

**City of Manitowoc
Tax Incremental Financing Joint Review Board**

**Thursday, August 20th, 2015 2:00 pm
Planning/Engineering Conference Room
Main Floor - City Hall**

Meeting Summary

1. Introductions.

The meeting of the City of Manitowoc Tax Incremental Financing Joint Review Board (TIF JRB) was called to order by Chairman Todd Reckelberg at 2:01 pm.

2. Approval of the Minutes of the July 16, 2015 Meeting.

Motion by Ken Mischler, seconded by Mark Maurer, to approve the July 16, 2015 Meeting minutes. Motion approved unanimously.

3. Discussion on City of Manitowoc Text Amendment No. 3 to TIF District No. 15 (PC20-2015).

Nic Sparacio provided a revised copy of the plan document to all members to clarify the yearly comparison of the cumulative balance with the new project versus without the new project. Sparacio then reviewed for the members the record of actions completed to date per the statutory requirements. There were no questions on the record. Sparacio provided the Community Development Department's perspective on the plan's financial impacts which include the closure date not changing for the district and reducing the amount of cost of the debt required to fund the street reconstruction with the least impact on taxes. The City recognizes that the projected amount of remaining funds to be distributed upon closure would be reduced from approximately \$1.3 million to \$86,000. Sparacio described the economic impacts on TID 15 of the Dewey street construction: Dewey Street is a major through fare serving the Harbor Town area, it provides direct access for several businesses, it provides a linkage for fire protection and other services, and there are properties served that are still available for new development.

Steve Corbeille stated that the updated plan includes the legal opinion from City Attorney Kathleen McDaniel. Attorney McDaniel found the materials to be compliant with state statutory requirements.

John Lukas stated the LTC Board met the previous evening to discuss this item. The discussion included the access from Dewey Street to the LTC center.

Sparacio replied that the concerns with the access point can be considered in the street design. Lukas continued the LTC Board members questioned if the street would be fixed without the plan, and does the plan meet the "but for" test. A discussion ensued by the board. Board members asked if businesses would continue to have access during the street construction project, Dan Koski, Director of Public Infrastructure, replied yes, access would be maintained for businesses along Dewey Street during the project.

Todd Reckelberg stated he believes this project is a budget item and that he disagrees with the comment that it is not additional monies on the debt service. Reckelberg believes it is \$1.24 million additional coming from the TIF District instead of the debt, budget, tax levy or a combination thereof and that this is bypassing the budget process.

4. Action on City of Manitowoc Text Amendment No. 3 to TIF District No. 15 (PC20-2015) and Joint Review Board Adoption Resolution.

Motion by Steve Corbeille to approve, seconded by Ken Mischler. Motion approved. 3 Ayes (Steve Corbeille - City of Manitowoc representative, John Lukas – Lakeshore VTAE District representative, Kenneth Mischler – Manitowoc Public School District representative). 2 Nays (Mark Maurer – Citizen representative, Todd Reckelberg – Manitowoc County representative).

5. Discussion on Proposed Creation of City of Manitowoc TIF District No. 18 (PC19-2015).

Nic Sparacio provided an overview of the current state of and proposed future improvements for the proposed TID 18. The new district is proposed as a mixed use district that could include up to a maximum of 35% newly platted residential uses along with commercial, public, and other appropriate land uses. There are no development commitments at this time, so the City will need to carefully manage the timing of project expenditures. The project plans states that for this reason, the district will rely heavily on a pay-as-you-go approach. Sparacio detailed the planned infrastructure improvements, the key development opportunity sites, and the projected future tax increments.

Sparacio stated that the property owners have been notified of the proposed TIF District and explained the next steps in the process. Mark Maurer asked if there have been any objections from property owners. Sparacio stated that no objections have been raised.

Ken Mischler requested additional details on the project costs identified as Loans and Grants to Developers. Sparacio clarified this is one of the standard types of

project costs that a TIF district can incur, and that this approach is necessary to attract development in competitive a fashion. Further discussion ensued on the financial proforma: the base value of the district is \$13.7 million dollars; it is currently unknown whether the demolition of the mall will increase or decrease the value of the property; the Joint Review Board would like some oversight over larger grants to developers.

Prior to the next meeting, Sparacio will review the potential impacts of requiring Board approval for larger grants or reducing the amount of the planned project costs dedicated to grants to developers (currently proposed at \$1.2 million, or 6% of the projected increment value). Several board members support the concept of loans and grants for development in the district but wished to pursue a benchmark amount for grant approval by the board. Sparacio expressed concerns over slowing the development process and negatively impacting the City's competitiveness in the market with such potential provisions.

6. The next meeting was set for Monday, September 28th, 2015 at 2:00 PM.
7. Adjournment.

Motion by Ken Mischler, seconded by John Lukas, to adjourn. The meeting was adjourned at 3:02 PM.

Attendance

Members Present

Steve Corbeille
John Lukas
Ken Mischler
Todd Reckelberg
Mark Maurer

Members Excused

None

Staff Present

Nic Sparacio
Paul Braun
Tyler Caulum
Lisa Mueller
Kim Lynch

Others Present

Mayor Justin Nickels
Attorney Kathleen McDaniel