Community Development Authority to recommend City assistance in a development or redevelopment project and the establishment of a Tax Increment District (TID)” dated June 22, 2021.

Director Ertl went over the proposed “Guidelines for the Community Development Authority” which are meant to help the Community Development Authority (CDA) make recommendations for City assistance related to a project or the creation of a Tax Increment District (TID).

Motion 1 - by Commissioner Faber, second by Commissioner Rozmus that the Community Development Authority has reviewed and generally accepts the proposed “Guidelines for the Community Development Authority to recommend City assistance in a development or redevelopment project and the establishment of a Tax Increment District (TID)” except numbers 1, 8, 14, and 15, with a final version to be the subject of further action at a later date. Motion carried 7 - 0.

Motion 2 – by Commissioner Rozmus, second by Commissioner Faber that the Community Development Authority postpone discussion and approval of certain “Guidelines for the Community Development Authority to recommend City assistance in a development or redevelopment project and the establishment of a Tax Increment District (TID)” numbers 1, 8, 14, and 15 (postponement limited to these items) after more subsequent deliberation. Motion carried 7 - 0.

- b. Staff Report: City assistance for a development project located within Tax Increment District Number 4 (TID # 4) in the form of a \$225,000 economic development grant to a manufacturer for a construction of a new facility within TID #4.

Director Ertl summarized the Staff Report submitted to the CDA for an economic development grant and relationship to the guidelines just approved. Mr. Willis explained that the Economic Development Committee discussed the use of CDA funds for an economic development grant at their meeting on June 21, 2021, and unanimously issued a letter of support.

Commissioner Kersey asked who the recipient of the CDA funds (Company or developer)? Mr. Ertl stated that negotiations had not reached that level, but Mrs. Taylor could speak on that. Mrs. Taylor stated that she believed in discussions was that the funds would go to the user not the developer, but that they would supply an invoice would be forthcoming on how it was used for the development.

Commissioner Faber asked how the amount was arrived at? And who proposed it? Mr. Ertl stated the proposed amount was a collaborative effort between City staff and WCCG. Commissioner Bauer asked about the fund the money was coming out of? History of the fund? And how it gets replenished? Mr. Ertl stated it was funded by City Room Tax dollars and sale of City owned property. Director Scott confirmed that, and added the fund is not currently a fund that is part of any replenishment, i.e. the funds are finite at \$316,000 at this time.

Commissioner Bauer asked Mrs. Taylor to explain the competitive market that is currently being seen? Mrs. Taylor explained that the market was extremely competitive with other site possibilities within Waukesha County for this development, and that Mr. Rizzo (developer) understood that and all parties worked to put the best offer forward. Commissioner Faber asked if there was still any competition with the end-user, even if the City agrees to the money or if this would put the project across the goal line? Mrs. Taylor stated this would put it across the goal line.

Alderman Jurken asked if there ways for funding any future opportunities that could come in the future? Mr. Ertl stated that if that were to happen, Director Scott and he would have to put their heads together and come up with a strategy to replenish the account. Director Scott stated that the City has not allocated tons of money for these types of things in the past, but with the hit the Economic Development Fund (i.e. room taxes) has taken from the COVID-19 pandemic, it would take some sort of Council allocation from other areas. Director Scott was asked if this development would make the TIF work? Director Scott stated that the development based on the Assessors estimates would be back in the black by 2024. Commissioner Faber asked if once the TIF caught up based on the increment created, if the City could get paid back from what paid from the general levy? Director Scott stated that it could, from an accounting perspective the City could advance funds to get repaid, and once the shovels are in the ground it will be more likely an option. Commissioner Faber said, that maybe it could be something that is put at the backend of when the debt obligations have been paid off.

Alderman Jurken asked if it made any sense to put a timeline on ensuring the funds and project get complete? Director Ertl stated that he felt at this stage in the game it might complicate things. Mrs. Taylor stated she believed that also, but that she would add that the end user is highly motivated about this project. Commissioner Kersey said that in the future it may be beneficial for the City to request its funds be the "last dollars" infused into the project. Commissioner Faber stated that he agreed and the City could create an escrow with draw requests. Mrs. Taylor stated the CDA could request that if the project is not completed that the City would be refunded its funds.

Commissioner Rozmus asked with the TID end date of 2029, how does that affect this project? Director Scott stated that it shouldn't. Director Ertl added that if needed Industrial TID's can remain open for 20 years. The developer (Rizzo) has described additional costs, and wants to be funded by the TID but City staff has relayed there are no funds left. So while the developer could come back to the CDA in the future asking for a Project Plan amendment, currently City staff has acknowledged that it has no current desire to amend the TID Project Plan.

c. Community Development Authority recommendation for Item 5.b.

Mayor Ponto stated that TID 4 has been the one problematic TID in the City, and that when the CEO of the company- Project Wild- called to say they chose Brookfield he was euphoric. It was stated in the call that the company was looking to get things started as soon as possible. So he felt this is a great project for the City of Brookfield, and when the announcement of the company can be made, the commissioners would be pleased.

Motion by Commissioner Kersey, second by Alderman Jurken to recommend approval for the Community Development Authority support an economic development grant made to Project Wild for \$225,000 for the construction of a 240,000 square foot manufacturing and office facility located within TID #4 conditioned upon:

- 1. The grant would only be issued to Project Wild once documentation that a "build- to-suit" and long-term lease agreement has been formally executed between Rizzo and Project Wild, provided to city staff in confidence.***
- 2. A copy of an invoice from Project Wild or Rizzo is provided to city staff that \$225, 000 has been spent on building construction (i.e. CAPEX). Preferably from Project Wild.***
- 3. If the project is not completed or Project Wild is not the end-user, the funds approved are to be refunded to the City.***

Motion carried 7 - 0.

6. Adjournment

Motion by Alderman Jurken, second by Commissioner Faber to adjourn the meeting at 5:02 pm.

Motion carried 7 - 0 unanimously.

Respectfully Submitted:

Todd Willis

Economic Development Coordinator