

Village of Weston, Wisconsin
SPECIAL MEETING OF THE BOARD OF TRUSTEES, COMMUNITY DEVELOPMENT AUTHORITY,
AND PLAN COMMISSION

held on Monday, July 16, 2018, at 4:30 p.m., in the Board Room, at the Municipal Center

AGENDA ITEMS.

1. Meeting called to order by President Ermeling at 4:30 p.m.

2. Roll Call by Recording Clerk Parker.

a. Board of Trustees

Roll call indicated 5 Board of Trustees members present.

<u>Member</u>	<u>Present</u>
Ermeling, Barbara	YES
Sparks, Wally	YES
Ostrowski, Kevin	YES
Maloney, Mark	YES
Xiong, Yee	NO – EXCUSED
Zeyghami, Hooshang	YES
Ziegler, Jon	NO - EXCUSED

b. Community Development Authority

Roll call indicated 7 Community Development Authority members present.

<u>Member</u>	<u>Present</u>
Zeyghami, Hooshang	YES
Maloney, Mark	YES
Berger, Scott	YES
Hagedorn, Todd	YES
Knopf, Michelle	YES
Jelmeland, Dave	YES
Winkels, Steve	YES

c. Plan Commission

Roll call indicated 7 Plan Commission members present.

<u>Member</u>	<u>Present</u>
Ermeling, Barb	YES
Zeyghami, Hooshang	YES
Gau, Duane	YES
Jordan, Joe	YES
Kollmansberger, Tina	YES
Mumper, Roy	YES
White, Loren	YES

Village Staff in attendance: Donner, Higgins, Trautman, Wodalski, Crowe, Wehner, Tatro, Maguire, Hodell, Huckbody, Yonker, Finke, and Parker. There was about 25 audience members present.

3. Public Comments.

None.

PRESENTATIONS.

4. Camp Phillips Centre Project Update – JSD and Forward Development Group

a. Proposed Project Schedule.

Justin Frahm, JSD Professionals, was present to discuss this topic. He explained how this project will include three large retailers, along with ancillary retailers and mixed-use development.

Regarding the environmental efforts, the DNR wetland report was submitted to the DNR on Friday, July 13th. We are mitigating the wetlands to the greatest extent practical, and are down to 22 acres of wetlands. The approval basis will be on the functional value of the wetlands, and no wetlands here have high functional value, just low and medium functional values. He pointed out the document will be available to the public.

Frahm pointed showed the current and future location of the ATC transmission line.

Frahm showed the proposed off-site improvements, which will affect Camp Phillips Road and STH-29, along with the phased development plan for the on-site improvements. He commented on how this is one of the largest projects seen by the DNR. As far as the submittal, the DNR now could ask for more information during the first 30 days, but have 90 – 135 days for the full review. This review is also being done by the Army Corps of Engineers. We have already requested that a public hearing be scheduled to keep the project moving.

With the permit now submitted, we are anticipating approval in late August or early September, then there will be a 3-way agreement signed with the developer, Village, and retailer.

Construction of building pads could start in mid-2019, then the retailer has 12 – 18 months for their build-out. Anticipating store openings the fall of 2019 into the spring of 2021.

Dennis Steinkraus, FDG, was present to discuss the land purchase efforts. He discussed how even with all the internet sales, retailers are still finding a need for their new buildings. Phase 1 will start with two large-box stores right away, and they do have interest from 2 key anchors. They are not at a point to start negotiations with the buyers. If all goes according to schedule, they expect a start for late fall, early spring for construction. He commented that the process with the DNR and Army Corps has taken a bit longer than expected. They will continue working with landowners and purchase options through July of 2019. He has more meetings set with interest groups.

Steinkraus explained to Zeyghami that while the online sales have had some impact, these retailers have the online ordering system worked into their business plans. He explained that the retailers will be doing their own construction, and FDG will take care of the building pad preparation, along with bringing in public utilities 10-25 feet into the property.

Steinkraus explained to Maloney there are 3 large retailers for sure, and others that are interested in the development.

Steinkraus explained to Mumper that once the approval is in, and commitments are signed, FDG will purchase the land, then have purchase agreements with retailers signed, followed by the development plat being recorded, followed by the property purchase closings with the retailers. There will be 3-way agreements signed with FDG, Village, and retailer to be sure all construction and costs are completed and paid.

Donner stated the Agreement commits the Village to do the offsite and onsite improvements before the retailers can come.

Ron Henschu, CFO of FDG, was present to discuss the financials. With there being municipal assistance provided with the improvements, for the protection of the developer and municipalities, the development agreements will be tied together through the MOU. Improvements on the Camp Phillips Centre until all agreements are in place.

Henschu commented on how in January, he met with staff on what to do to move this project forward, and how the longer this takes to get the project entitled, the more it will cost. They will enter into the MOU with the Village to address the financial component to make sure there is a clear agreement on the responsibility. Though there are many issues on this site, this is a good location for development of a regional shopping center. He said through this MOU the project improvements will be filed into 4 categories, amounting to over \$25 million:

1. Private On-Site Improvements (FDG) \$4,738,413
2. Public On-Site Improvements (FDG) \$3,759,421
3. Public Off-Site Improvements (VOW, WI, Marathon County) \$9,059,407
4. Other Eligible On-Site Project Costs (VOW) \$7,929,000
 - a. Wetland Mitigation
 - b. ATC Utility Relocation
 - c. ANR Utility Relocation

Henschu went over the timeline of events to occur being: Wetland fill permit, expecting issuance in September/October 2018; land entitlements, October 2018; start closing on properties, early to mid-2019; start clearing land, mid-2019; pad-ready sites available, late 2019; start construction of buildings, late 2019 – 2021; and highway infrastructure, late 2020 – 2022.

Henschu then went through the financial overviews of the overall project if done with and without assistance, where without assistance, they would have a net loss of \$5,063,177.00; and with assistance, they would have a net gain of \$2,936,823.00. He went through other key financial considerations.

Henschu explained to Gau the part of the incentive that the Village makes available to the developer, and how everything within the 160 acres is included.

Steinkraus explained to Maloney the number of projects FDG has completed and has ongoing. He stated though this is one of the bigger projects, but they have had larger ones compared to this. They are typically adding 2 – 3 new subdivision land projects on an annual basis.

5. Overview of Tax Incremental Financing, Redevelopment Planning, and the Villages Tax Incremental District #1.

Donner explained now we have heard from the developer (FDG) and the consultant (JSD), where the intent was to get the Board up-to-speed on where this is going. Now we will hear from our financial consultant (Ehlers) and planning consultant (MDRoffers).

Greg Johnson, Ehlers & Associates, spoke on the TIF District, explaining how a TIF District works, and how in a TIF District, the Village retains the revenue generated from those properties (not the local school district, County, or technical college), and how that money is used to benefit projects within that district. He then explained the “but for” test, when determining use of the TIF. Johnson went through some FAQ’s, explained in his presentation, and then went through the history of the Village’s TIF #1, which included the special legislation granted to the Village in 2015, adding an additional 10 years to the life of the TIF #1 district. He then explained how the CDA bonds were restructured in 2017, and how our TIF #1 deficit has been eliminated in 2018.

Johnson stated the next steps are to pursue a project plan amendment to add territory to the district, to increase TID eligible expenditures, and establish a redevelopment area #3 and corresponding blight findings.

6. TID#1 Project Plan Amendment & Redevelopment Area #3 Project Plan Update – Greg Johnson, Ehlers & Associates, and Mark Roffers, MDRoffers.

a. TID#1 Feasibility Report.

Johnson explained how the Village is preparing a project plan amendment for TID#1 to expand the boundaries of the TID and increase the eligible project costs within the TID. The Village has identified \$97 million of potential project costs within the TID. These potential projects are being added to the plan for eligibility purposes, though may not all actually occur, as the TID could not support all of these costs at this time. These potential project costs have been prioritized into 3 categories to determine what level of project costs the TID can support. Johnson explained the 3 scenarios being: Scenario #1 – no growth scenario; Scenario #2 – incorporates potential development within the TID; Scenario #3 – incorporates the same development assumptions as #2, except the valuation projections for Camp Phillips Centre are not reduced.

Johnson then explained the financial parameters established and the summary of financial scenarios, as described in his report.

Johnson explained the next steps are to use the financial analysis from the feasibility report to proceed with the project plan and boundary amendment. The project plan needs to be approved by the Joint Review Board (JRB) to add the additional project costs, so financing can occur.

Johnson went through the financial analysis and described the boundary amendment areas as shown in his presentation, which showed the areas to be added and the areas to be removed within TID #1.

Donner said the statement from FDG, of the \$9 million of assistance needed for the Camp Phillips Centre project, is justified. Johnson agreed there is room to support that cost.

b. Proposed TID#1 Boundary Amendment and Redevelopment Area #3 Boundary.

c. Timeline for Adoption of TID#1 Project Plan Amendment & Redevelopment Area #3 Project Plan.

Mark Roffers, MDRoffers, spoke on the redevelopment area boundary that is being added as part of County Road X Corridor Plan that was adopted in 2017. This plan covers County Road X, from Weston Avenue to Community Center Drive/Barbican Avenue/E. Everest Avenue. Roffers stated the Redevelopment Area #3 will be largely coterminous with the County Road X Corridor Plan.

Gau questioned the section of residential area on Schofield Avenue out to Von Kanel Street, there it does not appear there is a lot of increment that will be developed in that area, and questioned if it has been determined there will be much revenue coming from that section, as it is a mobile home park. Roffers stated there would not be a revenue increase here, unless there is significant redevelopment. Roffers stated by including this area in the TID, it gives the Village the opportunity to use the TID for any redevelopment. Roffers stated he and Johnson had projected one potential project that could occur between now and 2031 in this area, but nothing more beyond that.

Roffers stated if it is decided to proceed, the next step would be to get the JRB back together (for the first of two meetings with the JRB) in August. Roffers stated we would also like to get the CDA and BOT back together to do things related to the redevelopment and TID plan in August. In September, we would bring PC in to review the TID project plan. Roffers stated the CDA is the designated agency to hold the public hearing for the two plans. Roffers suggested this CDA public hearing be done in conjunction with a joint BOT meeting, where all documents can be approved the same night. The JRB would then come back together to approve the project plan in early October. We would like clearance from all bodies to go forward in amending the project plan for redevelopment.

White clarified this is our only opportunity to add potential future projects into this plan. If a future project comes up that is not included in this plan, it then would not be eligible to be financed with TIF funds.

Gau confirmed that Roffers and staff are recommending the plan as presented.

7. Discussion among Board and Commission Members and Direction to Proceed.

Higgins explained because regular CDA meetings are scheduled a day after BOT meetings, we would like to schedule an earlier joint meeting, before the regular BOT meeting, where both CDA and BOT could act together.

Higgins discussed the areas being added and removed from the TIF#1 plan. She stated staff wants direction from BOT, CDA, and PC to continue forward with scheduling the JRB meeting, and to then bring the documents to BOT, CDA, and PC to formally start the process.

Donner stated the key piece here is the environmental approval from DNR and Army Corps., and we have to do other things concurrently, like the plan amendment, ATC relocation, etc. Some things may change if the wetland permit comes back differently.

Steinkraus explained to Mumper other projects FDG has worked on.

Donner explained to Gau our DNR wetland permit application was submitted this past Friday (7/13/18). He stated he did receive an e-mail request for an update from the DNR during tonight's meeting.

White thanked all those who presented tonight, as this gets everyone together at one time, to hear the project.

The BOT, CDA, and PC were all okay with what was presented. Higgins stated we will continue forward then.

ADJOURNMENT

Ermeling adjourned the BOT, CDA, and PC meetings at 6:14 p.m.

Barb Ermeling, Plan Commission Chair & Village President
Jennifer Higgins, Director of Planning & Development
Valerie Parker, Recording Secretary