

P. McGlenn called the meeting to order at 3:30 p.m.

1.0 ROLL CALL – Vice Chair P. McGlenn, M. Bennett, K. Meleski, R. Murphy present. Chair B. Shaw, H. Speranza and R. Stollenwerk absent and excused. Executive Director/Secretary S. Kulik. Village President D. Besson, Audience (2).

2.0 PUBLIC COMMENT –None.

3.0 CONSENT AGENDA

3.1.1 Motion (Meleski, Murphy) to approve minutes of July 18, 2018; unanimously approved.

4.0 GENERAL BUSINESS

4.1 Potential new development and the creation of tax incremental district (TID) in the area north of West Janesville Road and east of STH 100. The Authority did not enter closed session as noticed pursuant to Wis. Stat. § 19.85(1)(e), to deliberate upon and to consider the negotiation of potential property acquisition/relocation costs and developer proposal(s), with regard to potential new development and the creation of a tax incremental district in the area north of West Janesville Road and west of STH 100, no discussion on this topic as application has not been received.

4.2 Bosch/Brewpub Developer Agreement and Project Update: Richard Putlitz, W265S8555 Rustic View, Mukwonago, Richard Lincoln, 761 E. Lexington Blvd, Whitefish Bay addressed the Authority regarding a potential TID project for the Bosch, Brewpub and Banquet facility proposal. R. Putlitz commented on history of the proposal for the entirety of the Bosch properties and to go big and develop the entire area. Delays developed from both the Village and developer side for various reasons. The construction on HWY 100 and his agreement with the DOT required him to focus his energies on the relocation of the Bosch rather than the Brewpub as was the original plan. He never fully understood his role in the process of developing a TID and anticipated the Village would be doing more to get this done however now he has engaged Richard Lincoln to assist in the process. If he were to do the project without TID assistance, he would barely break even if at all. He needs assistance and guidance in developing a timeline and which steps need to be done when. R. Lincoln addressed the Authority. Discussed his history involving the project related to the relocation funding approved in 2016. The moving of the Bosch was a moving timeline and finally got approved which caused a shift in the entire concept of the project. Doing the Brewpub was incorporated into the 2016 agreement to make the 15% contribution requirement under the Village TID concept. He presented a concept plan from Vandewalle from years past which showed not only the Bosch and Brewpub but a strip mall area which no longer makes sense due to parking constraints. New proposal is an expansion of the Bosch Tavern to include banquet facilities along with the Brewpub with an outside beer garden. There is no longer any proposal on the strip mall along highway 100. Total as now proposed is a \$4.5 million dollar project. The plan from three years ago has been modified as the parking requirements under the Village code due to the banquet facilities consume the space that had been intended as the strip mall. R. Lincoln commented that the “but for” test required by state law requires the analysis by financial advisors such as Ehlers and he has compiled his estimate and believes this project meets that criteria that without the financial assistance of a TID this project will not go forward. The question is whether the CDA supports the concept of TID for this area. The project is intended to be a pay-go TID and is not intended to be bond funded. The pay-go places all the risk on the developer versus the Village. R. Lincoln provided committee with a letter from Home

Financial stating support for the project due to the long standing relationship with the developer but is not a firm commitment and is intended to show the banking intent going forward. S. Kulik commented that the project plan includes renovations to the Bosch and it has been declared a historical landmark and the Village TID program prohibits financial support for buildings of this type and requested to have some idea of what type of financial assistance they are anticipating be returned to the developer under the pay-go. P. McGlinn commented on what the anticipated total increment would be. R. Lincoln commented that the funding request was based upon the development costs at this time and perhaps the TID boundaries can be expanded to include the beauty shop and the homes on 109th Street including the one parcel R. Putlitz does not own and that he ball parks it at \$70,000 to \$70,000 per year and the life of the TID can be 27 years but he understands the Village would likely not agree to that length of time. R. Murphy requested clarity on which parcels the developer already owns. R. Putlitz indicated all but the second home from the alley he already owns and the homes are rental property. Further, he demolished the homes on the vacant parcels several years ago in anticipation of the larger project concept. P. McGlinn commented on the changes project plan that had the strip mall and the barbeque bus. R. Putlitz indicated he did and still has the bus. R. Lincoln also commented that the strip mall was getting into business outside of R. Putlitz's area of expertise and he has decided to stick to what he knows which is a sound business decision in his opinion. S. Kulik commented that the change is due to parking limitations and the proposed banquet facility parking requirements. R. Lincoln asked for clarification on the market study requirement that has been discussed with Ms. Kulik and whether the CDA was going to request that. S. Kulik commented that the language says "must" not "may" and while she will confirm this with the Village Attorney, she believes he will concur that the study must be done. R. Putlitz inquired whether the CDA or the Village Board could waive the requirement. S. Kulik commented that she would clarify it with the Village Attorney but the TID application does not have a "waiver" section on the submission requirements. P. McGlinn commented he would like to see the business plan for the brewpub and Bosch and that the banquet facilities aren't anywhere else nearby. P. McGlinn inquired whether a Planned Unit Development (PUD) is going to be proposed as he would prefer that the parking be in the back lots as opposed to on 108th Street so the store fronts could be developed instead. R. Putlitz commented that the condemnation of the property he doesn't own would be needed to address the original idea of storefronts. R. Murphy commented that taking the high visibility asphalt parking lot and shielding some of it with storefront could also offset costs for the development. R. Lincoln commented that expanding the business that Mr. Putlitz has had success with makes more business sense than getting involved in the retail space aspect with which he has no experience. R. Putlitz commented that without Village condemnation of the house he doesn't own the project as originally proposed is not feasible and the owner of that home was vehemently opposed to any strip mall development. R. Lincoln commented that friendly condemnation has tax benefits but this doesn't sound like an option on this parcel. M. Bennett question on whether parking as proposed is the minimal requirement. R. Putlitz commented that as submitted it is the bare minimum. S. Kulik commented that the Bosch with the banquet facility and the brewpub cause the parking problem, especially the banquet area and the minimum required parking. M. Bennett commented that she is exploring other options that may not be the entire strip mall but some other limited ideas that could remove the 108th Street parking lot and it need not be retail but some visual aspect that breaks up the wall of parking. P. McGlinn stressed the value of the increment as this is the hottest corner in Hales Corners and perhaps contacting Mid America to see if they have any interest in spec retail on the site. D. Besson commented that the Village is pretty clear that they do not want all asphalt. R. Putlitz commented

that he would need a commitment from the Village on the condemnation in order to address that concern. S. Kulik advised the Authority that what needs to be done is to let R. Putlitz know whether they support the TID concept. P. McGlinn commented that yes, but is there more than what has been proposed. R. Lincoln stated that they would have 2 caveats; 1) Village condemnation on that parcel and 2) that the larger scope could push the project out even farther. R. Putlitz commented that he has lost 40% of the business from the construction along the road way and now is the time to get the brewpub up while the State finishes the highway. R. Murphy commented that it is a great opportunity for the Village and that the financials need to be there to support it. Further, based upon the plans show being from 2016, his concern is that it has been sitting around for 3 years, and good planning on how it moves forward and there shouldn't be finger pointing as to why it's and it doesn't seem like there is a high desire to get this done timely. Also, the last time the CDA met was in July of 2018 and he wants to know why this doesn't seem to have a higher priority on Mr. Putlitz's schedule. R. Putlitz commented that he needs to do a little finger pointing in order to explain it. The brewery was supposed to go first and then deal with the tavern but the Highway 100 project timeline advanced and he needed to react to their requirement to move the Bosch. Also, he had been to the Plan Commission 4 or 5 times to get the brewery done until Graef was brought on to move that forward. Had he opened the Brewery and had the construction project on Highway 100 loss of business he would have drowned and lost the whole thing. R. Murphy stated he would welcome the TID application and he has had many comments from the public about what is going on at the site. R. Lincoln commented that he will be more involved and insure the project moves forward. S. Kulik commented that penalties or other items to insure its completion will be put into the developer's agreement. P. McGlinn questioned S. Kulik on total TID's in Hales Corners. S. Kulik commented that TID #3 will close this summer and the only open TID is TID #4 at approximately \$12 million. At the 12% threshold there is ample room for another district. K. Meleski commented that he had seen the original plans in 2016 and that he does not want to see it drift away and that he wants to see something happen there. R. Murphy question on whether they have looked at any other plans if the development went around the parcel you don't own. R. Lincoln commented that they had not. R. Murphy commented that they could build a "temporary" solution that eventually incorporates the parcel as the project goes down the road 30 years from now and include the alleyway. P. McGlinn commented that what the developer should be hearing is that the CDA is in favor of a proposed TID and to look at the overall boundary of the TID to include a larger plan development. M. Bennett agreed but restated her desire for the Highway 100 long span of parking be revisited to a more attractive view from that side. K. Meleski questioned how long the gray map area would take to complete. R. Putlitz commented that with the TID it would take a year and be anticipated to be complete with the finalization of the Highway 100 project and the time is now to do this. S. Kulik question on if consensus is reached how soon they would submit the TID application. R. Lincoln indicated March 1 with a caveat that the market study may follow shortly after.

4.3 STH 100/ USH 45 Corridor re-development opportunities Redevelopment Opportunities – S. Kulik commented that this is a standing item and the discussion that was just had regarding the Bosch site covers this topic for this evening.

4.4 TID #4 – Festival Foods Project Update

4.4.1 Request for reduced total square footage under developers agreement with ChiFest Properties Hales Corners LLC. - S. Kulik commented that another meeting needs to be scheduled soon as the Festival developer is requesting to reduce the size of the store by approximately 10,000 square feet but that the cost to build it is anticipated to be the same which requires an amended developers agreement. Further, the

developer agreement required the liquor area to be “walled” off from the rest of the store and the letter from Mr. Aspenson indicates that it will be incorporated into the store itself. She reported that the designer indicated it would be walled on three sides with a gate to shut it off from the rest of the store and that there would be no end cap alcohol displays. R. Murphy request for copy of original developer agreement. S. Kulik to email members with that document attached. P. McGlenn question regarding whether Outlook has any interest in the matter. S. Kulik commented that they do not, the property is sold to ChiFest and they have divested themselves of the now Burger King property as well and all they own in the TID is the strip mall. The TID has had \$2.6 million in incremental growth and the Festival project has not even begun.

- 5.0 **SET NEXT MEETING DATE** – recommended meeting date to be February 13, 2019 at 6:30 p.m.
- 6.0 **ADJOURNMENT** – Motion (Bennett, Meleski) to adjourn at 8:15 p.m.

Sandra M. Kulik, Executive Director/Secretary