

**VILLAGE OF PLEASANT PRAIRIE
PLEASANT PRAIRIE VILLAGE BOARD
PLEASANT PRAIRIE WATER UTILITY
LAKE MICHIGAN SEWER UTILITY DISTRICT
SEWER UTILITY DISTRICT "D"**

**9915 39th Avenue
Pleasant Prairie, WI**

July 23, 2007

Immediately following the 5 p.m. Plan Commission Meeting

A Special Meeting of the Pleasant Prairie Village Board was held on Monday, July 23, 2007. Meeting called to order at 6:25 p.m. Present were Village Board members John Steinbrink, Monica Yuhas, Steve Kumorkiewicz, Clyde Allen and Mike Serpe. Also present were Mike Pollocoff, Village Administrator; Jean Werbie, Community Development Director and Vesna Savic, Deputy Village Clerk.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. UNFINISHED BUSINESS**

**SERPE MOVED TO REMOVE UNFINISHED ITEMS A AND BE FROM THE TABLE;
SECONDED BY YUHAS; MOTION CARRIED 5-0.**

- A. Receive Plan Commission Recommendation and Consider approval of a Memorandum of Understanding (MOU) between the Village of Pleasant Prairie and the State of Wisconsin Department of Transportation (WIDOT) pertaining to the required State Trunk Highway 50 (STH 50) Transportation Improvements to be provided, installed and constructed by VK Development Corporation.**

Jean Werbie:

Mr. Chairman, the first item on the agenda is to receive the Plan Commission recommendation and consider approval of an MOU, Memorandum of Understanding, and this is between the Village of Pleasant Prairie and the Wisconsin Department of Transportation. And this is pertaining to the required State Trunk Highway 50 transportation improvements to be provided, installed and constructed by VK Development Corporation.

As you know, at the last Village Board meeting there was a development agreement that was prepared for the Village of Pleasant Prairie and VK Development Corporation, and the development agreement set forth improvements that were required to Highway 50 as a result of a TIA that was completed for the future development of the Target and Shoppes at Prairie Ridge project which is south of Highway 50 between 88th Avenue and 104th Avenue.

Specifically, the TIA and the DOT required specific improvements to be completed, Phase 1, Phase 2 and Phase 3 improvements. This memorandum of understanding is between the DOT and the Village. It specifically sets forth what requirements need to be completed, what transportation improvements. The Phase 1 and Phase 2 improvements are considered the minor improvements for this development to move forward. They include some signalization and lane

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improvements at 88th Avenue and 104th Avenue, some channelization at 99th Avenue and also the full construction of a signalized intersection at 94th Avenue. It also includes some additional work north and south of 88th Avenue and Highway 50. So those improvements are identified in the MOU or referenced as Phase 1 and 2 improvements that do need to be completed prior to occupancy of the Target and Shoppes at Prairie Ridge Project. Again, the DOT does not enter into agreements with private developers but rather with local communities. So this first agreement is to set forth the Village's obligation to have those improvements completed.

The Phase 3 improvements as referenced in the MOU include the more significant widening improvements to Highway 50 moving it from four lanes to six lanes, three lanes in each direction, plus completing all of the additional right of way acquisition needed and completing all of the improvements needed for complete build out by 2017 at the latest. So this memo sets forth what improvements are required and when they are required. It also references an August 8, 2006 letter from Art Baumann, the traffic operations engineer from the DOT, and it specifically identifies which improvements are to be required. The one thing that this MOU does is that it clarifies that the Village is 50 percent responsible for the construction, inspection, field staking, and design of these improvements. The original letter had requested that the Village pay 100 percent of the cost and there had subsequently been some discussions where only 50 percent of the cost would be with the Village of Pleasant.

This is a matter that was before the Village Plan Commission and has been discussed at length with the DOT. The staff recommends approval as does the Plan Commission as presented.

Mike Serpe:

Mr. Chairman, I'd move approval.

Monica Yuhas:

Second.

John Steinbrink:

Motion by Mike, second by Monica. Further discussion on this item?

Steve Kumorkiewicz:

I have a question for Jean. Jean, in the Planning Commission we discussed the cost of this project eventually going to have to be borne by the developer, correct? Now this is an agreement between us and the DOT. Then we have to have an agreement with the developer in which he will pay the total cost of this project, correct?

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Jean Werbie:

Yes. As I indicated, the DOT will not enter into any agreements with developers. They enter into them with local municipalities. And then for us to then enter into a separate agreement with the developer for those costs to be paid for by the developer.

Steve Kumorkiewicz:

Okay, thank you.

SERPE MOVED TO CONCUR WITH THE PLAN COMMISSION RECOMMENDATION AND APPROVE A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE VILLAGE OF PLEASANT PRAIRIE AND THE STATE OF WISCONSIN DEPARTMENT OF TRANSPORTATION (WIDOT) PERTAINING TO THE REQUIRED STATE TRUNK HIGHWAY 50 (STH 50) TRANSPORTATION IMPROVEMENTS TO BE PROVIDED, INSTALLED AND CONSTRUCTED BY VK DEVELOPMENT CORPORATION; SECONDED BY YUHAS; MOTION CARRIED 5-0.

B. Receive Plan Commission Recommendation and Consider approval of a Memorandum of Understanding (MOU) between the Village of Pleasant Prairie and VK Development Corporation pertaining to the future required Phase 3 State Trunk Highway 50 (STH 50) Transportation Improvements to be installed, constructed and completed by VK Development Corporation.

Jean Werbie:

The second item on the agenda this evening is to receive the Plan Commission recommendation and to consider an approval of a memorandum of understanding, and this is between the Village of Pleasant Prairie and VK Development Corporation. This is pertaining to the future required Phase 3 State Trunk Highway 50 transportation improvements to be installed, constructed and completed by VK Development Corporation.

Let me begin by saying the Phase 1 and Phase 2 improvements are already identified and being secured by a letter of credit in the previous development agreement that was approved by the Village Board at their July 16th meeting. So we already have an agreement with VK Development for the Phase 1 and 2, and we have a draft letter of credit at this time that secures those improvements to be completed when that project moves forward.

So this memorandum of understanding is between the Village and VK for the Phase 3 improvements. Again, just to clarify, the Phase 3 improvements will be constructed when there's 50 percent of the build out of the offsite VK development properties which is basically that area of about 36 acres that is east of St. Catherine's Hospital or ten years after this project commences, whichever occurs first. So it's going to be very clear that we need to make sure that we're tracking this. The State obviously will be tracking this as well. But the improvements are much more significant - the widening and finalized improvements to Highway 50 to its full profile.

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As we mentioned at the Plan Commission meeting, the memorandum of understanding and waiver of special assessment notices and hearing is a little bit more unique in that we are asking the developer to and he's agreed to waive his notice of the special assessment hearing as a part of this project. Mike can help me out here. You want to finish this?

Mike Pollocoff:

The special assessment is fairly standard. There are two approaches as to how you get to the point where you can levy that special assessment. You can have a hearing where you notify all the affected property owners and proceed from there, or you can have the benefitting property owners sign a waiver of notice which releases the Village to act without notice and take the special assessment without having a hearing.

In this case that's what we've put in the agreement such that the developer, if they do not pay for that special assessment or those improvement costs, as part of the eventual land division of this property and as parcels are sold, if after ten years there's still more money that we need to acquire, then at that point rather than having the Village pay for it we would conduct a special assessment meeting, adopt a resolution to levy a special assessment for whatever amount is left over, and then it would be collected from those collective properties.

This would be recorded with all the properties to know that this is out there as a contemplated assessment. And it's really the backstop. We use it assuming that everything else doesn't happen or some portion of it if everything else doesn't happen. We use waivers of notice of special assessment typically on some of the projects where the people want to be assessed with a project and they don't want to go through the hearing process so they just do it that way. I think all things being equal, I don't see us getting to this point where we have to do this, but it serves the purpose of putting the Village in the first position on the properties to get the payment done because that's what special assessment does, pre-empt any other lien.

So with that I'd recommend that we approve it. Exhibit B which shows the contemplated assessment of \$3 million that's in today's dollars and we know this could happen ten years from now. The agreement also provides for both the Village and the developer to agree on the revision of the numbers as time goes on so as the developer sells parcels we see what the real cost is at least at that point in time.

This won't be held in escrow. If there's money the Village will be investing that money so that if it sits in escrow there's not going to be any interest accrued on it. We're going to try to earn as much interest between now or when the first sale takes place and ten years from now so that it offsets some of the impacts of inflation. But it will be in a segregated fund.

Clyde Allen:

Move for approval.

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Steve Kumorkiewicz:

Second.

John Steinbrink:

Motion by Clyde, second by Steve. Further discussion on this item?

Steve Kumorkiewicz:

Yes, there are five parcels, Mike?

Jean Werbie:

Yes.

Mike Pollocoff:

Those are the five parcels that exist today.

Steve Kumorkiewicz:

That's where Target and everything is going?

Mike Pollocoff:

No, this is everything other than the development that was talked about tonight under Phase 1 and 2. This is Phase 3. This is the ultimate improvement. So what VK has done is they've said that we want these other parcels to pay that cost and we'll guarantee payment on it because the Phase 1 and 2 costs these parcels won't be paying for. It's going to be Target and JCPenney. That's how dollars are being manipulated on a project.

John Steinbrink:

We have a motion and a second. Any further discussion?

ALLEN MOVED TO CONCUR WIT THE PLAN COMMISSION RECOMMENDATION AND APPROVE A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE VILLAGE OF PLEASANT PRAIRIE AND VK DEVELOPMENT CORPORATION PERTAINING TO THE FUTURE REQUIRED PHASE 3 STATE TRUNK HIGHWAY 50 (STH 50) TRANSPORTATION IMPROVEMENTS TO BE INSTALLED, CONSTRUCTED AND COMPLETED BY VK DEVELOPMENT CORPORATION; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 5-0.

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4. ADJOURNMENT.

**KUMORKIEWICZ MOVED TO ADJOURN THE MEETING; SECONDED BY YUHAS;
MOTION CARRIED 5-0 AND MEETING ADJOURNED AT 6:40 P.M.**