



MINUTES OF A **REGULAR COMMON COUNCIL** MEETING OF THE 32ND COMMON COUNCIL HELD AT 7:00 P.M., TUESDAY, **APRIL 3, 2018**, IN THE COUNCIL CHAMBERS OF BROOKFIELD CITY HALL, 2000 N. CALHOUN ROAD, BROOKFIELD, WISCONSIN

Mayor Ponto called the meeting to order at 7:00 pm.

PUBLIC COMMENT: Martin Shubilske, 2360 Hillsdale Dr. E., spoke against tax incremental funding.

ANNOUNCEMENTS: The next regularly scheduled Common Council meeting is April 17th at **7:00** pm

COMMON COUNCIL ROLL CALL: Deputy City Clerk Renee Tadych called the roll and noted the following members in attendance.

14 ALDERMEN PRESENT: Dan Sutton (participated via teleconference call at approx. 7:21 pm), Bill Carnell, Bob Reddin, Rick Owen, Jeff McCarthy, Ron Balzer, Edward “Buck” Jurken, Gary Mahkorn, Scott Berg, Christopher Blackburn, Jerry Mellone, Renee Lowerr, Lisa Mellone

ALDERMAN EXCUSED: none

STAFF PRESENT: City Attorney Karen Flaherty, Director of Finance Robert Scott, Deputy City Clerk Renee Tadych, Director of Community Development Dan Ertl, Fire Chief Charlie Myers, Police Chief Dan Tushaus

PLEDGE: Alderman Rick Owen led the Council in the Pledge of Allegiance.

PRESENTATION: 7th District Alderman Lisa Mellone was commended for 12 years of service upon her decision to not run for re-election.

CALL TO ORDER the SPECIAL MEETING of the PLAN COMMISSION

Mayor Ponto called the Plan Commission to order and noted a quorum of four members were present.

4 PLAN COMMISSION MEMBERS PRESENT: Mayor Steven Ponto, Alderman Mark Nelson, Alderman Rick Owen, Alderman Gary Mahkorn

3 PLAN COMMISSION MEMBERS EXCUSED: Rich Tennessen, Paul Wartman, Mike Smith

Plan Commission Action:

1) Staff Report: Request to create Tax Increment District Number 8 (eight) and the associated Project Plan to identify Project Costs for the construction of the Brookfield Conference Center including land acquisition, infrastructure and site improvements, sidewalks and streetscaping, environmental remediation, demolition, and professional consultant fees.

Director of Community Development Dan Ertl **Previously Reported:**

1. On December 19, 2017, the Common Council adopted Resolutions supporting a series of documents that will lead to the construction of the Brookfield Conference Center to be located at the southern end of Brookfield Square Mall. The Conference Center will include an approximate 18,000 sq. ft. ballroom, a 6,000 sq. ft. junior ballroom and other meeting venues to capture the unserved need in the

region for small to medium sized events. An adjacent/adjoining Hilton Garden Inn Hotel (HGI) will be built consisting of about 170 rooms.

2. The City is acquiring about 9.5 acres of land for the project and will sell 2.5 acres of the 9.5 acres to the hotel developer who will manage the Conference Center for the City.

3. The specific location for the facilities is the former Sears Tire and Battery Auto Center. This building will be razed and most underground utilities crossing the property will need to be removed and relayed. The southern mall ring road serving the center and the mall will be rebuilt at significant costs.

4. These Conference Center and hotel uses will help transform the southern end of Brookfield Square Mall and will blend synergistically with the redevelopment that the mall owner plans for the balance of the Sears property. Adjacent to the Conference Center and HGI, a new theater, an entertainment venue, restaurants and a few mall shops will replace the Sears department store. All of this redevelopment and the City's project are highly consistent with the redevelopment goals that the City has sought for the Brookfield Square-Executive Drive Redevelopment Area, as identified in the *2035 comprehensive Plan*, the neighborhood Targeted Investment Area (TIA) plan for the area, and the Project Plan of Tax Increment District No. 3 created in July 2004.

5. The City hopes to finance the Conference project from revenue sources that do not burden the general taxpayer. To this end, the financial models put in place principally rely upon hotel room taxes to retire any City debt incurred in the project. However, due to the complexity of the Conference Center project components, some of which includes environmental remediation costs and significant utility and road reconstruction costs, City staff has recommended that the City use TID No. 3 Project Costs to also finance some of the project components including land acquisition.

6. In order to remove any concerns relative to the use of TID No. 3 Project Costs for the Conference Center project, City staff recommends that the City amend the Project Plan and its boundary to clearly identify the use of funds for the project for the time needed to retire any debt. The balance of TID No. 3 could then continue on its normal course and calendar or be dissolved.

Newly Reported:

1. The City staff presented a draft TID No. 3 Project Plan Amendment, including adding territory to the District to fully include the Conference Center site in TID No. 3 and finance the associated land acquisition to the Joint Review Board (JRB) on February 28. City staff was directed by the JRB to pursue a different path to finance the Conference Center components outlined above rather than using the unexpended TID 3 funds. The JRB also recommended that we close TID No. 3 in 2018. In doing so, the City would distribute the remaining fund balance in the District, consisting of about \$5.5m, after economic development grants are paid to Wimmer Communities for The Artisan apartment project and CBL & Associates Properties, Inc. for the Sears redevelopment, to the four taxing districts. Approximately, \$1.7 m would be available to the City from this fund balance. Lastly, the JRB suggested that they could support the creation of a new, smaller TID (i.e. TID 8) for purposes of achieving the City's goals to finance a portion of the Conference Center components with tax increment financing. Generally, it is presumed that the District would be limited to the 29 care Sears parcel.

2. The City cancelled the anticipated public hearing to amend TID 3 as described above and

replaced such with a new public hearing held March 14 limited to listing the grants made available to Wimmer Communities and CBL as amended TID 3 Project Costs. The Common Council approved this modified amendment to TID 3 on March 20, 2018. The Council will review the concept to close TID 3 this year at the April 3 Council meeting.

3. The Council will also review the suggestion to create TID 8 at the April 3 meeting and authorize its associated public hearing. The District would need to be created by the anticipated real estate closing for the Conference Center land purchase scheduled for June 29. The staff has outlined a calendar to achieve this action and the CDA meeting March 27 is the first step.

4. The general parameters for the creation of TID 8 that would inform the preparation of an associated Project Plan would be:

- An approximate 29 acre district, i.e. all of the Sears parcel including the Conference Center and hotel site.
- New tax increment would be generated by the hotel of about \$12-14 m, the net new \$22 m value promised in a development agreement by CBL for the Sears redevelopment and any other unexpected growth in values on the Sears parcel.
- Project Costs would include TIF qualifying expenses of land acquisition, infrastructure and site improvements, sidewalks and streetscaping, environmental remediation, demolition, land acquisition, and professional consultant fees.
- Term of District – TBD.

5. Also since the staff briefed to Council in February, an announcement was made publically that the Toys R Us (TRU) store located directly south of the Sears parcel will be closing. City staff asserts this property will be likely be marketed to find a new tenant of the building and lands sold for a different use. While it may seem judicious to include the TRU parcel in the new TID, the staff is not prepared, at present, to identify any specific plans for Project Uses and include such in the new TID. Other reasons to not include the TRU parcel at this time include the fact that the building was built in 1984 so presumably there will be no asbestos or lead based paint to remediate/abate, or typical TIF eligible costs. Also, a vacant TRU building could be counterproductive for increment production in the new TID in an owner asserts a reduced value at the TRU parcel is justified, e.g. a reduced base value under the “Dark Store” theory for the TRU parcel would decrease the increment value produced in the TID.

Recommendation: Recommend the scheduling of a public hearing to create Tax Increment District Number 8 (eight), establish its boundary and the associated Project Plan to identify Project Costs.

No action was taken.

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2) Motion by Alderman Mahkorn, seconded by Alderman Owen, for approval of the Plan Commission Recommendation: Request for a public hearing to create Tax Increment District Number 8 (eight) and the associated Project Plan to identify project costs for the construction of the Brookfield Conference Center including land acquisition, infrastructure and site improvements, sidewalks and streetscaping, environmental remediation, demolition and professional consultant fees. The motion carried unanimously 4-0.

Motion by Alderman Mahkorn, seconded by Alderman Owen, to adjourn the Plan Commission. Motion carried unanimously. Adjourned at 7:21 pm.

ACTIONS OF THE COMMON COUNCIL

CONSENT AGENDA:

(Alderman Sutton joined the meeting at 7:21 pm.)

Alderman Blackburn requested agenda Items 4, 5, and 6 be removed from the consent agenda.

Motion by Alderman Nelson, seconded by Alderman Reddin, to approve all items on the consent agenda, except for Items 4, 5 and 6. Motion carried unanimously.

3) Minutes of the Regular Common Council meeting of March 20, 2018.

As recommended by the Plan Commission

~~4) Removed from the Consent Agenda - Creating Tax Increment District Number 7 (seven), City of Brookfield, Wisconsin, a district that includes approximately 3.5 acres of land located at 12930 W. Lisbon Road and that would overlap a portion of Tax Increment District 6 (six), set its boundaries and provide an economic development grant equaling approximately \$3,470,000 to Milwaukee Tool Corporation, 13195 W. Lisbon Road, for the cost of construction of an 114,500 square foot office building.~~

~~5) Removed from the Consent Agenda - Resolution approving a Project Plan for Tax Increment District Number seven (TID No. 7) for the creation of said district and establishment of the boundaries of TID No. 7 in the City of Brookfield, Wisconsin.~~

~~6) Removed from the Consent Agenda - Development Agreement between Milwaukee Tool Corporation, 13195 W. Lisbon Road, and the City of Brookfield to create an economic development grant equaling approximately \$3,470,000 to Milwaukee Tool Corporation for the cost of construction of an 114,500 sq. ft. office building and ensuring tax increment from said building in order to retire the City debt associated with the grant.~~

As recommended by the Finance Committee

7) Vouchers exceeding \$50,000 requiring immediate action.

8) Request of the Police Department to purchase six replacement vehicles from Ewald Automotive Group for a total of \$224,530.49/.

9) Request of the Fire Department to purchase replacement ambulance from Foster Coach Sales for \$288,341.

As recommended by the Legislative & Licensing Committee

10) Original Bartender Licenses. (See applicants listed on L&L agenda.)

11) Original Class B Combination Beer and Liquor license: New Taste of India, 17115 W. Bluemound Rd., Suite D1; Agent – Manjit Singh.

- 12) Change/Successor of Agent for Red Robin #628, 95 N. Moorland Rd., Unit C, Daniel Collicott – Agent.

Council As A Whole

- 13) Resolution commending 7th District Alderman Lisa Mellone for 12 years of service. **Resolution No. 9401-18***
- 14) Proclamation proclaiming April 27, 2018, as “Arbor Day Celebration”.

~ END OF CONSENT AGENDA ~

NON-CONSENT AGENDA:

- 15) Items removed from the Consent Agenda as follows:
- 4) Motion by Alderman Mahkorn, seconded by Alderman Owen, to approve creating Tax Increment District Number 7 (seven), City of Brookfield, Wisconsin, a district that includes approximately 3.5 acres of land located at 12930 W. Lisbon Road and that would overlap a portion of Tax Increment District 6 (six), set its boundaries and provide an economic development grant equaling approximately \$3,470,000 to Milwaukee Tool Corporation, 13195 W. Lisbon Road, for the cost of construction of an 114,500 sq. ft. office building. An electronic vote was taken and carried 9-5 with Aldermen Blackburn, Carnell, Lowerr, J. Mellone and L. Mellone casting the dissenting votes.
- 5) Motion by Alderman Mahkorn, seconded by Alderman Owen, to approve the Resolution approving a Project Plan for Tax Increment District Number seven (TID No. 7) for the creation of said district and establishment of the boundaries of the TID No. 7 in the City of Brookfield, Wisconsin. An electronic vote was taken and carried 9-5 with Aldermen Blackburn, Carnell, Lowerr, J. Mellone and L. Mellone casting the dissenting votes. **Resolution No. 9402-18***
- 6) Motion by Alderman Mahkorn, seconded by Alderman Owen, to approve the Tax Increment Financing Agreement District #7 with Milwaukee Tool Corporation, 13195 W. Lisbon Road and the City of Brookfield to create an economic development grant equaling approximately \$3,470,000 to Milwaukee Tool Corporation for the cost of construction of a 114,500 sq. ft. office building and ensuring tax increment from said building in order to retire the City debt associated with the grant, subject to City Attorney approval. An electronic vote was taken and carried 11-3 with Aldermen Blackburn, Carnell and J. Mellone casting the dissenting votes.

Plan Commission

- 16) Motion by Alderman Mahkorn, seconded by Alderman Owen, to approve the PLAN COMMISSION RECOMMENDATION: Request to schedule a public hearing to create Tax Increment District Number 8 (eight) and the associated Project Plan to identify Project Costs for the construction of the Brookfield Conference Center including land acquisition, infrastructure and site improvements, sidewalks and streetscaping, environmental remediation, demolition, and professional consultant fees. An electronic vote was taken and carried 12-2 with Aldermen Blackburn and J. Mellone casting the dissenting

votes.

Finance Committee

17) Motion by Alderman Berg, seconded by Alderman Reddin, to approve the Resolution terminating City of Brookfield Tax Incremental Financing District No. 3. An electronic vote was taken and carried unanimously. **Resolution No. 9403-18***

18) Motion by Alderman Berg, seconded by Alderman Reddin, to adopt the Ordinance amending Sections 3.16.010 (A) and (L) of the Municipal Code relating to transient occupancy tax (hotel room taxes).

Motion by Alderman Blackburn, seconded by Alderman J. Mellone, to amend Section 3.16.010 (L) of the Ordinance to a room tax rate of 5.3%. An electronic vote was taken and lost 2-12 with Aldermen Blackburn and J. Mellone voting affirmatively.

An electronic vote was taken on the main motion and carried 12-2 with Aldermen Blackburn and J. Mellone casting the dissenting votes. **Ordinance No. 2502-18***

19) Motion by Alderman Berg, seconded by Alderman Berg, to approve the Resolution approving contract with Kahler Slater for architectural and engineering services relative to construction of the Brookfield Conference Center. An electronic vote was taken and carried 12-2 with Aldermen Blackburn and J. Mellone casting the dissenting votes. **Resolution No. 9404-18***

Council as a Whole

20) Motion by Alderman Nelson, seconded by Alderman Jurken, to approve the Resolution accepting the dedication of private Stormwater facilities in “The Corridor” development along the proposed Golf Parkway/Patrick Boulevard right-of-way extension, subject to City Attorney approval of the final form of the easement. An electronic vote was taken and carried unanimously. **Resolution No. 9405-18***

21) Motion by Alderman Nelson, seconded by Alderman Jurken, to approve the Resolution granting a Storm Sewer and Drainage Easement in “The Corridor” development along proposed Golf Parkway /Patrick Boulevard right-of-way extension, subject to City Attorney approval of the final form of the easement. An electronic vote was taken and carried unanimously. **Resolution No. 9406-18***

22) Motion by Alderman Nelson, seconded by Alderman Jurken, to approve the Resolution proclaiming the month of April 2018 to be “Parents who Host, Lose the Most: Don’t be a party to underage drinking”. An electronic vote was taken and carried unanimously. **Resolution No. 9407-18***

ADJOURNMENT:

Motion by Alderman Lisa Mellone, seconded by Alderman Renee Lowerr, to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 8:07 pm.

* May be viewed in the City Clerk’s Office.
Minutes respectfully submitted by Kelly Michaels, City Clerk