

**Village of Elm Grove Committee of the Whole Joint Finance Meeting Minutes**

1. Committee of the Whole Call to Order

The meeting was called to order at 7:03PM.

Roll Call:

PRESIDENT PALMER

TRUSTEE KRESSIN - absent

TRUSTEE DOMASZEK

TRUSTEE CORNELL

TRUSTEE G. HAAS

TRUSTEE MICHALSKI

TRUSTEE SAYAS

MEMBER KENDLER, FINANCE MEMBER - absent

MEMBER B. HAAS, FINANCE MEMBER - absent

MEMBER SCHRUBBE, FINANCE MEMBER

DAVID DEANGELIS, VILLAGE MANAGER

MONICA HUGHES, FINANCE DIRECTOR

HECTOR DE LA MORA, VILLAGE ATTORNEY

TOM HARRIGAN, ZONING ADMINISTRATOR

MICHELLE LUEDTKE, VILLAGE CLERK

TODD DAVIS and FRANK ROMAN, EHLERS MUNICIPAL ADVISORS

President Palmer spoke about what happens at Committee of the Whole meetings. No action, discussion only. We do not have any public comment section for this meeting. Public Comments will be at a future meeting. Everyone received a set of materials in a book.

President Palmer introduced the item as a continuation of the items discussed on Monday evening.

Manager DeAngelis referred to the two page outline. The overall process for this evening is to go over each exhibit in the developer's agreement and take questions as we go. Start with the TIF section and go through the components. First priority is protecting the village. When we drafted this agreement, this was the standard. We believe everything will go great, we still assume the worst could happen and prepare for that. Items to review: certified survey map, comprehensive plan amendment, rezoning, conditional use, the maintenance of cemetery, creation of TIF, creation of TIF grant, municipal revenue obligation in the form of a promissory note. There are guaranties from the developer to the village. We don't want to overexpose the village to financial losses. Then the overall approval process. We used the Heritage agreement because it was recent and had a TIF component about four to five months ago to begin the conversation. We established a framework for this development. The TIF section is different, the details are different, and this is an extensive exhibit list. We have had several meeting with attorneys along with Ehlers and Reukert & Mielke, - there was a lot of scrutiny for this process.

The framework of the deal – we know the Mandel Group has an offer to purchase the School Sisters property. They wish to buy it and parse it out into 4 separate areas including SFH and multifamily. A CSM needs to be approved for this. They are planning on purchasing the apartment section first. They will purchase the lots from the preliminary plat either at the same or separately and then sell portions to the single family home builder. The single family home builder would take possession of those single family home lots. Those are key components of the storm water management plan.

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There is a section that deals specifically with the TIF district. We talked about this Monday. We talked about the blight of the property. The money being distributed as a grant would take place when the buildings have been approved and available for rent before we would have to make the payment within sixty days. The village created a promissory note given to the developer. We will pay x number of dollars over a period of years with conditions present. There will need to be increment available in order for this to work. We need \$41M in increment in order to make the General Obligation Debt payments. Anything over that would pay for the MRO. According to the schedule, they would receive money at that point. There needs to be enough value in the property prior to payments. If the values are not realized, then the village is not on the hook for making payments. The guaranty is also in there for the \$41M dollars. This guarantees that we can make our payments. We have the ability to put a special charge on their tax bill if they are not able to make the payments.

Trustee Domaszek asked if the \$41M guaranty is only on the apartments. Manager DeAngelis confirmed. Trustee Domaszek asked if the MRO includes single family and apartments. Manager DeAngelis confirmed. The guaranty is specific to their property. The reason the guaranty is in there because we have that gap basis between the sections of project. No MRO until the bulk is completed.

President Palmer asked where the \$41M came from and asked Ehlers based on all of the financials give us the minimum number – how are the payments made on the debt. What is our risk? This is how much you have to have in value.

Trustee Domaszek asked if none of the single family homes were developed. Does the MRO go away? Manager DeAngelis confirmed. The idea of paying it quicker is less interest. The sooner we start to collect dollars from the completed TIF.

Manager DeAngelis pointed out on page 27 line 922 – The \$4M was for municipal water. We need to adjust that number. He continued to talk about the components discussed in meetings for the past year and a half. The dedication of improvements is included. There is a 12-month guaranty timeframe for any defaults. There will be a letter of credit for each one of these. If they don't go the way they should, we can collect on a note at such time where we need to finish the project. The storm water management plan will survive as an independent document recorded against the multifamily and the single family home sites. For future enforcement. Provision in the agreement for a payment in lieu of taxes. If the apartment complex or any single family home sold to tax exempt company, they would pay for local services they would be utilizing. There is a pilot program for payment plan for this.

The meeting group reviewed the timeline.

Trustee Haas asked where municipal water is on the timeline. Manager DeAngelis indicated it will be sent to the board in November. From that point, forward to Wauwatosa. Then back by the December meeting. Hopefully. Public Works will review it next week Monday. Village board the following week.

Trustee Domaszek asked if the connection fees were going to be similar to the ones for heritage. Manager DeAngelis indicated something similar. There was concern over how we did some of the connection calculations specifically for condos. We will look to see if it is appropriate for this instance. Those discussions would take place after certain pieces have been accomplished. The PSC still needs to review it and so does Milwaukee.

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They discussed options for connection fees and areas for water infrastructure. They also discussed the history of Brookfield water, looping the lines, and flushing the lines in the winter. It was mentioned that public works will take up this item in more detail next week.

Trustee Haas went back through the agreement. He would like name of the developer disclosed. Attorney De La Mora asked the trustees to refer to page 37 where they refer to themselves as blank LLC. They have not decided on a name. When we have the name of the entity, we should include the legal entity. MSF LLC is the affiliate that will be buying lot 1 and 4.

Trustee Haas continued to ask about the zoning and if they need variances. Attorney De La Mora indicated this will be part of the underlying zoning and the PUD.

Trustee Haas continued with the public water main noted on line 23? The village shall construct the water main. Have we given ourselves enough time?

Trustee Domaszek asked about line 366 - walkways on property. Will these be dedicated to the village? Are they also prohibited from being walked on at night? Manager DeAngelis indicated they would be since they are on private property.

Trustee Haas asked why doesn't the pathway in out-lot 1 go to Green Meadow. Line 468 - change from cable utilities to communication utilities. In C below in article V misc. requirements - should the county be listed? Line 760 – developer shall require... convey out-lots to the....

Trustee Domaszek asked about Line 752 – the pilot agreement. When you get to 778 it talks about restrictions and future owners. Attorney De La Mora, this was intended to be a comprehensive container that has all obligations to go with the single family homes. In the agreement we have a separate section that talks about pilots with regards to the apartments in lot 2. Manager DeAngelis indicated we should remove sub 5 from that section.

Finance Member Schrubbe asked why this was in paragraph D at all if someone else is building these homes. President Palmer indicated that if we want to have control of those, this is the time to do it. Once the site has been completely approved, it will be nothing but a building site. We want to put this in writing now. That includes the setbacks and zoning requirements. Member Schrubbe said this does not include information on subsequent sales. Trustee Domaszek indicated this is listed twice in here. It is fair they know the rules before they buy it. President Palmer said the storm water plan is setup for this entire property. In order to establish the single family home owners that there is an overall plan they have to comply with, we need this.

Trustee Domaszek asked about line 863 – Comprehensive insurance at \$1M is not a lot. Attorney De La Mora clarified this is for the general contractors. Paragraph B is about insurance.

Trustee Haas asked about a final occupancy permit. Manager DeAngelis indicated there would be an occupancy for each building. The buildings stand on their own.

Trustee Haas indicated all blanks should be filled in, even if it is with TBD. He also wants exhibit 9 to have more information in the key on the side.

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Trustee Haas indicated he would speak on behalf of Martha Kendler who could not be at the meeting. She called with some comments to put out there for discussion. TIF money for historic preservation is driving the amount of TIF. Her opinion – if the SSND were adamant in keeping the buildings, they should cover some of that cost instead of the village.

President Palmer would like a clean final draft with the Friday packet with all of the changes listed above.

4. Closed Session – the Committee of the Whole Joint Finance meeting did not go into a closed session.

5. Open Session – n/a

6. Other Business – None.

7. Adjournment - There was no further business.

**MOTION BY DOMASZEK, SECOND BY TRUSTEE CORNELL, TO ADJOURN THE MEETING.**

**ALL IN FAVOR. MOTION CARRIED.**

The meeting adjourned at 8:52PM.

Minutes transcribed by: Michelle Luedtke

Minutes Approved on: 11/22/2021