

**Minutes of the Board of Public Works Meeting  
Tuesday, December 10, 2019, 11:00 a.m.  
Council Chambers**

**MEMBERS PRESENT:** Mayor Kaufert, City Attorney Godlewski, Director of Finance Easker, Director of Community Development & Assessment Haese and Alderpersons Bates & Lang. Director of Public Works Kaiser was excused.

**ALSO PRESENT:** Deputy Clerk Cheslock and Deputy Director of Community Development & Assessment Schmidt.

Mayor Kaufert called the meeting to order at 11:05 a.m.

**MINUTES:** MSC Godlewski/Bates to approve the minutes from the November 26, 2019 meeting, all voting aye.

**APPEARANCES:** None.

**UNFINISHED BUSINESS:** None.

**NEW BUSINESS:**

**Community Development:**

**Development Agreement – First Addition to Integrity Acres Subdivision:** Deputy Dir. Schmidt advised that the Department of Community Development and Assessment received a final plat for the First Addition to Integrity Acres subdivision. As with all new subdivisions, City staff and the developer have negotiated a Development Agreement which outlines the roles and responsibilities in terms of the installation of public infrastructure and the required fees the developer owes the City. The proposed plat includes 27 single-family residential lots located west of Integrity Way and south of County Highway G. The land is currently zoned R-1, Single-Family Residence District. The average lot size is approximately 24,500 square feet which exceeds the minimum lot size for single-family residential lots. The Developer is responsible for installing public utilities (water, sanitary, and sewer). Water main is proposed to be oversized to accommodate future development north and west of this development. The costs associated with oversizing the water main will be reimbursed to the developer. The City will inspect the installation of those utilities prior to accepting them as public. Additional costs, such as the gravel street maintenance and future sidewalks, are held in an escrow account. The Developer is responsible to pay for the following items: Subdivision Fee (\$1000/acre) - \$18,235; Oversized Sanitary Sewer Fee (\$1000/acre) - \$18,235; Street Trees (\$150/lot) – \$4,050; Storm water Management Fee (\$200+\$75/lot) - \$2,225; Oversized Water Main Deferred Special Assessment on Integrity Way (\$22,418); Inspection Fees (Billed to Developer) – Water Inspection (\$2500) and DPW Inspection (\$4800); and Escrow Payments (Held by City until Final Street and Sidewalks are installed)– Gravel Street Maintenance (\$27,110) and Sidewalks (\$53,350). The City will reimburse the developer for the following items: Oversized Water Main Installation; ½ of the water and sanitary main on Honor Street (Held as a deferred special assessment on land west of the street); Laterals on west side of Honor Street (Held as a deferred special assessment on land west of the street); Public Storm water (Costs above \$5000/acre); ½ of purchase price for land that will become Honor Street (Held as a deferred special assessment on land west of the street); and Sanitary Sewer Main on Honor Street where depth exceeds standard 13-foot depth. The Developer can elect to pay the development fees and deferred special assessments at time of each lot closing. The total of all the fees

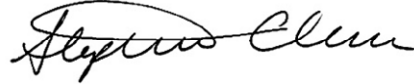
minus any reimbursements is \$46,928.22 or \$1,738.08 per lot. The Committee discussed the gravel road installation. The road will be gravel instead of a temporary street because the lots are predicted to sell quickly and they will therefore be able to install the final street in just a few years instead of much later, which will save roughly \$100,000 on the overall project. Sidewalks may be installed as lots are sold by the developer. The TARF does not affect new developments and therefore homeowners will be special assessed on the final road installation. This Development Agreement was also discussed at the December 9<sup>th</sup> Finance and Personnel Committee meeting. **MSC Easker/Haese to recommend Council approve the Development Agreement for the First Addition to Integrity Acres Subdivision as present, all voting aye.**

Development Agreement – Dr. Jeffrey Keesler, 977 South Green Bay Road (Burger King): Dir. Haese advised Jeffrey Keesler, a local orthodontist, has expressed interest in constructing a new office and possible commercial space on the former Burger King property at 977 S. Green Bay Road. As you know, the property was recently vacated and is quickly falling into a state of disrepair. Staff has met with Dr. Keesler and his representative to discuss the project, the challenges with its redevelopment, and possible assistance the City may offer to facilitate the transformation of the property. Recognizing the value redevelopment will have to this site and the Green Bay Road corridor, staff negotiated the key points of a Development Agreement for the project. The structure of the Agreement would be a developer financed or pay/go agreement, which requires all expenditures to be made by the Developer. The City provides no direct dollars to the project other than those provided as an incentive payment once the project is complete. Due to tight timelines, a full Agreement has not been prepared, however, the primary components of the Agreement would include the following: The project would provide a minimum value increment of \$800,000; The Developer would be provided the opportunity to provide shortfall payments should the increment fall below the minimum value increment required; The City would provide an annual assistance payment of 90% of the additional tax increment collected from the property to an overall maximum of \$100,000; and the payments would be provided for a maximum of six years beginning in the year following full occupancy of the building, which shall be no later than December 31, 2022. The development assistance is being provided to support the demolition of the existing structures, construction of storm water treatment facilities, environmental testing and remediation and geotechnical evaluations. Additionally, the new project is anticipated to create four to six new technician level jobs. Assisting with this project will not only remove the obsolete structures from the site, but will also negate the potential that the building becomes reoccupied with a less than desirable tenant. Construction of the new building is anticipated to begin in mid-2021. The Committee discussed the fact that this property is already a part of the TIF, the lifetime of the TIF, and how staff determines which businesses/[properties are eligible to receive TIF funds. The Committee requested that staff discuss the possibility of the Development Agreement including language that requires the demolition of the current structures by the fall of 2020 and language that limits the inheritability of the incentive payments, meaning if the property were to sell during the incentive period, the incentive would not be paid out to the new owner. This item was also discussed at the December 9<sup>th</sup> Finance and Personnel Committee meeting. **MSC Godlewski/Bates to recommend Council authorize staff to prepare and execute a Development Agreement with Jeffrey Keesler, with the noted terms, providing TID #7 assistance for the redevelopment of 997 S. Green Bay Road, all voting aye.**

**ADJOURNMENT**

**MSC Godlewski/Haese to adjourn at 11:41 p.m., all voting aye.**

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Stephanie Cheslock". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Stephanie Cheslock  
Deputy Clerk