

CITY OF MERRILL

JOINT REVIEW BOARD MEETING

Various Tax Increment District Boundary and Plan Amendments and Tax Incremental District No. 9 Creation

Tuesday, September 10, 2013 at 4:30 P.M.

City Hall Common Council Chambers, 1004 E. First Street

AGENDA

- 1) Roll call/Call to order
- 2) Review and consideration of minutes from October 6th, 2011 meeting
- 3) Confirm representation and discuss responsibilities of the Joint Review Board
- 4) Overview, discuss, and review Project Plans for:
 - TID 3 – Project Plan and Boundary Amendment
 - TID 4 – Project Plan and Boundary Amendment
 - TID 5 – Project Plan Amendment
 - TID 8 – Project Plan and Boundary Amendment
 - TID 9 – Creation [Proposed as “Blighted” Area TID]
- 5) Set next Joint Review Board meeting date
- 6) Public Comment
- 7) Adjournment

Agenda prepared by RDA Secretary Kathy Unertl
Reviewed by Merrill Mayor William R. Bialecki

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Date and time agenda was posted: _____

Posted by: _____

**City of Merrill
Joint Review Board
Thursday, October 6th, 2011 at 1:00 P.M.
Basement Conference Room, City Hall, 1004 East First Street**

Members Present: Mayor Bill Bialecki (City of Merrill representative), Jane Kittel (North Central Technical District representative), Bruce Anderson (Merrill Area Public Schools representative), Bob Weaver (Lincoln County representative), and Ralph Sturm (public member)

Others Present: Finance Director/RDA Secretary Kathy Unertl, Brian Reilly from Ehlers & Associates, Engineer Assistant George Schau, and Dewey Pfister

Call to order Chair Bialecki called the meeting to order at 1:00 P.M.

Review and consideration of September 13th, 2011 meeting minutes:

Motion (Weaver/Sturm) to approve the Joint Review Board meeting minutes from September 13th, 2011. Carried.

Review of public record, planning documents, Redevelopment Authority resolution adopting the project plan, and Common Council resolutions approving the creation of Tax Increment District No. 8 (West Side Area) and plan:

Reilly and Unertl highlighted the various Redevelopment Authority and Common Council resolutions. Reilly distributed the final TID No. 8 Plan which included a legal option from Quarles & Brady. Reilly also provided an overview power point of TID No. 8 creation.

Kittel asked about any changes in the TID No. 8 Plan since the first Joint Review Board meeting. Reilly reported that there were some minor changes in percentages, as well as additional maps. Unertl advised that she had incorrectly included a parcel with vacant land twice in the preliminary parcel list.

The Joint Review Board agenda packet included Merrill Common Council Resolution No. 2212 which authorizes a development agreement with HWD Acquisition, Inc. for the Superseal vinyl window manufacturing operation, as well as a copy of the development agreement. Upon creation of 75 new full-time jobs, the \$200,000 TID loan would become forgivable (i.e. cash development incentive).

There was also a copy of the legal notice with the Joint Review Board meeting agenda that was published September 30th, 2011 in the Merrill Courier to meet the new WI Statute requirement.

Consideration of Joint Review Board Resolution 2011-01 – A Resolution Approving Tax Incremental District No. 8 of City of Merrill, Wisconsin

Bialecki and Unertl read the Joint Review Board Resolution.

Motion (Kittel/Weaver) to adopt Joint Review Board Resolution 2011-01 – A Resolution Approving Tax Increment District No. 8 of the City of Merrill. Carried 5-0.

Potential continuation of Joint Review Board representation due to planned 2012 TID boundary and plan amendments

Unertl advised that the City of Merrill would be amending the boundaries and TID plans for several tax increment districts. In addition, Unertl will be requesting that TID No. 3 (Wisconsin Riverfront from Walgreens to Hwy 51) become a donor TID.

The downtown area TID (TID No. 6) had taken on significant "blighted" property acquisition and Demolition projects during 2011, including former bakery at 818 E. 1st St. and former Courtview Apartments at 1111 E. Main St. In addition, the RDA/City now own and are managing Lincoln House which has five residential and two commercial tenants. If WHEDA affordable housing tax credits and historical tax credits are successfully obtained, a projected \$2.8 million rehabilitation of Lincoln House would occur upon City/RDA sale to a private developer.

Kittel asked whether TID No. 6 was a distressed TID. Reilly advised that TID No. 6 was created in 2009 and would not meet the State criteria for distressed TIDs. As a blighted TID, Reilly emphasized that it was anticipated that negative fiscal status might occur initially.

Joint Review Board member consensus not to disband due to continuity in discussing Merrill's tax increment districts and plan.

Public comment: None

Adjournment

Motion (Anderson/Kittel) to adjourn. Carried. Adjourned at 1:15 P.M.

Minutes prepared and submitted by:

Kathy Unertl, Finance Director/RDA Secretary

JRB RESPONSIBILITIES

1. Review public record
2. Review planning documents
3. Review Common Council resolution
4. Decision to approve or deny
 - A. Whether development expected in the Tax Incremental District would occur without the use of tax incremental financing;
 - B. Whether the economic benefits of the Tax Incremental District, measured by increased employment, business and personal income and property value, are sufficient to compensate for the cost of the improvements;
 - C. Whether the benefits of the proposal outweigh any loss, if any occurs, in the tax revenues of the overlying taxing districts.

Attendance at public hearing is optional, but recommended.

GUIDELINE IN APPOINTMENT OF JRB WI State Statutes Section 66.1105(4m)(ae)1.

School Board President or designee (e.g. District Finance Director, etc.)

County Executive, County Board Chair, or designee (e.g. County Treasurer, etc.)

Technical College Director or designee (e.g. District CFO, etc.)

Mayor or designee (e.g. Economic Development Director, City Treasurer, etc.)

When designees are used, preference shall be given to persons with knowledge of local government finance.

If a District is located in a union high school district, the seat that is held by the school district representative shall be held by 2 representatives, each of whom has one-half of a vote.

If more than one school district, union high school district, elementary school district, technical college district, or county has the power to levy taxes on the property within the District, the entity which is located on the property of the District that has the greatest value shall choose that representative.

The public member and the board's chairperson shall be selected by a majority of the other board members before the public hearing.

QUESTIONS FOR JOINT REVIEW BOARD MEMBERS

Would the expected development occur without the aid of TIF?

What are the expected economic benefits of the TID in terms of jobs, incomes, and property values?

How much of the total projected tax increment revenue comes from my overlying taxing district?

How does this planned development fit in with the rest of the development in my district?

Is there a better alternative use for the development site? Is there a better alternative use for the tax revenue? Is there a better alternative use for the limited TIF capacity?

What is the general public sentiment among the residents of my district concerning this TID?

How will my jurisdiction know what is spent and received for this TID?

How will the planned development affect the demand for services from my district's residents (schools, police, fire, EMS)?

What guarantees are in place to ensure that the anticipated tax revenue is actually collected?

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Send questions you may have for DOR to tifa.dor.state.wi.us

JRB MEMBERSHIP

Changes made in 2004 to the TIF Law added very specific language regarding the membership of Joint Review Boards. The goal is to ensure that the members have appropriate background and experience to accurately evaluate TIF project plans.

Please Note: If the TID is served by a school district and a union high school district, the school district member shares the school vote evenly with a representative from the union high school district.

DOR REVIEW

The 2004 TIF Law changes created the DOR Review. This allows JRB members, by majority vote, to request that the Department of Revenue review the objective facts and planning documents involved with a TID plan.

To request a DOR Review, a letter and materials should be sent to the DOR prior to JRB decision with the following elements:

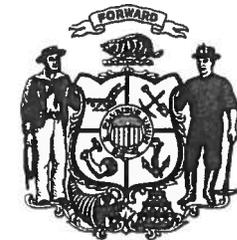
- Municipality name and TID number,
- A list of JRB members, the date of the meeting and a record of the vote,
- A copy of **all** the documents that are to be reviewed by DOR, and
- Specifically name what item or fact is believed to be incomplete or inaccurate identified under Wi. S. 66.1105(4)(gm).

WISCONSIN TAX INCREMENTAL FINANCING

A Guide For Joint Review Board Members

Wi. s. 66.1105
or
Wi. s. 60.85

Published 12/05



State of Wisconsin
Bureau of Property Tax

YOU HAVE BEEN CHOSEN!

If you are reading this pamphlet, you have been designated to serve on the Joint Review Board (JRB) for a Tax Incremental District (TID) in your community. You will serve a specific role, representing one of the overlying taxing jurisdictions that will help to fund the projects planned for the TID.

Tax Incremental Financing (TIF) is a partnership. The taxing jurisdictions (municipal, county, school, technical college, special districts) that overlay a group of parcels, work together to encourage development on those parcels. Tax revenue generated from the new development is used to pay for improvements that helped bring the new development to the site. Once the projects are paid off, the TID is closed and each jurisdiction has a larger tax base.

When creating a TID, or amending an existing one, the JRB has the power of final approval. They can approve or deny the creation or amendment of the district based on their review. Minutes should be taken and votes should be recorded at the JRB meetings, and these should be added to the record for the TID. The JRB must respond to the municipal officials within seven days of making a decision, and, when they reject a plan, they must cite in writing specific decision criteria that were found to be lacking.

DUTIES & RESPONSIBILITIES

Generally, the Joint Review Board members represent the interests of the taxing jurisdiction on whose behalf they are serving. For example, a school's representative will look at the TIF plans and consider the impact on the finances of the school district. Members' opinions can differ, and for this reason, there can be disagreement among members.

Specifically, JRB members are, by majority vote, **required to make a positive assertion that the development would not occur without the creation of a TID** [Wi. s. 66.1105(4m)(b) 2. & s. 60.85(4)(am)]. Local officials are required to provide the following information:

1. The specific items that constitute the project costs: the total dollar amount, and the total amount of tax increments.
2. The total value increment and the date to be terminated.
3. The reasons why the project costs may not or should not be paid solely by the TID taxpayers.
4. The share of projected tax increments from each overlying taxing district.
5. The benefits that the overlying jurisdictions will receive.
6. A copy of the plan commission and board/council TID resolutions.
7. Copies of planning documents and public record.

**If you don't get something,
ask for it!**

DECISION CRITERIA

The criteria upon which the JRB approve or deny is laid out explicitly in the TIF Law [Wi. s. 66.1105(4m)(c) & s. 60.85(4)(c)]. The three criteria are:

1. Whether the development expected in the TID would occur without the use of tax incremental financing.
2. Whether the economic benefits of the TID, as measured by increased employment, business and personal income, and property value, are insufficient to compensate for the cost of improvements.
3. Whether the benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing districts.

The first criterion, the "but for" test, is the most important part of the JRB deliberations. The JRB is required to assert that the planned development would not occur without the use of TIF. If the "but for" test is not met, the TID cannot be approved. The "but for" concept justifies the investment of all the overlying taxing jurisdictions in a project. If a development would have happened without TIF there is no reason for the taxpayers outside the municipality to be involved with financing.

**The JRB may also hold additional
public hearings as part of their
deliberations.**