



CITY OF WAUWATOSA
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BUDGET & FINANCE COMMITTEE MEETING

Tuesday, September 14, 2010

Committee Room #2

PRESENT: Alds. Ewerdt, McBride, Walsh, Donegan, Causier, Hanson, Wilson- 7

EXCUSED: Ald. Berdan

ALSO PRESENT: J. Archambo, City Admin.; A. Kesner, City Atty.; B. Aldana, HR Director/Asst. City Atty.; R. Braier, Finance Dir.; W. Kappel, Public Works Dir.; P. Enders, Economic Dev. Dir; M. Loy, Health and Prod. Coord.; T. Brown, Adm. Intern

Ald. Ewerdt as Chair called the meeting to order at 8:00 p.m.

Initial resolution authorizing the sale of \$9,590,000 Build America Bonds for Fire Station #1, \$610,000 of street improvement bonds, and \$7,750,000 of water revenue bonds to refinance 1998 bonds and provide funding for the 2010-2012 Water Utility capital projects

Mr. Braier advised he is seeking permission to proceed with the sale of the bond issue. He reviewed the timetable report with the committee. He noted that this is for repayment of the fire station and for water revenue bonds. The final fire station cost is about \$10,000,000 and \$11,400,000 was borrowed. The remainder of this will be used to pay back some of the bonds.

Mr. Braier noted that there is an anticipated \$110,000 in savings with the refinancing. A public sale will be held on October 5th. Mr. Braier will report back to the committee the sale details.

Moved by Ald. McBride, seconded by Ald. Donegan
to recommend approval to proceed with the sale of the
bonds - Ayes: 7

Electrical operations and Traffic Control scrap metal for recycling of fluorescent tubes

The committee reviewed a memo from the Director of Public Works requesting to use revenues from the sale of Electrical Operations and Traffic Control scrap metal for recycling of the fluorescent tubes and purchase of high voltage personal protective wear.

Mr. Kappel advised that recent regulation changes for personal protective gear for electrical employees requires extra high voltage suits.

Mr. Kappel reported that is requesting to use the funds in the amount of \$12,298.65 from the Miscellaneous Recycling Revenue. There are 5,683 high pressure sodium lamps and approximately 1,045 fluorescent lamps that need to be recycled along with the purchase of personal protective gear for electrical employees.

Moved by Ald. Hanson, seconded by Ald. Causier
to recommend approval of the \$12,298.65 in expenditures
from the Miscellaneous Recycling Revenue account to
recycle high pressure sodium lamps, fluorescent lamps,
and for the purchase of personal protective gear for electrical
employees – Ayes: 7

Creation of Tax Increment Finance District #6

Mr. Archambo noted that permission to create the TIF district is being sought. He said there has been a lot of trepidation and perceived risks associated with this, but he noted that staff is recommending the creation of this TIF district.

Mr. Archambo advised that there are a few things that need to be clarified.

- The capital cost of the TIF will be paid only by those taxable owners that choose to be in this district
- It is highly likely that any other developer would also be seeking TIF district funding
- Based on the feasibility analysis that was conducted the conservative estimate of \$101,000,000 taxable development amount would in fact pay the TIF obligation in less than 20 years. If taken over 27 years it would take \$43,600,000 in development. Based on these estimates the land, housing and accelerator =75% of the debt. The land and accelerator alone cover about 48% of the value
- The TIF district creation does not obligate the city to issue any debt. The developers agreement can provide additional details, the creation does appear to allow UWM to close on the property and for the city to move forward with the accelerator grant

Carol Kaminski, 1508 Underwood, said she is totally opposed of the creation of the TIF district. She felt it was forcing the city to co-sign a loan which the developers take no risk and is unacceptable. She felt it is a real estate flip by the board members of the foundation.

John Wieshan, Jr., Milwaukee County Supervisor reported that there is an alternative plan that meets the needs without a TIF and helps satisfy the TIF that is already created at the Research Park. With this alternative you would not have to wait three years for the accelerator and could be taxable right away. He strongly suggested looking at the alternative.

Many members from UWM staff spoke reiterating their desire toward the creation of Innovation Park. Letters with signatures in support were presented. Discussion ensued and outlined by UWM that the current campus is too compressed and lacks research space to move the university forward. Faculty members need to be at County Grounds to foster collaboration with the Medical College of Wisconsin and other partners in the Regional Medical Center. These partnerships would help them increase UWM research funding which would allow more students to be trained with more technology. There is a lack of state-of-the-art research facilities and wet lab space to partner with regional industry and colleagues at the Regional Medical Center. UWM does not have business accelerator space for our faculty to transform their inventions into viable businesses. This space in Wauwatosa would propel economic growth in the region.

Mike Lovell, Interim Chancellor at UWM; reiterated that the document presented has signatures from 30 – 40 faculty members who are interested in doing research at this facility for new technology.

Sharon Eiff, 1417 Lombard Ct., appeared in favor of the TIF. She said it is important to the city as this will be a vehicle to preserve the Eschweiler buildings, while preserving part of the site as a wildlife habitat and will provide a world class addition to our community.

Tom Stacy, 2521 N. 120th St., echoed Mr. Archambo's comment that no other developer would come here and not request a TIF. He felt if we holdout for someone to do this completely on their own it will not happen unless you want a box store in this location. Mr. Stacy fully supported the creation of a TIF as it is a proper vehicle to allow this really amazing development to happen.

Kathy Ehley, 7437 Kenwood Ave. said the TIF will preserve a natural designated landmark and provide infrastructure to provide advanced education, preservation and adaptive reuse of the five buildings and the habitat.

Ms. Welch presented a letter from Senator Jim Sullivan supporting the creation of the TIF district. Ms. Welch gave a history from 1998 when the common council passed six resolutions of this site and the preservation of the open space along with a master plan. A resolution in 2007 supported the Innovation Park at this location. She noted that this represents three different mayors and many mixtures of council which demonstrates a pretty clear consistent direction that this is the way to proceed.

Ms. Welch said the accelerator is a product of a long relationship between UWM and Dept. of Commerce working together to achieve a real vision of collaboration. Ms. Welch announced that there has been an award of a \$5,400,000 federal grant to construct the accelerator because of the belief that this is so important.

Ms. Welch answered a question by saying that the accelerator building grant is based on this site only for the creation of Innovation Park.

Innovation Park will become taxable once the parcel is purchased by the university. Currently the land is owned by Milwaukee County and no taxes are being paid. The committee discussed the September 30 deadline and Attorney Kesner advised that the urgency is to capture the zero value we know currently exists.

Ald. McBride commented that if we don't create the structure we don't put in place the opportunity for the city to capture the tax increment. He said if the TIF is not created the city does not get the accelerator building grant. This is the future of Wauwatosa and the historic preservationists really want this. He noted that done correctly with developer's agreements the TIF will pay for itself. Ald. McBride said the residents are concerned about their taxes and if we don't find a way to pay for tomorrow's services we have ourselves to blame.

Moved by Ald. McBride, seconded by Ald. Donegan
to recommend approval of the creation of Tax Increment
Finance District #6; UWM Innovation Park Project, in
the amount of \$12,000,000 – Ayes: 5 Noes: 2 (Walsh, Hanson)

Proposed contract for stop loss insurance for City health plans

The committee reviewed a memo from the HR Director regarding whether the City should retain its stop loss coverage with UHC or use an external stop loss provider.

Mr. Loy reminded the committee that the city purchases stop loss insurance on an annual basis. The contract starts in October. He reported that UHC initially came in with a 38% increase for stop loss and aggregate. A Request for Proposal was put out to 20 different carriers with two submitting competitive bids. United Healthcare came back with a more competitive bid of 18.5% increase. Symetra came in with a bid that would be an increase of 4.3% and is the recommended vendor.

Moved by Ald. Donegan, seconded by Ald. Hanson
to recommend approval for authorization to enter into
a contract with Symetra, which would result in a 4.37%
increase over last year – Ayes: 7

The meeting adjourned at 9:30 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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