

**VILLAGE OF PLEASANT PRAIRIE
COMMUNITY DEVELOPMENT AUTHORITY
Village Hall Auditorium
9915 39th Avenue
Pleasant Prairie, WI
June 24, 2014
5:00 p.m.**

A special meeting of the Pleasant Prairie Community Development Authority was held on Tuesday, June 24, 2014. Meeting called to order at 5:00 p.m. Present were John Steinbrink, Mike Serpe, Larry Nelson, Tom Reiherzer, Gary Hutchins and Jill Sikorski. Kate Jerome and Phil Godin were excused. Also present were Mike Pollocoff, Executive Director; Tom Shircel, Assistant Village Administrator; Kathy Goessl, Treasurer and Jane M. Romanowski, Secretary.

1. CALL TO ORDER

2. ROLL CALL

3. CITIZEN COMMENTS – None.

4. COMMISSION COMMENTS – None.

5. NEW BUSINESS

- A. Consider Purchase and Sale Agreement between Route 165 LLC and the Community Development Authority for property generally located south of STH 165, west of I-94 and 120th Avenue.**

Mike Pollocoff:

Mr. Chairman, this is a Purchase and Sale Agreement between Route 165 LLC and the CDA. The Authority has sat and looked at some preliminary proposals and offers that have been made to the Authority and what we have come up with between our attorney and their attorneys and what we are recommending that you act on and it's an agreement to purchase and the purchase price is set at \$4,372,515.

If you think back, we had dealt with the Kenall proposal and they were talking \$82,000 an acre for that parcel so I think that we feel pretty confident given the market and some of the issues with this property that's a good price. A lot of the provisions as far as the earnest money and what is going to take place in the closing are going to be after an inspection period. When we acquired the military salvage yard we had a Phase 2 done on that and then the remaining properties were just agricultural or there was some houses but you

know we can only say we know what we know and then if there is something discovered then we are going to have to deal with that as we come up on it.

The title insurance and the survey have all been completed. Uline has indicated they want to start construction on a 200,000 plus square foot office building. Basically it will look like the one they have now only it is a little bit larger in the center core of the office building.

Jill Sikorski:

What was the result of the Phase 1?

Mike Pollocoff:

We did a Phase 2. Phase 1 kind of brought out some issues as to what might have existed at the salvage yard and when we did the further work on the Phase 2 there was nothing to warrant any action or clean up.

Gary Hutchins:

What other things do you think they will do during the inspection period because 180 days seems pretty long to me.

Mike Pollocoff:

I think the big thing is having to work through their wetland permits and the way this agreement is structured is it is their responsibility to go get it because the major reason is right now the DNR is not giving governmental entities any wetland permits so if it is a private business, the doors start opening and things start happening – same thing with the Army Corps of Engineers - so it is going to be at their best interest to be getting that work done so the 180 days, probably the primary part of that is to accommodate the Army Corp review because that seems to be the longest track item and I know they are going to bring in some specialists to get that done. We have retained Paul Kent from Madison, he is a well-known wetlands attorney to facilitate getting this done.

In the project plan, we anticipated that there was going to be wetland work that we would be doing along with the grading, sewer and water and finishing off that street there so those funds for making a determination, and then I'm sure there will be some mitigation, are covered as part of the TIF but they have to be the ones to carry the ball on it. So that is primarily what the 180 days is for.

Jill Sikorski:

Do you anticipate any issues coming up with the Army Corps?

Mike Pollocoff:

I anticipate two things. One, is they are slow and secondly, there is an issue whether or not – Uline will have to go through an alternatives analysis to see if they could do something other than disrupt the wetland, but since they already own land around this, and they have acquired it, the test is a lot easier for them to satisfy that to indicate this is a campus, and they have a plan that maybe they can work with some of it. I think one of the good things the Authority did was to buy those two parcels to the south that were wetland and floodplain so they can use some of that land for mitigating and handling the wetlands that are on the property. We fixed some farm tiles that were broken last year and it has really changed that wetland profile completely. The reason that there were wetlands is because the farm tiles were broken. So I think they should be able to get that done. I know they are looking at bringing on some additional consulting work on their side to get the permits through, but we will pay, as part of the TIF expenses, whatever mitigation was going to happen along with the grading.

Tom Shircel:

If I might add, the purchaser, Route 165, did ask for the wetland delineation report last week and I supplied that to them. It was done by R.A. Smith on June 25, 2013 so they have that in their possession as well. Also, in Section 11. C. as Mike said, there is an amount in there that the Village will cover the cost of mitigation as well as for the amount of permitting for wetlands so that is in there as well. If you look on page 7, (xi), they also put in there "Seller shall cause the Village of Pleasant Prairie to abandon its plans for the construction of the proposed 113th Street". If you remember with the proposed Kenall discussions the Village was proposing to put an east/west road in there coming off of the West Frontage Road, 113th Street namely, and Uline, of course, does not want that so we can accommodate that obviously.

One more thing, if you will recall, the price of \$4,372,515 that was the price that was negotiated back and forth. If you remember, back on January 23rd of this year, the CDA counter offered with a price of \$4,587,000 and then on February 6th of this year, Route 165 counter offered with \$4,158,000 so this number you are looking at tonight is the average of those two numbers.

Mike Pollocoff:

There is some language in this agreement that kind of protected us from when we were looking at the Kenall purchase. The assumption is is that we are going to sell this land, we don't want to do it on spec so there is some language in there that would allow us to kind of replicate what an increment would be for the property taxes and that was going to start in 2018. These guys want to start this year so I don't think that is going to be a problem. We are probably looking at \$60 million – the value of the building. It is going to be significantly higher than what we would have had with that manufacturing building for two

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reasons. One, it is bigger and secondly, virtually everything in that manufacturing building would have been exempt with the exception of the box.

John Steinbrink:

Other questions?

Mike Pollocoff:

If not, Mr. Chairman, I would be looking for authorization to execute the Purchase and Sale Agreement by you and me and provide that back to Route 165 LLC.

SERPE MOVED TO APPROVE THE PURCHASE AND SALE AGREEMENT BETWEEN ROUTE 165 LLC AND THE COMMUNITY DEVELOPMENT AUTHORITY FOR PROPERTY GENERALLY LOCATED SOUTH OF STH 165, WEST OF I-94 AND 120TH AVENUE KNOWN AS TAX PARCEL NOS. 91-4-121-254-0122, 91-4-121-254-0401, 91-4-121-254-0406; SECONDED BY NELSON; MOTION CARRIED UNANIMOUSLY.

6. ADJOURNMENT

NELSON MOVED TO ADJOURN THE MEETING; SECONDED BY REIHERZER; MOTION CARRIED UNANIMOUSLY AND MEETING ADJOURNED AT 5:10 P.M.