

Report to the Manitowoc Plan Commission

Meeting Date: October 16, 2017

Report Print Date: October 13, 2017; 8:35 AM

Request: (PC 25-2017) Tax Incremental Financing District #11 Proposed Boundary Amendment to Subtract Territory Subject to Development Agreement and Adoption of Related Resolution

Reason for the Request: In 2012, **TID 11** was designated by the City as a “Distressed” district due to its poor financial performance and so that it could receive excess increment from “Donor” districts on an annual basis. Earlier this year, when **TID 19** (the new downtown TIF district) was initially proposed for creation, the City was advised by Wisconsin Department of Revenue staff that it was legally compliant to overlay portions of TID 11, despite its Distressed designation. After TID 19 was approved by the City and submitted to DOR for final certification, DOR staff realized they had made an error. A Distressed district cannot be overlaid by a new district. The actions on this agenda are necessary to correct the error and allow the anticipated projects to move forward as proposed.

This amendment to TID No. 11 is now necessary as a means to allow the newly created TID 19 to fund project costs for the Schuette Building.

Report: The impending projects behind the initiative to create TID 19 include a \$7 million renovation of the historic Schuette Building and a \$17 million expansion to Briess Malting. While the DOR advice was cause for this issue, agency staff has also provided us with a solution and a time extension to allow these two projects to move forward. This amendment to TID No. 11 is part of that solution and would allow the newly created TID 19 to fund project costs for the Schuette Building in particular. Specifically, the proposed amendments to the TID 11 boundary and project plan will subtract the Schuette Building parcel and several non-taxable parcels along the Manitowoc River. Subtraction of the Schuette Building parcel will allow that project to be included in TID 19. Subtraction of the parcels along the River are needed to reconnect what would otherwise be two isolated, non-contiguous areas of TID 19. Additional details are attached including:

- The TID 11 Project Plan proposed amendment
- The Plan Commission Resolution for adoption of the TID 11 amendments
- The Council Resolution for review and forwarding to the Common Council

Recommendation: The Community Development Department recommends that the Plan Commission:

1. Approve Tax Incremental Financing District #11 proposed boundary amendment to subtract territory as shown in the attached project plan,
2. Approve the related Plan Commission adoption resolution, and
3. Forward to Council the related adoption resolution with a recommendation for approval.

Amendment No. 3

Tax Increment District No. 11

Project Plan

City of Manitowoc, WI

Prepared For:



City of Manitowoc
900 Quay St.
Manitowoc, WI 54220

Prepared By:

Vierbicher
999 Fourier Drive, Suite 201
Madison, WI 53717
(608) 826-0532

For City Council Approval
October 16, 2017

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Acknowledgements

Common Council

Mayor Justin M. Nickels
Mike Howe – District 1
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Aldersperson Jim Brey
Peter Dorner
David Diedrich
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Dan Koski
Jim Meunzenmeyer

City Staff

Nicolas Sparacio, AICP, Community Development Director
Paul Braun, City Planner
Tyler Caulum, Associate Planner
Lisa Mueller, Community Development Assistant

Joint Review Board

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Daniel J Lindstrom, AICP, Project Leader
Katherine Westaby, Project Planner

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Appendix A: Parcel List and Maps

Map 1: TID No. 11 Boundary Amendment

Appendix B: Resolutions, Notices, Minutes, & Other Attachments

- #1: Opinion Letter from City Attorney Regarding Compliance with Statutes
- #2: Letter Chief Official of Overlying Taxing Entities and Notice
- #3: JRB Meeting Notices - Affidavit of Publication
- #4: JRB No. 1 Meeting Agenda and Minutes
- #5: JRB No. 2 Meeting Agenda and Minutes
- #6: JRB Resolution Approving TID No. 11 Amendment No. 3
- #7: Public Hearing Notice - Affidavit of Publication
- #8: Plan Commission Meeting Agendas
- #9: Public Hearing and Meeting Minutes
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- #11: Common Council Meeting Agenda
- #12: Common Council Resolution Approving TID No. 11 Amendment No. 3
- #13: Common Council Meeting Minutes

I. Introduction

This is Amendment No. 3 to the City of Manitowoc's Tax Increment District No. 11 (TID No. 11). The TID No. 11 Amendment No. 3 involves amending the boundary to subtract territory.

The City of Manitowoc created TID No. 11 on June 16, 1997 and amended in 2000 to include additional territory. The TID was initially created to help facilitate the sale of an existing library site to Lakeside Foods for a corporate headquarters and also included the development of a new library inside of the district.

The City has previously approved two amendments to TID No. 11. Amendment No. 1 added territory to the boundary and projects to the Project Plan. Amendment No. 2 declared TID No. 11 a Distressed TID.

The TID No. 11 Amendment No. 3 modifies the TID Boundary to subtract territory. The parcels to be subtracted are shown on the TID Parcel List in Appendix A and Map #1 in Appendix A. This modification will help facilitate the redevelopment of several properties within the Downtown by allowing the City the ability to finalize the creation of a new TID in the Downtown.

The TID No. 11 boundary amendment has been prepared in compliance with Wisconsin Statutes Chapter 66.1105(4)(h). The TID No. 11 Amendment No. 3 shall be attached to the TID No. 11 Project Plan and become part of the original project plan adopted by resolution of the Manitowoc Common Council.

There are no modifications being made to the Project Plan other than those related to the Boundary amendment.

The TID No. 11 has a deficit fund balance, but is projected to be paid off and terminated in 2018. The liabilities for TID No. 11 will be paid off using revenue from TID No. 11 and donor TIDs. The subtraction of territory from TID No. 11 is mostly non-taxable property will not adversely impact the projected revenue because the parcels being subtracted are owned by the City or other non-profits and have no equalized value. The amendment does include the removal of the historic Schuette Building. The removal of the parcel will have minimal impact to the TID No. 11.

As required by Wisconsin Statutes Chapter 66.1105(5)(b), a copy of the Amendment will be submitted to the Wisconsin Department of Revenue and used as the basis for the certification of the Amendment No. 3 of Tax Incremental District No. 11.



II. Process and Timeline

Notice of the Public Hearing was mailed to the overlying taxing jurisdictions and Joint Review Board members on October 6, 2017. Public Hearing notices were published on October 8, 2017. A Joint Review Board notice was also published on October 8, 2017. The initial Joint Review Board meeting was held on October 16, 2017. The Plan Commission also host a public hearing on the approval on October 16, 2017 and after the public hearing, the Plan Commission approved the TID No. 11 Amendment No. 3 and recommended it to the Common Council for adoption. The TID No. 11 Amendment No. 3 was adopted by resolution of the Common Council October 16, 2017.

The TID No. 11 Amendment No. 3 was reviewed and approved by a Joint Review Board as required by Wisconsin Statutes. A notice for the final meeting of the Joint Review Board was published on October __, 2017. The final meeting of the Joint Review Board was held on October __, 2017 where the Joint Review Board approved the TID No. 11 Amendment No. 3.

As required by Wisconsin Statutes Chapter 66.1105(5)(b), a copy of the Project Plan and Boundary will be submitted to the Wisconsin Department of Revenue and used as the basis for the certification of TID No. 11 Amendment No. 3 in the City of Manitowoc.

III. Summary Plan of Rehabilitation with TID No. 11

The purpose of TID No. 11 will not change as a result of this amendment, however, some of the territory from the original TID boundary will be subtracted.

The original TID No. 11 boundary included 28.51 acres. Amendment No. 1 added 8.6 acres. Amendment No. 3 subtracts 4.16 acres (2.645 acres of real property and 1.515 acres of ROW and water). The following table summarizes the area of whole parcels and industrial zoning. The area does not include public streets.

Parcel ID	Owner Name	Acres	Value
000230120	DONEFF'S SCHUETTE BUILDING LLC	0.406	\$213,300
000217011	MANITOWOC CITY OF	1.125	\$0
000218080	MANITOWOC CITY OF PARKING LOT	0.950	\$0
000219080	MANITOWOC CITY OF	0.075	\$0
000218070	MANITOWOC CITY OF MARINERS LAND	0.088	\$0
		2.645	\$213,300

IV. Statement of Purpose and Summary of Finding

There is no change to this section.

V. Statement of Kind, Number, and Location of Public Works & Other Projects

There is no change to this section.

VI. Detailed List of Project Costs

There is no change to this section.



VII. Non-Project Costs & Ineligible Costs

There is no change to this section.

VIII. Economic Feasibility, Financing, & Timetable

There is no change to this section.

IX. Equalized Value Test

There is no change to this section.

X. Statement of Impact to Overlying Taxing Jurisdictions

There is no change to this section.

XI. Statement of Proposed Changes to Municipal Maps, Plans, and Ordinances

There is no change to this section.

XII. Relocation

There is no change to this section.

XIII. Statement Indicating How Creation of the TID Promotes the Orderly Development of The City of Manitowoc

There is no change to the section.

XIV. District Boundaries

A revised boundary map legal description is included in Appendix A.

XV. Findings

There is no change to this section.



XVI. TID No. 11 District Boundary and Description

Part of the Southwest Quarter of Section 20, the Northwest Quarter of Section 29 and the Northeast Quarter of Section 30, all in Township 19 North, Range 24 East, City of Manitowoc, Manitowoc County, Wisconsin, more fully described as follows:



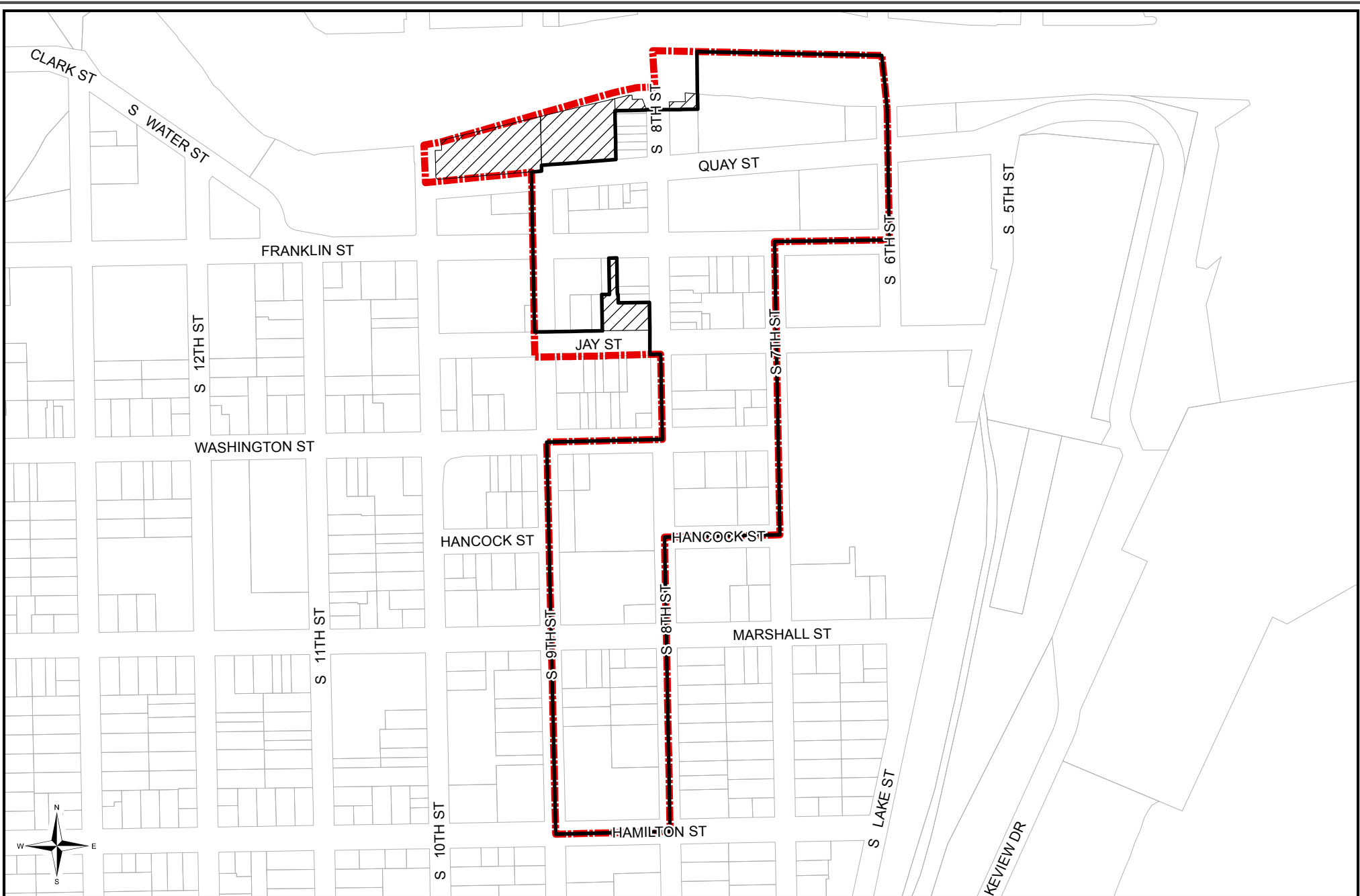
Appendix A: Maps

Map 1: TID No. 11 Boundary Amendment

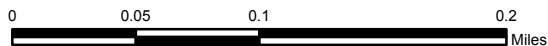
Project Plan





Tax Increment District No. 11
Amendment No. 3
City of Manitowoc, WI





Map 1: Tax Increment District 11 Boundary City of Manitowoc



-  Parcels to be Removed from TID No. 11
-  Proposed TID No. 11 Boundary
-  Existing TID No. 11 Boundary
-  TaxParcel

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REEDSBURG - MADISON - PRAIRIE DU CHIEN - MILWAUKEE METRO
N27 W23957 Paul Road, Suite 105, Pewaukee, WI 53072
Phone: (262) 875-5000 Fax: (608) 826-0530

Appendix B: Resolutions, Notices, Minutes, and Other Attachments

- #1: Opinion Letter from City Attorney Regarding Compliance with Statutes
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CITY OF MANITOWOC PLAN COMMISSION RESOLUTION
APPROVING TAX INCREMENT DISTRICT NO. 11
BOUNDARY AMENDMENT NO. 2

WHEREAS, the City of Manitowoc Plan Commission has prepared and reviewed a boundary amendment for Tax Increment District (TID) No. 11 and finds the amended boundary to be feasible and conforming to the requirements described in §66.1105(4)(f), Wis. Stats.; and

WHEREAS, the City of Manitowoc Plan Commission has invited the public to review the TID No. 11 boundary amendment and comment upon such boundary amendment at a Public Hearing held on October 16, 2017, and that the Public Hearing was duly noticed in conformance with § 66.1105(4)(e) , Wis. Stats.;

NOW, THEREFORE, BE IT RESOLVED after due consideration, the City of Manitowoc Plan Commission hereby approves the boundary amendment for Tax Increment District No. 11; and

BE IT FURTHER RESOLVED that City of Manitowoc Plan Commission hereby submits the boundary amendment for Tax Increment District No. 11 to the City of Manitowoc City Council for approval.

ADOPTED this 16th day of October, 2017

Mayor Justin M. Nickels, Chair

Paul Braun, Secretary

RESOLUTION

**AMENDING TAX INCREMENT DISTRICT
NO. 11 BOUNDARY IN THE CITY OF MANITOWOC**

WHEREAS, the Common Council of the City of Manitowoc requested that the Plan Commission proceed with the creation of TID No. 19 in the Downtown to help facilitate the redevelopment properties within the downtown, and as part of the process, the City must also amend the boundary of Tax Increment District (TID) No. 11 to subtract territory; and

WHEREAS, the Plan Commission established the boundary amendment for said TID No. 11; and

WHEREAS, the Plan Commission conducted a public hearing on said TID No. 11 boundary amendment after duly notifying overlying taxing jurisdictions of said public hearing under Wisconsin Statutes §66.1105(4)(a) and §66.1105(4)(e); and

WHEREAS, the Plan Commission approved said boundary amendment for TID No. 11 and recommended that the Common Council of the City of Manitowoc amend the TID No. 11 boundary as approved by the Plan Commission;

NOW, THEREFORE, BE IT RESOLVED, the Common Council of the City of Manitowoc hereby amends the TID No. 11 boundary to subtract territory Exhibit A (map) and Exhibit B (description) to this Resolution and contain only whole units of property as are assessed for property tax purposes; and

BE IT FURTHER RESOLVED, the City makes the following findings:

- A. Not less than 50 percent, by area, of the real property within the amended District is suitable for rehabilitation and conservation, as I identified by §66.1105.
- B. The amended District contains whole units of property as are assessed for tax purposes; and
- C. The amended District retains continuity after the subtraction of territory; and

BE IT FURTHER RESOLVED, pursuant to Wisconsin Statutes §66.1105(4)(g), the Common Council hereby approves the boundary amendment for TID No. 11 as recommended by the Plan Commission, and finds that it is feasible and in conformance with the master plan of the City.

INTRODUCED _____

ADOPTED _____

APPROVED _____

Justin M. Nickels, Mayor

This resolution was drafted by Nicolas Sparacio, Community Development Director

Fiscal Impact: The amendment of a TIF District does not have a fiscal impact to the city.

Funding Source: Not applicable.

Finance Director Approval:

Approved as to form:

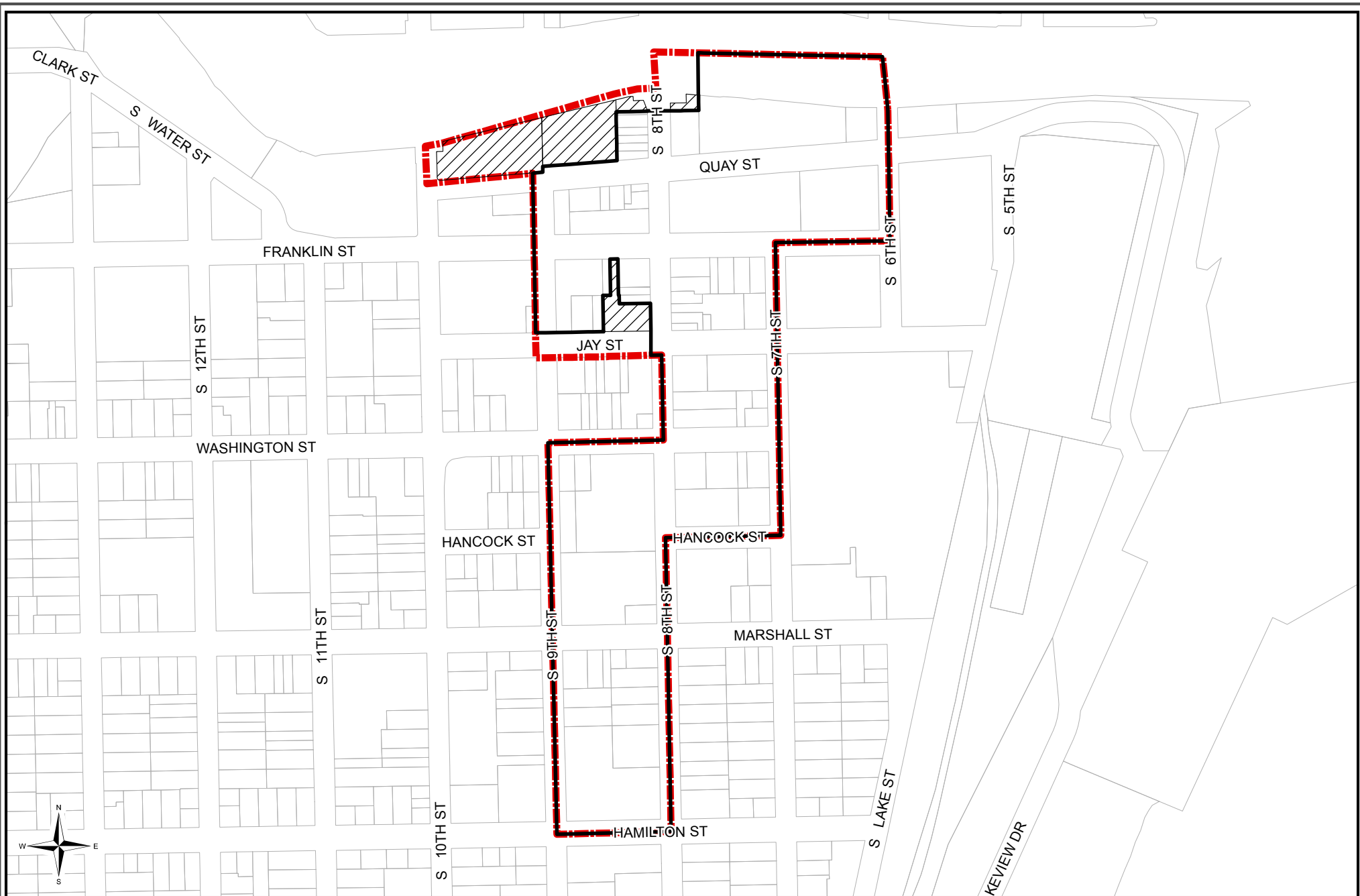
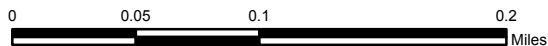






Exhibit A: Tax Increment District 11 Boundary

City of Manitowoc



-  Parcels to be Removed from TID No. 11
-  Proposed TID No. 11 Boundary
-  Existing TID No. 11 Boundary
-  TaxParcel

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REEDSBURG - MADISON - PRAIRIE DU CHIEN - MILWAUKEE METRO
N27 W23957 Paul Road, Suite 105, Pewaukee, WI 53072
Phone: (262) 875-5000 Fax: (608) 826-0530

EXHIBIT B:

**City of Manitowoc
TID No. 11 Revised Boundary Description**