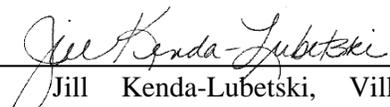


COMMUNITY DEVELOPMENT AUTHORITY
August 8, 2016
Earl McGovern Board Room, 5:30 P.M.



PLEASE TAKE NOTICE that a meeting of the Community Development Authority will be held in the Earl McGovern Board Room at the Village Hall of the Village of Brown Deer, 4800 West Green Brook Drive, Brown Deer, Wisconsin at the above noted time and date, at which the following items of business will be discussed and possibly acted upon:

- I. Roll Call
- II. Persons Desiring to be Heard
- III. Consideration of Minutes: June 13, 2016 - Meeting
- IV. Report of Staff
- V. New Business
 - A) Recess into Closed Session pursuant to §19.85 (1)(e) Wisconsin Statutes for the following reasons:
 - (e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.
 - 1. TIF #3 Funds
- VI. Reconvene into Open Session for Possible Action on Closed Session Deliberations
- VII. New Business
 - A) Third Amendment to TID Redevelopment Agreement for Bradley Village, 7979 N. Sherman Blvd/4301 W. Bradley Road
- VII. Adjournment



Jill Kenda-Lubetski, Village
Clerk

August 4, 2016

PERSONS REQUIRING SPECIAL ACCOMMODATIONS FOR ATTENDANCE AT THE MEETING SHOULD CONTACT THE VILLAGE CLERK AT LEAST ONE BUSINESS DAY PRIOR TO THE MEETING.

**COMMUNITY DEVELOPMENT AUTHORITY
JUNE 13, 2016 MEETING MINUTES
HELD AT THE BROWN DEER VILLAGE HALL
4800 WEST GREEN BROOK DRIVE**

The meeting was called to order by President Krueger at 5:05 P.M.

I. Roll Call

Present: Village President Krueger; Trustee Tim Schilz, John Coons, Ron Kunding, Claude Williams

Also Present: Michael Hall, Village Manager; Nate Piotrowski, Community Development Director; Village Attorney Rebecca Boyle

Excused: Ted Wagner, Scott Fleming

II. Persons Desiring to be Heard

None

III. Consideration of Minutes: February 8, 2016 – Meeting

It was moved by Mr. Coons and seconded by Mr. Williams to approve the minutes from the February 8, 2016 meeting. The motion carried unanimously.

IV. Report of Staff

Mr. Hall reported that there was a need to schedule a special joint CDA/Village Board meeting for June 20th. He asked Committee members to respond with their availability via email.

V. New Business

- A) Third Amendment to Substitute Redevelopment Agreement with Deerwood Offices, 8655 N. Deerwood Drive

Mr. Piotrowski noted the requested modification was to allow for more borrowing from private financial sources so that property maintenance and upkeep could be handled.

Mr. Kunding asked why the agreement contained a 1.2 million dollar borrowing cap in the first place. Mr. Hall replied that the cap was put in place to help ensure that the property did not become overly indebted to outside entities when it still needed to repay the Village. Trustee Schilz asked if this modification would have any adverse impact on the TIF District. Mr. Hall replied that there would be none.

It was moved by Mr. Coons and seconded by Mr. Williams to recommend approval of the Third Amendment. The motion carried unanimously.

VI. Adjournment

It was moved by Mr. Kunding and seconded by Mr. Williams to adjourn at 5:15 p.m. The motion carried unanimously.

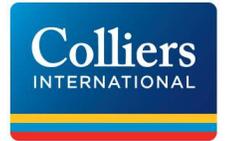


Nate Piotrowski, Community Development Director



REQUEST FOR CONSIDERATION

COMMITTEE CONSIDERATION:	Community Development Authority
ITEM DESCRIPTION:	Third Amendment to TID Redevelopment Agreement for Bradley Village, 7979 N. Sherman Blvd/4301 W. Bradley Road
PREPARED BY:	Nate Piotrowski, Community Development Director
REPORT DATE:	August 4, 2016
EXPLANATION:	<p>Village Staff was approached by the new owners of the Bradley Village Shopping Center, 4301 W. Bradley Road, who indicated they were facing challenges renting some of the vacant space (former Shop on Sherman and State Farm Insurance). They explained that high tax payments were causing them to charge rental rates above what the market could support. The attached letter from the owner's leasing agent explains the challenges.</p> <p>Staff explored the tax structure and found out that an original development agreement with General Capital Group required certain guaranteed values that caused the new owners to pay taxes on a \$3.1 million value as opposed to the current assessed value of \$1.95 million.</p> <p>The owners are seeking relief from this higher guarantee in order to help alleviate costs to better attract and retain tenants. Staff has reviewed the possible financial impact on TIF #2 and found that while it would lower revenue the TIF is in good shape and could support such a reduction. The guarantee is currently scheduled to last through the end of the TIF in 2022. Staff is prepared to discuss the financial impact in greater detail at Monday's meeting.</p> <p>Should you have any further questions please feel free to contact Nate Piotrowski at 414-371-3061</p>



July 8, 2016

Michael L. Hall
Village Manager
Village of Brown Deer
4800 W. Green Brook Drive
Brown Deer, WI 53223

Re: Bradley Village Shopping Center Tax Assessment

via Email: mhall@browndeerwi.org

Dear Mr. Hall,

On behalf of our client Joyce & Mark Yang owners of Bradley Village Shopping Center we would like to thank you for your time discussing the leasing at the shopping center.

As we mentioned in our meeting we have had some pushback on our triple net (NNN) charges from prospective and current tenants. NNN's are comprised of Property Taxes, Insurance and Common Area Maintenance (CAM) such as snowplowing, landscaping parking lot repair, etc. The total charges for the prior year were over \$7 per square foot, where \$3.62 per square foot were taxes. The NNN charges in a retail building such as Bradley Village are typically passed on to the tenants. We have had a few prospective tenants that have passed on leasing here because of the high taxes. The issue of high taxes has also been mentioned to the property manager by current tenants which ultimately cuts into their viability to stay at the center.

Because of the challenges outlined above we would like to request the Village to consider adjusting the current guaranteed value of \$3.1 Million to a more manageable market rate at assessed value. This would help retain and attract tenants, which ultimately helps the long-term viability of retail on Bradley Road.

Sincerely,

A handwritten signature in black ink, appearing to read "Russ Sagmoen", written over a light blue horizontal line.

Russ Sagmoen
Colliers International
Senior Vice President | Wisconsin

the terms, conditions or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which Guarantor is now a party or by which it is bound, or constitutes a default under any of the foregoing.

**ARTICLE III
UNDERTAKINGS BY DEVELOPER, VILLAGE AND GUARANTOR**

Section 3.1 Developer Obligations. Developer undertakes the following obligations:

(1) Developer shall build a medium density mixed use development of 65 residential condominium Units, together with approximately 16,000 square feet of commercial rental space with support parking. The Project will be developed under the Plans and Specifications approved by Brown Deer, such approval not to be unreasonably withheld or delayed. The Parties acknowledge the size and location of buildings may be somewhat different, but will be in compliance with the final Plans and Specifications as approved.

(2) Developer has constructed the approximately 16,000 square feet of commercial rental space.

(3) Developer shall continue to pursue construction activities on the Property with completion dates, as follows:

- (a) Approximately 16,000 square feet of commercial rental space was completed by January 1, 2008,
- (b) 16 Units shall be completed by January 1, 2010,
- (c) 26 additional Units shall be completed by January 1, 2011,
- (d) 23 additional Units shall be completed by January 1, 2012.

(4)

- (a) Developer guarantees that the Value of the Property was not less than \$1,950,000 on January 1, 2007.
- (b) Developer guarantees that the Value of the commercial rental space was not less than \$2,500,000 on January 1, 2008. Developer further guarantees that the aforesaid \$2,500,000 Value will increase by not less than 1.75% annually during the Term of this Agreement. The foregoing Value guarantees are conditioned on Brown Deer fulfilling its obligation to pay the CDA Payments, as specified herein.
- (c) Developer estimates that the total selling prices of the 65 Units will be not less than \$11,500,000, and average \$177,000 per Unit;
- (d) Developer acknowledges that, if the schedule in Section 3.1(3) is maintained, the guaranteed Value in Section 3.1 (4)(b) is achieved and if

SUBSTITUTE NUMBER 3 TO TID REDEVELOPMENT AGREEMENT

This Amendment to Agreements is hereby made to TIDD Redevelopment Agreement heretofore recorded on November 29, 2012, document number 10189044, Substitute TID Redevelopment Agreement heretofore recorded on November 29, 2012, document number 10189045 and Substitute Number 2 to TID Redevelopment Agreement heretofore recorded on November 29, 2012, document number 10189046, by and between the Village of Brown Deer, Wisconsin (“Village”), and the Community Development Authority of the Village of Brown Deer, Wisconsin (“CDA”), (collectively referred to herein as “Brown Deer”), and GenCap Bradley, LLC and GenCap Bradley Commercial, LLC, (hereinafter collectively “GenCap”). Except as specifically stated in this Amendment, all Agreements are otherwise in full force and effect.

Section 4.b of the Substitute TID Development Agreement and all other like provisions requiring a guaranteed value of at least \$2.5 million for the commercial portion of the Bradley Village are hereby rescinded.

IN WITNESS WHEREOF, the Parties hereto have executed this agreement as of the date indicated.

GENCAP BRADLEY LLC & GENCAP BRADLEY COMMERCIAL, LLC.

Dated: _____ By: _____
Name: _____
Title: Successor in Interest

COMMUNITY DEVELOPMENT AUTHORITY
OF THE VILLAGE OF BROWN DEER

Dated: _____ By: _____
Name: Carl Krueger
Title: Chairperson

VILLAGE OF BROWN DEER, WISCONSIN

Dated: _____ By: _____
Name: Carl Krueger
Title: President

Dated: _____ By: _____
Name: Jill Kenda Lubetski
Title: Village Clerk

STATE OF WISCONSIN)

