

## **Report to the Manitowoc Plan Commission**

**Meeting Date:** May 23, 2018

**Report Print Date:** May 18, 2018; 8:58 AM

**Request:** (PC 12 - 2018) Tax Incremental District #21 (I-43 Technology and Enterprise Campus) District Creation, Project Plan, Proposed Boundary, and Adopting Resolution

**Reason for the Request:** Community Development staff have been working with five Manitowoc areas businesses that are planning new construction or expansion of existing facilities in the I-43 Technology and Enterprise Campus (or I-43 Tech Park). The need for Tax Incremental Financing (TIF) assistance has become apparent in these conversations for reasons of soil conditions, site preparation issues, the presence of small wetlands, and competition with other business parks in the regional market. None of the existing TIF Districts (TIDs) in the I-43 Tech Park are currently functional. TIDs 9 and 10 have aged out and can no longer provide funds to new projects. District 12 is designated as Distressed and can no longer provide funds to new projects. Without a new TID that is able to fund projects, these business starts and expansions will not occur to the same extent, and some may not occur at all, in the City of Manitowoc.

These five projects, while still conceptual at this stage, are estimated to include about \$21 million in construction value. By taking steps to create a new TID for the I-43 Tech Park, these businesses will be encouraged to further their commitments toward building their planned projects. Additional work will be done to ensure that each project receiving TIF assistance meets the “but for” test and makes a clear case for their need for gap financing from the City. It is anticipated that a mix of up-front and pay-as-you-go assistance will be needed, but staff will continue to encourage businesses to utilize the pay-as-you-go option.

The Plan Commission’s role in the process of creating a new TID is to review the plan and boundary, to make a recommendation to the Council via resolution, and to conduct the public hearing.

**Existing Land Use:** The proposed TID consists of a mix of vacant and developed parcels in the I-43 Tech Park. The vacant lands are farmed as an interim use prior to development. Developed sites include a variety of manufacturers, warehousing, and other industrial uses:

- Apex Leasing/R2H Flavor Technologies
- GKN Sinter Metals
- Northern Labs
- Kona Realty/Kaysun Corporation
- Wisconsin Aluminum Foundry
- Hennessey Development/Baleigh Industrial

A map of the proposed district is attached, and map of existing land use will be provided in the Project Plan.

**Existing Zoning:** The proposed TID is primarily zoned I-1, Light Industrial, with additional zoning regulations applied through the *Manitowoc I-43 Industrial Park Protective Covenants*. A map of existing zoning will be provided in the Project Plan.

**Comprehensive Plan:** For the proposed area of TID 21, the City of Manitowoc Comprehensive Plan recommends Office/Industrial on the map of future land uses. The proposed Industrial TID is consistent with the map of future land use. It also notes an area of Environmental Corridor surrounding Silver Creek, and any designated wetland areas will be excluded from the TID. The Comprehensive Plan recommends following principles of Smart Growth. The proposed TID and expansion of local businesses will represent Smart Growth by utilizing existing public infrastructure and services and increasing density in an area that accommodates infill development.

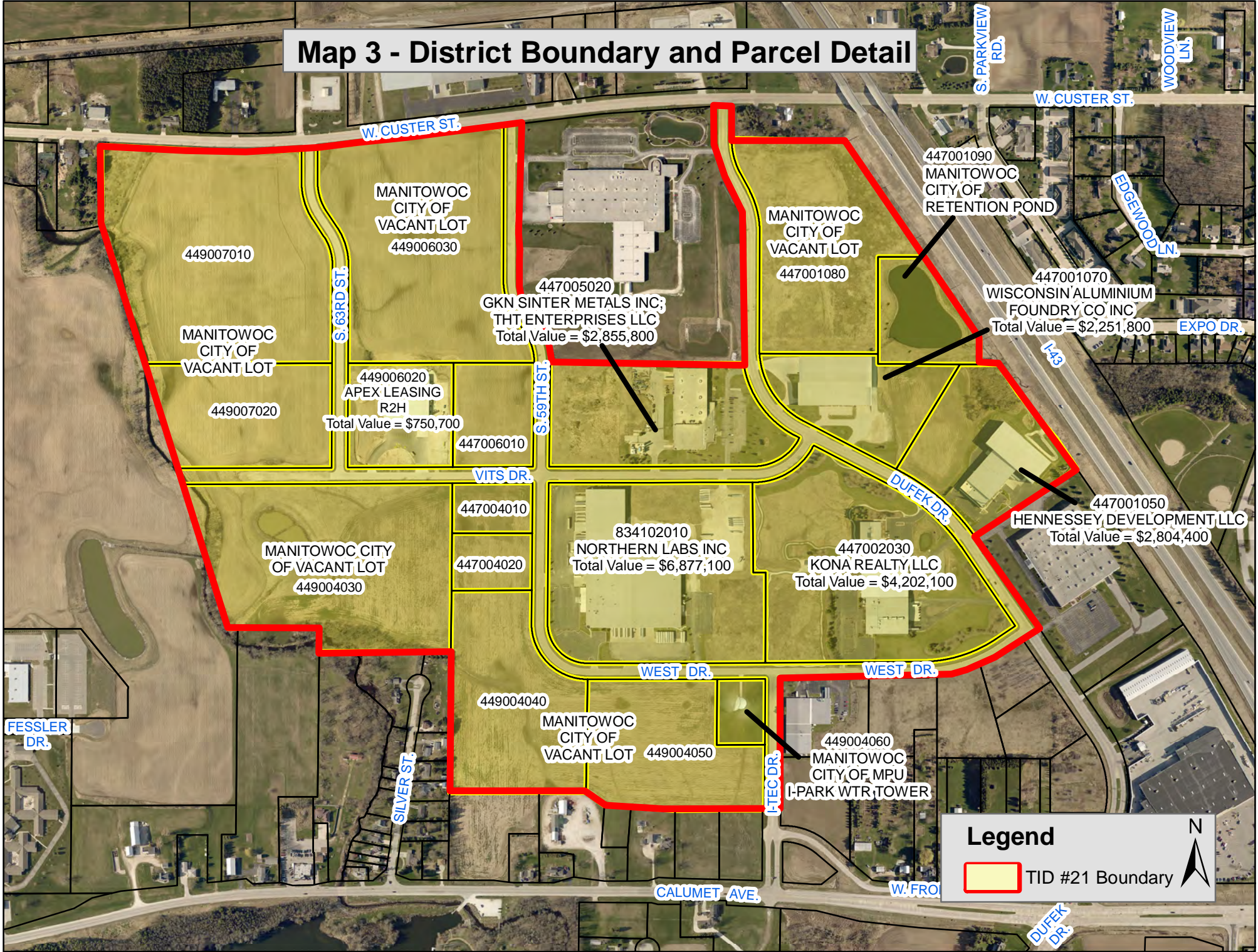
**Report:** Proposed TID 21 is located with the intent of securing economic assistance for several proposed manufacturing expansion projects. The terms of the assistance are not yet structured, but taking steps to create a new TID for the I-43 Tech Park will encourage these businesses to further their commitments toward building their planned projects. The boundary was set with the intent of covering vacant and developed parcels where a known or anticipated project is expected to commence over the next one to two years. The proposed district will overlay existing TIDs 9 and 10 until they are closed (anticipated 2019/2020), and no areas of TID 12 will be overlaid. (These parcels must first be subtracted from TID 12 due to its Distressed status.)

TID 21 is proposed as an Industrial district meaning that it includes a majority of lands suitable for industrial uses and is intended to carry out programs promoting industrial development. Such districts have a “lifespan” of 20 years and can be extended for a total of 23 years. An Industrial TID can allocate excess increment to other districts via allocation amendments, but it cannot receive allocations of excess increment from other districts unless it becomes a Distressed district. Lands zoned for industrial use must remain zoned as such for the life of the TID. The base value included in TID 21 is approximately \$21.2 million, and additional details on the financial projections for this district will be provided in the Project Plan. With this addition of TID 21, the City will remain under its 12% valuation cap required by statute.

The draft Project Plan and proposed boundary for TID 21 are attached for your review. The public hearing is being held in conjunction with requesting Plan Commission approval of the Project Plan and boundary. An adopting resolution is also attached for your review.

**Recommendation:** The Community Development Department recommends that the Plan Commission adopt the resolution approving the TID 21 Project Plan and district boundary.

# Map 3 - District Boundary and Parcel Detail



449007010

MANITOWOC CITY OF VACANT LOT

449007020

MANITOWOC CITY OF VACANT LOT

449004030

MANITOWOC CITY OF VACANT LOT

449006030

449006020  
APEX LEASING R2H  
Total Value = \$750,700

447006010

447004010

447004020

449004040

MANITOWOC CITY OF VACANT LOT

449004050

447005020  
GKN SINTER METALS INC;  
THT ENTERPRISES LLC  
Total Value = \$2,855,800

834102010  
NORTHERN LABS INC  
Total Value = \$6,877,100

MANITOWOC CITY OF VACANT LOT

447001080

447002030  
KONA REALTY, LLC  
Total Value = \$4,202,100

449004060  
MANITOWOC CITY OF MPUI-PARK WTR TOWER

447001090  
MANITOWOC CITY OF RETENTION POND

447001070  
WISCONSIN ALUMINIUM FOUNDRY CO INC  
Total Value = \$2,251,800

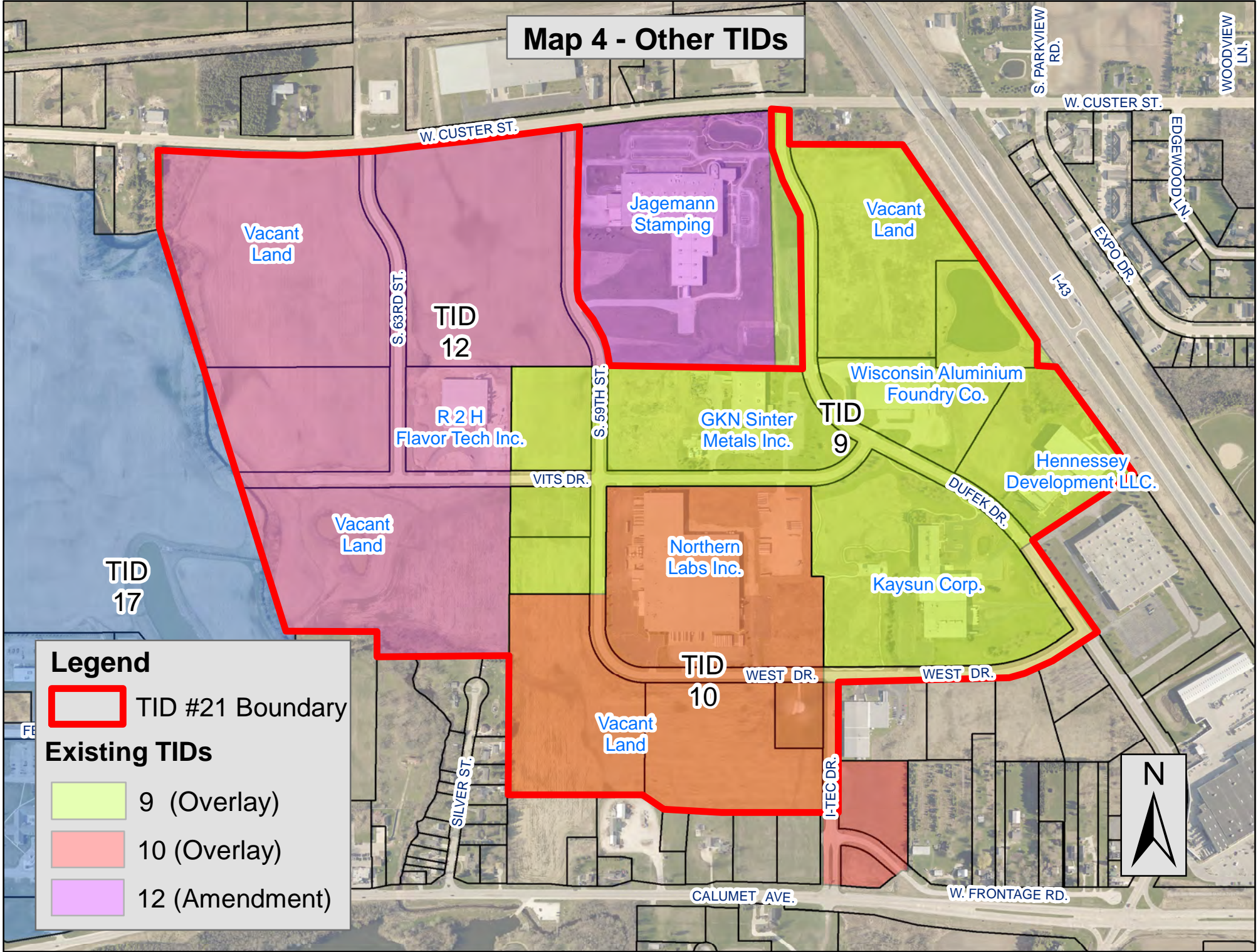
447001050  
HENNESSEY DEVELOPMENT LLC  
Total Value = \$2,804,400

## Legend


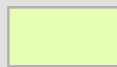


TID #21 Boundary



# Map 4 - Other TIDs



**Legend**

-  TID #21 Boundary
- Existing TIDs**
-  9 (Overlay)
-  10 (Overlay)
-  12 (Amendment)



CITY OF MANITOWOC PLAN COMMISSION RESOLUTION  
APPROVING TAX INCREMENT DISTRICT NO. 21  
PROJECT PLAN AND BOUNDARY

**WHEREAS**, the City of Manitowoc Plan Commission has prepared and reviewed a boundary for Tax Increment District (TID) No. 21 and a plan to serve as the Project Plan of record for TID No. 21 and finds the Plan to be feasible and conforming to the requirements described in ss. 66.1105(4)(f) and is declared an Industrial District;

**WHEREAS**, the City of Manitowoc Plan Commission has invited the public to review the Plan and boundary and comment upon such Plan and boundary at a Public Hearing held on May 23, 2018, and that the Public Hearing was duly noticed in conformance with ss. 66.1105(4)(a) and (e);

**WHEREAS**, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of Manitowoc County, Lakeshore Technical College, Manitowoc Public School District, and the City of Manitowoc in accordance with the procedures specified in ss. 66.1105.

**WHEREAS**, the Project Plan for the District has been prepared that includes:

- 1) A statement listing of the kind, number, and location of all proposed public works or improvements within the District, or to the extent provided in Wisconsin Statutes Sections 66.1105 for projects within one-half mile of the District;
- 2) An economic feasibility study;
- 3) A detailed listing of the estimated project costs as they relate to industrial development within the District and within one-half mile of the District boundary;
- 4) A detailed listing of non-project costs;
- 5) A detailed map illustrating the proposed improvements in the District and within one-half mile of the District boundary;
- 6) A description of the methods of financing all estimated project costs and the time when the related cost or monetary obligations are to be incurred;
- 7) A map showing the existing uses of real property and suitability for industrial development within the District;
- 8) A statement of the proposed changes to zoning ordinances, master plan, map, building codes, and City ordinances;
- 9) A statement of the proposed plan or relocation of any person to be displaced; and
- 10) A statement indicating how the District promotes the orderly development of the City;

**WHEREAS**, the City of Manitowoc Plan Commission makes the following findings:

- 1) That the name "Tax Increment District No. 21, City of Manitowoc" shall be assigned to this district;
- 2) That the TID No. 21 boundary is as shown on Map 1 and is defined by the legal description included within the Plan as Exhibit A;
- 3) That the TID No. 21 boundary contains only whole parcels and is completely contiguous
- 4) That the creation date of TID No. 21 is January 1, 2018;
- 5) That not less than 50% of the real property within the district is suitable for industrial sites and is zoned for industrial use;

- 6) That the project costs directly relate to Project Plan implementation and the industrial development of properties within the District, consistent with the purpose for which the District is created;
- 7) That cash grants may be made by the City to owners, lessees, or developers of property within TID No. 21;
- 8) That improvements resulting from the implementation of the project plan are likely to significantly enhance all other real property values in and around the District;
- 9) That the equalized value of taxable property within TID No. 21 plus the increment value of all existing TIDs does not exceed 12% of the total equalized assessed value of taxable property within the City of Manitowoc;
- 10) That the Plan is feasible and in conformity with the City of Manitowoc Comprehensive Plan.

**NOW, THEREFORE, BE IT RESOLVED** after due consideration, the City of Manitowoc Plan Commission hereby approves the Project Plan and boundary for Tax Increment District No. 21; and

**BE IT FURTHER RESOLVED** that City of Manitowoc Plan Commission hereby submits the Project Plan and boundary for Tax Increment District No. 21 to the City of Manitowoc Common Council for approval.

ADOPTED this 23<sup>rd</sup> day of May, 2018

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Mayor Justin M. Nickels, Chair

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Paul Braun, Secretary