



Office of the City Administrator

To: Mayor Welch, Common Council Members
From: Al Hulick, City Administrator
Date: May 5, 2020
Subject: Discussion and Possible Action Regarding a TIF Development Agreement with 201 Sunnyside Dr. LLC.

Summary

201 Sunnyside Dr. LLC has purchased the building located at 201 Sunnyside Drive in the City of Milton. Their intention is to remodel the existing building 10,080 square foot building and construct an additional 1,992sf of office space to the facility. DiMax Office Solutions will then relocate their existing business from Janesville to this facility.

Analysis

The proposed TIF Development Agreement calls for the developer to make the proposed renovations and addition to the facility which would generate an additional tax obligation of \$6,338.99 annually. In return, the City agrees to provide a forgivable loan of \$55,000, to which 1/10th of the loan will be forgiven on an annual basis so long as the minimum property value guarantee is met.

The Developer has agreed to complete all renovations and additions by December 31, 2020 so the new taxable value is in place by the January 1, 2021 valuations.

Although the property is located outside the TIF 6 boundary, funding for the developers agreement shall be provided by TIF 6 pursuant to the Project Plan language which allows expenditures to occur within one-half mile of the TIF boundary. Although approval from the Joint Review Board is not required, the JRB was made aware of this expenditure during their April 20, 2020 meeting.

Recommendation

The City Administration recommends approval of the TIF Development Agreement between the City of Milton and 201 Sunnyside Dr. LLC.