

## Budget

Working with our city's finance staff and our auditor, we were able to bring a new budget proposal to the Finance Committee that was well received and recommended to the Common Council for passage Monday night.

Our new proposal eliminates the concept of paying for engineering labor through special projects financing and removes about \$545,000 from next year's bond issue. Once this new concept was identified, city hall staff worked non-stop on Thursday and Friday to knock out the details in order to be prepared to present this new plan to the Finance Committee members Friday afternoon.

The key to this new plan is the success of our Tax Incremental Financing districts, also known as TIFs.

TIF is an economic development tool that allows our city to build infrastructure and contribute to jobs creation and retention projects. We have used TIF to assist Burger Boat's expansion, assist in building Manitowoc Company's new corporate headquarters, aid the expansion of the Wisconsin Maritime Museum, build Dewey Street in Harbor Town, plus a myriad of other projects.

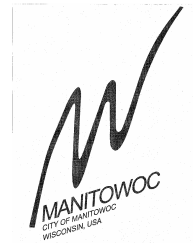
How a TIF works is that the city makes an investment such as constructing Dewey Street and installing the sewers and other underground utilities through Harbor Town, our new retail shopping park near I-43, where Kohls is currently under construction.

It should be noted that when we began to develop Harbor Town, its value was approximately \$333,000. Now, after just a few short years of progress, its value has grown to about \$30 million.

All taxing entities such as public schools, the county, our city and LTC recognize that it's in their best interest to develop new tax base in order to keep taxes as low as possible for all taxpayers, and, therefore, agree to invest all the new taxes developed in a TIF to pay for whatever improvement is needed to stimulate new construction and growth, or jobs creation.

In Harbor Town, for example, new taxes, known as TIF increments, are being used to pay for the construction of Dewey Street and other infrastructure improvements that have allowed for Lowes, PETCO, Starbucks and now Kohls to open there.

It turns out that these abundant new increments can also be used to pay for the cost of engineering these important new projects. This was unclear to us last October when we turned the budget plan over to the Council, but the long and interesting debate on how to pay for the impact to Wisconsin's storm water mandates while not creating a storm water "utility" helped us to uncover this practice that will eliminate the need to bond for these services.



This “pay as you go” plan is also sustainable. This means that it is not a solution that is paid for with “one time” money as our state budget is, and that we will have the resources next year to pay these bills.

Every one at city hall is delighted to be able to bring this budget solution to our citizens. In these difficult and complex times, it’s good to know that lengthy public debates and collaboration is still the best way to find solutions to our problems.

### **Wonder of Christmas**

By the way, we were recently able to experience the “Wonder of Christmas” for the very first time at Trinity Alliance Church at the corner of Highway Q and Goodwin Road. The “Wonder of Christmas” is a beautiful, museum quality display of hundreds of nativity sets, or ensembles, in every size and style imaginable, all set to the background of live Christmas music. The “show” will be open this week on Thursday, from 5 to 8 p.m., Friday and Saturday, 10 a.m. to 8:30 p.m. and Sunday, 11:30 a.m. to 4:30 p.m.

*Manitowoc Mayor Kevin Crawford may be reached at 920-686-6980.*