



City of Racine

City Hall
730 Washington Ave.
Racine, WI 53403
www.cityofracine.org

Meeting Minutes - Final Standing Joint Review Board

Mayor John Dickert, David J. Hazen, Douglas Stansil, Mark Zlevor, John Engel, Thomas Friedel

Tuesday, June 22, 2010

3:30 PM

City Hall, Room 301

Call To Order

Chairman Engel called the meeting to order at 3:30 p.m.

PRESENT: 5 - David J. Hazen, Douglas Stansil, Mark Zlevor, John Engel and John Dickert

*Others Present: Brian O'Connell, Director of City Development
Tom Friedel, City Administrator
Michelle Logan, City Development Secretary
Mike Harrigan, Ehlers
Paula Czaplewski, Ehlers*

Approval of Minutes for May 26, 2010 Meeting

A motion was made by Mr. Zlevor, seconded by Mr. Stansil, to approve the minutes of the May 26, 2010 meeting. The motion PASSED by a voice vote.

10-5145

Subject: (Direct Referral) Amendment to the Project Plan of Tax Incremental Districts No. 2, City of Racine.

Recommendation of the Standing Joint Review Board at 6-22-10: Reports, pursuant to sec. 66.1105 (4m) (b), Wisconsin Statutes, that the Joint Review Board met on June 22, 2010 and approved the amendment to the Project Plan of Tax Incremental District No. 2 as described in your Resolution 10-2064, and

Recommends that this item be received and filed.

Fiscal Note: This amendment extends the life of TID-2 and shares its tax increment with TID-14, an overlapping TID.

Attachments: [Council Res for TID 2](#)

Director O'Connell reviewed the public record and the public hearing held at the City of Racine Plan Commission meeting on May 26. Minutes of the Plan Commission meeting were provided to the members. He explained that the City Plan Commission took action on June 1, 2010 and the Common Council approved the amendment at its June 1 meeting via resolution 10-2064.

Director O'Connell stated the next step would be the consideration by the SJRB of the amendment. He stated the plan is unchanged except for the updating of titles on the first two pages.

The statutory criteria are addressed on pages 6 and 7 of the TID No. 2 plan amendment. Without the tax increment finance assistance, the ability to accomplish the development of the Walker property would be a much greater challenge. The benefits would outweigh the taxes to be paid and there are no additional costs because this is just an extension of an existing district.

Mr. Stansil stated that the County intends to vote "no" on the amendment. They support the plan; however, they are uncomfortable with the developer incentives included in the proposal. He felt the plan lacked the specificity they would like to see.

Mayor Dickert asked if another proposal would be brought to the committee if they got a developer on site. Director O'Connell stated that a developer's agreement would have to be submitted to the Joint Review Board, but it would be more of an informational type of filing versus the board having any formal role of approving it. He said that the developer agreement would have to be approved by the Common Council.

Mr. Hazen said he understood the need to be flexible towards developers. He asked if there were a way to have additional oversight by the Joint Review Board. Mr. Mike Harrigan from Ehlers stated, that under the statute, the specific role of the Joint Review Board is defined as that of overseeing and approving the project plan. He said that there was an addition to the statute that whenever there is a potential for cash incentives, it has to be enumerated in public hearing notice. He said they checked with other financial advisors that work throughout the state and they were not aware of the SJRB being able to have a project-by-project review. It would expand the role of the SJRB beyond what the statute provides.

Mr. Hazen asked what public oversight would occur if a developer came in and a deal was made. Mayor Dickert stated there are several committees, such as the Redevelopment Authority, the City Plan Commission, Design Review Commission, as well as the Common Council that would review the project and where the public would have an opportunity to comment on the issue.

Mayor Dickert was concerned with tying in with specific proposals because it limits what can be done. He stated by putting a box around money, you close it off to everything else it would have access to.

Mr. Hazen wanted to be sure that somewhere along the process, someone elected by the public would have more of a say in what would be developed. Mayor Dickert stated that the assurance was built into the committees we already have. He cited the West Racine development and how the tax increment for that development wouldn't have paid off the TIF, therefore, the Redevelopment Authority did what they had to for the best interest of the tax payers even though they were being pressured by the public to go through with the development. He stated the Common Council would still be involved in the step.

Director O'Connell stated that the land use and zoning of the property would almost surely have to be modified, so it would go through the City Plan Commission and the City Plan Commission would conduct a public hearing. The financial aspect of the project would go through the Common Council and the Finance Committee. The developer and the staff would have to present justification for the use of the money. Ultimately, the Common Council would be approving an agreement which would have claw back and revenue sharing provisions. He stated the potential of the \$10 million doesn't mean that the \$10 million would be handed to the first developer; the developer would be expected to make their own financial package as well.

Chairman Engel asked Mr. Stansil if there were some level of specificity that might be satisfied.

Mr. Stansil stated the County would prefer to see a plan that didn't have that \$10 million in it and would come up for future review by the SJRB should it become necessary.

A motion was made by Mayor Dickert, seconded by Mr. Hazen, to approve the amendment to the project plan of TID No. 2. The motion PASSED by the following vote:

AYES: 4 - David J. Hazen, Mark Zlevor, John Engel, John Dickert

NOES: 1 - Douglas Stansil

[10-5146](#)

Subject: (Direct Referral) Amendment to the Project Plan of Tax Incremental District No. 14, City of Racine.

Recommendation of the Standing Joint Review Board on 6-22-10: Reports, pursuant to sec.66-1105 (4m)(b), Wisconsin Statutes, that the Joint Review Board met on June 22, 2010 and approved the amendment to the Project Plan of Tax Incremental District No. 14 as described in your Resolution 10-2063, and

Recommends that this item be received and filed.

Fiscal Note: This amendment revises the TID plan and budget so the city can undertake pre-development planning, engineering and improvements within the district, which includes the former Walker property. The cost of the pre-development work will be covered by the shared increment from TID-2.

Attachments: [Council Res TID 14](#)

Director O'Connell reviewed the public record. This item went to the City Plan Commission and the Common Council at the same time as the previous TID. Minutes of the Plan Commission meeting were provided to the members. He explained that the City Plan Commission took action on June 1, 2010 and the Common Council approved the amendment at its June 1 meeting via resolution 10-2063.

The plan lays out the predevelopment projects that the money being passed from TID No. 2 would be allocated towards, which would be mostly predevelopment work on the Walker property and the adjacent area. The economics of redeveloping the Walker property and surrounding area pose a problem without a source of funds. Everything from environmental to remediation of infrastructure preparation will be costly. This provides the money and authority for the city to undertake those activities. The ability to accomplish this without the TID, and even to attract a developer, would be questionable.

The statutory criteria are addressed on pages 6 and 7 of the TID No. 14 plan amendment. Director O'Connell stated the economic benefits. He said the reason this increment sharing would work is because both TID 2 and TID 14 were existing

when the legislation was enacted, and now at the time of the amendments, so that the sharing meets the requirements for increment sharing between districts. Director O'Connell stated the proposal benefits outweigh the anticipated tax increments that would be paid by the property owners in the overlying districts. There is not a disparate impact to the overlying jurisdiction.

Mr. Stansil stated that, again, the County supports the project, but not the \$10 million aspect of the plan.

A motion was made by Mayor Dickert, seconded by Mr. Hazen, to approve the amendment to the project plan of TID No. 14. The motion PASSED by the following vote:

AYES: 4 - David J. Hazen, Mark Zlevor, John Engel, John Dickert

NOES: 1 - Douglas Stansil

Adjournment

There being no further business before the Board, and hearing no objections, Chairman Engel adjourned the meeting at 4:02 p.m.