

MINUTES

Plan Commission Offices  
Manitowoc City Hall

Second Meeting  
Joint Review Board (JRB)  
Tuesday  
July 31, 2012  
10:00 A.M.

I. CALL TO ORDER

The meeting of the City of Manitowoc Tax Incremental Financing (TIF) Joint Review Board (JRB) was called to order by Chairman Bob Ziegelbauer representing Manitowoc County as agent for Todd Reckelberg at 10:00 A.M.

II. ROLL CALL

Members Present

Bob Ziegelbauer, Manitowoc County  
John Lukas, LTC  
Steve Corbeille, City  
Ken Mischler, MPSD  
Mark Ring, Public Member

Members Excused

None

Staff Present

David Less

Others Present

See Attached Sign In Sheet

III. APPROVAL OF MINUTES of the Regular July 11, 2012 Meeting.

Motion by: Mr. Mischler

Moved that: the minutes be approved as presented.

Seconded by: Mr. Lukas

Upon Vote: the motion was approved unanimously.

Mr. Ziegelbauer commented that was sitting on the JRB today so as to take responsibility for his vote as County Executive on the matters at hand. Mr. Ziegelbauer explained that in discussions with Mr. Less, it was agreed that a single global motion would be made to cover all 7 of the amendments referenced below vs. 7 separate motions.

IV. PUBLIC INPUT

Christopher Able, Alderman, 715 N. 5th, encouraged the JRB to approve the proposals as presented, and commented that he sincerely believed that failure to do so would translate into a tax increase for City residents. Mr. Able commented that last year, the City Council increased taxes in excess of 10.66% to pay down debt, adding that he didn't support that. Mr. Able continued that adding \$2.6mm in debt would cause yet another increase.

There was no additional public input.

V. FINAL REVIEW OF PROPOSED 2012 TIF AMENDMENTS:

- A. Text Amendment No. 1 to TIF District No. 10 to amend the project plan to designate said district as a "donor" district for proposed "recipient" TIF districts No. 8, 11 and 12
- B. Text Amendment No. 1 to TIF District No. 13 to amend the project plan to designate said district as a "donor" district for proposed "recipient" TIF districts No. 8, 11 and 12
- C. Text Amendment No. 2 to TIF District No. 15 to amend the project plan to designate said district as a "donor" district for proposed "recipient" TIF districts No. 8, 11 and 12
- D. Text Amendment No. 1 to TIF District No. 17 to amend the project plan to designate said district as a "donor" district for proposed "recipient" TIF districts No. 8, 11 and 12
- E. Designation of TIF District No. 8 as "distressed" to allow the extension of said district's maximum life by up to 10 years beyond the original termination date (until 2030) in order to repay its obligations
- F. Designation of TIF District No. 11 as "distressed" to allow the extension of said district's maximum life by up to 10 years beyond the original termination date (until 2029) in order to repay its obligations

G. Designation of TIF District No. 12 as “distressed” to allow the extension of said district’s maximum life by up to 10 years beyond the original termination date (until 2031) in order to repay its obligations

Mr. Less commented that the JRB had all of the amendments in their possession, and noted that there was a Class 1 notice published for today’s meeting as required under statute. Mr. Less continued that all projections and financial information required under statute had also been forwarded to the JRB. Mr. Less added that distribution of the Council and Plan Commission Resolutions and the associated amendments occurred on July 18<sup>th</sup>, including the required distribution to the Department of Revenue; all sent by Certified Mail and all receipts returned and in Mr. Less’ possession. Mr. Less noted that the statute in these matters, had been followed.

Mr. Less clarified for the JRB, as they would take up the matter of all 7 amendments in a single motion, that it was clear that their actions first addressed the designation of the 3 “distressed” districts, and following that, was action regarding the project plan amendments to establish the donor districts.

Mr. Ziegelbauer asked Mr. Less if his comments covered items V. - VII. on the agenda and appearing below?

Mr. Less stated “yes”.

Mr. Ziegelbauer asked Mr. Less to recite his proposed recommendation.

Mr. Less recommended that the JRB take the following actions regarding items A. - G. above: (i) first, approval and adoption of Resolutions for TIF Districts No. 8, 11 and 12 as “distressed” pursuant to Wis. Stat. § 66.1105(4e)(b)2.; and (ii) second, approval and adoption of Resolutions for project plan amendments for the above referenced TIF Districts pursuant to Wis. Stat. § 66.1105(4)(h)1. and Wis. Stat. § 66.1105(4m)(b)2.

Motion by: Mr. Corbeille

Seconded by: Mr. Ring

Moved that: Approval of the Planner’s recommendation as stated above.

VI. REVIEW OF PUBLIC RECORD

Mr. Ziegelbauer asked the JRB if they had any questions or comments?

Mr. Lukas commented that this was a tough situation, especially for LTC to wade through the facts of this situation. Mr. Lukas continued that he understood the issues of where the City was at and the TIF law, and expressed concern that he could not get any information in black and white detailing what would occur in the next few years, and was frustrated that much of the future was predicated upon a set of assumptions. Mr. Lukas added that he hoped in the future that there would be more specific detail provided, instead of assumptions to help clarify the issues. Mr. Lukas closed by stating that he was looking at what was in the best interest of LTC, and would be voting accordingly.

Mr. Ziegelbauer asked for clarification regarding the expenditure periods that were still open, and commented that approval of today's action would authorize additional public expenditures to be made beyond their current expiration date.

Mr. Less explained that under the "distressed" and donor designations, the project plans could not be amended to modify the expenditure periods, and that one of the impacts of a "distressed" designation was that a TIF district declared "distressed" couldn't make expenditures after its original expenditure period ended, and could not amend its project plan to add more projects.

Mr. Ziegelbauer referenced a TIF chart and a column titled "Date for Last Expenditure (REVISED)".

Mr. Less commented that this column referenced changes made by the Legislature to the TIF statute in the mid-1990's that extended expenditure periods to 5 years before the statutory termination date of a district. Mr. Less added that this had nothing to do with today's discussion, and was not changed by the "distressed" or donor designations.

Brad Viegut, Baird Inc., commented that while the legal life of the "distressed" and donor TIFs would be extended under these proposals, the actual project cost and expenditure periods would not change.

Mr. Ziegelbauer stated that the fact the expenditure date would not be extended by the current proposals should be in the record.

Mr. Mischler added that the important issue was that the chart did not have to be followed, and that he was proceeding under the assumption that the chart would be followed.

Mr. Ziegelbauer added that in some cases, the date had not yet been reached for the last legal expenditures to be made, and added that while the JRB didn't have jurisdiction over the Council in this matter, he was looking for some commentary from the City regarding its intent to expend more monies from these TIF Districts.

Mayor Nickels assured the JRB that it was the City's intent to follow the chart and to accelerate the closure of these TIF Districts.

Mr. Ziegelbauer asked Mayor Nickels what his intention was regarding the making of additional expenditures prior to the end of the statutory expenditure period for the districts being discussed?

Mayor Nickels added that they could not go outside of the expenditures identified in existing project plans, and while he could not speak on behalf of the Council, in the absence of a project that created a substantial number of jobs, he would not be looking at increasing expenses within these districts over the next 5 years.

Mr. Mischler commented that this was a concern of his as well; that, as a "distressed" district, expenditures could still occur to extend their lives. Mr. Mischler added that this was the mix that had to be addressed, and did not know what would happen going forward.

Mr. Ziegelbauer added that he wanted to hear from the City that their intention would be no more expenditures planned in these TIF Districts.

Mayor Nickels replied that his intention was to follow the chart, which meant no more expenditures.

Mr. Less commented that he was not aware of any planned expenditures, but did add that if a substantial project creating tax base and jobs arose, it seemed to him that the City should be looking at TIF support, if it was in a project plan. Mr. Less continued that a project plan could not be further amended after approval for these districts. Mr. Less again stated that he was not aware of any planned expenditures.

Mr. Ziegelbauer stated that he felt this was a soft assurance.

Mr. Corbeille commented that he was assuring the JRB that his intent would be to close out these districts as quickly as possible.

Mayor Nickels added that this was his sentiment as well.

Mr. Ziegelbauer noted that the JRB didn't have jurisdiction to dictate spending to the Council, but added that he appreciated the public forum for discussion, adding that he didn't think it was necessary to go over all the details of the amendments again. Mr. Ziegelbauer added that tomorrow would be another day, and another set of new issues to address. Mr. Ziegelbauer noted that his position on this matter was clear.

VII. JRB RECOMMENDATIONS

Mr. Ziegelbauer called for the vote on the original motion which was first made and seconded above.

Upon Vote: the motion was approved 3-2, with Mr. Ziegelbauer and Mr. Lukas voting against the motion.

Mr. Less advised that he would be forwarding a report of today's JRB action to Council for their August 6<sup>th</sup> meeting.

VIII. NEXT MEETING

No discussion was held.

IX. ADJOURNMENT

The meeting was adjourned at 10:20 A.M.

Respectfully Submitted,

David Less  
City Planner

JOINT REVIEW BOARD - 7/31/2012