

City of Manitowoc
Tax Incremental Financing Joint Review Board
Monday, October 16, 2017 – 11:00 AM
Planning / Engineering Conference Room
Main Floor – City Hall

Meeting Summary

1. Call to Order.

The meeting of the City of Manitowoc Tax Incremental Financing (TIF) Joint Review Board (JRB) was called to order by Chairman T. Reckelberg at 11:00 AM.

2. Roll Call was conducted. Meeting attendance is noted below.

3. Approval of the September 20, 2017 Minutes.

Motion by M. Maurer, seconded by S. Corbeille, to approve the September 20, 2017 meeting summary. Motion carried unanimously.

4. Discussion on Updates to Creation of TIF District No. 19 (Downtown) Project Plan and Boundary (PC 22-2017).

N. Sparacio explained that an issue arose when the new Tax Increment Financing District (TID) 19 for the downtown area was submitted for certification to the Wisconsin Department of Revenue (DOR). At the beginning of the TID 19 creation process, the City sought direction from DOR regarding overlaying the existing TID 11, which is designated as Distressed. At that time, DOR staff stated that a Distressed district could be overlaid by a new district. While reviewing the City's final submittal, other DOR staff informed the City that this is not approvable. DOR is now working with the City to correct the situation and to allow the impending downtown development projects (Schuette Building and Briess Malting) to proceed as planned.

N. Sparacio further stated that the City intends to close TID 11 in 2018 so that TID 19 can be restored to its originally intended area. J. Lukas asked when this would occur and whether the City is financially able to close TID 11. S. Corbeille stated that closures must occur by April 15 in 2018, and Mayor Nickels stated that the City is financially able to pay the outstanding obligations for TID 11.

D. Lindstrom provided maps of the proposed changes to TID 19. The parcels included in TID 11 must be removed from the area of TID 19. The Schuette Building parcel will first be removed from TID 11 so that the related project can proceed and be included in TID 19. The additional parcels being subtracted from TID 11 are for the purpose of ensuring that the area of TID 19 remains contiguous as modified. Once TID 11 is closed, the areas now being removed from TID 19 can be brought back into the new district.

T. Reckelberg asked whether the areas being removed from TID 19 will come back as soon as TID 11 is closed or whether we would wait until there is a proposed project. N. Sparacio stated that the S 8th Street area is in the heart of the downtown, and is essential to the intent of the district. The City would prefer to restore the boundary of TID 19 as soon as possible in 2018. The City would request another boundary amendment at that time which requires JRB approval.

M. Maurer asked for clarification on why the Schuette Building is being removed from TID 11. N. Sparacio explained that Distressed districts cannot be used to support new projects.

D. Lindstrom explained that the approach to TID 19 is to provide an update to the JRB. No action will be needed here, as the previous approval can stand with a modified project plan. N. Sparacio emphasized that the DOR is trying to work with the City on a reasonable solution.

5. Discussion on TIF District No. 11 (Lakeside/Library Redevelopment, 1997) Proposed Boundary Amendments.

D. Lindstrom provided maps of the proposed territory subtraction for TID 11 and explained the amended Project Plan. Other than the subtraction of five parcels, the TID 11 Project Plan remains the same. This action will require approval of a new resolution by the JRB which will be provided at the next meeting.

M. Maurer asked for clarification on what the City would be doing with TID 11 in early 2018. S. Corbeille explained that the City would close TID 11 to allow the increment value to come online for all taxing jurisdictions. From the City's perspective, TID 11 would have enough money accumulated from increment to close the district. After it is closed, it would remain on the City's books for a couple years and continue to pay on future debt obligations. Any remaining funds in the district beyond the amount needed for planned debt payments is

distributed to the other taxing jurisdictions.

T. Reckelberg summarized that TID 11 is being modified to make it work for the two projects for 2017; the City is going to close TID 11 and escrow what it needs for future debt; and TID 19 will work for the time being. The JRB will then be asked in the future to put the TID 19 boundary back where it was originally intended.

6. Set Next Meeting

The next meeting will be Monday, October 23rd at 11:00 AM.

7. Adjourn.

T. Reckelberg adjourned the meeting at 11:20 AM.

Attendance

Members Present

Todd Reckelberg
Mark Maurer
John Lukas
Steve Corbeille

Members Excused

Ken Mischler

Staff Present

Nic Sparacio
Paul Braun
Tyler Caulum

Others Present

Dan Lindstrom (Vierbicher)
Mayor Justin Nickels