



Wauwatosa, WI

Financial Affairs Committee

Meeting Agenda

7725 W. North Avenue
Wauwatosa, WI 53213

Tuesday, March 17, 2026

7:30 PM

Committee Room #1 and Zoom:
<https://servetosa.zoom.us/j/82091946645>,
Meeting ID: 820 9194 6645

Regular Meeting

HYBRID MEETING INFORMATION

Members of the public may observe and participate in the meeting in-person or via Zoom at the link above. To access the Zoom meeting via phone, call 1-312-626-6799 and enter the Meeting ID.

CALL TO ORDER

ROLL CALL

FINANCIAL AFFAIRS COMMITTEE ITEMS

1. Consideration of approval of agreement with Dana Investments to manage a portion of the City's investment portfolio [26-0510](#)
2. Consideration of request by Fleet and Parks & Forestry Superintendents for approval of a Level Three fund transfer for the purchase of an aerial bucket truck [26-0501](#)
3. Consideration of a request from the Engineering Division to authorize staff to enter into professional services agreements with raSmith for sanitary sewer dye testing in the amount of \$288,000 and with Baxter & Woodman for flow data evaluation in the amount of \$86,700 [26-0444](#)
4. Consideration of request for a waiver of the competitive bidding process and approval of a contract with Kapur & Associates, Inc. for water main and sanitary sewer design services in conjunction with the reconstruction of STH 181 (Glenview Avenue & Wauwatosa Avenue) from Wisconsin Avenue to Center Street in the amount of \$205,040.00 [26-0547](#)

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5. Consideration of request for a waiver of the competitive bidding process, approval of a contract with Michael Baker International and their subconsultants for retaining wall and street design services in conjunction with the reconstruction of STH 181 (Glenview Avenue & Wauwatosa Avenue) from Wisconsin Avenue to Center Street in the amount of \$319,147.67, and approval of a level III fund transfer of \$50,000 for cemetery retaining wall design. [26-0548](#)
6. Consideration for approval of a term sheet for tax incremental financing with Cream City Real Estate Investments LLC for a multi-family development at 2825/2835 N. Mayfair Road [26-0542](#)
- The Committee may convene into closed session regarding this item pursuant to Wis. Stat. §19.85 (1)(e), to deliberate or negotiate 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. The Committee may reconvene into open session to consider the balance of the agenda.*
7. Consideration of approval of a Letter of Intent regarding the potential purchase of private property by the City of Wauwatosa within Tax Increment District 7 [26-0550](#)
- The Committee may convene into closed session regarding this item pursuant to Wis. Stat. §19.85 (1)(e), to deliberate or negotiate 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. The Committee may reconvene into open session to consider the balance of the agenda.*
8. Consideration of approval of settlements for two Wis. Stat. 74.37 excessive property assessment claims - Lowes Home Centers, Inc., 12000 W. Burleigh Street, and Scott Schueller, 8217 Brookside Place [26-0509](#)
- This item may be moved into closed session pursuant to Wis. Stat. § 19.85(1)(g) which allows for a governmental body to enter closed session to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.*
9. Consideration of court-ordered mediation settlement offer made by Ascension related to Milwaukee County Case No. 22CV4819 [26-0566](#)
- This item may be moved into closed session pursuant to Wis. Stat. § 19.85(1)(g) which allows for a governmental body to enter closed session to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.*
10. Consideration of approval on the settlement of Patricia Love litigation [26-0541](#)
- This item may be moved into closed session pursuant to Wis. Stat. § 19.85(1)(g) which allows for a governmental body to enter closed session to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.*

ADJOURNMENT

NOTICE TO PERSONS WITH A DISABILITY

Persons with a disability who need assistance to participate in this meeting should call the City Clerk's office at (414) 479-8917 or send an email to tclerk@wauwatosa.net, with as much advance notice as possible.



Staff Report

File #: 26-0510

Agenda Date: 3/17/2026

Agenda #: 1.

Consideration of approval of agreement with Dana Investments to manage a portion of the City's investment portfolio

Submitted by:

Derik Summerfield

Department

Finance Department

A. Issue

The Finance Department is seeking to execute an agreement with Dana Investments to manage a portion of the City's investment portfolio.

B. Background/Options

The City had a \$97 million portfolio as of January 31, 2026 (Figure 1) that is managed by the Assistant Finance Director. The City is considered a "buy and hold" investor, meaning that fixed income investments are purchased and then held to maturity. The City portfolio consists of safe, highly-rated, fixed-rate investments including federal government issued securities, Wisconsin and other highly rated municipal bonds and certificates of deposit. An advantage of having a managed portfolio is that over time the rate of return does not fluctuate as much as a liquid investment like the local government investment pool or other investment funds (Figure 2).

Dana Investments was founded in 1980 and is headquartered in Brookfield, Wisconsin. The company's investment philosophy and objectives are to preserve principal and provide consistent, risk-based returns. The City would enter into a non-discretionary agreement with Dana, meaning Dana has authority to invest funds without City approval on each investment as long as the investment is one that is covered by parameters set by the City. The City would use the Dana Limited Volatility product. This product invests in federal government securities with a focus on adjustable rate securities. This allows the portfolio to move with the interest rate market. As an example, Dana's three-year rate of return is 5.32%, while the five-year rate of return is 2.72% which includes the low interest rate years of 2021 and 2022. To summarize, working with Dana Investments would do the following:

- Adjustable rate focus complements the current "buy and hold" fixed rate program
- Provides a customized, actively managed portfolio that is reactive to the market
- May result in higher returns with limited volatility while providing safety of principal

Figure 1. City Portfolio

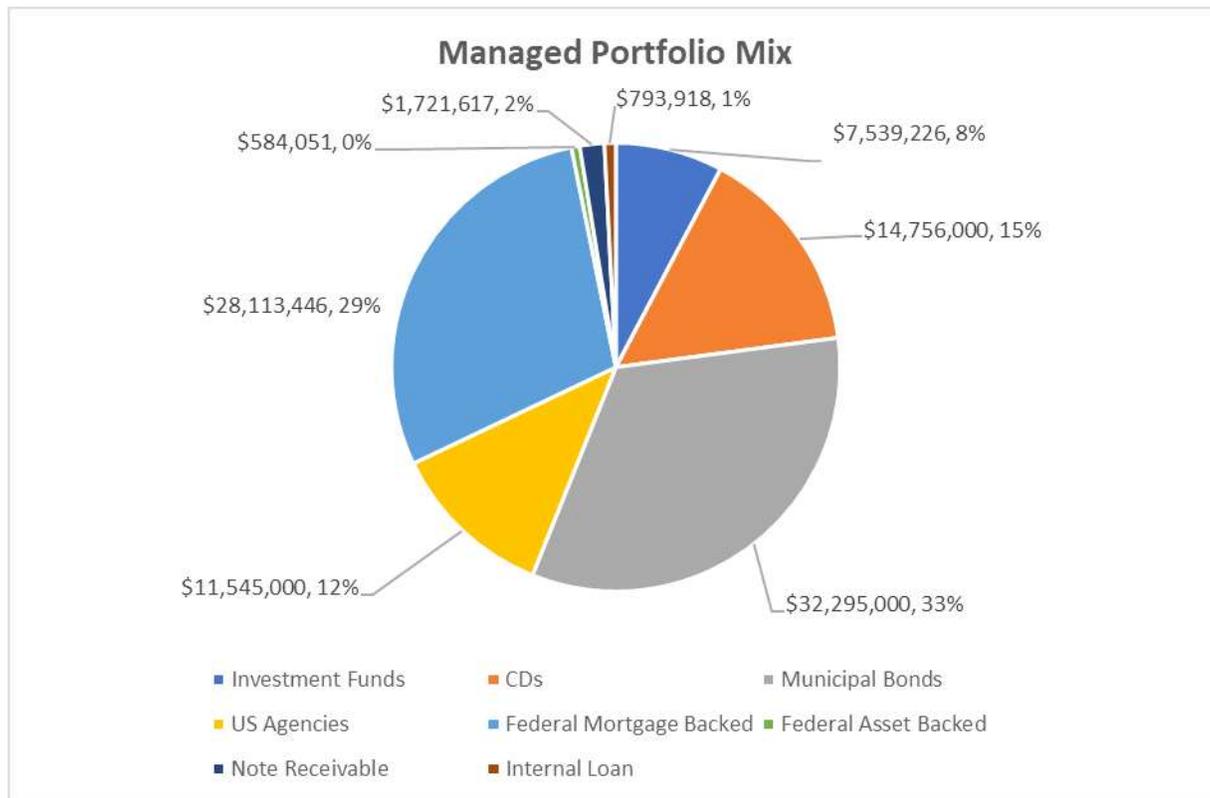
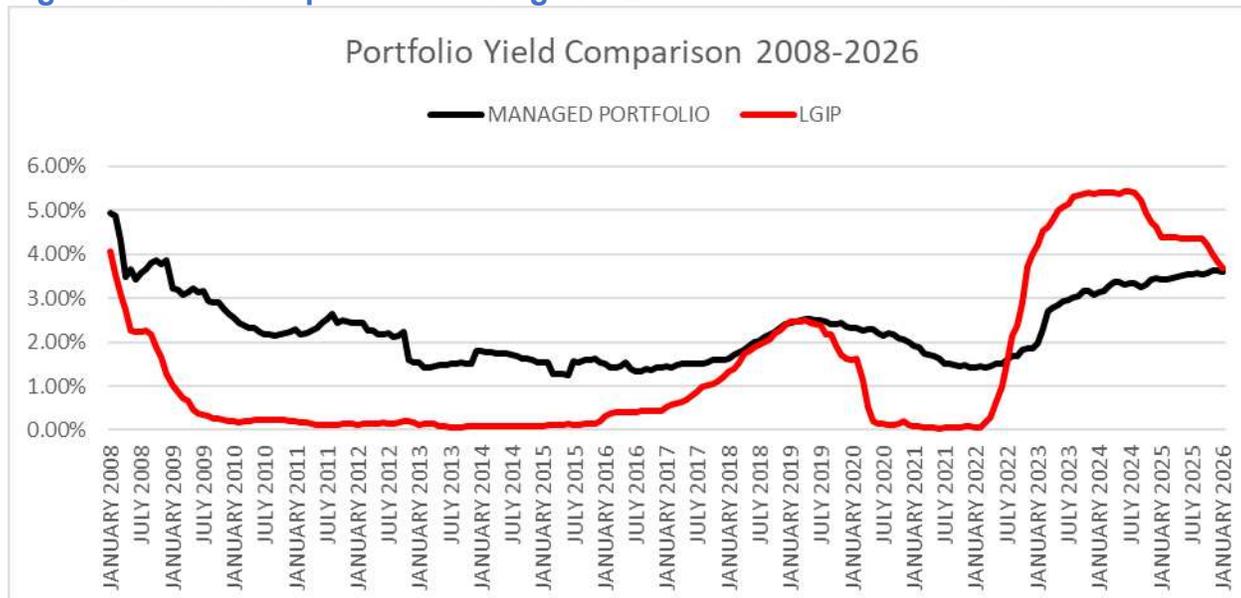


Figure 2. Yield Comparison: Managed v Local Government Investment Pool



C. Strategic Plan (Area of Focus)

NA

D. Fiscal Impact

Dana charges a management fee based the assets under management:

- 0.20% for asset balances under \$10 million
- 0.15% for the next \$10 million of asset balance
- 0.10% for asset balances over \$20 million

At this time, Finance staff intends to invest less than \$10 million with Dana and so would be subject to the 0.20% of asset balances.

E. Recommendation

I recommend that the Financial Affairs Committee recommend to Common Council that an agreement is executed with Dana Investments to manage a portion portfolio. Total dollars to be invested to be determined by Finance staff with investment authority.



Staff Report

File #: 26-0501

Agenda Date: 3/17/2026

Agenda #: 2.

Consideration of request by Fleet and Parks & Forestry Superintendents for approval of a Level Three fund transfer for the purchase of an aerial bucket truck

Submitted by:

Fleet Superintendent, Michael Hahn and Parks & Forestry Superintendent, Alex Krutsch

Department:

Public Works

A. Issue

The City's Forestry Team utilizes aerial bucket trucks to accomplish many tree care and maintenance tasks including tree pruning and removals. One of the team's most versatile bucket trucks has experienced several significant time loss repairs and we are requesting approval to order a replacement truck at this time.

B. Background/Options

In order to meet the City's lofty goal of pruning 2,500 trees each year the City's Forestry Team needs quality and reliable equipment. The team currently utilizes multiple bucket trucks of various sizes to accomplish the varied needs of the City's diverse urban forest. The mid-sized bucket truck, that provides immense value to meet the team's needs is a 2000 model year and it has experienced several significant mechanical failures this season which have led to significant downtime. The team is currently renting a truck given the significance of the current mechanical issue, however, the cost to rent quickly escalates well beyond the cost of ownership so we are recommending authorization of a purchase at this time.



The Forestry Team has evaluated various bucket options and determined that a Versalift VST-5500, shown here, will best meet the needs of team. The estimated purchase price of the bucket truck, including the chassis and all

necessary upfitting is \$350,000. The build time for equipment is significant so we intend to utilize the current unit (once repairs are completed) and/or rent a unit until a new truck can be built and delivered.

C. Strategic Plan (Area of Focus)

Priority Area Three: Infrastructure

D. Fiscal Impact

Funds from the Capital Budget would be utilized to purchase this piece of equipment. At this point it is very likely existing capital projects budgeted in 2026 will be under budget which will allow for those funds to be reallocated for the purchase the truck, however, if funds are not remaining addition borrowing would be utilized.

E. Recommendation

Authorization of a Level Three Fund Transfer from the Capital Budget for the purchase of a VST-5500 Aerial Bucket Truck in an amount not to exceed \$350,000



Staff Report

File #: 26-0444

Agenda Date: 3/17/2026

Agenda #: 3.

Consideration of a request from the Engineering Division to authorize staff to enter into professional services agreements with raSmith for sanitary sewer dye testing in the amount of \$288,000 and with Baxter & Woodman for flow data evaluation in the amount of \$86,700

Submitted by:

Chris Jain, PE, Senior Civil Engineer

Department

Public Works, Engineering Division

A. Issue

Consideration of a request from the Engineering Division to authorize staff to enter into professional services agreements with raSmith for sanitary sewer dye testing in the amount of \$288,000 and with Baxter & Woodman for flow data evaluation in the amount of \$86,700

B. Background/Options

The Common Council approved the execution of a funding agreement with the Milwaukee Metropolitan Sewerage District (MMSD) through the Private Property Infiltration and Inflow (PPII) Reduction Program in January 2026 to complete two sanitary sewer investigation projects. The consulting services recommended in this memo implement that funding agreement and allow the City to complete the investigations identified under the program.

The goal of these projects is to measure the effectiveness of previously completed sanitary sewer improvements in reducing the “clear water” (inflow and infiltration, or I/I) entering the sanitary sewer system. These investigations will help the City evaluate the effectiveness of past sewer rehabilitation investments and guide future efforts to reduce inflow and infiltration. The two investigation projects are summarized below:

1. The dye testing project will surcharge the storm sewer with dyed water and use CCTV inspections in the sanitary sewer to observe and document the locations and rates of infiltration. These infiltration rates will be compared with historical infiltration rates observed during previous dye testing efforts to evaluate the reduction in infiltration resulting from completed improvements and will be summarized in a final report.
2. The flow data evaluation project will analyze several years of flow data collected from MMSD-provided meters that were installed in manholes throughout the City. This data will be used to build a sanitary sewer flow model to simulate system performance during various rain events. By comparing pre- and post-construction simulated flows, the analysis will quantify and evaluate the reduction in infiltration achieved with the completed sanitary sewer rehabilitation and replacement projects. Results will be summarized in a final report.

Proposals were solicited from engineering consulting firms for each of the projects. The proposals were evaluated and scored based on firm and personnel experience, project approach and understanding, and fees. A

summary of the proposals received is below:

1. Dye Testing Contract: Three proposals were received with fees that ranged from \$288,000 to \$497,500. Staff recommends award of the contract to raSmith as their proposal scored the highest and their fee was \$288,000.
2. Flow Data Evaluation Contract: Three proposals were received with fees that ranged from \$86,700 to \$179,463. Staff recommends award of the contract to Baxter & Woodman as their proposal scored the highest and their fee was \$86,700.

C. Strategic Plan (Area of Focus)

Priority 3: Infrastructure, Goal 1 - Optimize infrastructure to handle 100-year storm events.

Priority 3: Infrastructure, Goal 5 - Increase alternative (non-property tax based) funding to support capital projects.

D. Fiscal Impact

These projects will be funded through the MMSD PPII Reduction Program and will not require additional City funding beyond the allocated program funds. The Funding Agreement includes \$544,500 of Municipal PPII Funds. After award of the initial contracts, the remaining \$169,800 of Municipal PPII Funds will allow the City to request reimbursement for eligible City staff time associated with these projects and provide contingency funding for additional tasks that may be identified during the investigations.

Item	Budget/Cost
Allocated Municipal PPII Funding	\$544,500
Dye Testing Contract (raSmith)	\$288,000
Flow Data Evaluation Contract (Baxter & Woodman)	\$ 86,700
Remaining Funding	\$169,800

Remaining funding may be used for:

- Request reimbursement of eligible City staff time
- Contingency funding for additional project tasks if needed

E. Recommendation

Authorize staff to enter into professional service agreements with raSmith for sanitary sewer dye testing for \$288,000 and with Baxter & Woodman for flow data evaluation for \$86,700.



Staff Report

File #: 26-0547

Agenda Date: 3/17/2026

Agenda #: 4.

Consideration of request for a waiver of the competitive bidding process and approval of a contract with Kapur & Associates, Inc. for water main and sanitary sewer design services in conjunction with the reconstruction of STH 181 (Glenview Avenue & Wauwatosa Avenue) from Wisconsin Avenue to Center Street in the amount of \$205,040.00

Submitted by:

Boris Veleusic, PE
City Engineer

Department

DPW, Engineering

A. Issue

The City's Capital Improvements Program (CIP) includes the reconstruction of STH 181 (Glenview Avenue & Wauwatosa Avenue) from Wisconsin Avenue to Center Street (CIP project #1121). The design is currently underway for the roadway, bridge maintenance, and storm sewers located along this route. A design contract is needed at this time in order to complete the design of water mains and sanitary sewers in conjunction with the project.

B. Background/Options

This route is a Connecting Highway in the Wisconsin Department of Transportation's (WisDOT) Roadway System. STH 181 is a Connecting Highway and WisDOT will be covering the majority of the cost of the roadway reconstruction, bridge maintenance work and storm sewer improvements. The City will be responsible for a portion of the construction costs at the intersections based on safety and operational improvements. The development of a State Municipal Agreement (SMA) between the City and WisDOT is in progress. However, WisDOT does not cover any costs related to the improvements to City water or sanitary infrastructure, so the City is responsible for 100% of these costs, including design.

In order to select the design consultant for the reconstruction of the roadway, bridge maintenance and storm sewer improvements, the City and WisDOT proceeded through a Quality Based Selection process that resulted in two (2) proposals. The proposals received were reviewed and both firms were interviewed. Ultimately, Michael Baker International was selected as the preferred consultant to lead the overall design of this project. Kapur & Associates, Inc. was included in the proposal as the subconsultant for survey and public relations services. These scopes of work are currently underway.

Per WisDOT's current funding schedule, construction is scheduled for 2030. To develop 60% plans and stay on schedule, the City needs to begin design of the water mains and sanitary sewers as soon as possible. Since Michael Baker International and their subconsultants were selected through a request for proposal process and

are already working on this project, the City made a request for a design proposal to perform water main and sanitary sewer improvements. Kapur & Associates, Inc. submitted a competitive proposal and is best fitted for this design work given their experience and current work on the project, including survey of these facilities.

City staff worked with Kapur & Associates, Inc. to scope the water main and sanitary sewer limits and design requirements so that they could prepare a cost for the City's consideration. The proposed design fee for the water main and sanitary sewer design is \$205,040.00. This is a fair price for the outlined scope of services. Staff is recommending that we waive the request for proposal process and award a design contract to Kapur & Associates, Inc. for a cost of \$205,040.00.

C. Strategic Plan (Area of Focus)

Priority Area Three: Infrastructure

D. Fiscal Impact

The 2026 Capital Budget includes the design costs for both water main and sanitary sewer for this project and the proposed design fees are within the budgeted amounts.

E. Recommendation

Approval to waive the competitive bidding process and approve a contract with Kapur & Associates, Inc. for water main and sanitary sewer design services in conjunction with the reconstruction of STH 181 (Glenview Avenue & Wauwatosa Avenue) from Wisconsin Avenue to Center Street in the amount of \$205,040.00.



Staff Report

File #: 26-0548

Agenda Date: 3/17/2026

Agenda #: 5.

Consideration of request for a waiver of the competitive bidding process, approval of a contract with Michael Baker International and their subconsultants for retaining wall and street design services in conjunction with the reconstruction of STH 181 (Glenview Avenue & Wauwatosa Avenue) from Wisconsin Avenue to Center Street in the amount of \$319,147.67, and approval of a level III fund transfer of \$50,000 for cemetery retaining wall design.

Submitted by:

Boris Veleusic, PE
City Engineer

Department

DPW, Engineering

A. Issue

The City's Capital Improvements Program (CIP) includes the reconstruction of STH 181 (Glenview Avenue & Wauwatosa Avenue) from Wisconsin Avenue to Center Street (CIP project #1121). The design is currently underway for the roadway, bridge maintenance, and storm sewers located along this route.

A design contract is needed at this time for design to replace the retaining wall along the Wauwatosa Cemetery ahead of the STH 181 roadway reconstruction, which is under a different WisDOT contract. Also included in this contract is design services for a multiuse path on the south side of Harwood Ave from Glenview Avenue to Dewey Street and roadway reconstruction of North Avenue from the STH 181 project limits through the 73rd Street intersection in conjunction with the project. Work through the 73rd Street intersection was not included in the original scope. The scope of this work is adjacent to the project's construction but outside of the DOT's funding jurisdiction.

B. Background/Options

This route is a Connecting Highway in the Wisconsin Department of Transportation's (WisDOT) Roadway System. Because STH 181 is a Connecting Highway, WisDOT will be covering the majority of the cost of the roadway reconstruction, bridge maintenance work and storm sewer improvements. The City will be responsible for a portion of the construction costs at the intersections based on safety and operational improvements. The percentage breakdown and cost share of these costs is still being finalized with a State Municipal Agreement (SMA) between the City and WisDOT. However, WisDOT will not pay for any costs related to the reconstruction of elements outside of their identified survey and scoping area, which does not include the areas included in this contract.

In order to select the design consultant for the reconstruction of the roadway, bridge maintenance and storm sewer improvements, the City and WisDOT proceeded through a Quality Based Selection process that resulted in two (2) proposals. The proposals received were reviewed and both firms were interviewed. Ultimately, Michael Baker International was selected as the preferred consultant to lead the overall design of this project and

design is underway.

The Wauwatosa Cemetery wall is in poor condition, was identified as a need and was included in the CIP to be constructed in 2029, ahead of the roadway reconstruction currently scheduled for 2030, based on WisDOT funding. On January 9th, 2026, a portion of the wall collapsed. Temporary measures have been put in place to stabilize the exposed soil to avoid further deterioration and collapse, but the City now needs to accelerate the design and construction to rebuild the retaining wall in 2027.

The inclusion of a multiuse path on Harwood Avenue in place of a pedestrian sidewalk is at the City's request based on public feedback at the Public Involvement Meeting held in November of 2025. Because WisDOT included the pedestrian sidewalk in the scope along this route, the City will be responsible for the difference in cost between the sidewalk and the multi-use path for both design and construction. The new multi-use path will provide a critical connection on Harwood Ave. and from the south and west to areas east and south at Hart Park, parking lots, and other locations.

The intersection of Wauwatosa Avenue & North Avenue is included in the STH 181 reconstruction project. In WisDOT's scope of the intersection, the eastern construction limits ended at 75th Street. In order to lengthen the westbound left turn lane, include desirable taper lengths and replace the substandard pedestrian sidewalk that is only 18 inches in width, the City requested the eastern limits of the intersection be extend to 73rd Street. The City will be responsible for the total cost of both design and construction for the area between 75th Street and 73rd Street.

Given the fact that Michael Baker International was selected through a request for proposal process we asked them to prepare a proposal for design services for the retaining wall, path and street design. Also, by considering use of Michael Baker International for these designs, costs would be reduced because they already have survey, preliminary designs for the WisDOT project area and have identified the match points for all additional elements. (Much of the costs will be paid through the roadway reconstruction process). Subconsultants include:

1. Kapur and Associates - survey and mapping, right-of-way plat, title searches and appraisal staking - 18,632.02.
2. Singh and Associates - additional lighting design for removals, temporary lighting, and new lighting - \$26,297.52.
3. Gestra Engineering - geotechnical borings and engineering for cemetery retaining wall - \$9,020.00.
4. University of Wisconsin - Milwaukee - historic and archaeological investigation services for the cemetery wall and Longfellow Middle School - \$6,200.00

City staff worked with Michael Baker International to scope the retaining wall, path and street design requirements so that they could prepare a cost for the City's consideration. The proposed design fee is \$319,147.67. This fee based on a percentage of construction cost estimates is 2% depending upon final construction costs. This percentage is significantly less than we normally expect for projects like this, which is generally closer to 5% - 7%. Given all of these factors, staff is recommending that we waive the request for proposal process and award a design contract to Michael Baker International and their subconsultants for a cost \$319,147.67.

C. Strategic Plan (Area of Focus)

Priority Area Three: Infrastructure

D. Fiscal Impact

The 2026 Capital Budget (CIP project #1121) includes the design and construction costs for this project and the proposed design fees are within the budgeted amounts for all items noted, with the exception of the cemetery retaining wall design.

A level III fund transfer of \$50,000 is requested to advance design costs for the cemetery retaining wall design, originally budgeted for 2029.

E. Recommendation

Approval to waive the competitive bidding process, approve a contract with Michael Baker International and their subconsultants for retaining wall and street design services in conjunction with the reconstruction of STH 181 (Glenview Avenue & Wauwatosa Avenue) from Wisconsin Avenue to Center Street in the amount of \$319,147.67, and approval of a level III fund transfer of \$50,000 to reallocate funds from 2029 to 2026 for design of the cemetery retaining wall.



Wauwatosa, WI

7725 W. North Avenue
Wauwatosa, WI 53213

Staff Report

File #: 26-0542

Agenda Date: 3/17/2026

Agenda #: 6.

Consideration for approval of a term sheet for tax incremental financing with Cream City Real Estate Investments LLC for a multi-family development at 2825/2835 N. Mayfair Road

Submitted by:

Mark Hammond and John Ruggini

Department:

Development and Finance

A. Issue

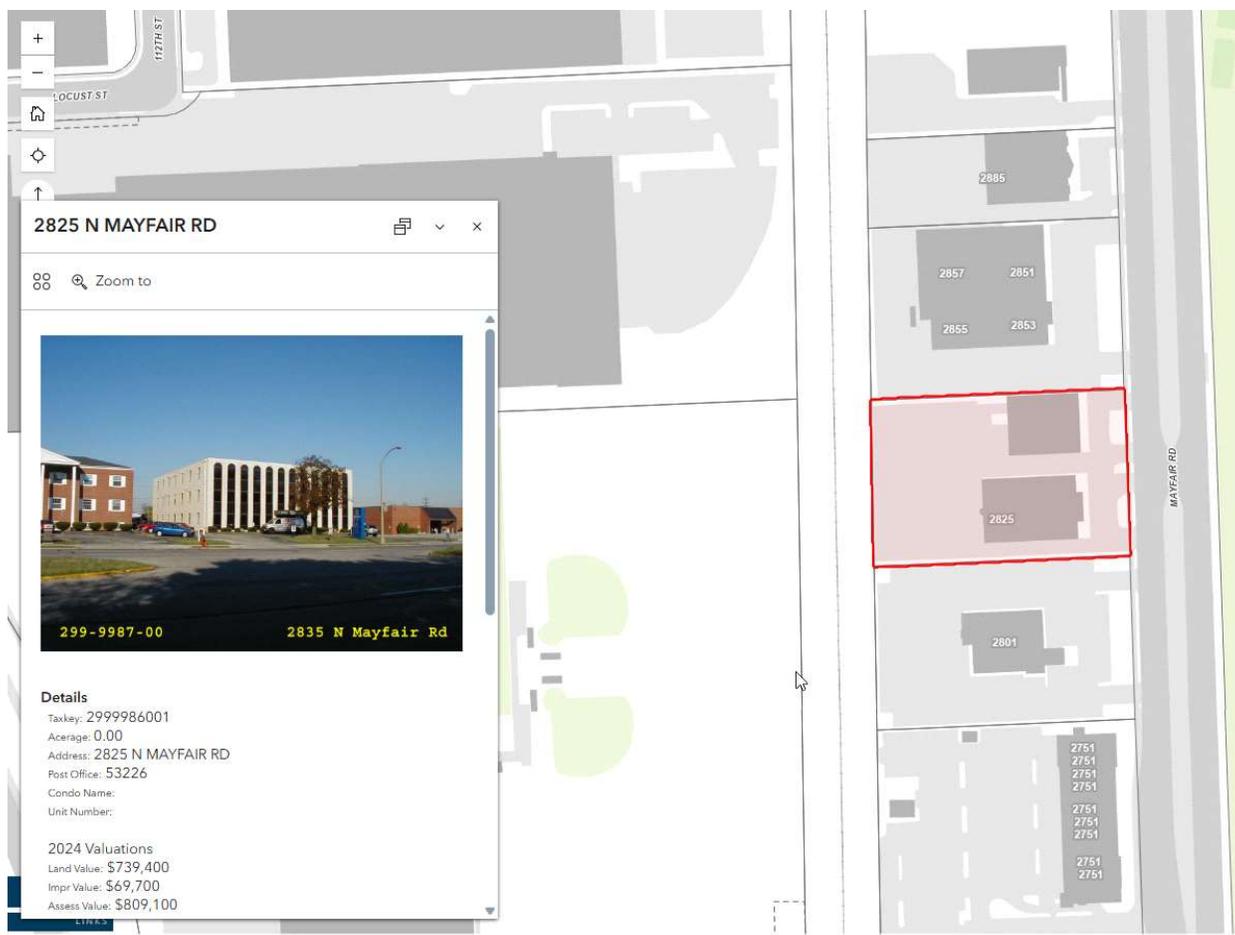
Cream City Real Estate Investments LLC (the "Developer") has submitted an application requesting Tax Incremental Financing (TIF) to support the development of Latitude 43, a 92-unit market-rate apartment building located at 2825/2835 N Mayfair Avenue. The project would be located within a to-be-created Tax Increment District No. 17 (TID 17).

B. Background/Options

[Project Overview](#)

The proposed development consists of a 92-unit market-rate apartment building at 2825/2835 N Mayfair Avenue. The project site currently comprises two parcels that will be combined prior to construction commencement. The development will include a mix of unit types designed to meet current market demands.

The Developer originally requested a construction loan from the City in the amount of \$1,460,105 and a Municipal Revenue Obligation (MRO) Note in the principal amount of \$2,900,000, repayable from 85% of the annually generated tax increment over a 15-year term. In lieu of incorporating affordable units within the project, the Developer has proposed making a \$100,000 contribution to the City's Affordable Housing Fund.



Current Market Conditions

The multifamily housing development market is currently facing significant headwinds that make projects like this particularly challenging to finance and execute. Rising construction costs, elevated interest rates, increased material expenses, and labor shortages have substantially impacted development feasibility across the region. These market conditions have resulted in the delay or cancellation of numerous residential projects throughout southeastern Wisconsin. The confluence of these factors has created a financing environment where even well-conceived projects in strong locations struggle to achieve financial feasibility without some form of public-private partnership.

Despite these challenges, market analysis indicates strong demand for quality rental housing in Wauwatosa, particularly in locations with good accessibility and amenities.

Financial Analysis

An independent financial feasibility analysis was conducted by Ehlers to evaluate the project’s economic viability and the appropriateness of the requested TIF assistance. Ehlers reviewed the project budget and pro forma based on industry standards under current market conditions, examining development costs, available funding sources, financial structure,

underwritten financial assumptions, Developer contributions, rental rates, operating expenses, and projected cash flows.

Based on their review, Ehlers concluded that the Developer's original request for financial assistance exceeded what is necessary for the project to be financially feasible. Ehlers recommends that financial assistance be structured only as an MRO Note in the principal amount of \$2,850,000, to be repaid over a 16-year term from 80% of the annually generated tax increment, at an interest rate equal to the lesser of 5.50% or the Developer's actual rate of financing on their permanent first mortgage.

Key findings from the Ehlers analysis include:

- The base value of the two parcels comprising the project site will be approximately \$2,277,000, based on the equalized value as of January 1, 2026
- Upon completion and stabilization, the estimated market value of the project is \$21,896,000
- The TID is projected to generate approximately \$378,633 in annual tax increment upon completion and stabilization
- Total tax increment anticipated to be generated and paid to the Developer on a PAYGO basis is \$4,677,474 over the term of the MRO Note
- With the recommended public assistance, the Developer is projected to achieve a 13.8% internal rate of return (IRR) at year 10, assuming a 6.00% capitalization rate; without assistance, the project would yield only a 9.1% IRR, which is below the market return necessary to attract the equity required for feasibility
- The Developer is projected to achieve a 9.5% average annual cash-on-cash return over the 16-year MRO Note term, which falls within the industry standard range of 9-11%
- The recommended TIF structure utilizing a Pay-As-You-Go (PAYGO) method is the preferred approach for municipal TIF incentives, as it shifts risk from the City onto the Developer

[TID Creation](#)

This project would require the creation of a new Tax Increment District, designated as TID 17. The TID would comprise the two parcels at 2825/2835 N Mayfair Avenue needed for redevelopment. The base value certification will be based on the equalized value as of January 1, 2026.

[Affordable Housing Contribution](#)

In lieu of incorporating affordable units within the project, the Developer has committed to making a one-time contribution of \$100,000 to the City of Wauwatosa Affordable Housing Fund. This contribution will help the City advance its affordable housing objectives while allowing the project to maintain its market-rate financial structure necessary for feasibility.

[Economic Impact](#)

The project will generate significant property tax increment that will be available to support the development and contribute to the City's tax base. Upon completion and stabilization, the development is projected to have a market

value of approximately \$21,896,000, representing a substantial increase over the current base value of \$2,277,000.

C. Strategic Plan (Area of Focus)

This project aligns with multiple areas of the City's Strategic Plan:

Economic Development: The project represents significant private investment in the community and contributes to the tax base while activating underutilized parcels along the N Mayfair Avenue corridor.

Housing: The development adds 92 market-rate housing units to the community's housing stock, helping to address regional housing demand and providing quality rental options for residents who wish to live in Wauwatosa.

D. Fiscal Impact

To be discussed in closed session.

E. Recommendation

Staff recommends approval under the terms provided in the Ehlers analysis and sending this to the Common Council for consideration.

This recommendation is based on the following considerations:

- The project addresses a demonstrated market need for quality rental housing in a challenging development environment
- Independent financial analysis by Ehlers confirms the project's viability and the appropriateness of the recommended assistance level
- The Ehlers analysis appropriately reduced the Developer's original request to ensure public assistance does not generate excessive returns
- The affordable housing fund contribution of \$100,000 advances important community objectives
- The project will generate significant new tax increment from a substantial increase in assessed value
- The PAYGO structure protects the City's financial interests by ensuring payment only occurs as increment is actually generated

The Committee may convene into closed session regarding this item pursuant to Wis. Stat. §19.85 (1)(e), to deliberate or negotiate 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. The Committee may reconvene into open session to consider the

balance of the agenda.

TERM SHEET FOR DEVELOPMENT AGREEMENT
BETWEEN LATITUDE 43 LLC, AND CITY OF WAUWATOSA REGARDING
LATITUDE 43 APARTMENTS, WAUWATOSA, WISCONSIN

March _____, 2026

1. Developer: Latitude 43 LLC, and/or successors and assigns.

2. Description of Project: Development of a multi-family apartment complex featuring 92 market-rate units and associated structured and surface parking on a 1.70-acre site located at 2825 North Mayfair Road (the "Property"). The development will include approximately 119,000 gross square feet, 77,000 net leasable square feet, offering a mix of studio, 1-bedroom, 2-bedroom, and 3-bedroom floor plans tailored to meet market demand (the "Project"). A total of approximately 110 parking stalls will be provided, including approximately 51 structured parking stalls for residents only and approximately 59 surface stalls for residents and visitors. The Project will feature an amenity package including a fitness center, outdoor courtyard, club room, and electric car charging stations. The Developer and the City of Wauwatosa (the "City") have estimated that the taxable value of the Project is expected to be approximately \$21,896,000.

3. Contribution to Affordable Housing Fund: Developer shall pay \$100,000 to the City of Wauwatosa Affordable Housing Fund (the "Contribution"). The Contribution shall be paid upon substantial completion of the Project, evidenced by a temporary or permanent certificate of occupancy (CO) for the Project ("Substantial Completion").

4. City Obligations:

(a) Seek approval for funding described herein through and by creating a new Wauwatosa Tax Increment District #17 ("TID 17"), which includes the site upon which the Project is to be constructed, as well as other areas and parcels near and around the location necessary to complete the projects described within the TID 17 Project Plan. Such funding is subject to approval of the Wauwatosa Common Council. This also includes the creation of a new TID 17 to facilitate the City's funding obligations outlined herein, which will require various approvals outlined in the timeline provided to Developer.

(b) Cooperate to structure the TIF funding so as to minimize negative income tax or other impacts on Developer.

(c) Within 30 days after receipt of written request, City shall provide to Developer commercially reasonable written certification regarding the status of the Project and MRO (defined below).

5. Developer Obligations:

(a) Use commercially reasonable efforts to obtain all necessary zoning, permits, and approvals and complete construction of the Project in accordance with plans approved by City and in all cases generally consistent with the application for TIF financing submitted to the City by the

Developer. To the extent any public improvements are included within the scope of work for the Project, complete the installation of same per City specifications and dedicate same to the City upon completion.

(b) Construct the Project substantially in accordance with construction plans reasonably approved by the City.

(c) All customary permitting, licensing, inspection and plan review fees will be paid by the Developer. An escrow may be required for plan review fees for the City’s engineering department.

(d) Construct the Project and maintain it in good condition through the Termination Date, subject to ordinary wear and tear and damage by casualty. As used in this Agreement, “Termination Date” means the expiration or earlier closure of TID 17.

(e) Material changes to construction plans must be approved by the City, such approval not to be unreasonably withheld or conditioned.

(f) Designate the following sustainability features or standards (collectively, the “Sustainability Features”):

- (i) Bio-diverse, indigenous landscaping
- (ii) EV charging stations
- (iii) Efficient HVAC systems and Energy Star appliances
- (iv) High-performance insulation and low-E double-glazed windows
- (v) LED light fixtures and low flow plumbing fixtures

Developer will also submit Project plans to Focus on Energy (FOE) for a new construction energy assessment when design plans have progressed to the point as required by FOE for evaluation.

(g) Subject to unavoidable or force majeure delays, construction and Substantial Completion of the Project will be as follows:

Commence Construction	Substantially Complete Construction
June 2026	July 2027

(h) Developer will retain and the City hereby approves a reputable Property Management firm with substantial experience in alike properties with a minimum portfolio of 1000-units as the initial management company for the Project. Developer may replace the initial management company only with the prior written approval of the City, which approval shall not be unreasonably withheld, conditioned, or delayed. The approval process should take place within 30 days after Developer provides notice. Any replacement management company shall be a reputable management company with experience in the management of multifamily rental housing developments similar in size to the Project. The City may require the replacement of the property management company only upon (i) a documented and uncured material breach of this Agreement by the property management company that

directly relates to the management of the Property, or (ii) a violation of applicable law directly related to property management operations, in either case provided that Developer is given written notice specifying the breach or violation and a reasonable opportunity to cure (not less than 30 days for breaches, not less than 10 days for law violations that do not present immediate health or safety risks).

(i) Complete Project substantially in accordance with approved plans.

(j) Developer is required to take commercially reasonable efforts to hire or sub-contract with firms registered as Disadvantaged Business Enterprises with Milwaukee County, State of Wisconsin Department of Administration or the State of Wisconsin Department of Transportation to complete 25% of the construction and professional services (to the extent hired after the date hereof) work for which there are competitive DBE firms. The Developer also agrees to set a goal of hiring 25% of their additional construction work force needed for this Project from distressed zip codes within Milwaukee County. Developer shall not be obligated to hire any DBE firms that are not qualified to perform the applicable scope of work. Moreover, Developer shall not be obligated to hire a DBE firm if the lowest qualified DBE bid is 5% or greater higher than the lowest qualified bid from a non-DBE firm. Developer will work with a consultant hired by the City and paid through the TIF to develop and implement a Participation Plan to meet these goals and provide any necessary documentation for monitoring. (The details of the above goals and requirements will be set out in the Participation Plan).

6. City Financial Assistance: The City shall provide financial assistance in the form of a reimbursement for Developer-Funded Expenditures (defined below).

7. Funding for Developer-Funded Expenditures: The City will make Municipal Revenue Obligation (“MRO”) payments to Developer over the life of TID 17 having a net present value of \$2,851,980 plus interest (such payments totaling \$4,677,474 in the aggregate), as shown in the Tax Increment Projection Worksheet attached hereto as Exhibit B, to Developer as described below:

(a) Developer must submit evidence of adequate funding commitments reasonably acceptable to the City before the City will issue an MRO.

(b) The City will reconfirm the MRO upon Substantial Completion of the Project, subject to any adjustments noted in paragraph 9.

(c) The City will pay an amount equal to 80% of the tax increment (with the City retaining the remaining 20% which shall include the costs of the annual financial audit, staff time, and construction monitoring) generated annually by the Developer’s Project via an MRO for Extraordinary Project Costs (defined below), including but not limited to the costs identified in paragraph 8 below. This payment will be calculated solely from the property tax payments actually received from the Developer and from no other funds of the City or the Tax Incremental District. Annual payments shall be made to the Developer within 45 days after the tax liability for that year has been paid in full by Developer, but no sooner than July 15th. For the avoidance of doubt, the MRO payment in any given year shall not be limited to the amount of the annual MRO payment shown on the TIF Projections for such year, provided that the total amount of the MRO payments

shall not exceed the total aggregate maximum amount of the MRO shown in the table below. The City will make payments on the amended amounts until a total aggregate amount as follows for the Project has been paid:

Financing Rate (a/k/a Discount Rate)	Future Value (gross aggregate MRO payments)	Present Value
5.5%	\$4,677,474	\$2,851,980

The future value of \$4,677,474 in the chart above is based on the net present value of \$2,851,980 being monetized at the time of construction completion using an imputed interest rate of 5.5%. Any and all obligations for payment of the MRO shall expire on the TIF District Expiration Date. In the event the City closes the TID prior to its 20-year expiration date and Developer has not yet received MRO payments totaling \$4,677,474, the City shall pay to the Developer a lump sum payment equal to the present value of the remaining MRO payments reasonably anticipated to have been paid out over the remaining life of the TID had it run for its full 20-year period. For example, if the TID is closed two years early, City would pay an amount equal to the final two years of MRO payments that would have otherwise occurred had the TID not been closed early.

8. Extraordinary Project Costs: “Extraordinary Project Costs” means project costs eligible for reimbursement through TID funding under Wisconsin law, examples of which are further described in the chart below. Extraordinary Project Costs can vary between categories but cannot exceed total Extraordinary Project Costs shown in the chart below on a net present value basis. Prior to the issuance of the first MRO payment, the Developer must substantiate the actual Extraordinary Project Costs.

Extraordinary Project Costs	Total
Stormwater Infrastructure	\$191,400
Energy Efficiency over code	\$152,000
Work in Public ROW	\$35,000
Parking Structured	\$1,750,000
Utility Extensions/Relocations	\$40,000
Electrical Car Charging	\$21,500
Demolition	\$368,000
Soil Stabilization	\$105,000
Sanitary waste water management	\$210,000
Asbestos Abatement	\$61,000
Affordable Housing Contribution	\$100,000
Total	\$3,033,900

9. Adjustment of Reimbursement for Extraordinary Project Costs and Developer-Funded Expenditures for Construction Savings: Following Substantial Completion of the Project, the City will engage a construction expert to review actual development costs vs. budgeted development costs. Developer’s actual development costs shall include the total costs incurred by or on behalf of the Developer, its affiliates or their assignees in connection with the construction of the Project, including

any deferred development fee to be paid to Developer, design and engineering fees and all other categories of soft costs included in the final Project budget delivered to the City (excluding any amounts remaining in interest and operating reserves as such reserves are also excluded from the budget), and including any amounts required to be deposited into a reserve account by Developer's mortgage lenders at stabilization or at the time of construction cost verification, as applicable. Cost of said expert shall be an eligible TID administrative expense. Developer will provide access to the site and supporting documentation for all line items, including but not limited to, invoices and construction draw documents, to verify the total development costs of the Project and the Extraordinary Project Costs. MRO payments may be withheld until such documentation is provided. If Developer's total costs for the Project are less than the final budget, the City and Developer shall share equally in those cost savings. Developer will have the right to move costs between the line items, except that the Developer overhead and Developer fee shall remain fixed at an overall percentage equal to or less than that shown in the Project budget through Substantial Completion of the Project. In the event of any savings, the amount of the gross aggregate MRO payments shown in the table in sub. 7(d) will be reduced by 50% of said savings. Developer shall have the right, in its sole discretion, to make a payment to the City equal to the City's share of the savings in lieu of a reduction of the MRO payment. If sufficient unpaid TIF funds do not remain at that time, Developer shall pay such amount to the City within 90 days of determination. Said funds shall be applied to the special fund for the TID for uses consistent with the Project Plan. Any such amount which remains unpaid after 90 days shall be levied as a special charge against the property pursuant to Sec. 66.0627, Wis. Stats. If Developer's costs exceed the final approved budget for such items, Developer shall be responsible for all cost overruns. Upon reasonable agreement from the City, Developer may utilize construction savings on additional expenses that will increase the overall taxable value of the project, and any savings so used shall reduce the City's share of such savings.

10. Adjustment of Reimbursement for Extraordinary Project Costs and Developer-Funded Expenditures based on IRR Reproject (the "Reproject"): City Financing is to eliminate any funding gap related to construction of the Project which could not be repaid through anticipated revenues in the future and is based on certain assumptions regarding likely costs and income associated with the Project. The tax increment assistance will be subject to a one-time Reproject to be performed by the City's municipal advisor sixty (60) days after the earlier of: (i) the date that is five years after the date of Stabilization (as defined below); and (ii) the date of sale of the Project.

(a) If the Reproject is performed based on the date of Stabilization, and the Project's Internal Rate of Return (the "IRR"), which will be calculated in accordance with the example attached as Exhibit A, exceeds 15%, then the gross aggregate amount of the remaining MRO payments will be reduced by an amount equal to 50% of the amount by which the IRR exceeds 15%. Such reductions shall be taken from the end of the projected MRO payments. Developer agrees to provide reasonable background documentation of actual Project costs, Project sources, and financing terms to construct the Project as well as the actual income and operating expenses for the period from the date of Substantial Completion through the date which triggers the Reproject as described herein. The future projections shall be based upon 3.0% income growth, 3.0% expense growth, 0.00% annual increase for real estate taxes, 6.0% capitalization rate, and actual permanent financing loan terms, calculated as of the 10th year (2038). Notwithstanding the foregoing, the future projections shall be based on: (i) fully-stabilized and assessed real estate taxes, (ii) fully-stabilized operating expenses, (iii) replacement reserves equal to \$250 per unit per year, year 1-10, \$350 per unit year 11-20, (iv) 5.0% vacancy factor; (v) 2.0% sales costs; and (vi) the projected mortgage

balance based on the actual permanent financing loan terms, calculated as of the 10th year (2038) . MRO payments will not be included in the net operating income calculation; however, the net present value of the remaining MRO payments (discounted at 5.50%) will be added to the hypothetical sale price. As used herein, “Stabilization” means the earlier of (i) the last day of the third consecutive calendar month during which the Project is at least 95% leased and (ii) the date Developer closes on permanent (non-construction) financing for the Project. City shall provide the Developer written notification and an opportunity to review the calculations if the Reproject results in a reduction to the MRO payments.

(b) If the Reproject is triggered by a sale of the Project, and based on such review the investor IRR exceeds 15%, the City shall receive 50% of the proceeds above the 15% IRR not to exceed the net present value total amount of the City assistance provided at the closing of the sale, and future MRO payments will remain unchanged. Upon request by the City, Developer shall provide an accounting of the current replacement reserve balance and an accounting of its uses, if any, at the time of the Reproject, evidencing that replacement reserves have been used only for these capital expenses provided for under Section 10(a) above. Any improper uses of replacement reserves, as reasonably determined by the City, shall become a further reduction of the MRO on a 100% (dollar-for-dollar) basis in addition to any reduction based on the Reproject described in this section. If there are not sufficient remaining MRO payments to cover these reductions, Developer shall pay to the City such difference from sale proceeds. At the time of sale, if and only if the Reproject is based on sale and not Stabilization, Developer shall have the option of either taking as a distribution any replacement reserve balance which shall be incorporated into the IRR Reproject as an additional cash flow distribution in that year, or may include any replacement reserve balance in the sale of the Project as this higher purchase price will then be used to calculate the Reproject.

11. Minimum Equalized Value: Subject to Section 13 below, after the Project reaches Stabilization, and thereafter during the life of TID 17, Developer will not challenge the value of the property through the assessment process to a value below \$21,896,000 (the “Minimum Equalized Value”) unless uninsured damage to the Property reduces value to a lower amount.

12. Property Taxes: Prior to the Termination Date, the Developer shall pay all real property taxes payable with respect to all and any parts of the Property acquired and owned by it until the Developer’s obligations have been assumed by any other person pursuant to the provisions of this Agreement. The Developer has contractual (as well as statutory) obligations to pay property taxes and shall avoid causing the reduction of property taxes through (a) willful destruction of the Project; (b) willful refusal to reconstruct damage or destroyed property if sufficient insurance funds are available; (c) seeking exemption from property tax; or (d) application for a deferral of property tax.

The Developer agrees that prior to the Termination Date:

- i. It will not seek administrative review or judicial review of the applicability of any tax statute relating to the ad valorem property taxation of real property contained on the Property determined by any tax official to be applicable to the Project or the Developer or raise the inapplicability of any such tax statute as a defense in any proceedings with respect to the Property, including delinquent tax proceedings; provided, however, “tax statute” does not include

any local ordinance or resolution levying a tax, and nothing in this sub (i) shall prevent Developer from challenging the property tax assessment for the Project in accordance with the terms of the Agreement;

- ii. It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of real property contained on the Property determined by any tax official to be applicable to the Project or the Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings with respect to the Property; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax, and nothing in this sub (ii) shall prevent Developer from challenging the property tax assessment for the Project in accordance with the terms of the Agreement;
- iii. It will not seek any tax deferral or abatement, either presently or prospectively authorized under any State or federal law, of the ad valorem property taxation of the Property between the date of execution of this Agreement and the Termination Date.

13. Tax Petitions: If the Developer brings a petition challenging an assessment of the Project, the Developer must inform the City of such petition. During the pendency of any such action, the City may temporarily withhold the portion of the MRO payments for the years subject to challenge that are in excess of the Minimum Equalized Value or the requested value, whichever is greater. Developer would receive MRO payments for all years that the taxes were paid. Upon resolution of Developer's tax petition, any Available Tax Increment deferred and withheld will be paid, without interest thereon, to the extent payable under the final determination of the assessed value. Notwithstanding anything to the contrary, Developer may challenge an assessment below the Minimum Equalized Value if the assessment on the Property on a per unit basis is more than 5% greater than the average per unit assessment of projects of similar style and level of amenities within Wauwatosa.

14. Tax Exempt Covenant: The Developer shall enter into a restrictive covenant requiring any owner of the Project to make payments in lieu of taxes, in an amount equal to the amount of property taxes which would otherwise be payable to all taxing jurisdictions, in the event that all or any portion of the Project site becomes tax exempt during the life of TID 17 and for 20 years thereafter. The covenant shall be recorded and shall run with the land.

15. Bike Share Station: If the public bike-share system in the City of Wauwatosa is designed to include a station located at or adjacent to the Project, Developer will permit the installation of said public bike-share station, which station must be consistent with the capacity and other characteristics recommended or anticipated in the overall system design. If such station is installed, Developer shall be responsible for the cost of operation of such station, to a maximum of \$5,000 per year for the life of the TID. The current estimated operating cost is \$325 per dock per year, and approximately 8 docks are anticipated.

16. Further Conditions: The Development Agreement shall contain such additional

provisions and assurances as are customarily contained in similar agreements with the City and shall provide for tax incremental financing as set forth herein.

17. Project Valuation Information: During construction and prior to Project Stabilization, Developer will provide the City Assessor with customary plans and rent and operating expenses in a format as necessary to reach an accurate and defensible valuation of the Project for purposes of real and personal property taxation. Following Project Stabilization, Developer will provide the City Assessor with the necessary income and expense information annually for the accurate valuation of the Project during the life of TID 17 consistent with the type and quantity of information that is customarily requested by the City's Assessor for like properties, which information shall be maintained in confidence in a manner consistent with Wisconsin law. The parties agree that other financial reports and information considered confidential by the Developer required to be provided by Developer to the City under this Agreement shall be provided to the City's outside financial consultant for review on behalf of the City. At the request of the Developer, all financial reports and information provided to such financial consultant in connection with this Agreement shall be held and treated as confidential and shall not be part of the public record associated with the Project, if and as may be permitted under the Wisconsin Public Records Law, Wis. Stats. §§19.21 et seq (the "Public Records Law").

18. To the extent in compliance with applicable law, if any tax, assessment or like charge is properly imposed on or assessed against the Project or the use and operations thereof or income therefrom, as an alternative to, a replacement of, or as supplemental to, any or all of the property taxes that are intended by the parties hereto to constitute the Tax Increments, or increment or like revenues under the Tax Increment Law or any equivalent, then such taxes, assessments, and charges shall be deemed to be Tax Increments hereunder and shall be disbursed as set forth in this Agreement. Notwithstanding the foregoing, special assessments and special charges levied by the City for permitted purposes not already within the scope of this Agreement, such as to pay for improvements and services that may benefit the Property or the Project, shall not be included as Tax Increments.

Exhibit A

Example of Internal Rate of Return Calculation

3/12/2026

Page 1 of 1

	2032	2033	2034	2035	2036
SALE ANALYSIS END OF YEAR	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income End of Year	1,566,990	1,626,464	1,687,722	1,750,818	1,815,807
Divided By Cap Rate	6.00%	6.00%	6.00%	6.00%	6.00%
Gross Sale Price	26,116,497	27,107,732	28,128,705	29,180,306	30,263,456
Minus Debt A: First Mortgage	23,097,131	22,664,062	22,205,881	21,721,132	21,208,273
Minus Deferred Developer/Acquisition Fees)	1,400,371	1,400,371	1,400,371	1,400,371	1,400,371
Plus PV of Ftr TIF Assistance	2,266,858	2,092,029	1,907,322	1,712,179	1,506,011
Net Sale Amount	3,885,853	5,135,328	6,429,775	7,770,983	9,160,823
Sales Expense	(522,330)	(542,155)	(562,574)	(583,606)	(605,269)
SALES PROCEEDS	3,363,523	4,593,174	5,867,201	7,187,377	8,555,553
	2032	2033	2034	2035	2036
IRR ANALYSIS END OF YEAR	Year 6	Year 7	Year 8	Year 9	Year 10
Year	Sales Proceeds	Cash Flow	Cash Flow	Cash Flow	Cash Flow
Initial Investment		(2,935,567)	(2,935,567)	(2,935,567)	(2,935,567)
2027		25,151	25,151	25,151	25,151
2028		271,301	271,301	271,301	271,301
2029		(0)	(0)	(0)	(0)
2030		(0)	(0)	(0)	(0)
2031		15,180	15,180	15,180	15,180
2032	3,363,523	3,436,445	72,921	72,921	72,921
2033	4,593,174	0	4,725,569	132,396	132,396
2034	5,867,201	0	0	6,060,855	193,654
2035	7,187,377	0	0	0	7,444,127
2036	8,555,553	0	0	0	0
2037	9,973,665	0	0	0	0
2038	11,443,733	0	0	0	0
2039	12,967,870	0	0	0	0
2040	14,276,911	0	0	0	0
2041	16,187,291	0	0	0	0
Total		812,508	2,174,555	3,642,236	5,219,162
INTERNAL RATE OF RETURN		4.42%	8.74%	11.25%	12.76%
					13.70%

Prepared By Ehlers

Apartment Analysis 12-31-25 - Ehlers.xlsm



Staff Report

File #: 26-0550

Agenda Date: 3/17/2026

Agenda #: 7.

Consideration of approval of a Letter of Intent regarding the potential purchase of private property by the City of Wauwatosa within Tax Increment District 7

Submitted by:

John Ruggini and Mark Hammond

Department:

Finance and Development

A. Issue

We have nearly completed negotiation of a Letter of Intent to purchase the property within Tax Increment District 7 that was discussed in closed session on December 9, 2025 and are now looking for the Committee to authorize staff to finalize and execute the Letter of Intent and a subsequent Purchase and Sale Agreement.

B. Background/Options

At the December 9, 2025 meeting of the Financial Affairs Committee, agenda item [25-2264](#) <https://wauwatosacitywi.legistar.com/gateway.aspx?m=l&id=/matter.aspx?key=10530>, we provided information in closed session on a potential land acquisition consistent with the Tax Increment District Seven - Burleigh Triangle project plan. The Committee provided staff direction to proceed with negotiating a letter of intent with the potential seller. Those negotiations have proceeded well and we are in the final stages of a negotiated agreement within the not-to-exceed dollar amount provided. The draft agreement is provided as a confidential attachment to this item given the on-going negotiations.

C. Strategic Plan (Area of Focus)

Economic Development & Financial Resilience

D. Fiscal Impact

Tax Increment District Seven has sufficient increment to finance the debt that would be necessary to acquire the property and prepare it for redevelopment.

E. Recommendation

We recommend authorizing staff to negotiate and execute a final Letter of Intent and a subsequent Purchase and Sale Agreement on terms generally consistent with the draft Letter of Intent attached hereto. Staff is authorized to agree

to minor deviations from the terms of the draft Letter of Intent during negotiation of the final Letter of Intent and Purchase and Sale Agreement, provided that the purchase price does not exceed the price set forth in the attached draft Letter of Intent. No further approvals would be necessary for the acquisition so long as these conditions are met.

The Committee may convene into closed session regarding this item pursuant to Wis. Stat. §19.85 (1)(e), to deliberate or negotiate 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. The Committee may reconvene into open session to consider the balance of the agenda.



Wauwatosa, WI

7725 W. North Avenue
Wauwatosa, WI 53213

Staff Report

File #: 26-0509

Agenda Date: 3/17/2026

Agenda #: 8.

Consideration of approval of settlements for two Wis. Stat. 74.37 excessive property assessment claims - Lowes Home Centers, Inc., 12000 W. Burleigh Street, and Scott Schueller, 8217 Brookside Place

Submitted by:

Derik Summerfield

Department

Finance Department

A. Issue

City Attorney and Assessor staff have come to preliminary settlement agreements with two properties that will result in property tax refunds for the property owners. In each case, the property owners filed a 74.37 excessive assessment claim.

B. Background/Options

City Attorney and Assessor staff have come to preliminary settlement agreements with two properties that will result in property tax refunds for the property owners. In each case, the property owners filed a 74.37 excessive assessment claim.

The first agreement involves Lowes Home Centers LLC located at 12000 W. Burleigh St. The parties agree that the agreed upon assessed value for the purpose of calculating the refund set forth is \$15,356,300 for the 2025 tax year. Under this agreement, the City would pay \$74,191.38 as a partial refund for the 2025 tax year. A review of the claims by the City Attorney’s office indicates that settlement now will be significantly more cost effective than incurring the costs to litigate the claim. Calculation of the refund is found below.

Property ID: 2979995004

Property Address: 12000 W BURLEIGH ST

Owner: LOWES HOME CENTERS INC

2025 Original Assessed Value	\$19,524,600
2025 Amended Assessed Value	\$15,356,300
Value Difference	\$4,168,300

2025 Property Tax Rate	\$17.798954
Property Tax Refund	\$74,191.38

The second agreement involves a residential property located at 8217 Brookside Place. After discussion, City

staff determined that adjusting the 2025 assessed value and issuing a property tax refund to this property owner in hopes of eliminating this from becoming a lawsuit is in the best interest of the City. Calculation of the refund is found below.

Property ID: 4070005000

Property Address: 8217 BROOKSIDE PL

Owner: SCOTT A & SERAI M SCHUELLER

2025 Original Assessed Value	\$1,283,700
2025 Amended Assessed Value	\$1,080,000
Value Difference	\$203,700

2025 Property Tax Rate	\$17.798954
Property Tax Refund	\$3,625.65

C. Strategic Plan (Area of Focus)

NA

D. Fiscal Impact

The amount involved requires an expenditure of \$77,817.03 but approximately 70% will be recouped from the other taxing jurisdictions thru the chargeback process.

E. Recommendation

Staff requests that the Financial Affairs Committee recommend to Common Council that these partial property tax refunds be approved and that a Level 3 fund transfer be approved to make the refund payments and recognize the chargeback revenue

This item may be moved into closed session pursuant to Wis. Stat. § 19.85(1)(g) which allows for a governmental body to enter closed session to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.



Wauwatosa, WI

7725 W. North Avenue
Wauwatosa, WI 53213

Staff Report

File #: 26-0566

Agenda Date: 3/17/2026

Agenda #: 9.

Consideration of court-ordered mediation settlement offer made by Ascension related to Milwaukee County Case No. 22CV4819

This item may be moved into closed session pursuant to Wis. Stat. § 19.85(1)(g) which allows for a governmental body to enter closed session to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.



Staff Report

File #: 26-0541

Agenda Date: 3/17/2026

Agenda #: 10.

Consideration of approval on the settlement of Patricia Love litigation

Submitted by:

Jennifer J. Tate

Department

City Attorney

A. Issue

Consideration of a settlement demand by the plaintiff in Patricia Love v. City of Wauwatosa, et al. (Milwaukee County Case No. 25CV4592)

B. Background/Options

Patricia Love is suing the City for damages related to injuries and property damage she sustained as a result of a vehicle collision with a City of Wauwatosa garbage truck. Ms. Love alleges that on December 13, 2023, she was “sideswiped” by a Wauwatosa garbage truck while heading southbound on the 2900 block of North 76th Street (between Locust and Chambers). Ms. Love is claims approximately \$22,000 damages in medical treatment for injuries related to her neck. She is not seeking a specified amount of damages related to her vehicle. She also seeks damages for pain and suffering.

C. Strategic Plan (Area of Focus)

NA

D. Fiscal Impact

Please see confidential attachment that contains legal opinions protected under attorney client privilege.

E. Recommendation

I recommend approval of the settlement demand and to allow outside counsel to prepare and execute any necessary paperwork and/or filings for settlement and dismissal.

Please see confidential attachment that contains legal opinions protected under attorney client privilege.

This item may be moved into closed session pursuant to Wis. Stat. § 19.85(1)(g) which allows for a governmental body to enter closed session to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.