



CITY OF GLENDALE
JOINT REVIEW BOARD
5909 N. Milwaukee River Parkway
Glendale, Wisconsin 53209

This meeting is in person but will also be conducted via Zoom.

Remote: Zoom Meeting

<https://us06web.zoom.us/j/88295017045>

Meeting ID: 882 9501 7045

One tap mobile

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MEETING AGENDA

Wednesday October 12, 2022
2:00 p.m.

- 1) Call To Order / Roll Call,
- 2) Minutes of the April 20, 2022, meeting.
- 3) Appointments
 - a) Public Member – Lars Woehlke
- 4) Annual Report:
 - a) Discussion to review the 2021 Annual Report and the performance and status of Tax Incremental District No. 7.
 - b) Discussion to review the 2021 Annual Report and the performance and status of Tax Incremental District No. 8.
- 5) Adjournment.

NOTICE: Although this is NOT a meeting of the Glendale Common Council, a majority of Council members may be in attendance. No action or deliberation by the Council will take place.

Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals.

CITY OF GLENDALE JOINT REVIEW BOARD

Meeting Minutes

April 20, 2022

The Community Development Authority held at City Hall, 5909 North Milwaukee River Parkway, Glendale, Wisconsin and via Zoom conference call.

The meeting was called to order by Mayor Kennedy at 4:34 p.m.

Roll Call: Present: Mayor Bryan Kennedy; Mr. Jeff Pruefer, Nicolet School District; Ms. Calli Berg, Milwaukee County Economic Development; Ms. Alyson Weiss, Glendale River Hills School District; Dr. Elliot Moeser, Citizen of Glendale; and Mr. Mark Felsheim, Milwaukee Area Technical College. Absent: None.

Other Officials Present: Interim City Administrator Darrell Hofland; Deputy City Administrator Shawn Lanser; CDA Attorney John Fuchs; City Clerk Megan Humitz.

OPEN MEETING NOTICE.

Interim Administrator Hofland advised that in accordance with the Open Meeting Law, the local news media was advised on Thursday, April 14, 2022, of the date of this meeting; that the agenda was posted on the official bulletin board of City Hall, the Glendale Police Department, and the North Shore Library; that copies of the agenda were made available to the general public in the Municipal Building and the Police Department, and those persons who requested, were sent copies of the agenda.

ADOPTION OF JOINT REVIEW BOARD MINUTES.

Motion was made by Dr. Moeser, seconded by Mr. Pruefer, to approve the minutes of the meeting held on June 28, 2021. Ayes: Mayor Kennedy, Mr. Pruefer, Mr. Felsheim, Ms. Berg, Ms. Weiss, and Dr. Moeser. Noes: None. Abstain: None. Absent: None. Motion carried unanimously.

APPOINTMENTS

Motion was made by Ms. Berg, seconded by Mr. Felsheim, to appoint Mayor Bryan Kennedy as the Chairperson of the Joint Review Board and Dr. Elliot Moeser as the Public Member of the Joint Review Board.

REVIEW RESPONSIBILITY OF THE JOINT REVIEW BOARD

CDA Attorney John Fuchs provided a brief description of the responsibilities of the Joint Review Board.

COMMUNICATIONS, APPLICATIONS AND PETITIONS.

Consider approval of a resolution extending the life of Tax Incremental District No. 8 for three years pursuant to Wisconsin State Statutes 66.1105(7) (am)4.

Interim Administrator Hofland stated in 2002, Tax Incremental District (TID) No. 8 was created for the development project commonly known as Bayshore. Following an economic downturn and abandonment of the property in 2017 by the owner/developer, the developer's lender took title of the property in lieu of foreclosure. The City, the Community Development Authority and Bayshore entered into an Amended and Restated Development Agreement effective as of August 1, 2019 pursuant to which Bayshore's owner/developer agreed to defease \$58.6 million in bonds previously issued by the City and CDA in consideration of the City and CDA's agreement to, among other things, pay all available tax increment from TID No. 8 to the owner/developer. Subsequently, an amendment to TID No. 8 project plan was approved which recognized, as eligible TID expenditures, the payoff of all Glendale outstanding debt associated with the TID - \$41.7 million. The amendment also extended the life of TID No. 8 to August 26, 2033 and added additional property to TID No. 8 (formerly portions of soon-to-be closed TID No. 6).

In 2013, a law – Wisconsin Act 145 was approved which provided property tax relief aid to technical colleges. Consequently, the State legislature approved 66.1105(7)(am)4.a which allows for municipalities to request the Joint Review Board to extend the life of a TID an additional three years if the annual and total amount of tax increments over the remaining life of a TID were adversely impacted by Wisconsin Act 145 and provides supporting documentation.

In an analysis by Bradley Viegut, Managing Director, Baird, a \$1+ million negative impact to date on TID No. 8 due to Act 145 was identified. In an analysis by Cypress Equities, developer of Bayshore, a projected shortfall of TID No. 8 being able to cover its project cost within the current calendar year 2033 closure was identified.

At their March 28 meeting, the Glendale Common Council and the Community Development Authority approved the “Joint Resolution of the Common Council and the Community Development Authority of the City of Glendale Requesting Extension of the Life of Tax Incremental Financing District No. 8 per Wisconsin Statute Section 66.1105(7)(am)4.a.” Staff recommends approval of the resolution.

Dr. Moeser questioned what the financial consequences are there of this action for the city, as well as what the technical college extension impact is on the individual property owner/taxpayer. Attorney Fuchs stated the financial consequences are all things which have already occurred and going forward this action will benefit all involved. Through the extension, Bayshore will have the opportunity to work towards recuperating a portion of their \$43 million in expenses and debt, while allowing the City to work as a partner with Bayshore and Cypress Equities. There is no immediate impact on the individual property owner/taxpayer. Overall, there will be a positive impact on the taxpayer because when the TID closes the asset is expected to be worth more than it currently is worth, and hopefully closer to its original goal of \$300 million.

Mr. Pruefer questioned why this extension was not done in 2019, and instead waited until now. Attorney Fuchs stated in 2019 Bayshore was straddled across TID 6 and TID 8. After closing out TID 6, restructuring TID 8 and working with the DOR to settle the base value for the TID, the

COVID-19 pandemic hit and had a larger impact than expected in March 2020. The three-year extension will provide extra time to work to recoup some of the losses toward the \$43 million, but it is likely Bayshore will still be \$25 million short of being made whole. Mayor Kennedy added there have been numerous improvements and renovations to Bayshore that are not included in the \$43 million figure.

Ms. Weiss raised the question if there is the potential for any additional extensions down the road. Attorney Fuchs stated at this time, all current law extensions will have been exhausted.

Attorney Fuchs recommended forwarding a copy of the Common Council and CDA resolutions to the Department of Revenue, along with the resolution from the Joint Review Board.

Motion was made by Dr. Moeser, seconded by Ms. Berg, to approve the Tax Incremental District (TID) Technical College Extension Resolution for TID No. 8. Ayes: Mayor Kennedy, Mr. Pruefer, Mr. Felsheim, Ms. Berg, Ms. Weiss, and Dr. Moeser. Noes: None. Abstain: None. Absent: None. Motion carried unanimously.

Review draft Project Plan for Tax Incremental District No. 9

Mr. Todd Taves, Ehlers representative, stated in late 2021, the City of Glendale was approached by a developer, Weas Development Company, who was interested in the redevelopment of several blighted properties at the southeast corner of North Green Bay Avenue and West Civic Drive. Weas Development Company has entered into agreements to purchase 6.37 acres for the planned 2022-2023 construction of a 109,000 square foot office and research building. The development is expected to result in the employment of 200 new employees in Glendale at this new building. A Project Plan has been created by Ehlers, Waukesha, WI. The Project Plan identifies that the estimated taxable value (land and improvements) of the project is \$21.8 million.

The estimated total TID project cost expenditures are approximately \$4.25 million of which:

- \$945,000 in public infrastructure projects
- \$3,100,000 in development incentives,
- \$80,000 in interest on long-term debt, and
- \$123,000 in administrative cost related to the creation and administration of the TID

The \$3.1 million in development incentives is intended to offset extraordinary costs associated with the impact of the site's contaminated and unstable soils. The extraordinary costs involve the building construction, parking lot construction, stormwater management facilities, and removal and property management of contaminated soils. Without the TID projects and related costs including development incentives, the development would not occur. The economic benefits of the development are sufficient to compensate for the estimated project cost expenditures. The benefits outweigh the anticipated tax increments to be paid by the property owner in the district.

Mr. Moeser raised the question if there is a limit on how many TIDs a municipality can have. Mr. Taves and Mayor Kennedy confirmed there is a limit, however Glendale currently only has two TIDs. Bayshore is a pay-as-you-go and the Tech District is at approximately \$14 million, with an anticipated closed date of 2027 or 2028.

Mayor Kennedy questioned what would happen if there is a significant increase in costs beyond the estimated \$945,000 for improvements, and whether the end date could be extended. Mr. Taves stated this would be addressed in the development agreement. Attorney Fuchs added if this was necessary it would either reduce the amount of the payments to the developer or extend the life of the payments.

Mr. Pruefer raised the question of what makes this a “blighted area” as it does not appear as such on any maps. Mayor Kennedy stated this area is all a former landfill, and the area which currently houses a business will become part of one certified survey map. The business is currently being sold and acquired by the developer. Mr. Pruefer questioned if the developer has a planned tenant for the research and retail space at this location. Interim Administrator Hofland confirmed a tenant is planned but has been disclosed at this time.

Motion was made by Dr. Moeser, seconded by Ms. Berg, to schedule Joint Review Board meeting on May 26 at 2:00 p.m. for review and possible action on a resolution to create TID No. 9. Ayes: Mayor Kennedy, Mr. Pruefer, Mr. Felsheim, Ms. Berg, Ms. Weiss, and Dr. Moeser. Noes: None. Abstain: None. Absent: None. Motion carried unanimously.

ADJOURNMENT.

There being no further business, motion was made by Ms. Berg, seconded by Mr. Pruefer, to adjourn the meeting. Ayes: Mayor Kennedy, Mr. Pruefer, Mr. Felsheim, Ms. Berg, Ms. Weiss, and Dr. Moeser. Noes: None. Abstain: None. Absent: None. Motion carried unanimously, and adjournment of the Joint Review Board was ordered at 5:15 p.m.

Megan Humitz
City Clerk



5909 North Milwaukee River Parkway
Glendale, WI 53209

SUBJECT: Discussion to review the 2021 Annual Report and the performance and status of Tax Incremental Districts

FROM: Shawn Lanser, Deputy City Administrator

MEETING DATE: October 12, 2022

FISCAL SUMMARY:

Budget Summary:	N/A
Budgeted Expenditure:	N/A
Budgeted Revenue:	N/A

STATUTORY REFERENCE:

Wisconsin Statutes:	66.1105(4m)(f)
Municipal Code:	N/A

BACKGROUND/ANALYSIS:

Reports for Glendale Tax Incremental Districts are to be reviewed by the Joint Review Board annually. Those reports are attached for your review.

TID #7 has outstanding debt and projects to close in 2028.

TID #8 is a pay-as-you-go TIF that contributes available TIF increment to the developer. The developer incentive was extended from 2033 to 2036 earlier this year by extending the maximum life of TIF #8.

RECOMMENDATION:

There is no action being requested.

ACTION REQUESTED:

Motion to place reports on file.

ATTACHMENTS:

1. [2020 Annual Report for TID #7.](#)
2. [2020 Annual Report for TID #8.](#)
3. [Outstanding TID debt as of December 31, 2021.](#)