

**PLEASANT PRAIRIE PLAN COMMISSION MEETING
VILLAGE HALL AUDITORIUM
9915 39TH AVENUE
PLEASANT PRAIRIE, WISCONSIN
6:00 P.M.
March 12, 2018**

A regular meeting for the Pleasant Prairie Plan Commission convened at 6:00 p.m. on March 12, 2018. Those in attendance were Thomas Terwall; Michael Serpe; Wayne Koessl; Deb Skarda; Jim Bandura; Judy Juliana; Bill Stoebig; John Skalbeck (Alternate #1); Brock Williamson (Alternate #2). Also in attendance were Tom Shircel, Interim Village Administrator; Jean Werbie-Harris, Community Development Director; and Kristina Tranel, Community Development Department.

- 1. CALL TO ORDER.**
- 2. ROLL CALL.**
- 3. CORRESPONDENCE.**
- 4. CITIZEN COMMENTS.**

Tom Terwall:

If you're here to speak on an item that's on the agenda we would ask that you hold your comments until that agenda is held. However, if you want to raise an issue not on the agenda now would be your opportunity to speak. We ask you to step to the microphone and begin by giving us your name and address. Anybody wishing to speak under citizens' comments?

- 5. NEW BUSINESS:**
 - A. Consider Plan Commission Resolution #18-06 designating proposed boundaries for Tax Incremental District (TID) #7, which shall include the property generally located between 110th Street and 122nd Street and east of East Frontage Road and referred to as Stateline 94 Corporate Park and the establishment of a public hearing date with respect to TID #7 Project Plan.**

Jean Werbie-Harris:

Mr. Chairman and members of the Plan Commission, the first item is consider a Plan Commission Resolution #18-06 designating boundaries, the proposed boundaries for Tax Increment District TID #7 which shall include the property generally located between 110th Street and 122nd Street and east of the East Frontage Road. And it's referred to as Stateline 94 Corporate Park and the establishment of a public hearing date with respect to TID #7 Project Plan.

The land to be developed within TID #7 is under the ownership and control of Riverview Group, LLC. Entities owned by Clayco and Venture One have an ownership interest in and are the managing partners of Riverview Group, LLC.

Venture One Real Estate, LLC is a Chicago-based national commercial real estate company that acquires, develops, leases and manages industrial and office properties on its own behalf and on behalf of investment partners. Venture One also provides real estate advisory services to buyers and sellers of investment properties and portfolios on a national basis. The principals are utilizing their combined 80 years of real estate experience and personal relationships with owners, contractors and brokers to facilitate a team approach to meet their development and acquisition objectives. The team approach has helped to facilitate the acquisition and development of over 3,000 acres of land and 83 million square feet of buildings. Venture One has developed and acquired over 12 million square feet in the Chicago area in the last five years.

Clayco has been involved in the design-build development of more than 5,000 acres of land and, again, over 100 million square feet of commercial, industrial, residential mixed-use and hospitality exceeding \$64 billion in value.

With respect to this project, Clayco-Venture One Development Services proposes to develop the property in three phases. And, again, as shown on the screen this is a proposed industrial park from about 110th Street down to 122nd Street just east of the East Frontage Road. Collectively planned at full build-out to comprise up to 1,875,950 square feet of industrial facilities.

Phase I is planned to include a single building on the southern-most parcel along County Trunk Highway ML. Phase II is currently planned to include two buildings on the middle parcel on the East Frontage Road. And Phase III is currently planned to include two buildings on the northern-most parcel off of 116th Avenue. The sequencing of the phases and the configuration and the exact sizes of the buildings could change depending upon market conditions as the park develops. The buildout schedule assumes a start of construction for Phase I in mid 2018, with subsequent buildings commencing approximately every 18 months thereafter and resulting in full buildout in approximately 2023. This schedule could also change depending on the market conditions.

The sites are not currently served by utilities and the surrounding road network will need improvements to be able to accommodate the new buildings and serve the needs of the occupants. In addition, the land is currently farm land with fairly significant topography and drainage characteristics so that there will be substantial site grading and storm water detention work required to create building pads able to accommodate the individual structures, truck courts and parking lots. Collectively, these infrastructure costs are proposed to be financed via a developer sponsored pay-as-you-go TID, whereby tax increment would be provided back to the development to reimburse them for infrastructure costs over time.

With that you did receive a copy of the draft project plan. I do want to note a couple of changes, and some of these are pretty significant in the document. Again, this is just a draft of the project plan. The formal project plan will be presented at the public hearing.

So under the general description of the project it is the intent of the Village to work with the developer to promote and attract industrial development at this location. The approximate acreage is 308.087 acres of land generally between 110th and 122nd Street. With this particular TID #7 it will be overlapping with TID #2.

And then a very significant change, I'm not sure -- they must have used somebody else's or there was a couple of typos with respect to the approximate employment that is projected from this development. It says 17,875 jobs. That is not correct. It would be about 1,250 jobs. And so we are going to take that whole sentence out and rework that sentence so that it makes sense for Pleasant Prairie. That must have been carried over from another document that our consultant was working on.

So with those few changes to the general description I'd like to introduce Kathy Goessl, our Finance Director, and she will go over a couple of things with respect to the financing. And just to reiterate, up on the screen right now the TID boundaries are shown in the dark line, and they surround approximately all of that property that's owned by State Line 94, Riverview LLC, and the conceptual plan is to the east of that.

Tom Terwall:

Go ahead, Kathy.

Kathy Goessl:

Okay, this is our first meeting on TID 7. We did have a term sheet approved by the Board at their previous meeting discussing this TID. Next phase is to have a Joint Review Board meeting on March 22nd and then set the public hearing date tonight hopefully for April 9th for the Plan Commission. After that the Village Board approves it, and then it goes to the second Joint Review and then it's finalized similar to what we did for TID #6 just recently.

This project is being done in three phases as Jean was mentioning. The total project cost not including administration is almost \$20 million. Phase I will be with Building E and will include half the project cost at \$9.9 million. That phase also includes the Village putting in a regional water line in that section which is currently in our TID #5 project plan. And then Phase II will be \$3.7 million almost. And then Phase III will be \$6.4 million. Once this development is all built out they're estimating about \$93 million of value.

This is a developer TID. They will put in the improvements, and every October 1st turn in documentation on what was put in in terms of public improvements. We have roads, sanitary sewer, we have special assessments for our proposed roundabout and lift station and then water. And then we have some site grading and stormwater. So every October 1st they would submit documentation telling us how much they've spent and have lien waivers signed. And then we will issue a developer revenue bond. And when increments start coming in we will pay interest first and then the principal off.

So this TID right now -- well, they're also looking for alternate sources of revenue which is the T grants. They're hoping to get \$3 million in T grants. They want us to help with the submission of those grants, but it all depends on what kind of interest rates they receive in the area to be able to receive those grants. They're also looking, and they talked to Kenosha County about improvements on ML and helping them with those improvements and doing a section or giving some money toward that project. So those will help to cash flow this project better. Because without those the developer is not cash flowing their money back based on our current estimates.

But our estimates are very conservative with very slight tax rate increases. So the whole risk is with the developer. What they put in, what they attract, and they agreed to a 20 year TID, to not ask for an extension for an additional three years. And we have given them actually ten years to spend money. A normal TID is 15 years you can spend money. If they come to ten years and they still haven't finished the development they'll have to come in and ask for an extension, but they can't extend any more than up to 15 years. So that's basically the overview for TID #7 on the financial end of things. I could it back over to Jean or if you have any questions for me on that side.

Michael Serpe:

Kathy, what's the going rate for a paygo TIF right now?

Kathy Goessl:

This developer has asked for seven percent on this TID. Our Main Street was at six percent, so six, even percent, right around that range. And we also have an option in our term sheet that if this TID produces really well and it gets into the mid life of the TID, and we think that there's enough increments to pay off what's still due on there, we can buy that out and give them the money that they owe on the principal at that point. And we can issue a GO bond at a lot lower interest rate than seven and, therefore, maybe close the TID out faster. So we have that option in both this TID and also TID #6 that we just approved before.

Jean Werbie-Harris:

There are representatives from Venture One. If you have any questions Jeff and Mark are here. And if they want to come up to the microphone. If there's any details, questions, answers that you need from them yet I'm sure they'd be happy to answer those. But just keep in mind as part of this resolution this evening, 18-06, we are looking to do two things with Resolution 18-06. First designating the TID boundaries as shown on the map on the slide. And then establishing the public hearing date with respect to the TID 7 project plat. And that project plan would be presented at the hearing date of April 9th Plan Commission. So if you have any questions Jeff and Mark would be happy to come up.

Tom Terwall:

Anything more that you'd like to add?

Mark Goode:

I'm Mark Good, Venture One Real Estate. I just want to say thank you to the staff here at the Village. It's been good to work with you, and we appreciate the opportunity to be here tonight.

Jean Werbie-Harris:

Address for the record, Mark.

Mark Goode:

9500 Bryn Mawr, Rosemont, Illinois.

Tom Terwall:

Thank you. Do you have any questions for him?

Wayne Koessl:

Do you plan a mix of office into that development?

Mark Goode:

The buildings are designed to meet the M-5 zoning which does include office. At this point we don't know whether it will be an office or meeting M-5 industrial.

Wayne Koessl:

Okay, thank you.

Tom Terwall:

Anything further?

Michael Serpe:

I move approval of 18-06.

Jim Bandura:

Second.

Tom Terwall:

IT'S BEEN MOVED BY MICHAEL SERPE AND SECONDED BY JIM BANDURA TO APPROVE ADOPTION OF RESOLUTION 18-06 AND TO SET THE PUBLIC HEARING DATE FOR APRIL 9TH. ALL IN FAVOR SIGNIFY BY SAYING AYE.

Voices:

Aye.

Tom Terwall:

Opposed? So ordered. Anything else to add, Jean?

Jean Werbie-Harris:

I do not.

6. ADJOURN.

Judy Juliana:

Move to adjourn.

Wayne Koessl:

Second.

Tom Terwall:

Moved and second to adjourn. All in favor signify by saying aye.

Voices:

Aye.

Tom Terwall:

Opposed? I think that's a record, guys.

Meeting Adjourned: 6:13 p.m.