MINUTES OF THE TAX INCREMENTAL DISTRICTS JOINT REVIEW COMMITTEE

FRIDAY, SEPTEMBER 27, 2019, 2:30 PM
CITY HALL, ROOM 604

A. ROLL CALL.

1. Members:
Diana Ellenbecker, City of Green Bay
Chad Weininger, Brown County
Cale Pulczinski, Green Bay Area Public Schools
Bob Mathews, Northeast Wisconsin Technical College
Brent Weycker, Citizen Member

Present: Cale Pulczinski, Brent Weycker, Bob Mathews, Diana Ellenbecker, Bradley Klingsporn (sitting in for Chad Weininger), Excused:

B. APPROVAL OF THE AGENDA.

Moved by Bob Mathews, seconded by Brent Weycker to approve the agenda. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

C. APPROVAL OF MINUTES.

1. Approval of the minutes from the August 19, 2019 meeting.

Bradley Klingsporn amended the minutes under Item 12 to reflect that he voted No.

Moved by Bob Mathews, seconded by Bradley Klingsporn to approve the minutes as amended. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

D. REGULAR BUSINESS.

1. Consideration with possible action to adopt a Territory Amendment Resolution and amend the Project Plan for TID Five (5), East and West Downtown. The proposal seeks to remove parcels from TID 5 that are generally located in the area east of S. Maple Street, south of Howard Street, west of the Fox River, and north of Fifth (5th) Street.

Moved by Bradley Klingsporn, seconded by Cale Pulczinski to adopt a Territory Amendment Resolution and amend the Project Plan for TID Five (5), East and West Downtown. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

2. Consideration with possible action to adopt an Allocation Amendment Resolution and amend the Project Plan for TID Seven (7), Ashland Avenue and Lombardi Avenue Corridors.

Moved by Bob Mathews, seconded by Brent Weycker to adopt an Allocation Amendment Resolution and amend the Project Plan for TID Seven (7), Ashland Avenue and Lombardi Avenue Corridors. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

3. Report on municipal action to adopt Affordable Housing Extension Resolution for TID Seven (7), Ashland Avenue and Lombardi Avenue Corridors.

Moved by Bob Mathews, seconded by Cale Pulczinski to receive and place on file. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

4. Report on municipal action to adopt a Termination Resolution for the dissolution of a Project Plan, for the closure of TID Seven (7), Ashland Avenue and Lombardi Avenue Corridors.

Moved by Bob Mathews, seconded by Bradley Klingsporn to receive and place on file. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

5. Consideration with possible action to adopt an Allocation Amendment Resolution and amend the Project Plan for TID Eight (8), Henry and Morrow Streets.

Moved by Brent Weycker, seconded by Bradley Klingsporn to adopt an Allocation Amendment

Resolution and amend the Project Plan for TID Eight (8), Henry and Morrow Streets. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

6. Report on municipal action to adopt an Affordable Housing Extension Resolution for TID Eight (8), Henry and Morrow Streets.

Items 6 and 7 were taken together.

Moved by Bob Mathews, seconded by Cale Pulczinski to receive and place on file. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

7. Report on municipal action to adopt a Termination Resolution for the dissolution of a Project Plan, for the closure of TID Eight (8), Henry and Morrow Streets.

8. Report on municipal action to adopt a Termination Resolution for the dissolution of a Project Plan, for the closure of TID Nine (9), State Highway 54/57 Business Park.

Moved by Cale Pulczinski, seconded by Bradley Klingsport to receive and place on file. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

9. Consideration with possible action to adopt an Allocation Amendment Resolution and amend the Project Plan for TID Twelve (12), I-43 Commercial Development.

Moved by Bob Mathews, seconded by Brent Weycker to adopt an Allocation Amendment Resolution and amend the Project Plan for TID Twelve (12), I-43 Commercial Development.
Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

10. Report on municipal action to adopt an Affordable Housing Extension Resolution for TID Twelve (12), I-43 Commercial Development.

Items 10 and 11 were taken together.

Moved by Bradley Klingsporn, seconded by Bob Mathews to receive and place on file. Motion carried.

Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

11. Report on municipal action to adopt a Termination Resolution for the dissolution of a TID Plan, for the closure of TID Twelve (12), I-43 Commercial Development.

12. Consideration with possible action to adopt a Resolution amending the Project Plan for TID Thirteen (13), Downtown Redevelopment. The proposed costs include projects within the proposed boundary and within a one-half (1/2) mile radius of the proposed boundary of the TID.

Moved by Bradley Klingsporn to reject the amendment. There was no second and the motion was withdrawn.

Moved by Bob Mathews, seconded by Brent Weycker to adopt a Resolution amending the Project Plan for TID Thirteen (13), Downtown Redevelopment. The proposed costs include projects within the proposed boundary and within a one-half (1/2) mile radius of the proposed boundary of the TID. Motion carried.
Yes- Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- Bradley Klingsporn, Abstain- None

13. Consideration with possible action to adopt a Territory Amendment Resolution and amend the Project Plan for TID Fourteen (14), North Broadway Redevelopment. The proposal seeks to add parcels that are generally east of Broadway, south of Mather Street, west of the Fox River, and north of Dousman Street.

Moved by Cale Pulczinski, seconded by Bradley Klingsporn to adopt a Territory Amendment Resolution and amend the Project Plan for TID Fourteen (14), North Broadway Redevelopment. The proposal seeks to add parcels that are generally east of Broadway, south of Mather Street, west of the Fox River, and north of Dousman Street. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- Brent Weycker

14. Consideration with possible action to adopt a Standard Extension Resolution for TID Fourteen (14), North Broadway Redevelopment.

Moved by Bradley Klingsporn, seconded by Bob Mathews to table until the next meeting. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- Brent Weycker

15. Report on municipal action to adopt a Termination Resolution for the dissolution of a TID Plan, for the closure of TID Seventeen (17), 900 Block North Broadway.

Moved by Bradley Klingsporn, seconded by Brent Weycker to receive and place on file. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

16. Consideration with possible action to adopt a Creation Resolution to establish TID Number Twenty-Two (22), The Shipyard, and adopt the Project Plan. TID 22 is generally located in the area east of S. Maple Street, south of Howard Street, west of the Fox River, and north of Fifth (5th) Street. TID 22 will be classified as a blight elimination district based on the identification and classification of the property proposed to be included within the TID. Proposed projects include cash grants and loans to owners, lessees, or developers of property within the TID; road, pedestrian, bicycle, and other transportation improvements; potable water, sanitary sewer, and storm water infrastructure; public spaces and amenities; land acquisition, environmental remediation, structural rehabilitation, and new construction; and administration. The proposed costs include projects within the proposed boundary and within a one-half (1/2) mile radius of the proposed boundary of the TID.

Moved by Bradley Klingsporn, seconded by Bob Mathews to adopt a Creation Resolution to establish TID Number Twenty-Two (22), The Shipyard, and adopt the Project Plan. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

17. Consideration with possible action to adopt a Creation Resolution to establish TID Number Twenty-Three (23), Legends District, and adopt the Project Plan. TID 23 is generally located in the area east of Holmgren Way, south of Lombardi Avenue, west of Bart Starr Drive, and north of Mike McCarthy Way. TID 23 will be classified as a blight elimination district based on the identification and classification of the property proposed to be included within the TID. Proposed projects include cash grants and loans to owners, lessees, or developers of property within the TID; road, pedestrian, bicycle, and other transportation improvements; potable water, sanitary sewer, and storm water infrastructure; public spaces and amenities; land acquisition, environmental remediation, structural rehabilitation, and new construction; and administration. The proposed costs include projects within the proposed boundary and within a one-half (1/2) mile radius of the proposed boundary of the TID.

Moved by Bob Mathews, seconded by Bradley Klingsporn to adopt a Creation Resolution to establish TID Number Twenty-Three (23), Legends District, and adopt the Project Plan.
Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

E. ADJOURNMENT.

Moved by Bradley Klingsporn, seconded by Brent Weycker to adjourn at 4:43 p.m. Motion carried.

Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

VERBATIM MINUTES

- Everyone have an agenda? Cales, you need an agenda?

- If I could grab one.

- Yep, and I have a full packet in case somebody wants to look at a hard copy. I didn't print one for everyone.

- You're young, you're not supposed to like paper.

- All right, we'll take a roll call. Diana Ellenbecker for City of Green Bay?

- Here.

- I had Chad Weininger from Brown County, but we have Bradley Klingsporn and Chad Weininger for Brown County? Cale Pulczinski, Green Bay Schools? Bob Mathews, NWTC? And Brent Weycker, Citizen Member.

- Thank you, Lisa.

- Hurrying.

- In case I don't remember, please allow minutes. Just to quote, we just got served. Thank you, Lisa.

- Is the recording working?

- Yes, we're recording.

- Make a motion to approve the agenda that's presented.

- Second.

- So Bob Mathews made a motion to approve the agenda, and second by Brent? All in favor?

- [Committee] Aye.

- Opposed? That passes. I have them, okay. And a motion on the minutes? Do you wanna take a chance to look at them, since we just handed 'em out?

- Seems to look a lot like the agenda.

- Yes, same. The same ideas.

- A couple words changed. I'll make a motion to accept this minutes as presented.

- I actually wanna make one amendment on item 12. I actually didn't vote yes, just as the representative, I couldn't.

- OK.

- I voted no on that one. Had to be at micro weekend.

- Thank you for making that audit.

- With that change, I'd like to second.

- So we had brought a motion by Bob, second by Bradley, with the amended change. All in favor?

- [Committee] Aye.

- Approved.

- All right, so our regular business items. Going back, we had a public hearing on these items that were listed. This started back with our committee meeting back in August. These items then went to our redevelopment authority, who recommended or adopted resolutions for approval that went to the Green Bay City Council. Those were taken up at the meeting on the 17th of September, and then now a number of them are presented for your final review and approval. There's some of them that say consideration of possible action. Those are ones where the Joint Review Board needs to take action on items in terms of approving and adopting a resolution of these items. The other ones are report out. Those are ones where the municipality is the one who has to do the final resolution, but still having them on the agenda because I think it's important when we talk about allocations or terminations that that fits into the general discussion of what you're deciding here, especially when it comes to amendments, project plan changes, and creations. So if you want, we can take these up one at a time or get them all together. It's up to the pleasure of the board.

- There were a couple things that we talked about that you were gonna come back with more detail, specifically about the I-43 projects.

- We can just go through one at a time. I think maybe then just keep it clean and go through. So the first one, consideration of possible action to adopt a Territory Amendment Resolution and amend the project plan for TID Five, East and West Downtown. We talked about this is one of our older tax increment districts. It covers a big chunk of our downtown area. Proposed today is the secretion of Tax Increment District 22 which will actually overlap a bunch of Five, and so what we wanted to do is, moving forward, remove parcels from Five that would be in the new TID 22 and to further review basically the overlap ones, talking with the attorney, and then after we put the boundary together, we actually are gonna add a few parcels for the first map, so if you go back to the original project plan, it was 82 parcels with about 2.6 million in value. The project will end up being including the packet, the updated one, it's 110 parcels, which is about 4.9 million in value. We still believe in terms of a lotta these parcels are still at their base increment, that they haven't created increment or they haven't developed, but really those two capture this set of parcels, that parcel, and these parcels, which you can't have as an island, so if you're gonna detach parcels from Five, you can't have basically the new boundary for Five would follow here and then back across the river, but we couldn't leave those parcels hanging. They're not in the new TID, but we didn't feel it was appropriate to leave them in TID Five, so those parcels were added, and they will also come off of TID Five. So that is the change that has been made since we initially discussed this, and so that is what is reflected in the plan or the resolution that Council approved, and then what is before you here today.

- I think that this, you said, was roughly not a whole lot of increment or where the value, base value, is what the value is now?

- Correct.

- Is that still the case with those other properties?

- Yes, yeah, they have not changed. In some cases, there's one or two that were decrement where a house got torn down, but, no, these are not properties that are contributing to the increment that helped make that a tax increment cash flow. Most of those properties are in . They're projects like Metro or just the general redevelopment of Broadway. It does not really include these parcels on the side of Broadway.

- So these parcels to come off, they'll go to 22, and then what does that do to the overall profile of TID Five? Right now, you're showing there's a slight surplus in the projected costs and revenue.

- Correct. We believe it will probably trend the same because these are not creating increment.

- So there's really no impact to the overall?

- Correct, in terms of right when you look at that, you're looking at the increment at the end of every year. There really isn't any in this area, which a sense the reason for the new TID is to say, "Look, 15 years have gone by and nothing's happened here, "but with some new investment, "we anticipate some of these are going to redevelop "and get some increment, "but we'd like to have them in the new one "instead of the old one."

- Right when we would've done projections out to 2027, we would not have built additional increment for these changes.

- Correct. So with that in the report, the request, just the three questions on how much the decision has to be made. You're gonna hear this a lot but this is standard. We have to do this per state statute. Would the desired development occur without tax increment financing, no. Are the economic benefits of new development greater than the cost of improvements, yes, and are the economic benefits of new development greater than the tax increments to be paid by property owners in the overlying districts, yes. Even though this is a territory subtraction, these questions still apply to the remainder of what's in TID Five and still hold true. As we mentioned, these are not gonna have an impact on that cash flow, so that recommendation is to adopt a Territory Amendment Resolution and amend the project plan for TID Five, East and West Downtown.

- At this point, we wanna entertain a motion for each item under regular business.

- I'll present the motion.

- I can second.

- All right, we have a motion by Bradley and a second by Cale, all in favor?

- [Committee] Aye.

- That's approved.

- All right, consideration with possible action to adopt an Allocation Amendment Resolution and amend the project plan for TID Seven, Ashland Avenue and Lombardi Avenue Corridors. TID Seven, this is down on Lombardi and Ashland. It was really created for development of the Tundra Lodge project and some adjacent parcels. It's, again, one of our older TIDs, created in 2002, mandatory termination date of 2029. With that, we are also looking at a new TID in this area, 23, which we'll be considering later, and so what we talked about, these still stay the same in terms of our projections of how we'd like to wind this tax increment district down. So roughly our balance coming in, you'll find all projects this year. We're looking at getting funds to put in sidewalks and lighting for the district. It's part of the project plan to really enhance the corridor. If you've been there last night for game day or for the Resch Center or as the Expo Hall develops, we really need to be getting people off the sidewalks in order to get through there, and so we're looking at creating those pedestrian accommodations through that area with the bunting that's in there. With that, there's a little bit of debt service left over, a little bit of a PAYGO that's left for the Shorewest project, so to wrap those up in 2020, and then in here we're proposing an allocation of inherent $20 thousand. That allocation would go to help us with the termination of TID Nine, which is University Heights. So with that, again going through the questions, would the desired development occur without tax increment financing, no. Are the economic benefits of new development greater than the cost of improvements, yes, and are the economic benefits of new development greater than the tax increments to be paid by property owners in the overlying districts, yes. As we look at this allocation, we believe this TID has performed like it was supposed to, and with the plan as we talked about, I'll report off the next two agenda items, Council did approve a one-year affordable housing extension but then passed a termination resolution that would wind this down so the TID would be terminated at the end of 2021, which is eight years before its mandatory date of 2029.

- If there are no questions, I would entertain a motion for approval of number two item under regular business.

- So the projected balance in year 2020 is 820? Oh, there's another chunk of money coming in from another one for Nine?

- Correct, so, yep, Nine is going to take an allocation from Eight, or, I'm sorry, from Seven, from Eight, and from 12.

- So moved.

- Second.

- We have a motion by Bob, second by Brent. All in favor?

- [Committee] Aye.

- Approved.

- So I know I jumped ahead a little bit, but just the report on this action to adopt the Affordable Housing Extension for TID Seven. Council did approve that. In short, what it would do in 2021, it would basically shut down all the project costs in 2020. Near 2021, we anticipate continued , or $40 thousand worth of increment. That would go into an affordable housing fund for the municipality. Per state statute, all of that money has to be used for housing, 75% of it has to be deemed affordable, and then so that will go into a fund, which we've been directed to create a policy about how that will be spent. It can be spent throughout the city, but Council would like a little more direction on how exactly we're going to be spending those funds, probably some extension of our existing programs, but we really believe, and part of the reason is, if we're moving forward with this, it could reduce our borrowing capacity. We borrow for enhancement right now and some other programs, so if we can put some money in a fund to pay with cash, and then that could also help us with projects that are not in tax increment districts where it might be beneficial, if there's only one project there, we don't necessarily need to create a tax increment district. We could potentially use this fund to help fill the gap, so that was what we discussed for all of these affordable housing amendments, but the council did pass that for TID Seven, so with that, though, the extension, this will still shut down at the end of 2021, which is eight years ahead of the mandatory termination date.

- So Seven, Eight, and 12 are gonna contribute to the affordable housing amendment?

- Yep.

- And what is that total, between all of them?

- It'll be about 3.2 million. I think we should pull up numbers here. I think I can show so you can see in a moment. So this is based on just the taxing proportions we have right now, so roughly in terms of the breakdown of where cash flows go, in 2021 is the first year that we do this, so basically that is taking increment from TID Seven and TID Eight to go into an affordable housing fund. So the 2.2, that's still from TID, this is talking about TIDs Seven, Eight, and 12, so 2.2 is still in TID 12. In TIDs Seven and Eight, that 1.3 is coming from increment for those two going to affordable housing. Then in 2022, TIDs Seven and Eight go back to a taxing jurisdiction, so that's where you start to see the income. That affordable housing is from TID 12, and then in 2023, everything is back on the taxing jurisdictions, and so, again, these are projections. They're based on kinda the taxing ratios we have right now. In short of the breakdown, it's about 35% in the city, 35% county, maybe a little bit more--

- No, the school's a little bit higher.

- I'm sorry, we're about 39% each, I think. It's almost 40/40/15/5, so a fast math to break it down, but you can see then how it flows back to the tax increment jurisdictions during those times, but with that, we believe that 3.2 is a pretty healthy balance for us to be able to get a lot of projects done. Again, it can go fast when you're talking about big projects but in the same aspect, if we're looking at investing, I think that some of the direction from the council is that to use these funds to help generate additional property value, right? If you can go in and help remodel a home or build a home that adds to the tax base, not have to use a TID to do it, that would be a good use of those funds.

- So is there any discussion whatsoever, any areas identified, I know it can be used everywhere, but there's nothing there, it's just we're gonna throw $3.2 million in for a soft date.

- Correct. The caveat is we have to set a policy on how we spend it. I think what we initially talked about, a number of programs offer home improvement loans right now to lower-to-moderate income individuals. Sometimes there's people who don't meet the LMI threshold, but they still can't afford the improvements, so here's a way to look at providing funds for that, but doing so also in long loans potentially, so that could be revolving and coming back in. Projects like the friary and Friar House Flats over at St. Mary's of the Angels, that's a project that we used some home dollars, some block grant dollars in, but there's not a taxing grant district over there 'cause it's primary residential, probably wouldn't create one over there, but for a project like that is something that could feed into there, but we did get a communication at the meeting of us having to craft a policy on how that money should be spent. I think it's also important that it also would define what is affordable, so it shows where that money would be going to.

- Is there any timeline that it needs to be spent within?

- To my knowledge, no. I think one of the things we'd wanna discuss is the balance between small projects and big projects and the balance between grants and loan listing. Yeah, I think we've been really good with a lot of our block grant dollars and putting in those into revolving loan pieces. Sometimes those long loans can be maybe just deferred so we're not getting payments, but then when the property is sold, we get that money back in, or a business sold, we get the money back in, and it just helps keep that balance to be able to be used in the future, but to my understanding, there's no time limit on when they have to be spent.

- Is there any feedback from this group about what these projects are gonna be? And that's just because 740 thousand of what would be county dollars is going to this.

- Right, so there is not, and I talked to the DOR about this. For the standard extension and the technical college extension, those have to be approved through resolution for the Joint Review Board. For an affordable housing extension, it only has to be approved by the municipality. With that, I thought it was prudent to still include it in our discussion because I think it helps frame kinda the bigger picture, and I think in terms of one of the things, and we had the same discussion with our council in terms of right, that's money potentially back on the levy but what we saw is that, look, there's a good benefit in terms of using that money from the check to the jurisdictions that we had that advantage to get a larger sum, but in the same way I guess the trade-off is we're still ending it earlier, and that we can end eight years earlier or seven years earlier, and then I think 12 is three years earlier, four years earlier--

- 25.

- So it's a way for us to then I guess negotiate a deal that says, "Look, if you let us do this, "then we'll agree to end that earlier." Again, it was important for us to put kind of all these three together is that, look, you've asked us when are these gonna get shut down, so if we could do these things, then our agreement in return is saying, "Look, we're gonna shut it down at a certain point "and do it earlier," so that's why we kind of lumped them all or tied them all together.

- Yeah, and again, you don't have it. I just think for that kinda money, it would be helpful to have a plan. That would be my only feedback.

- And I was just gonna say, I'd agree with exactly what Kevin said, they asked the exact same question at Council and that's why they wanted to see a policy and a procedure on what it would be used for, and that'd be something that could easily be shared with the board.

- Right, and I think, kinda when we go through our next session of Joint Review Board, these monies will start coming in in 2021, so I think in 2020 to put on the agenda of, by then, kind of having a policy of how these funds will be spent, I think that's appropriate.

- But we really have no authority over .

- I don't know how they got that legislation through. Honestly, I'm surprised.

- It's not the first time I've heard it so we're going to do it, but, again, I think I understand your positioning of this, but I do think it would be helpful that we knew where it was going, 'cause at least we can go back and say, "Hey, here's what we're doing. "Here's the benefit that it's providing." 'Cause I do think it's kinda hard to argue against if we're really truly helping people in need. I wouldn't argue with it.

- Well, I think at the end of the day, too, the push from our council was that the money should be spent on projects that generate property tax value so that way it benefits the city, it benefits all the taxing jurisdiction that's going into appreciating value for everybody.

- So Kevin, in summary report, do we need to receive a place on file?

- Yes.

- Or do you think we should take an action on it?

- Just receiving a place on file would be appropriate.

- Would you get anyone to motion and a second on it?

- Do you wanna be formal?

- Anyone have a motion? If we do, then we can move on.

- I'll make a motion.

- I guess I'll second.

- We have a motion by Bob, a second by Cale. All in favor?

- [Committee] Aye.

- That's approved.

- All right, I'm gonna go back, then, to here. So with that, then the third piece of TID Seven is the Termination Resolution, so Council adopted that. Basically then you would say, "Look, "once that affordable housing extension is done "and funds are collected in 2021, "the TID would be terminated at the end of 2021." So as of 1/1/22, it would be taxed all back on the taxing jurisdictions. So Council did adopt that resolution. Again, we're reporting out, so appropriate motion would be to receive a place on file.

- So moved.

- Second.

- Who was the second on that one?

- I was.

- Bradley was, okay. We had a motion by Bob and a second by Bradley.

- All right, so similar to Seven, going through three things with Eight. So the first, consideration of possible action on an Allocation Amendment Resolution and amending the project plan for TID Eight, Henry and Morrow Streets, and with that, Henry and Morrow, this is on the east side of town, kind of over by Preble High School, industrial district just south of Baird Creek. There's some projects completed in here, the Bornemann nursing home. There's really not any additional development, and then so if you looked at, again, this is an older TID, also created in 2002, set to close in 2029, but without much action felt it was prudent to be able to wind this one down, and so with that proposed three things, based on the cash flow and the reserves that are in there, to finish up, there's some outstanding debt that needs to be paid, and then with that is the balance as an allocation, again, to TID Nine, and I think there's also in here a small portion to TID 17. We're gonna talk about closing TID 17 as North Broadway. It's about $60 thousand in arrears. We are currently in the process of working through the court system to try and recover on some money from a development agreement in there, but this is to cushion in case we can't recover all of it, and so with that, we'd use the allocation primarily for TID Nine but just a little bit for TID 17 to close those TIDs and make sure they didn't end in debt. With that, then, we'd keep it open one year in 2021, use that for affordable housing, and then it would be terminated at the end of 2021. So with that, again, we feel all project costs are in line. There's sufficient funding to be able to pay down the existing expenses that are there, so would the desired development occur without tax increment financing, no. Are the economic benefits of the development greater than the cost of improvements, yes, and are the economic benefits of development greater than the tax increments to be paid by the property owners in the overlying districts, yes. We are still waiting for our final numbers for 2019, but as of the end of '18, the base value of this district was $6.3 million. The 2018 value was about 18 and a half million dollars, so it was about 12.1 worth of new increment that will be going back under the tax rules 1/1 of 2022. So based on that, our recommendation is to adopt the Allocation Amendment Resolution and amend the project plan.

- If there aren't any questions, I'll entertain a motion.

- Make a motion to approve number, is that five or, five or six?

- Five.

- Five, sorry.

- Second.

- All right, we have a motion by Brent, second by Bradley. All in favor?

- [Committee] Aye.

- It's approved.

- Maybe we could consider both of the reports on this together.

- Sure. You wanna take up number six and number seven, which is the Affordable Housing Extension Resolution and the termination for TID Eight. Council discussed and approved resolutions for both of these and so in short, 2021, that year will be for affordable housing, and then in 2022, these go back to the taxing jurisdictions.

- I move to approve, or to accept the report.

- I'll second.

- That was a move by Bob and second by Cale?

- Yep.

- All in favor?

- [Committee] Aye.

- Approved.

- All right, we are on, then, to agenda number eight, which is TID Nine, and this is a report out on municipal action to terminate TID Nine. There was actually a lot of discussion about this. It was not a unanimous vote. There was some concern from the property owners. I think they came to the Joint Review Board meeting. They came to the Redevelopment Authority meeting, and I think we are at a place, look, it's a tough decision to make about termination, but what we felt is that, from a land use perspective, we still believe that there's opportunity for future business out there. I think through these conversations, we've maybe shifted a little bit, that it's not going to be big-box commercial. This is more well-suited for industrial development and light manufacturing, both based on the location and the actual demand for it. We continue to get calls and continue to market that area for that types of development, and, again, because it's privately-owned, we have to work with those land owners to make some of those zoning changes, but I think with that, we had talked. We will start with the Redevelopment Authority later this year to start that process about some of the zoning changes and how we're kind of branding or marketing that business park, which the business park in a sense will still stay, but what's not working is the tax increment district itself, the financing mechanism. What timing, hindsight 20/20, but based on the decisions that were made in terms of purchasing land and putting in infrastructure, we just didn't get the development that we anticipated we would for this district. There had been some development off Equestrian and then a little further down, a little on Hemlock, but the rest of it for economic reasons really did not take off, and so with that, we've talked about before, this is a pretty big deficit and continues to go further into debt. In terms of timing, this tax increment district was created in 2003. It's supposed to end in 2026. We're also getting to the point of our limit on being able to make new expenditures, so even if a project were to come in today and it gets open, we only really have the next year to start up a new project, and even with all the increment potentially, there's only five years to really make it work.

- So what is the exposure to the land owners of closing this TID earlier, for that very reason? So, in terms of their taxes, nothing will change, because the increment hasn't happened, except for ones that have had development, you're taxed more, but for those who are there, I think what we've discussed is other development projects. We talked about projects in areas where a tax increment district doesn't exist, and I think case in point right now, we're talking about projects at the shipyard and the Legends District, last year we talked about projects in the Whitney School, that were kinda predicated on, look, if we move forward with the project, it makes it easier for this board to say, "Yeah, there's a real development coming, "and so we should create a tax increment district," versus make a traditional approach of, "Let's create a TID and hopefully it'll come." It's trying to get the timing better, and so I think we've committed, and I think that's why taking it to the EDA to talk about those opportunities is that we can say if a project comes through, then we can work on creating a new tax increment district, and we could very well be sitting here a year from now talking about creating a new TID for this area, but I think in terms of the land owners, it's some reassurance of, look, we're still continuing to market this area. The financing mechanism is broken right now, and we need a new one in place. So with that, based on the allocation amendments from the other taxing jurisdictions, we believe that we will have sufficient funds to pay off the outstanding project costs and then really be able to start fresh with a new tax increment district, that this will be able to close at the end of 2021.

- Since it is report, if there aren't any questions, I would take a motion to receive a place on file.

- [Cale & Bradley] I'll motion--

- I'll motion.

- OK.

- Second, then.

- All right, we have a motion by Cale, second by Bradley. All in favor?

- [Committee] Aye.

- That's approved.

- All right, we will move onto number nine, which is consideration of possible action to adopt an Allocation Amendment Resolution and amend the project plan for TID 12. So this looks at, this gonna again kinda be the end path for TID 12, the I-43 industrial park commercial business center, and what we're proposing here is to wind down this tax increment district, a pretty large one. This one was created in 2005. It's a 20-year one, it's an industrial one, so set to close in 2025, and here, this has been a very successful tax increment district. Our proposal would be to finish out some of the infrastructure. I know this was some of the discussion points of last time, so I did talk a few things. One, as far as improvements in this area, and I did talk with public works about what's being proposed, a lot of it has to do with expanding the sewer to service this whole area. Right now, there's some sewer that comes down Erie, ends around here, and it really could handle a little bit of a flow from here, but we need a deeper sewer basically to make a connection all the way back up past Grandview, and so that's what is proposed is to deepen the sewer through here. The cost for that is about $2.4 million and extend it a little bit on Mason and a little down Erie, which would basically allow then this area to be put on I guess the local lines for sewer and be serviced that way. The remaining nine hundred thousand to a million dollars would be for road improvements. There's some patching that needs to be done, some additional roads that need to be put in, and then water also needs to be extended out to that area.

- So where's the next logical place for the next TID to come, it that the bottom?

- Yes, so what I'm gonna bring up is, they're in the packet here, is talking about, I'm just gonna go to my files for one second here, that's not what I wanted. It's basically going to be to the east and to the south. All right. So this is an area which we got consent of a whole bunch of property owners to go out and do wetland investigation study on this in the spring and basically found where all the wetlands are 'cause if we're gonna expand the business park, we wanna have buildable sites, developable sites, and so really it confirmed that, look, we can go down Erie and we can go basically eastward on Mason. There are some wetlands but this purple has emergent wet meadow that's being farmed, and so generally these are the lower-quality wetlands that we had the same type of wetlands here where is developing, and we're able to work with the DNR. There's a fill up to 10 thousand square feet without having to go through the general permitting process and felt like through those areas you could do that and still have some pretty large developable sites. I think the goal is to use the construction that we have, in terms of Mason Street and Erie Road, before we start to build anything internal. There is definitely still a demand for some large parcels, and we don't have a lot of those in the city. It's really up in University Heights and this area of parcels that are developable of 40 plus acres. So in terms of initial discussion is these will probably all look at light manufacturing. As you get down here, these may not be included in the business park, or maybe a phase two, but really it's gonna be concentrating potentially expanding this way, and I think, again, like we talked with University Heights, two different pieces, one is the business park, which is the planned unit development. Where do we get controlled land use and how are we control design and things like that? And then the second is the tax increment district, what might overlap with that. So that's what we're putting together right now is to then work with the Economic Development Authority, who did the original business park to say, "How should we expand this business park here?"

- EDA's doing build it and they will come. It's just they're using existing dollars with TID 12 to do that, to some extent.

- Yeah, somewhat, I think as it is right now, some of that is in the existing TID going out this way, but I think that was predicated when this was created. Things were growing really fast and the thinking like, okay, by 2025, this whole area may be built up. Well, we had a recession in there that probably slowed things down a little bit, so we didn't get all the way out to the city boundary yet, and so I think that's why we're kind of staying on the main arterials of up Erie and Mason is that we don't quite know how the land's gonna be divided up yet, so let's provide some capacity, but then the smaller fine-grain stuff of entrance roads and laterals and things like that will be probably then paid for by the next TID when the project comes. But, yes, I think part of it is to kinda finish out this one but the financing for the infrastructure can be paid with this TID but maybe an incentive for the project to be paid with the next TID. That make sense? Because of the time period that there's only a few years left.

- So what happens if we don't approve it? What are the implications?

- Don't approve the allocation or?

- No, just the use of those additional funds. Or do we really have the ability to say no, honestly?

- Yeah, so I think what it would do is then it would say I guess a question, I don't have the city attorney here, but in terms of the project plan of what her view would be in terms of what's acceptable versus was this considered or contemplated in the original plan or are we asking over and above what was contemplated in there? And I think there would be some discussion about, okay, yeah, this is part of the original plan, or this is something new, and whether an amendment is needed or not. I think just in interest of transparency, I think it's important. It's been 15 years since this first plan was written, and so over that time span trying to explain, "Here's "what we are "doing "within those parameters," but also accounting for changes in the economy or changes in development to push, I guess, future projects forward, and so with that, we did have our city attorney go through, all these we went through and she has her opinion letters and then believes that what we were asking for is in accordance with the plan. It is in accordance with state statutes.

- In the context of the original--

- And so to speak to for her in a sense, she believes that these funds are allocated appropriately in terms of being objectives that are required by the state.

- So I guess the three questions, how do you answer those, and I mean just, would the desired development occur, like there's not a development related to this expenditure, so I don't know how we can say that any development is occurring because of this expenditure of funds.

- Sure, so I think when it talks about, and this is maybe going back to the original project plan, I-43, this whole TID was developed as a build-it-and-they-will-come, and while in most cases now, we try and align specific projects or ones that are more realistic with time to the creation of tax increment districts or the allocation of certain funds. This one, I think, continues in the original spirit of would the desired development occur without these improvements. In short, this Nature's Way was really the last project in that we could do on the existing utilities, and so if we don't do the extension down Erie Road, if we don't bring that sewer in, this cannot be developed like we want it to in terms of additional industrial or commercial development, so in terms of answering those questions, if we don't do that, basically we're saying that, look, this is gonna be farmland or mini storage that doesn't require water, so I think that's answering that question. It is needed and the cost of or the benefits of the tax increment is gonna be a lot higher from a light manufacturing user than it would be from just a storage use or farming use that it is now.

- So conceptually the only way of looking at it is you could go and build this within the context of TID 12 and just leave it open and just say, "Hey, we're gonna do this because this is our bottleneck, "so we're gonna put this money in. "We're just gonna leave it open."

- Correct.

- Conceptually you could do that and not get access to the money, right?

- Correct.

- I'm trying to just logically play through this. So then the next conversation is, "Did you close this?" And I think it closes in 2022. If there was development, most likely everything to the right of Erie Road would show up again the next TID, so you'd close it out and then reintroduce it, but you'd have the infrastructure in place, so really you'd have every right within the context of the original TID just to go and do that work and keep it open, if we said we're not gonna approve.

- Correct, and I think part of what we would look at is that there's a little back and forth between the municipality and the Joint Review Board. I think if the Joint Review Board said, "No, we're not gonna approve this," then the council might say, "Well, we might reconsider closing the TID." If we're getting 2.2 million a year, well then we'll just keep it open and then work on some specific projects there. I don't want to juxtapose them against each other but--

- All we're trying to do is end it. I don't really know that we really have a lot of leverage in terms of the GRV, and not we're looking for leverage, that's the wrong word but the concern, I think the concern that I have is that is it being used just because you have it there? And I think the answer's yes to some extent, but again, in a broader macro perspective, you have every right to do that.

- Right, and I think just, in fairness to the taxing jurisdictions, the two compromises or the two facets we look at is, one, we'll agree to shut it down early, and the second is that I believe these expansions are naturally the next. I think there would be some concerns if we looked at, we're putting in roads and streets and everything way out here that might not happen for like 10, 15, 20 years, but we're really doing things that, if we kept it open, conceptually it could still happen in the life of this TID, and that's what we're trying to ensure.

- And again, it's not a conflict. It's just I'm trying to understand what we can and can't do.

- So you said the one side was they could just keep it open and fund it that way for any projects that might come up, but what it seems like and what concerns me a little bit is that if they create the next TID, they've built some of that infrastructure already and it's gonna look more successful or get more increment than would be originally be designed, because the way that a typical TID would be structured is those costs, the 3.3 million, would be paid upfront, and you mentioned last time that would be then financed and there would be interest and so there would be additional expense for doing it that way.

- The reality is is they have every right within the context of the TID that they defined to go and do that work and just leave it open. It's the next logical building block to get to those next parcels. They can't go, what was that, north? No, that's east, can't go east. You can't get there without doing that infrastructure work, so essentially if I were sitting in Kevin's, I'd say, "We're gonna do it anyway, reality, "'cause we can do that in the context of the TID. "We're just saying let's help us do this. "We'll close it early for you, "recognize that the next TID that's gonna come out "will be in this area once we break down "and find developmental opportunities." So the question is do we want our money now or do we want it later 'cause they could say, "Fine, just keep it open and we'll just deal with it later," and, again, not to be contentious.

- Nope, and in the interest of transparency, I think the original, that's why I sent a copy of the original project plan, I think kind of talks about this, but again that's 15 years ago. I think we should be clear we're doing this, and I think we're gonna talk about the same thing with 13, kinda talks about parking improvements and other things but it's a big expense so I wanna be clear with this board, like, okay, what exactly that is, and it may be a little nebulous in the project.

- Go through and ask your three questions.

- Yeah, so with that, would the desired development occur without tax increment financing, no. Are the economic benefits of the development greater than the cost of improvements, yes, and are the economic benefits of new development greater than the tax increments to be paid by property owners and overlying districts, yes. So based on that, we are recommending that the JRV adopt an Allocation Amendment Resolution and amend the project plan for TID 12 partial development.

- In lieu of any other questions, I would get a motion.

- I'll move.

- Second.

- Got a motion by Bob, a second by Brent, all in favor?

- [Committee] Aye.

- Any opposed? Approved.

- Reading those two together, 10 and 11?

- Yep, so 10 is the Affordable Housing Extension Resolution, and 11 is the termination. Again, both of those were approved by our council. What it would do is it would put about 2.2 million into that affordable housing fund, and then everything would be shut down at the end of '22, which would put this three years ahead of schedule before its mandatory closure data of 2025. This one came in with a base value of 196 million. We'll be closing with a base value, sorry, new value right now as of '18 was $271 million, so an increment of about $75 million back on the tax rolls 1/1 of '23. So with that, appropriate would just be receiving a place on file.

- Motion.

- Second.

- A motion by Bradley, second by Bob, all in favor?

- [Committee] Aye.

- The motion passes.

- All right, number 12 is consideration with possible action to adopt a resolution amending the project plan for TID 13, downtown redevelopment. I think this goes back a little bit to what we just talked about in terms of what the original project plan talked about. This TID was also created in 2005. It's a rehab conservation one, so it doesn't expire until 2032. In the project plan, it talks about improvements for parking and enhancements to add to parking portfolio. State law allows you to do improvements within the half-mile boundary of the TID and the infrastructure that relates to the TID. With that, it wasn't exactly, again, clear in terms of the specific piece for looking at the Associated Bank parking lot. I think I talked about in the last meeting, I don't know if I talked about it, yeah. So this property, I didn't know I turned it on its side, was in a TID, this was in TID 11, which we closed out, what, two years ago? Three years ago, maybe?

- '17.

- And, in short, the reason for the amendment is to look at adding these parcels or the acquisition of this piece of property, which is basically bordered by Pine Street, Cherry Street, Monroe, and Quincy Street as an eligible or specific defined project in terms of parking improvements into the TID 13 plan. I think we talked a little bit about this last time. The short-term goal for the city is to operate this as a parking facility. As we talked about, the ramps are filling up. We're having additional employees, residents downtown, and in terms of spaces, we wanna make sure that we have enough within that. We also, within TID 13, the Main Street ramp, its lifespan is limited, and we know that's going to come down, so in terms of being able to provide a solution--

- I'm sorry, which one again?

- The Main Street ramp, which is the one right next to Schreiber. This ramp has to come down, or I think per a development of Schreiber by 2033, but it's reached its end of its also useful life, so we're looking at options from just a parking perspective. With that, we are also looking at redevelopment on that, in terms of a parking lot itself is not the highest invest use along that specific corridor, so we're actually gonna be discussing with the Economic Development Authority over the next two weeks some proposals to redevelop that site.

- That's not Schreiber's. Do they have option on that?

- They do. Yep, they have a first right of refusal on that property, correct.

- As of 2033.

- As of now, they can give us a heads-up, and in two years, that has to come down.

- OK.

- Yeah.

- Kevin didn't write that deal.

- So that's one. Look, they haven't exercised it yet, but then it's kind of hanging out there, and then so if we just wanted to make sure to cushion against that, but also then what we've talked about for a development site I don't know if, again, not too off-topic, but this would become a new tax increment district, get brought into 13, or potentially get brought into Whitney School, which is just boundaried a block over the other way, and so part of that will depend on the development deal that moves forward, but with that, again, I think just in order to clarify some of the intentions in the original project plan, they didn't identify this particular lot, and I think it's important in terms of being upfront of this is what the project plan would amend to allow for acquisition of this.

- So what's on that property?

- So it's a whole parking lot. There's a large garage and a small garage and a billboard. Those are the only improvements on the facility.

- And then your thought would be essentially replicate what you have on Main from a parking structure?

- So we could do a parking structure there. I think one of the things we looked at is potentially as a cushion if we were to lose spaces, that we could temporarily park here, or as we worked on other projects, that this could have some of the backflow, but I don't know if this would necessarily be the future location of a parking ramp because it's right on Monroe itself, so in terms of more limited longterm parking for employees, this wouldn't be like a metered lot. It'd more like for employees downtown, coming to work, need a spot for the car all day, this would be the spot to do that.

- So it'd just be surface level parking is your thought?

- Short-term.

- So where does all the parking that is currently in that ramp go?

- So there's a little bit of capacity in some of our other ramps. Kinda like an airline, we oversell a little bit, because based on flows during the day, we're able to make it work and very rarely do we actually actually fill-fill up, but if that ramp were to go down, there's a little capacity there. We need to be looking at, and we are looking at, okay, where's our next potential parking facility? I think where we're getting crunched a little bit right now in terms of the spaces is, look, KI continues to be pretty well-programmed, and so that fills up with just daily visitors. The addition of the Hotel Northland, they've been running occupancy pretty well, so that takes up the space of Pine Street. The Watermark, as that continues to build up and expand, there's some employees in there. Some of the apartment complexes and people having an extra vehicle, they keep it in the ramp, so we're starting to creep up in terms of that kind of daily percentage of use rate. I think when I started we were probably, I'll just say, mostly like 60% full? In a few years, we're probably running 70, 75% full during the day, so it's kinda coming fast, and so we're just trying to look at a variety of options, and again, it may be moving some pieces around that develop this in order to clear another site for a parking ramp, but we felt it was important. It's a whole city block. We don't get many opportunities to really kind of dictate development on a whole city block, so that's why we made a move to .

- So I guess my issue with this is it was already a parking lot, to have it be a parking lot, and it was going to be a parking lot for the county, if this is a parking lot and the justification is it'll help economic development there by providing parking, that was already gonna happen without this financing, so the first of the three questions is yes, this development would've occurred without this tax incremental financing. If we're talking about it being a development opportunity, that's not within the district, and therefore it's not something that the TID should be paying for, so how do you get around those two? We have to kinda pick one, I guess. Are we saying that the parking is gonna help, and then how do you get away from the idea that it's already a parking lot, it was a parking lot?

- Sure, so, the parking lot will help in the short-term of providing us a little more I guess slack, in terms of our overall parking facility and the number of spaces we have. In terms of the longterm and the development aspect, I think if we wanted to make it clear in here that part of the language that state statute allows you to do project costs within a half-mile of your existing TID. I don't know if that was as clearly identified in the original project plan, and so part of the amendment of the project plan is to have that specific language in there that says, look, these are things within a half-mile of this tax increment district that you can have costs eligible for so in terms of the timing of it, we wanted to be able to look at making that language clear, that, look, we can purchase within a half-mile, and so then ultimately the desired development, which is not a surface parking lot, will be generating additional taxes beyond what it is right now, and then therefore the benefits in terms of a property tax increment would be ultimately greater than the cost of improvements, which was the acquisition.

- And what is the acquisition cost?

- 1.2 million.

- Two for that block.

- Yes, it's about 2.4 acres, and so with that, I think what we would do, though, in terms of being in a TID and not in a TID, the project cost here is the acquisition piece, which comes in that half-mile boundary. If we were to do a specific project with a developer on it, it would be turned into a tax increment district. Based on what's done here, it would likely go into 13. If it were to go into a different tax increment district, then we may look at reallocating the funds, or re-amending the project plan for a new tax increment district, or, as I mentioned, the other one, Whitney Park is the other tax increment district nearby, depending on that development project itself. I think the, I guess, TID rules, if you will, allow those projects costs but not necessarily when it comes to actual development agreement. Those need to be in a tax increment district, and so that's, I guess, my answer for the differentiation of where we're looking at this.

- And what happens if we don't approve this?

- So, I think this would be a little bit what I've talked about earlier. Our city attorney believes that this was in kinda the scope and nature of the original project plan as presented. I think we're trying to be transparent and upfront about how we're proposing to do this and make it specifically clear.

- The half-mile piece of it covers it, doesn't it? The half-mile, the connectivity within a half-mile, really covers the acquisition of the TID, though.

- Correct.

- I'm just trying to, again, that's what I heard you say. You're invoking that, but in your perspective it's still within the context of the original TID.

- Correct, and I think part of this was some clarity of being transparent of it says certain improvements. Well, we're specifically identifying something because it's a large piece of property and it's a large expenditure that it's important that it comes before the Joint Review Board in terms of specifically what we're doing. This piece wasn't specifically called out.

- But the actions still need to follow that the economic benefit of this expenditure is greater than the cost of the improvement, the addition to the land.

- Correct, and I think we would say that, in terms of the economic benefits in terms of providing parking, either for the short-term, just providing parking for other entities within this tax increment district, in terms of allowing additional properties to get additional occupants, to allow the hotel to get occupants, to allow the economic benefits of filling up those spaces because we have ample parking outweighs, and then longterm the development that we could see increment on this piece, that would be much greater than the 1.2 million of acquisition.

- But the parking was already being provided and would have been provided.

- But was it to the public? Was the parking to the public?

- That was for Associated.

- The reality is is that within the context of this TID, based off of their development agreements, they created a need for parking that was probably not identified in the original TID 'cause they didn't know that, I don't know if this was built specifically or this was developed specifically for--

- This was primarily done for Schreiber and the KI Convention Center, this TID.

- 2005, that was Schreiber, Schreiber's already buying that property in 2005?

- No, that was a little bit later.

- But I'm just saying it was primarily KI, right?

- Correct.

- So you didn't know Schreiber but as part of that development agreement, you just ate up your parking.

- Yes.

- You created your own, within the economic development--

- When we signed the agreement with Schreiber, which was like 2010, 2011, we basically said that Main Street ramp is gone. There's a two-year window in there at least to allow for it, but, yes, we're basically saying that we can't count on that indefinitely in the future.

- So there's an inherent economic development build. I'm not trying to make your case, but I'm just thinking in terms of, I think there are probably more things that they can just say, "We're gonna do it anyway," and, again, I don't think, you're not bullying, you're not doing any of those things, but it's just...

- I thought that's our role to say, "This is our opinion."

- Absolutely. I don't disagree.

- And my issue that, if there was a parking lot there, there would've been a parking lot there, there's no benefit of the parking that's gonna drive anything economically because it was already there so it was already driven. If we're talking about the development opportunities, then we need to be focused on the development opportunities and how that is gonna play out to cause economic benefits to drive incremental value that's gonna repay our taxing districts for the cost of, yeah, 1.2 million is five hundred thousand for you and 250 thousand from the county. That's money that's coming out of our taxing districts because that would've stayed with TID 13 if they don't pay it out, so, for me, this is a $250 thousand expenditure from the county, and I don't see that we're gonna make that up because there's no development proposal and because the parking's already there, and there's a little bit that it was going to be a county property if the city exercised an option to take it before they asked us. So there's a little bit and that's how I knew there would've been parking because the county had a longterm plan to provide a parking lot there.

- I think and just maybe the parking, I think that would be, yes, the use is still the same, but with the city control of it, the city would be able to work with other entities and potentially as a part of a development deal offer parking as part of that incentive to get development on other sites, whereas in a private party, we don't really have a role in it and couldn't offer that up as an incentive for somebody. Just in terms of, yes, it is the same light use, in terms of that short-term parking, but with it under city control, we offer discounted rates where we've used that incentives and ramps or other places, we could do also that with this lot as well, and that was the reason short-term for the acquisition. So, I guess based on that, our recommendation would be to adopt a resolution amending the project plan 13, downtown redevelopment, and then the proposed cost of the projects within one half-mile radius of the proposed boundary of the tax increment district.

- I'd like to make a motion to reject the amendment.

- We have a motion, is there a second?

- Yeah, there's already a motion in, I understand. I'll make a motion to approve.

- Kevin, do you have to do your three questions?

- Yes, yep.

- And so we did have a motion by Bob, second by Brent. You ready for me to take the vote?

- Yes, did I go through the questions?

- You did not go through all the questions. They were discussed, but you did not--

- So officially then, would the desired development occur without the tax increment financing, no. Are the economic benefits of new development greater than the cost of improvements, yes, and are the economic benefits of new development greater than tax increments to be paid by the property owners and overlying districts, yes.

- So, again, we have a motion by Bob, second by Brent. All in favor, please say aye.

- [Cale, Brent, Bob] Aye.

- All opposed?

- [Bradley] No.

- It does pass.

- All right, onto number 13, which is consideration with a possible action to adopt a Territory Amendment Resolution to amend the project plan for tax increment district 14, North Broadway redevelopment. TID 14, North Broadway redevelopment, looks at this area north of Dousman, east of Broadway. It's commonly now referred to as the Rail Yard. We'll talk about renaming this district in the next motion. In short, what we are proposing is to add these parcels. These are the parcels as they stand today. Actually, this was one parcel as of 1/1 of this year. This was a piece of property owned by CN. It was acquired by the developers who are doing development in that area, so they had a little more room to put in additional townhomes in that area and have some additional development space, basically in this area down here, and then also some additional room to put in a large stone water pond up in this way, just based on the slopes that they could have a little more room, go a little deeper in that area. This acquisition in terms of what we looked at for the parcels themselves, it had zero value prior to this, because it was owned by the railroad. It was contaminated environmentally, so we've identified it has blight, which will continue the original tax increment district, which was created in 2006. It is a blight district, 100% blighted. This is the old Larsen canning factory. This is the other blighted parcel, so we'll still maintain 100% blight in this area, and so with that, would the desired development occur without the tax increment financing, no. Are the economic benefits of new development greater than the cost of improvements, yes, and are the economic benefits of new development greater than the tax increments to be paid by the property owners and overlying districts, yes, so with that, our recommendation is to adopt a Territory Amendment Resolution and amend the project plan for North Broadway redevelopment to add in these parcels here. They'll be reflected most likely as one parcel because that's what was here at the beginning of the year, but in short, it's gonna reflect the addition of this area between the existing development and the existing railroad tracks.

- Where's the future revenue coming from on this one?

- The future revenue for?

- It's showing about $13.7 million of future revenue in the life.

- Correct.

- Right now there's very little tax increment coming through.

- Correct. So what we are right now, we're just getting back up to the point of what we call rebalancing this TID. This area, this is Titletown Brewing, this is the original four set of warehouses, A, B, C, D, there's a few letters in there, and then buildings R, S, and T are up here. So this originally was done by Media Holdings. That's where the cannery is, the Titletown Tap Room. Those now are pretty much almost all fully built out. There's still one or two spaces, I think, that have to be built out, and so we've seen that assessment start to come up. Where we've had issue is the area north of Kellogg Street. This is the area that was owned by On Broadway, where Walmart was proposed, when Broadway defaulted on their loan and so it went to the redevelopment. City had to pay on the loan, and then the Redevelopment Authority got the property, so it went off the tax rolls for two years, which is why we're gonna talk about the extension next, but what's proposed now in terms of future revenue, there's still some additional build-out. I'm just gonna see if I can pull up some numbers. Director Ellenbecker just went through for the PAYGO for the south of Kellogg, what that increment is at now. I'm just gonna pull up some details, but then the development agreement for north of Kellogg calls for the renovation of the existing warehouses, the construction of new townhomes, and then the second agreement past that is the addition of Broadway Lofts, which is a housing project at the very top here. So in terms of additional revenue coming on, I'm just gonna pull up those agreements.

- The increment for 2018 was 151 thousand, as noted on the spreadsheet, and then for 2019, we received 274 thousand, so one for 151, one for 274, and that's with very limited amount of improvements finished so that it is showing the assessed value.

- So the main Rail Yard, we'll look at, again, phasing, rehabbing the warehouses and putting in the condos and putting in the additional public improvements to facilitate additional development in the beginning. That's going to guarantee about $16 million of improvement, just for most projects, which is not including any of that space in the middle, and then Broadway Lofts, which is at the very north end, is just starting construction now and will be online by the end of next year. That is I wanna say like eight or nine million. It's a large project, but it's a little bit lower, because it's workforce housing, so it gets assessed lower, but it's all in about 25 million of new increment within the next two, three years.

- So Kevin has already gone, director has already gone through the recommendation and the questions. Are there any other questions or can I get a motion?

- A motion to approve.

- Second.

- We have a motion by Cale, second by Bradley. All in favor?

- [Committee] Aye.

- It passes.

- I'd like to abstain on that one.

- Abstained by Brent.

- All right, finally one that matches with its agenda item. Number 14, talking about TID 14, consideration with possible action to adopt a Standard Extension Resolution for TID 14, North Broadway redevelopment. So when this plan was created in 2006, it was created as a blight district. We've had development on the site, as I mentioned, but I kind of referenced in short after Walmart on Broadway defaulted on their loan obligation with M&I Bank, M&I said, "Look, the city's guaranteeing it. "City, pay up." Called the note, city said, "All right, well, "if we're gonna have to pay this, "we're gonna take over the property," and basically acquired it from On Broadway. We did that in November of '15, which means 1/1 of '16 it was off the tax rolls. In short, base value, there was about four million dollars, so it went back down to zero, which then started to cause a decrement situation. The whole parcel itself, I think, went in with a base value of about five, is that correct? Gotta look at that again, oh, it's right here, it's six, and about two is allocated to the piece itself and four north, so when all those went out, it was a majority that was taken off of tax rolls. We worked then with DDL to get a development agreement. However, that development agreement was not executed until 2017, which means this didn't go back on the tax rolls until 1/1 of '18, so we had two full years where we weren't on the tax rolls and two years of I guess a decrement situation. So with that, we do not believe, because of that decrement situation, in addition as we've started to develop, we knew it was an impurity site. It's probably a little bit dirtier than we initially anticipated, and so there's been some additional remediation that's had to be done, and with that, keeping up with DNR regulations for what we need to do for compliance has added some cost to the project, combined with over the last two, three years, construction costs have increased a lot faster than inflation, and so with that, we do not believe that, under the current timeframe of 2033, that that would be sufficient time to pay off the project costs, and so with that, state statute allows for the JRB to consider a standard extension to extend the TID by three additional years, and that's what we are asking for today in order to help provide that additional timeframe to be able to pay off the project costs.

- So why now? I guess my question is I look at this, it shows that you're gonna have an increment of $4.8 million if everything plays out the way you think, and I'm assuming that's through 2033, so why would you need additional three years?

- So I think why now is we estimated a few things. One, I think the RD and the city is out of it in the sense we're no longer a land owner there. We do still have a guarantee on a portion of the note with the financial institution of Hometown Bank, so there still is a little exposure for us, in terms of if a developer were to default. I think we're at like two point, it went down a little bit.

- It was 2.5, and I think it's 2.2.

- I think it's 2.1 right now. So just to make sure that there's enough time to get increment to get that back. I think the other piece is now this has been really the first full year of construction for infrastructure, and we've got our arms around both the additional contamination, and the cost is more than we anticipated.

- So is that not reflected in these numbers?

- No, that is not reflected.

- DBL came in probably in July?

- Correct.

- In August, to explain the infrastructure costs, these would've been done in June. Well, this is 2018, but, yes, the projections were done in June.

- And so we'll readjust predictions based on I think there's some future development projects coming into that area, but in terms of with the development agreements that we have signed right now and the potential cost of that infrastructure, we feel that we need the additional three years to make that up. I don't know if we have the cash flows, but from those two years that we were offline, we actually dug into the fund and went more negative, and so we're looking to be able to recapture those two years basically where it was not paying anything to any of the jurisdictions.

- So, again, I go back to could you come back? It's out 'til 2033. If you came back in 2025, you're gonna have better visibility. You can still come back at that point in time and extend, correct?

- We could. I think one other thing that I just remembered with our agreement with Broadway Lofts for the affordable housing piece, one of the things we did contemplate in there is that we said we would ask the JRB to extend the TID and so part of that is following through. That was an agreement that was adopted in January, February of this year? It's a PAYGO approach, but it is based on an additional three years of increment. Either way, we would be responsible for that. Kind of like we've done now, if we shut it down early, we'd have to escrow, so if we don't extend, we'd have to bind those funds to those additional three years, so I think that is also playing into part of the timing in combination with these other things that we're finding with the infrastructure costs. We could come down at a later date.

- So you're committed to the extension, or this is a request for extension?

- So our development agreement, we committed to the extension to the extent that the city would ask the JRB for the extension. I think that's one of those in terms of we can only ask in terms of the body that approves the extension is the JRB.

- So what happens if we said no right now?

- So I guess we would kick the can down the road.

- But does it impact your agreement?

- It's one of those things that it's a few years out yet, so we're not there yet. They could say, "Look, we're obligated to pay "an additional three years of costs." If we continue to get additional development--

- Are you committed to it?

- Yes.

- You're committed as a city.

- Correct. We're committed as a city to pay for that somehow, and so whether it's through an additional three years or if it ends when it ends, then we still have to commit for those additional three years of payments.

- If the increment comes in higher, you might have escrow at 2033 to cover that PAYGO payment through 2036.

- I'd be more inclined to wait 'cause you're so far out and you can come back another time, 'cause, again, based off your numbers right now, based on what we're looking at, you've got sufficient funding to cover it, and I don't know what your commitment is, your additional three years, I don't know if that's a million dollars or four million dollars, I'm not sure.

- Be able to tell you. It's estimated what that would be.

- I'm feeling kinda the same way. I don't have a problem with extending for three years, I just don't know why we need to do it now instead of 2023 when we have a better projection.

- And I'm just trying to understand whether you've already committed to doing it.

- Right, so we as the city have committed to doing it, but we can commit only as far as what we can commit. The city itself cannot control the extension piece of it, and so that's why we said in the agreement we would ask the JRB and RDA. The council recommended that we do it. I think it's one of those things also, in the spirit of trying to clean up and do a lot of tax increment district things this year, this is one of them that we had looked at. I'm not buttering you up, but we have a good JRB right now who understands some of these things. Yeah, I could see it both ways. We could also then be back here in like five years and say, "Look, increment's great, could shut this down early."

- I'd be more inclined to wait to see what happens, and, again, I'm not saying, the data in front of me says we don't need to do it, and, again, I understand all the other things that are going on and the potential of this, and all this kind of stuff, but you're gonna continue to advise us and if we come back and we see it, I think we'd worked well together and say, "Hey, we're gonna do what needs to be done "to make sure the right things are done." I just don't see the reason to do it right now, personally.

- Are there any other future amendments or agreements that you're working on now where I could think that are gonna come in that you would like to be able to extend up to '36?

- Yeah, I think part of it is in terms of cash flow, we'd like to have the maximum amount of time to be able to do a payback. If we can offer three additional years of payback for that, the affordable project's tough because it's something we need in the community, but it doesn't assess out that well, and so that's a challenge for us. There's still close to eight acres in that middle left-in-development land that we'd like to be able to offer and if we can go out until 2036, for us, that gives us, depending when the project comes online, 15 years versus 12 years in terms of that PAYGO piece, so it would be advantageous for us in terms of negotiating future projects. Again, we could come back here next year and ask the same thing if there's another project that asks the same piece, but, yeah, I guess that's yet to be determined.

- So you only have one project that you've committed to, and there's nothing imminent right now where you have three other projects? This is the leverage you wanna use to close up?

- Without disclosing too much, I would say we're gonna probably have something back within six months, if not sooner.

- With the same commitment.

- Yes. Yeah, I think based on what was discussed with this agreement that they would look at, okay, well, it's public, it's out there. The city said we'd ask to extend three years, so now that another project would probably come in and ask the exact same thing. Yeah, without disclosing too much, that would happen sooner than probably even three months.

- This isn't really something that affects the county, but one thing that we noted was the city's debt rating was downgraded by Moody's, and one of the factors that they said contributed was exposure or limitations because of TIDs, and I'm just not sure if we don't need to do this yet, are you further exposing the city's finances to locking in that increment for three more years, and I realize that three years on this one TID is not gonna make or break Moody's decision, but it's probably favorable having all of these close that you might be able to go back to Moody's, 'cause we can do this in five years from now. Has the same effect, or whenever those projects come up, you could bring it back to us with projections. One of the things is I'd like to see, "Here's our incremental value with these projects from 2020. "Here's what we need to make up year-to-year "to show at 2033 we're gonna have "a two million dollar deficit, or whatever it ends up being. "That's why we need to extend it to 2036." There's probably three questions in there. I apologize for dropping it all at once.

- Yeah, that's fair, and I think we're really just starting to get our arms around the remediation and infrastructure cost piece. That's starting to make us not nervous but just these are coming in higher than our estimates that we did when we priced out this project three or four years ago. So I'll go back to what I had discussed about the standard extension. So would the desired development occur without the tax increment financing, no. Are the economic benefits of new development greater than the cost of improvements, yes, and are the economic benefits of new development greater than the tax increments to be paid by property owners in the overlying districts, yes. So with that, our recommendation would be to adopt a Standard Extension Resolution for TID 14, North Broadway redevelopment. Based on the discussion, look, again, we'd recommend we'd love to have you approve. If not and if the feeling is to wait, I don't know if this would be appropriate to table until our next JRB meeting.

- That's where I'd be. Again, I'm not saying we wouldn't. I'm just saying that the data we have right now doesn't support it. What we have in front of us says that we already have enough money by 2033. To extend for three years does not make sense. Again, I understand the commitment was made, but that's probably outside the framework of the JRB.

- Well, and again, they can escrow the money at 2033.

- If there's sufficient funds.

- And that would be our hope, conservatively estimating that we would have enough like we have in some of these other ones that are being sufficient increment.

- Yeah, even with one of the other TIDs we're closing down, even though we have to escrow funds to pay developer fees, right?

- Correct. Just so we're able to pay that out. So I guess then the recommendation would be to table until the next session of the JRB.

- Motion to table?

- Second.

- All right, we had a motion by Bradley, and second's by Bob Mathews to table this item until the next JRB meeting, all in favor?

- [Committee] Aye.

- And I abstained from that, too. Sorry.

- And Brent abstains.

- All right, 15, consideration with possible action to adopt a Termination Resolution. Actually, I think in the report it should be report on Council action to adopt a Termination Resolution for TID 17. This is the little district up in North Broadway. We talked a little bit about this last year. It wasn't quite ready to go in terms of there was still an outstanding court case having to do with a developer agreement. It wasn't a huge amount but I think it's important that if a developer says, "We're going to do something," then they uphold their end of the bargain. With that, this is not assuming the city collects anything. It's about $67 thousand in the hole right now. That goes back to that's part of the agreement the city purchased some property and then turned it over to a developer. The developer was gonna make some improvements. That increment was gonna pay back what the city basically bought it for. The developer did the project, didn't get the assessed value that they were going to guarantee, and that's what the battle was over. So, in short, there's increment, but really not enough to pay back some of what we're doing here, so this, using the allocation from TID Eight, we believe about $65 thousand would close it out. That would be less, obviously, if we were able to recover some things in the court.

- What is the dollar amount in question in the court case?

- So right now, there's two cases. One, there's the past-due amount. Basically, "Look, every year you're not "paying your increment," I think that might amount to seven, eight thousand dollars? We could also go back and say, "Look," but for the life of the TID, which this TID is set to go for 'til 2035, so we can say in future, "Look, "every year we were supposed to be counting on this." Maybe we'll get some sort of settlement. This project, based how small it is, there's nothing else happening here, and so for us there's increment that's been created, in terms of it was 183 thousand, now it's 471 thousand. There's not gonna be much more increment created, so we might as well shut this down.

So with that, the council felt that that was appropriate and that, based on the allocation that's going to come in 2020, this would be ended at the end of 2020.

- Motion received.

- Second.

- We have a motion to receive this and place on file by Bradley.

- Second.

- Second by Brent. All in favor?

- [Committee] Aye.

- That's approved.

- All right, now for the last two, are creations. So TID 22, it's number 16, consideration and possible action to adopt a Creation Resolution to establish TID 22 and the Shipyard and adopt a project plan. Again, this area, basically South Broadway area that we're looking at future development. Some questions that were posed, again, would the desired development occur without the tax increment financing, no. Are the economic benefits of new development greater than the cost of improvements, yes. Are the economic benefits of new development greater than the tax increments to be paid by property owners in the overlying districts, yes. This one has a little bit more in accordance with state statutes. We're to provide you with certain information and projections. In terms of just in the project plan, the total project costs and the amount of these project costs. I think one of the things that we try and do in the project cost is one of the wild card is developer incentives. I think we've been pretty good about doing most of those as a PAYGO, so those could vary a little bit. I think in the project plans, though, some of the hard costs that we're looking at is for the Shipyard itself, to build the outdoor entertainment facility in that area, and do some environmental improvements to make the land developable. This is a TID where we are going in with some infrastructure costs on the front end. With that, I think we're trying to do it responsibly and working with Director Ellenbecker to phase in our borrowing, and in terms of doing this in stages, so our first stage was just for property acquisition and the site planning. The second phase, which will be coming up to our council in November, December, whenever we go for bonding, we'll look at additional what?

- 1.5 million or two million, yeah, it's two million.

- To start the first phase of the project, followed by the mayor borrowing the following year. I think it's just good for us to phase in this project, and we're not going in too deep, that we can kind of pace it along and allow the private side development to catch up. So with that, we estimated, identifying the four, in the project plan, kind of our four catalyst sites. The north side of the site with Breakthrough and their development, the Badger Sheet Metal site, the White Store development, and then parcels that we own on the south. This is not including really any other improvements or smaller projects in the district, but we feel over the life of the TID that there will be sufficient increment to repay that debt.

- I'm sorry, did you say you have three of the four parcels essentially spoken for or?

- So we feel the assumptions were based on having that development phased in, that the development in terms of we've talked about incremental taxes, that things starting to come online in 2023 with the Breakthrough project, and then phasing in Badger Sheet Metal, the White Store and our parcels phased in through up through 2032, so really just a pretty generous time, I think, to ramp some things up. If those come in, I think they'll come in sooner, but we're kind of pushing them back as far as we could. There is sufficient increment to pay for the project costs that we're investing upfront.

- I guess my question is is are there pretty well-defined development opportunities within this district? It sounds like Breakthrough Fuel is a go, and there is another one or?

- Yes, so--

- Breakthrough is the only one, 'cause we're getting close back to I'm putting in a bunch of infrastructure in hopes of versus we've got some pretty solid leads on...

- Correct, so I would say we have solid leads on all of our parcels. Breakthrough is the one with whom we have an approved agreement. Theirs also allows and not counted for in some of this is they're only taking up a portion of this site, so additional development on their site. The Badger Sheet Metal property, we are using for some city uses for short-term storage, but there has been some interest on that particular parcel for a mixed-use development. The same thing with the White Store, and then our parcels, which are just south of the on-ramp. One of the advantages we have with this area, along with our Legends District, is these TIDs are both in opportunity zones, and so investors who are looking to cut their capital gains taxes are realizing, "Look, I'm really interested in getting involved "in new projects in these particular zones," and so based on that, a build-it-they-will-come, I think our investment is to say for so long there was an unknown of, well, what's the city want to do with this area? By us putting funds into this major outdoor facility and having a private entity like Breakthrough come through and say, "Yes, we also wanna be in this area," it's opened the doors for others to be saying, "Okay, yep, this is gonna be the next "development area for the city." With that, I still pushed it out conservatively, taking 10 years plus to ramp up, and put in what I felt were some realistic assumptions, in terms of development costs, what we've seen in other properties, comparing to projects we've had in the past, so I'm just gonna open up the project plan--

- So with the increment, just with Breakthrough, can that cover your, I doubt--

- No, nope, no, we would need additional development aside from that. This'll give some reference to project plan. So identified in the project plan, the four catalyst sites, so redevelopment site A is Breakthrough, which is on the northern side of the parcel right here. They're estimated to come in--

- I'm sorry, where is it?

- It's that right here. Oh, it's not even showing, okay. So this is just zooming in. It's a weird TID because it has this goofy rail parcel, so it's right here but on the map zoomed in it's right here. They're gonna be taking this corner, 40 thousand square feet. Initially, they have talked about expansion. When all built in, go in $15 million. Believe that a first phase would probably be in the eight to $10 million range, with an expansion adding another seven to five. Redevelopment site B is Badger Sheet Metal.

- Sorry, you said you had a commitment. Is the commitment for just the initial part, or is there some agreement on what the value of that is going to be?

- So, yeah, so it's phased, so the commitment is for the initial 40 thousand square feet. They have an option to, if they guarantee an additional six million dollars' worth of development, then we will go through and do some additional improvements for parking for them, so that's the trade-off. They have to do it by a certain time period, just so we can pay for it in the life of the TID, yes.

- Is that rolled up in the eight and a half, that borrowing, is that in the eight and a half borrowing upfront?

- No, so the only borrowing for that is an incentive, upfront payment of a million dollars for that particular project.

- So the rest of it's infrastructure.

- The rest of it is rolled in, and what we try to do is just be efficient with the funds, so infrastructure of doing basically this whole area together. So the infrastructure that needs to be done here is filling and grading this site four feet so it comes outta the flood plain, and then improving Arndt Street and Mason Street to get the access across the tracks here, and then doing storm water management for the site, so those pads are buildable. It's more efficient for us to go in and do it all at once, and so that kinda gets rolled up into the infrastructure improvements upfront.

- Okay, that's three and a half million.

- Correct.

- Okay, and so, any future development on any other parcels is all incremental and needs to be factored into the--

- Correct, so, yep, so part of it, then, the borrowing also includes for the actual development of the Shipyard itself, so the amenities that are gonna go on top, so the container park, the play structure, all of those things, that is also factored into that. The site development costs are probably gonna be of that budget somewhere around two to two and a half million, but we're still kinda playing around with what those exactly are gonna be, within the additional construction costs and furniture and fixtures, the additional part of that. So then the other sites, Badger Sheet Metal, which is right across the street, yeah, thank you, which is almost about four acres, almost five acres, we anticipate potentially around it was worth about a million dollars initially. Actually, it'll be worth nothing because we own it right now, so going into the TID, but believe we can get about 18 to $21 million worth of value on there in terms of a mixed-used apartment complex. If you were to look at the size and scope of some of our past apartment complexes and expand the number of units, we feel pretty comfortable with that number. We also looked at some of the projects going on in Ashwaubenon about the same size and scale that would be there and feel that that's a pretty appropriate value. Increment from redevelopment site C, which is the old White Store, we feel we could get about five million dollars' worth of value. It may be a rehab, but more likely it would be a take-down, and then putting it back up. That was estimated on a project like 901 Main across from Whitney Park. That's gonna come in about two and a half million dollars. This site's about twice the size of that.

- That's more housing?

- Yes. That's what it was estimated for for this, maybe some first-floor retail that has a little first-floor retail on it, and then same thing, about two and a half million dollars for the site right south of the ramps. That's about the size of 901 Main. Again, coming in at about two and a half million dollars. Those four projects are what we used to build that $21 million--

- So essentially, there's some commercial but the majority of it is housing, is what the vision is for that?

- Correct.

- There is that big a need and demand for it?

- Yes. So we're updating our housing study right now, but both from market rate and multi-family within this area, we continue to be 98, 99% occupied, and there's a demand. Our last housing study, which was done three years ago, said we needed about four to five hundred more units online.

- And that's after Whitney or before Whitney or?

- So that was including Metro but before Whitney.

- And Whitney will give you how many?

- Four to five hundred, but Whitney will be 22. 901 Main'll be 23, so these are small dents. We need some substantial, and some of the developers that we've been talking with about some of these future projects, their numbers are still coming back the same. We are full and there's still some demand to fill these up.

- And there's a 40 thousand square foot to 60 thousand square foot office building going up there, so I imagine that a lotta those, and I know those people work, right, so they wanna live in the city.

- Correct. So, yeah, there'll be some commercial property as part of it but really there's a residential demand, and if you look at kinda east and west of the river, there are no big really units on the west side of the river, and in terms of location, that's an appropriate spot for that. So just back to the questions, there is enough increment. The amount of value increment when the project costs are paid in full, just based on those four projects, is the additional $45 million of increment. As we talked about, this is a really, I hate to say the word sad district. We're going with the base value of three million dollars for 55 plus acres, so just based on these projects, we anticipate about 45 million of increment, and then in terms of but for, this is an area the city's owned for a length of time. It's wet, it's squishy, it's dirty. There's been not a lot of investment in this area, so but for us helping with some of the costs for that remediation and infrastructure, cost of construction, just investment in the area, this development would not happen, and then just talking about the breakdown jurisdictions, 40% schools, 40% city, 17% Brown County, 3% NWTC, 0% to the state of Wisconsin. That was just based on our 2019 allocation, and then just in terms of the benefits, overall, an addition to the increment that we're gonna create the 45 million in property. We're gonna hopefully catalyze this in counting any of the neighborhood improvements. This neighborhood around here is one of the lowest-assessed per square foot or per acre values in the whole city, and we're hoping that as this area develops, that area will also appreciate, and then beyond there also outside of the TID, generate some additional property tax increment for the taxing jurisdictions.

- I guess just a couple general questions, but there's a little block that's excluded there. I was just wondering why that's excluded. And I guess while you're talking, I was also wondering why the old Rail Yard part isn't included and why that isn't--

- Sure. So as far as this goes here, it was excluded. One, we don't have any imminent projects or interested developers in that area. They're industrial right now, so in terms of the assessment being done by the state, we don't have control over that, and basically how things have kind of changed, there's a little bit of risk, in terms of putting them in a TID, especially when they're all doing pretty well. We've talked. This could be a potential future expansion area, but just in terms of not wanting to get in a decrement situation if they decide to sell or vacate, let's just leave those out for this time. We talked about adding this in or not. I think it's another timing piece. Our last talks with Maney International, they still own it. They don't have any interest in selling it. They're not really gonna do anything with it at the moment. They're just happy as it is, so with that, in terms of timing, didn't feel a need to put it in. I think we've talked about that's a natural extension. Same thing as we talk about the coal piles south, but in terms of timing, it's probably not quite there. If it's in a few years, we'll probably expand the TID. If it's in a lotta years, probably create a new TID, but just in terms of timing, they're not quite there yet. That's why they were excluded. Although, we did try to capture, again, non-profit properties, city or RDA-owned properties, and service parking lots, and that's where we got, excuse me, the boundaries that we did.

- What about the Green Bay west? There's two rail yards, actually. This is my old neighborhood, so I know it. The old Green Bay west there, 'cause you have it going right up to the, I know there's still an active track there. Same thing, Canadian National just doesn't, 'cause there used to be so many buildings there that they tore down, now it's just a field, huge field.

- Yeah, they're not interested in moving anything at this time. Those parcels, they're actually parcels, not right-of-way, that's why the boundaries are so wonky. If they're a right-of-way, we could across 'em, but they're actually parcels, and so we have to include 'em, and the goofy parcel goes nearly down to Lambeau Field. That's why it looks the way that it does. So based on that, our recommendation is to adopt a Creation Resolution to establish TID 22, the Shipyard and adopt the included project plan.

- Motion to approve.

- I'll second.

- So we had a motion by Bradley, a second by Bob. All in favor?

- [Committee] Aye.

- That passes.

- All right, last item before adjournment. 17, consideration with possible action to adopt a Creation Resolution to establish TID 23, Legends District, and to adopt the project plan. So this is looking at the area kind of covering where TID Seven was with a few additional parcels. What we're looking at here is facilitating some future development in this area. We adopted the Legends District plan a few years ago, which really called for the redevelopment of this area into a mixed-use entertainment district, formerly industrial. You've seen bits and pockets of some entertainment in there, but we also feel, again, that residential demand. We could add some residential products along with some additional commercial. So with that, we believe there's still some brown fields in this area being a former industrial area, and in terms of incenting development to get its highest invest use, it's no secret the Packers have been doing additional development and bringing additional events. With the creation of the new Expo Hall, there'll be additional events in that area, and Resch Center continues to program very well and continue to drive people to this district and to this area. So with that, our decision's based on the following, would the desired development occur without tax increment financing, no. Are the economic benefits of new development greater than the cost of improvements, yes, and are the economic benefits of development greater than tax increments to be paid by the property owners, yes. So here looking at, again, providing information, one, specific items on project cost. If you look through the project plan, a number of these are factored in in terms of PAYGO incentives. This is being operated as because most of the infrastructure is in here, we're using TID Seven to follow up with the sidewalks and the pedestrian accommodations, but then this area has the infrastructure in place so there's not any projected upfront spending for us here. These would be PAYGO deals, we're providing incentives, and then maybe providing some additional public enhancements down the line after there's cash in the bank. Maybe we could do some additional landscaping or a pocket park or other additional treatments.

- Why are some of those parcels excluded? I'm just curious.

- So excluded because these are pretty full-functioning developments. This is the hotel, it's Cambria Suites. It was Cambria, now it's--

- It's a Marriott.

- That's Daybridge. It's a full-functioning hotel, and this Burkel's One Block Over. They're both assess well, and so what we feel like those are developed. The Kwik Trip is relatively new and developed, so there wasn't a reason to bring that in. Hilton Garden Inn has been built for some time but assessed pretty well, and this was another thing in terms of timing. We talked about pulling in some of these undeveloped parcels here. There's been discussion on it, but nothing felt it was imminent, in terms of that development, so just focusing on these areas at this time, kind of like Shipyard focused on vacant land or just parking lots, really things that could go up in value, with the exception of the Hudson-Sharp facility, which is manufacturing and it does assess well, but it's only about half the site. There's still a lot of parking lot and undeveloped land there that the property owners talked about future development plans for. So with that, here, based on that, there's sufficient increment that would come in to pay off project costs. Again, most of this is based on PAYGO. The specific deals will depend on the projects that move forward, so upfront, just a little bit for the ongoing management and administration expenses, but once the projects come in and it starts filling up, balance in terms of that PAYGO.

- Is there anything imminent that's being--

- Yes, so, as far as the projects identified in the project plan, go back up to the map, so the catalyst sites identified in here, one is the old Brett Favre Steakhouse. We have an approved development agreement to take that down, and that'll be the spot of Legacy Hotel. That'll be getting our construction this way. It'll be open next year. It'll be a all-suites boutique high-end hotel, so we have an approved agreement for that, and then we have interested parties probably again in that same timeframe, within the next three to six months, to move forward with something in terms of redevelopment here, probably primarily residential, maybe some commercial, and then also outlot of Badger State Brewing, a lotta parking in this area, undeveloped spots, and then the Stadium View's parking lot. That's probably the furthest out, but as far as more imminent development, this is approved and those'll likely be coming soon. I think I paced out in terms of the timing for when those may come online, the Legacy Hotel projected being online 1/1 of '21, some of the parcels, that one off Canadeo coming online anywhere from 2021 up through 2029. Same thing with Hudson-Sharp, being online by 2029, and then the Stadium View parking lot by 2029. I anticipate some of those will come sooner, but, again, kinda pushed 'em out 10 years just to make sure, could be conservative on the cash flow side there.

- I've heard that Badger State was planning on expanding. Is that part of...?

- That is not actually even allocated in here. I didn't build an assumption, but yes they are. We've been working with them on expanding their brewing facilities. Part of that is manufacturing, so it might not be a lot, but if they do add other events-based or commercial space, that will come into it, but that was not factored in here. And then other questions, value increment, we anticipate about $47 million of additional increment, based on those four development sites, but for the creation of a TID--

- How do your PAYGOs compare to what Ashwaubenon's doing, because you're right up against them?

- They've done a mix of things. I think what I can say is I feel for us, we're the same market. If you're looking at an apartment or a development down there, you don't really pay attention to the boundary lines, but I think we have a strategic advantage because we are closer to all of the facilities, and we're closer to the Resch Center and the stadium, we're closer to the new Expo Hall, so I think that's--

- But are your PAYGOs, do they look similar, or are they dramatically less, or dramatically more? How did you structure your PAYGOs, I guess is the question.

- So we kind of work with the developer on these and then kind of two approaches. One is to split it 50/50 and have it drag out, maybe for 20, 25 years, or the other is to make it heavy and do like 80/20, but then it only goes 12 to 15 years. Some of it's driven by the financial institutions that are involved and how they basically what's their borrowing term and how long are they borrowing against. They can then say, "All right, well, "once the city approves that, "we have a good estimate of what it's gonna assess at "and what the property taxes are, "so we can estimate basically a cash flow for us "or a debt payment coming in," and then they'll take out an assignment or a mortgage basically on that that PAYGO'll cover.

- City'd be more conservative or less conservative or equal, in terms of your PAYGO?

- At the end of the day, I think we'll probably come in at around the same spot, in terms of I like to compare the amount of city assistance to the overall incremental costs, and trying to keep that no more than like 20%, preferably at like 12 to 15.

- How does it compare to Ashwaubenon, I guess? You have a feel for how it compares. Is it more aggressive or less aggressive--

- I would say less aggressive.

- Okay, all right. Okay 'cause they're kicking a lotta money in.

- They are.

- Yeah, and I'm just wondering if you have to do that to compete for some of that similar space because their space is getting chewed up pretty quickly too.

- Correct, and I think in terms of a little less aggressive in that we have some of the infrastructure in place, and I think we can also leverage, like I said, the location that we're in a little better spot to be able to do that, and I think just from an overall policy decision, we've been more aggressive in some other parts of our stake, not here, for them that's kind of their core of the city, and for us it's a node. That's different than in other parts.

- Fair enough, thank you.

- Same breakdown for Eight, 17 and Three, and then just overall again development, we believe this adding to really strengthening this node will strengthen this part of the city, probably actually benefit other taxing jurisdictions like Ashwaubenon because of the development in this area, so with that, our recommendation is to adopt the Creation Resolution to establish TID 23, and the Legends District and adopt the project plan.

- So moved.

- Second.

- For that, we have a motion from Bob and a second by Bradley, all in favor?

- [Committee] Aye.

- That passes.

- So I promise I won't do another huge one like this again. I think Director Ellenbecker and I talked. There's a lotta things influx with the TIDs, and we just really felt for both the city and the taxing jurisdictions this was a good year to kind of shore up and kind of chart the paths forward for a lot of these, so I appreciate your patience in wading through a lotta these, but I feel like we're in really good shape to move forward on these.

- Take a motion to adjourn.

- Motion to adjourn.

- Second.

- Got a motion by Bradley, second by Brent. All in favor?

- [Committee] Aye.

- It's the most enthusiastic second of the meeting.

- I did that online thing, and it's a two-hour meter, but it wouldn't let me extend it. I didn't know you couldn't extend it. I hope I don't have a ticket. If I do, is that something I can just leave it or something? I don't know.