

MINUTES

Plan Commission Offices
Manitowoc City Hall

Second Meeting
Joint Review Board (JRB)
Tuesday
August 10, 2010
10:00 A.M.

I. CALL TO ORDER

The meeting of the City of Manitowoc Tax Incremental Financing (TIF) Joint Review Board (JRB) was called to order by Chairman Todd Reckelberg at 10:00 A.M.

II. ROLL CALL

Members Present

Todd Reckelberg, Manitowoc County
Mark Ring, Public Member
Jutta Furca, LTC
Sarah Hoppe, City
Ken Mischler, MPSD

Members Excused

None

Staff Present

David Less
Paul Braun

Others Present

See Attached Sign In Sheet

III. APPROVAL OF MINUTES of the Regular July 13, 2010 Meeting.

Motion by: Ms. Furca

Moved that: the minutes be approved as presented.

Seconded by: Mr. Mischler

Upon Vote: the motion was approved unanimously.

IV. PUBLIC INPUT

Chris Able, Alderman District #3, 715 N. 5th Street, commented that he believed in the importance of communication in a person-to-person format vs. oped columns in the newspaper, and expressed his concern with the future of the building at 1512 Washington. Mr. Able continued that he hoped the JRB would approve the TIF 16

proposal, and give the City the tools and ability they may need to address the worst case scenario with this property. Mr. Able noted that at the last Council meeting, he commented that the TIF 16 discussion was really about a series of “what-if” scenarios regarding 1512 Washington including public safety, and added that the cost to deal with this structure was admittedly sizeable. Mr. Able continued that he could not understand why anyone would vote against this proposal, with a single exception—that being if Manitowoc County intended to own and remediate the property. Mr. Able continued that this did not appear to be the case. Mr. Able noted that the City didn’t want the property either, but added that the buck stopped with the City. Mr. Able concluded by noting that approval of the TIF 16 amendment would give the City a tool towards a solution, and added that if the amendment wasn’t approved today, he hoped those parties not in support would come to the Council to offer their input and cooperation towards dealing with this building.

There was no other public input.

V. PC13-2010: City of Manitowoc; Boundary and Text Amendment No. One (1) to TIF District No. 16, and Boundary Amendment No. One (1) to TIF Districts No. 7, 9 and 10

Mr. Reckelberg commented that there were 2 issues before the JRB – (i) the boundary amendments in the I-43 Industrial Park, and (ii) the proposed TIF District 16 amendment.

Mr. Less advised that regarding these 4 proposed amendments, the entirety of the public record had been provided to the JRB during this process including all financial calculations, Plan Commission and City Council resolutions, and the draft JRB recommendations regarding the 4 amendments to be considered this morning. Mr. Less noted that all statutory compliance issues had been addressed with the JRB. Mr. Less suggested dealing with the 3, I-43 boundary amendments at this time.

Motion by: Mr. Mischler _____ Seconded by: Ms. Furca
Moved that: Boundary Amendment No. 1 _____ Upon Vote: the motion was
to TIF District No. 7 be approved as _____ approved unanimously.
presented.

Motion by: Mr. Mischler _____ Seconded by: Ms. Furca
Moved that: Boundary Amendment No. 1 _____ Upon Vote: the motion was
to TIF District No. 9 be approved as _____ approved unanimously.
presented.

Mr. Less replied that removal of the building would enhance the tax base for this block in itself, but that by itself the block alone would likely not be able to generate adequate increment. Mr. Less added that this was the reason that the existing TIF District was being amended, and noted that there was no statutory requirement for a development plan to be in place for TIF.

Mr. Mischler agreed.

Mr. Reckelberg asked if this was a new TIF, would a development plan be required?

Mr. Less stated “no”.

Mr. Mischler asked where the increments would come from in that case?

Mr. Less replied that as the City has done in the past, the design of the TIF District would be established to include areas where tax base growth was anticipated. Mr. Less explained that the creation of TIF District 15 and Harbor Town, and cited this as an example of where this approach was taken, as the boundary for the original district was designed around the planned expansion of Wal-Mart.

Mr. Mischler stated that there was a plan in place.

Mr. Less stated that they had a pretty picture, but no commitments for private investment to take place. Mr. Less continued that the plan for 1512 was to utilize the increments from existing TIF District 16 to clear and remediate this site, so that it could have a chance to grow in the future, and provide new tax base for the community.

Mr. Mischler stated that he felt there was no plan in place, and commented that the balance of TIF District 16 would support the block with 1512.

Mr. Less stated that this was correct.

Mr. Mischler asked why it was so important to process this amendment at this time vs. some time in the future when there might be a clearer picture?

Mr. Less replied that by creating the amendment at this time, the district would be able to take advantage of the tax base growth from the new Dermatology project under construction. Mr. Less explained that the timing of this was crucial, as the effective date for creation of the amendment would be January 1, 2010.

Mr. Reckelberg stated that after the first JRB meeting, the Mayor had commented during a radio interview that there were no guarantees that the amendment would produce any increment, or that the Council would provide authorization to expend monies on the project.

Mr. Less stated that this was correct, and that the affirmative action by the JRB was simply putting into place the framework within which future decisions could be made.

Mr. Reckelberg stated that there were no contracts or guarantees regarding the timing for the demolition of 1512.

Mr. Less stated that he could not predict when this building might come into public ownership, or when the roof might blow off, or asbestos become littered throughout the surrounding neighborhood.

Mr. Reckelberg stated that Mr. Less was asking the JRB to make a decision today that would effect people's taxes, based on a series of unknowns.

Mr. Less clarified that the TIF amendment would not have an impact upon anyone's property taxes, and explained how the TIF mechanism worked. Mr. Less added that it was the growth in values that provided the future capital to pay for TIF expenditures.

Mayor Nickels addressed Mr. Reckelberg regarding his comments, and noted that Mr. Brey's amendment at the previous Council meeting was to make sure there was a clear focus on 1512 as the reasoning behind the TIF amendment. Mayor Nickels added that today's JRB action was not an allocation of any funding whatsoever.

Ms. Hoppe commented that the JRB could ask the DOR for their review of the proposed amendment to address whether the statutory requirements had been met.

Mr. Mischler commented that he understood the timing issue, but was not happy with the proposed amendment in the absence of a firm development plan.

Mr. Less commented that he would love for the property owner to step forward to deal with his building, but did not think that would happen under the current circumstances, and genuinely felt that this building would become the community's responsibility in the future.

Mr. Reckelberg asked if the JRB would be meeting at this time if the Dermatology project was not ongoing?

Mr. Less stated most likely “yes” as 1512 was still present and had to be dealt with regardless. Mr. Less continued that it was entirely possible that there could be competing uses for TIF monies in TIF District 16 in the future that would not be for the benefit of 1512. Mr. Less added that those investment decisions would rest with the City Council. Mr. Less explained the Dermatology project, and stated that the City’s parking lot to the south remained a brownfield that would have to be dealt with in the future if Dermatology further expanded on their current site. Mr. Less added that the Canadian National property west of 10th Street was another acquisition target for which the City could utilize TIF 16. Mr. Less advised that everyone, including the JRB, was aware of the condition of 1512, as well as the tax and assessments status of the property that were now in excess of \$1mm in the red, coupled with a building with no income potential. Mr. Less explained that this created an environment for the owner to walk away and leave the building to public ownership. Mr. Less added that the current owner had a recent history of walking away from another building in another WI community, leaving that community to finance the cost of completing a demolition project. Mr. Less noted that these dinosaur buildings were everywhere, and in most every community, and that while some of these structures were redevelopable, the building at 1512 was not. Mr. Less concluded by noting that it would be short sighted for the City to believe that this property owner would step forward and do the right thing for the benefit of the community.

Ms. Furca stated that the City would be eliminating blight.

Mr. Less advised that the City’s Building Inspector was present, and could provide commentary on the physical condition of this structure. Mr. Less then explained the continuation of the property’s environmental assessment process (at no cost to local taxpayers), and his hope that the EPA would be doing additional assessment work in 2010.

Mr. Reckelberg stated that he felt the TIF amendment would impact people’s taxes, and explained how the County’s levy was calculated with and without a TIF component. Mr. Reckelberg commented that the overlying taxing jurisdictions were being blamed for raising taxes because of the way the TIF was handled on the tax bill by the City. Mr. Reckelberg then provided JRB members with 2 handouts – one detailing area tax levies, and a second document being a memo from the County Executive with his commentary on the proposed TIF amendment. Mr. Reckelberg commented on the Kiel experience with TIF.

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Mr. Reckelberg then called for a roll call vote regarding the proposed amendment to TIF District No. 16.

Motion by: Ms. Furca

Seconded by: Ms. Hoppe

Moved that: Boundary and Text Amendment No. 1 to TIF District No. 16 be approved as presented.

Upon Vote: the motion was approved by a vote of 3-2 –Mr. Ring, Ms. Furca and Ms. Hoppe voted in favor of the motion. Mr. Reckelberg and Mr. Mischler voted against the motion.

Mr. Less thanked the JRB for their hard work in this matter, and explained that he respected the thought and positions taken by each of the overlying taxing jurisdictions as well as the representatives on the JRB.

VI. Next Meeting

No discussion was held. No action was taken.

VII. ADJOURNMENT

The meeting was adjourned at 10:35 A.M.

Respectfully Submitted,

David Less
City Planner