



City of Racine

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

Meeting Minutes - Final

City Plan Commission

Monday, September 16, 2019

4:45 PM

City Hall, Room 205

Special City Plan Commission Meeting

Call To Order

Mayor Mason called the meeting to order at 4:54 p.m.

Present: 6 - Cory Mason, Jason Meekma, Trevor Jung, Samuel Peete, Christina Hefel, and Marvin Austin

Excused: 1 - Mario Martinez

PUBLIC HEARINGS

[1059-19](#)

Subject: (Direct Referral) Review of the proposed establishment of the project plan, boundaries, and creation of Tax Incremental District No. 22.

Attachments: [TID No. 22 Project Plan_DRAFT_2019-9-10.pdf](#)

Matt Sadowski explained the request. He showed the public hearing map that went out with the notices and explained the boundaries for each of the proposed Tax Incremental Districts (TIDs). He stated the proposed Northside TID – TID No. 22 – is roughly bounded by Melvin Avenue on the North, Northwestern Avenue on the West, Goold Street on the South, and Lake Michigan on the East. He stated approximately 1600 properties were notified in the boundary.

Sadowski explained that a TID allows reinvestment in an area utilizing an increment generated with tax dollars. He stated this is not a tax increase, however, it impacts the taxes already paid and what they go towards. He stated the funds spent must be spent within the area and go towards a purpose outlined in the TID plan.

Sadowski stated as part of the plan, existing land uses in the area were identified. He explained that the land use map being shown identifies red as commercial, green as parkland, yellow as residential, blue as industrial, and purple as institutional or public uses. He stated no changes in land use is anticipated through the implementation of the plan.

Sadowski stated all of the properties were evaluated using the Assessor's information to identify properties that were in excellent, good, average, fair, poor, or dilapidated condition. He explained the map being shown indicates how properties in the proposed district were identified. He stated the proposed TID looks to improve properties that are average or below. He stated and 50 percent of the properties within the area need to be qualified as average or below to establish the TID. Sadowski stated during the life of the TID, the goal is to have change so that the vast majority of the properties are listed as good or excellent within the area.

Sadowski explained the proposed use of funds for the TID. He stated that 75 percent of the funds from the TID would be used for homeowner repair projects and 25 percent of funds would be used for public improvement projects such as road resurfacing, historic preservation, curb and gutter repair, ADA compliant crosswalks, etc. He stated the projects costs would be a total of \$20,656,360 during the lifespan of the TID. Sadowski explained the different allocations that would be anticipated during the life of the TID.

Mayor Mason introduced Todd Taves from Ehlers and Associates. Taves explained a TID is a mechanism to aggregate taxes for increasing value and then to use those funds for specified purposes. He stated, if created, both districts would have a base value of January 1, 2019 meaning that all of the property values within that area as of January 1st of this year, the taxes paid on those amounts would continue to go to the City, County, the Technical College, and the School District as they prospectively do. However, taxes paid after January 1st of this year would go into the Tax Incremental Financing (TIF) fund and would be used specifically for projects that benefit the district. He stated when a TID is created, it has to be created under a specific statutory basis; in this case both of the districts are being created upon the finding that at least 50 percent of the territory within them are in need of conservation or rehabilitation. He stated, as such, any costs incurred within the district have to be for the purpose of promoting conservation or rehabilitation of property within the district. Taves further explained the percentages explained by Sadowski regarding how the funds would be used within the district. He stated there is a two year lag from the time things happen in the district and the time funds would be incurred. He stated any value that would be captured from this year (effective date of January 1, 2019) would be recognized on January 1, 2020 and result in taxes collected as part of the 2020 tax levy for the 2021 budget. He stated the monies would be first available to the city in the year 2021.

Taves explained the city's intention would not be to borrow for these costs, but rather pay cash as the dollars are collected. He stated the focus would be residential homeowner repair loans and infrastructure rehabilitation. He stated the intent is to recognize that the city has seen a strong economic appreciation and expects to see that at least for the foreseeable couple of years. He stated the expectation would be, that over the TID expenditure period, TID No. 22 will collect \$1 million per year (\$20 million total over a 20 year period) and TID No. 23 (Southside), which is smaller in area, would collect \$330,000 per year. He stated the expenditures that can be incurred have to be pursuant to why the district was created which is conservation and rehabilitation of the proposed district. He stated TIF dollars cannot be used to pay for general operating expenses of the city.

In response to Mayor Mason, Taves stated State Statute prohibits the city from taking the money from the TID for its own operating budget.

No action was taken on item 1059-19.

[1061-19](#)

Subject: (Direct Referral) Review of the proposed establishment of the project plan, boundaries, and creation of Tax Incremental District No. 23.

Attachments: [TID No. 23 Project Plan DRAFT 2019-9-10.pdf](#)

Sadowski reviewed the request for the proposed TID No. 23, the Southside TID. He showed the public hearing map, the boundaries map, and the existing land use map of the properties in the area. He stated the threshold that qualifies the properties to be

classified into a TID. He stated in the life of the TID we hope to accomplish a raise in the majority of the conditions of the properties to above average or excellent. Sadowski explained the possible public improvements that could be funded by the TID.

Taves explained that the TIDs encompass two different boundaries, however, they are essentially the same plan.

Mayor Mason opened the public hearing at 5:09 p.m. He stated the time limit for testimony will be three minutes. The public hearing for proposed TID No. 22 and proposed TID No. 23 was conducted concurrently.

Greg and Maggie Cook, 224 13th Street, spoke regarding the request. They asked who is determining the averageness of the home by looking at the property on the outside and how properties are valued.

Mayor Mason stated in terms of how properties are valued in the city, the data was drawn from the Assessor's Office.

Sadowski explained that the way the Assessor's Office looks evaluating properties is based on the area where the property is located. He stated one property may be considered average in one area and that same property might be considered excellent in another. He stated it is not a value judgement on the home, it is subjective and relative to all of the other properties in the area and how its condition is evaluated based on all of the other homes in the area.

Mayor Mason clarified that the evaluation is done based on comparables in the area and done through the Assessor's office. He stated it is not necessarily a judgement on your home, but how it is in relation to the other homes in the neighborhood.

Mr. Cook stated that there is such a spectrum of homes within the neighborhood.

Mayor Mason stated the goal of the program is to raise the value of the neighborhoods as a whole.

Sadowski clarified that it is a choice on whether or not a property owner in the district wants to participate in the program. He stated the program is established for the benefit of the property owner so they can improve or maintain their properties. He stated if a home is listed as average or less, there will be no forcing of improvements to the property.

Cheryl Rohloff, 3101 Windsor Drive, spoke regarding the request. She asked if the valuation of a property were written in stone. She stated if her property were valued as a good and if she were to call and say that the city may have thought it were a good, but here are some of the issues and she does needs some of the help if that would be something that would be looked at.

Mayor Mason stated if a home were rated good, that does not mean the property is ineligible for the program.

Ms. Rohloff also mentioned that earlier it was said that a year would be spent collecting money and asked where the money would be collected from.

Taves explained. He stated, as an example, between January 1, 2018 to January 1, 2019 residential properties in the city increased an average of eight percent. Based on discussions with the City Assessor, that trend is expected to continue through this

year and likely for another year or two. He stated that is what the plan assumes so what happens with the TID is whatever value is there at the first of the year – that is what is considered the base value. He stated the properties that appreciate again this year will have a higher value in 2020. He stated that would result in additional tax dollars that instead of going to the various taxing jurisdictions, will go directly into the TID. Taves stated the first dollars will be collected as part of the 2020 tax bills for the 2021 budget and that is when funds will first be available. He stated in terms of the individual properties, it could be the case where you have general appreciation and all properties are going up in the neighborhood or if you do something to improve your home that could cause the value to go up more than other properties in the neighborhood. He stated an important thing to remember with TIDs is that it does not change the way your property is valued. He stated Wisconsin has uniformity in taxation requirement meaning that the Assessor has to assess properties within a TID just the same as the properties outside of a TID.

Ms. Rohloff asked/stated if the home were improved than it may be assessed at a higher value because of that improvement – therefore the taxes will go up.

Taves stated that will depend on the nature of the improvement and how the City Assessor would look at that relative to the value of the house. He stated this is a program designed to facilitate homeowners to make improvements.

In response to Ms. Rohloff, Mayor Mason stated it depends on the type of work being done regarding the increase in valuation of taxation. He stated if a homeowner is doing repair to, for example, fix a porch up to code, that would just be maintenance; it would not necessarily increase the value on your house. However if an addition were put on the house, that would possibly increase the value of the property. He stated the idea is to use the increment that is being created in the district to reinvest in the neighborhood.

Lamonte and Fantasia Shaw, 2809 Green Street. Could not make it and were not present to speak.

Doug and Janeen Wynstra, 1920 Layard Avenue, spoke regarding the request. Janeen Wynstra asked for more information on what the average rating was based on and who will determine what changes a property to good.

Sadowski stated it is the Assessor's Office who makes that determination.

In response to Janeen Wynstra, Sadowski stated the program would be modeled after the current program called Rebuild Racine. He stated there may be changes in the eligibility criteria for the program but we already have a program based off of the proposed. He stated TID No. 8 is what it is called and that the state allowed the final year of those funds to be used for housing improvements throughout the city. He stated it is a vision that the proposed program will be modeled after the current program.

Mayor Mason introduced Matt Rejc, Manager of Neighborhood Services, who further explained the Rebuild Racine program. Rejc stated the Rebuild Racine is TID funded and the program is for households needing to repair potential or possible code violations (e.g. roof, porch). He stated for the current program, TID funds are provided in the form of a forgivable loan or a low interest loan based on the household income. He stated that is the current program; the TID programs being proposed tonight could be more flexible.

Janeen Wynstra asked if at some point in time she were going to receive a code violation letter stating what needs to be changed.

Mayor Mason stated that is not what is being said. He explained that the program can be used to get buildings for homeowners into code compliance if need be, but can also go towards other repairs or improvements on the property.

Mayor Mason asked Taves to describe what the statute requires for the kind of TIDs being proposed in terms of neighborhood stabilization, repair, and conservation.

Taves stated that in order to create a TID, you have to have a qualifying basis. He stated the approach the city has chosen to use for both of the districts being proposed is to designate them in need of rehabilitation or conservation. He stated that in order to make that finding, a determination has to be made that at least 50 percent of the area within the proposed district meets that condition. He stated the sole purpose in using the Assessor classifications was to facilitate making the designation. He stated, as was mentioned previously, the program will not be restricted to properties in certain conditions. He stated the main purpose in using the classifications and designations is to show that we meet the 50 percent threshold.

Mayor Mason stated the evaluations are done by the Assessor's Office on every property every year and comes up with descriptions of the property – property by property. He stated they are not unique evaluations that are being done just in the proposed districts.

Sadowski stated the plan and the classifications that were placed on the properties are not an enforcement tool. He stated it is a way to prove to the state that there is a need in this area for rehabilitation and conservation. He stated if a house shows up in the plan as being poor or fair, inspectors will not show up to your house and issue orders to correct it.

In response to Doug Wynstra's question about what is meant by conservation, Sadowski stated there are aging structures and some are historically significant properties. He stated funds may be available to help preserve those structures.

In response to Janeen Wynstra, Mayor Mason stated to continue the conversation she can contact either his office, Sadowski, or Rejc for more information on the Rebuild Racine program. He stated assuming the request is approved it has to be codified. He stated it will take a little bit more time and we can begin to give out more solid details. He stated the resources for the potential program do not become available until 2021.

Ellen Harrison, 620 Wolff Street, no longer needed to speak.

Donna Lepianka, 2821 LaSalle Street, spoke regarding the request. She stated it was mentioned that painting and things like that are not home improvements, they are maintenance. She stated she moved back to Racine six years ago and her taxes in six years, the value of her house has gone up \$35,000. She stated she bought one gallon of paint and painted a small wooden area and her property value went up \$1500. She stated the city was forcing her out of her house. She stated she was retired and is on pension social security and Medicare. She asked where the money was going to come from.

Mayor Mason explained the money is the same amount of money you are paying in

taxes now. He stated what it does is take the increased increment and allows it for homeowners who live in these districts to be able to apply that money towards home repairs.

Lepianka stated that it does not make sense if she purchases a \$50 can of paint and her taxes are increased by \$1500. She stated the city is taxing homeowners so property values can be upped so they can be taxed some more.

Greg Miller, 14th and Main Streets, spoke regarding the request. He asked about a sense of the terms the loans would be regarding loan value ratios, interest rates, etc.

Mayor Mason stated it will be similar to the Rebuild Racine program.

Rejc stated the terms are up to \$20,000 in eligible repairs can be made to homeowner occupied structures that either have a code violation or have a structural issue that would be considered a code violation. He stated it would not necessarily mean that someone would need to be written up and receive orders. He stated it is based on household income, he stated for households that make less than 80 percent of area median income, up to \$20,000.00 could be provided in the form of a five year forgivable loan. He explained if the applicant stays in the house for five years, the loan will be entirely forgiven. If an applicant makes more than 80 percent of the area median income, there is a half loan, half forgivable loan available. He stated the loan for the Rebuild Racine program is at a three percent interest rate. He stated there is not a specific loan value ratio that it used, however, it is up to the Loan Board of Review what that loan to value ratio is and what they want to approve.

Miller stated the possibility of an addition was mentioned earlier and asked if that would qualify for the program.

Rejc stated an addition would not qualify for the Rebuild Racine program. He stated that that program is specific towards code violations (possible or actual) and maintenance repairs. He stated it is possible that the TID programs being currently proposed can be used for other expenses such as additions and other improvements that are not related to maintenance issues.

Miller asked about teardowns and rebuilds. He asked it were covered by the statute and if staff had the authority to make that call.

Taves stated that the project would have to be based on rehabilitation or conservation of property. He stated the first step is to get a funding source into place – he repeated that funds will not be available until the year 2021. He stated we are looking to put the mechanism into place and the details of the program will follow based on subsequent conversations. He stated the city would have broad leeway in determining the best way to apply the funds as long as they support rehabilitation or conservation of property.

Miller asked if a building is in poor shape that it does not pay to rehab would tearing down and applying for a loan for the new structure be possible.

Mayor Mason explained the other requirement is that it will be something that is going to increase valuation of the property so if it were simply to tear down the property and nothing else it probably would not qualify. However, if it were part of a larger plan, that would be looked at differently. He stated it would be some time before the funds were available which would give the city an opportunity to receive input on the criteria to be used.

Miller stated it makes perfect sense. He stated taxes are going to go up regardless and you are harnessing higher taxes in the years to come to apply towards this. He stated what is nice about Wisconsin is they allow the residential application. He stated Illinois, in his experience, has been mostly for commercial or industrial rehabs. He stated it is a nice program being contemplated. He asked if there were any application or proposal needed.

Mayor Mason stated the first step was to get the TID approved. He stated after that the Development office in consultation with the Assessor's Office will develop a program. He stated the Rebuild Racine program provides the framework for the potential new programs.

In response to Miller, Mayor Mason stated that it will be voted on by the City Council.

Raymond and (unable to read first name) Noel, 14th and Main Street, stated they did not have any questions and did not speak about the request.

Mike Langton, 3125 Conrad Drive, spoke regarding the request. He stated his objection to the plan's inclusion of Fox Estates in the proposal. He stated this is an area bounded by Rapids Drive, Northwestern Avenue and, Golf Avenue. He stated by the documentation all of the properties in that area are in good or very good condition. He stated that it is an area that generates a lot of taxes and stated that he understands taxes are needed for the proposal, however, he stated very little tax money would come back to that area.

C. Jackson, 1417 College Avenue, spoke regarding the request. She asked if she understood correctly that this is not fully in place yet and needs to be voted on.

Mayor Mason stated it does and asked Taves to briefly explain the process.

Taves stated prior to the meeting was an organizational meeting of the Joint Review Board. He stated if created this leverages taxes that goes to the various jurisdictions they each have a representative on that Joint Review Board and they ultimately have the final vote. He stated at the Plan Commission level if it is advanced at the Plan Commission it would go to the Common Council and if it is approved by the Common Council it will go back to the Joint Review Board.

Jackson asked about what would happen to the funds that do not get used.

Mayor Mason stated it does not change the net amount of taxes that are available in the district. He stated if you did not do this, the same amount of taxes would be available if you did. He stated it is not increasing anyone's net taxes in the district to create the district.

Taves stated certain types of improvements done by the homeowner may increase the value of the property and amplify the amount of money available within the district. He stated if a certain dollar amount is not used within the district, it would lapse into the following year. He stated the maximum statutory life is 27 years and has an expenditure period of 22 years. He stated if there were money left by the time the TID is closed, the money can be distributed back to the various taxing entities. Taves stated the goal of the TID is by the time you get to closure, you have a higher value than when you started.

Jackson stated that basically tax money is being taken to loan to do improvements that the city has decided they should do and then raising the taxes accordingly.

Mayor Mason stated it is up to the homeowners to apply for the funds and decide whether or not to use the program. He stated there is nothing mandatory about the program.

Jackson asked if there are only loans.

Mayor Mason stated there are grants available, they are described as forgivable loans. He stated we are targeting homeowners and not investors. He stated we are trying to encourage homeownership.

Rejc explained the forgivable loans within the current Rebuild Racine program. He stated as long as the homeowner qualifies for the program, is approved for the program, and make less than the 80 percent of the area median income as a household, they would qualify for a forgivable loan. He stated as long as the family lived and occupied the house for five years, the funds would not have to be repaid. He stated if they moved out of or rented out the property prior to the five years, the loan can become due.

Jackson asked about the terms of the loan is not based on improvements, but based on the income of the person that lives in the house.

Rejc stated the way it is currently written a household can apply for up to \$20,000 and the terms of repayment are based on the person's household income.

Kathy Running, 2218 South Street, did not speak regarding the request.

Laura and Mike Stindle, 2107 Golf Avenue, stated they had no questions.

Laura Konopski, 1315 Main Street, spoke regarding the request. She asked regarding conservation and if it would include the lakefront erosion.

Taves stated it was not particularly contemplated. He stated there is judgement regarding the conservation or rehabilitation of property. He stated program has not yet been developed in detail and there is a cost consideration on what the district could support.

Konopski asked how to move forward on the topic.

Taves stated the first step in the process is to put a funding mechanism into place to support the program.

Konopski asked how someone would put a group together to talk about the erosion that is going on. She stated with the erosion going on, she does not think the houses will last until 2021.

Mayor Mason stated that Konopski could contact his office if she wanted to get a group together to speak about the erosion.

Steve Smetana, 426 Romayne Avenue, spoke regarding the request. He asked if over the next 20 years, \$1 million per year is being projected.

Taves stated the projection for Northside TID is \$1million per year. He stated these are assumptions.

Smetana stated it is \$20 million off of the tax years over 20 years. He asked who will be responsible for that and who will make up for the increment.

Taves stated the city, as with all of the taxing jurisdictions, determine a levy which is limited by the State of Wisconsin. That levy is paid by all of the property owners within in the city.

In response to Smetana, Mayor Mason stated this year the city saw an 8 percent increase in valuation in city values, however, because of state law, the city cannot capture additional revenue from increased valuation. He stated there will be no impact in reducing city resources. He stated it captures additional increment moving forward however due to state laws there is zero funding that is received from increased valuation. He stated the hope is we are stabilizing and improving the neighborhoods.

Smetana asked if the criteria were created yet and written in stone.

Mayor Mason stated that first the district has to be approved and then meetings with staff and citizens can happen to create the methods of funding. He stated the Rebuild Racine program would be the framework.

In response to Smetana, Mayor Mason stated that a Business Improvement District is different than the TID.

Smetana encouraged staff to take their time with the program and not to rush through it.

Jeff Fuhrmon, 1307 Main Street, was not present to speak.

Mayor Mason opened up for more speakers and asked those who wished to speak to sign in.

Mayor Mason stood informal for five minutes to allow citizens time to sign in.

The meeting resumed at 5:58 p.m.

MaryAnn McGinn, 2225 Lasalle Street, was not present to speak.

Bill Bedoyan, 314 Wolff Street, spoke regarding the request. He asked if valuation were based on exterior appearance. He stated he has a 100 year old house with a cinderblock basement and the grade towards the lake does not favor his house and water from neighbors underground percolates through the wall of his house. He wondered if water proofing of walls would be something that would be allowed under conservation even though before and after the program, you would not see a visual difference.

Rejc stated that it is something that has been worked with Rebuild Racine and that they hope to continue to work with that. He stated it is a conservation issue and to be able to work with that issue would preserve the economic life of the house.

Pam Zajichek, 2914 LaSalle Street, spoke regarding the request. She asked about the budget for TID No. 22 and about the administrative costs. She asked where the

estimate was coming from and about transparency.

Taves stated it is a place holder and is over a 22 year period. He stated administration would include any direct costs in administering the program such as wages, benefits, etc. He stated it could be outside costs to the extent it was necessary and what would entail is unknown at this point. He stated there are no staffing plans currently and is simply a placeholder number.

In response to Zajichek's question about transparency, Taves stated as with any governmental funds there would be a budget prepared and an audit conducted.

Zajichek asked about a real example of where the program was successful.

Mayor Mason stated Milwaukee, Madison, and other communities have successfully used the program.

Lauren Dwyer, 2823 Chatham Street, spoke regarding the request. She stated they have home improvements that need to be done sooner rather than later and asked if there were any type of reimbursement program since the funds will not be available until 2021, if approved.

Mayor Mason and Rejc stated the Rebuild Racine program is currently accepting applications. Rejc stated Dwyer could stop by the office to further discuss.

Dwyer stated they are situated in an area that is listed as very good to excellent; however, their house is not. She asked since they are currently being assessed as higher than they think they are if that will lessen their chances of receiving funds.

Mayor Mason stated it does not disqualify from the program. He stated it is meant to enhance the economic life of the structure and there is no residential property that is being excluded from applying to the program.

Dwyer asked about the public service improvements. She stated there were talks about broadband internet and asked about fiber optics internet.

Mayor Mason stated the funds would have to be adopted first. He cannot say specifically there are plans for fiber optics, but conceivably it could.

Alder Sandy Weidner, 2310 Thor Avenue, spoke regarding the request. She asked about the boundaries; she stated currently we have the Community Development Block Grant (CDBG) and Rebuild Racine programs and asked if those programs would continue to be eligible for the people who live in the proposed districts.

Mayor Mason stated a determination has not been made one way or the other.

Rejc stated the Rebuild Racine program is limited by the amount of funds that are available, he stated there was about \$600,000 of funding allocated and roughly half have been allocated to specific households at this time. He stated with the TIDs, we are able to generate revenue the Rebuild Racine program will be out of funds at that point or there would not be a significant amount left. He stated the CDBG program is available citywide, however, they are required to be interest generating. He stated in many cases we have seen that households are not able to repay interest so we would like to have a product available that would be a forgivable loan as well.

Alder Weidner asked if there were any consideration in reducing the amount of time the TIDs would be in operation. She stated 20 years seems to be a long time to have money available for the programming in specific areas in the city when all of the city could and should have access to the same type of programming.

Mayor Mason stated it would take that amount of time to achieve the improvements that we are looking to achieve. He stated \$1 million may sound like a lot of money, however, once you start adding up the amount of home repairs, it is a smaller amount of money regarding the amount of homes you can get to in a year. Regarding the two proposed neighborhood TIDs he stated they were pilots and that we are trying neighborhood TIDs out in these two areas first. If it goes well, it could be a model for other neighborhoods in the community.

Alder Weidner asked about the boundaries of the district. She stated the properties that have been incorporated in the 6th District are in the green; however, there are a lot of properties in the 6th District that would benefit from the program. She asked how the boundaries were determined.

Mayor Mason stated it was based on recommendations received. He stated the TID cannot be everywhere, they have to be in an area that is producing increment and has a need for conservation and rehabilitation.

In response to Alder Weidner, Mayor Mason stated the intention is to not add staff. He stated staff was exploring a way to make it simpler both for staff and the applicant.

Alder Weidner stated because the city budget goes over every year she was wondering who is going to make up for the loss of increment from the two districts going forward. She asked if the city, not the districts, were going to have to pay the difference to the City, Gateway, Unified, State, and County.

Mayor Mason stated whether there is a TID or not, when there is increased valuations and additional increment, the city does not see additional revenue per the State caps. He stated there is no increase whether the district is there or not.

Rich Pozzi, 2306 Green Street, spoke regarding the request. He asked to see the eligible projects slide and requested that the curb and gutter portion be edited to include alleys. He stated there are a lot of alleys that need a lot of work.

Mason stated it is a possible expenditure, however, alleys may consume majority of the funding.

Mike Exner, 1235 Walton Avenue, spoke regarding the request. He stated he would like to voice his opposition to the plan. He stated most of it revolves around the economics and stated the city should not be in the banking business. He stated the bank is available for loans and does not believe that economic conditions are right for this. He would like to caution the city in doing this and does not think it is the role of government. He stated properties with TIF Districts still sit vacant. He stated not getting straight answers and asked for more transparency. He stated they are mature areas and does not see a lot of razing and rebuilds. He questioned the assumptions with regards to participation and growing the tax base.

Ken Yorgran, 2118 Summit Avenue, spoke regarding the request. He asked about the list properties of fifty percent of distressed properties, list of properties with code violations, and who decides who does and does not qualify for assistance.

Mayor Mason stated that each plan as an appendix that lists each property and the Assessor's Office assessment of property. He stated a list of properties with code violations is not a part of the TID project plan; it was mentioned under the Rebuild Racine program.

Rejc further explained the Rebuild Racine program, he stated the Loan Board of Review reviews and approves the funding requests.

Sarah Corso, 1412 Villa Street, spoke regarding the request. She asked once the financing is secured, if the work would have to be preapproved.

Rejc further explained how the Rebuild Racine program works. He stated our Housing Technician walks through the property before the loan is proposed to the Loan Board of Review. He stated specific repairs that would be eligible for the program are then proposed to the Loan Board of Review. He stated ultimately, the contract for the work is between the contractor and the homeowner. We have a list of qualified contractors, however, if you have a contractor in mind we would try to qualify them, if possible. He stated contractors have to be licensed.

Nick Demske, 1637 Wisconsin Avenue, County Supervisor, spoke regarding the request. He spoke in favor of the creation of the districts and putting steps in process. He offered that if anyone had any questions to speak with him. He stated challenges to homeownership will happen with or without the district; the TID will help alleviate those issues. He thanked staff regarding the Rebuild Racine program.

Steve Evitts, 1011 Melvin Avenue, spoke regarding the request. He stated there are a lot of rental properties in the area; the people who own the places do not qualify for the money.

Mayor Mason stated currently the program is for owner occupied.

Evitts stated the problem with that is that we are supposed to be creating a better neighborhood. He stated there are a lot of rental properties rental that need rehabilitation. He thinks that people should be able to fix the houses up with some of the money so that they can have a better neighborhood.

Mayor Mason closed the Public Hearing at 6:33 p.m.

Alder Jung thanked those who came out today to the Public Hearing and presented a series of questions regarding the request.

Alder Jung stated Smetana mentioned some concerns regarding the impact to the general fund. Alder Jung stated he wanted to make sure that this will improve the general fund in the long run to make sure we have more resources available for citizens.

Mayor Mason echoed the comments of Alder Jung and thanked to the crowd. He stated the purpose, over time, is to improve the tax base in the neighborhoods and reminded the commission that the funds cannot be used towards the general operating fund.

Taves stated we have actual numbers from last year and properties appreciated by 8 percent last year. Under Wisconsin law, municipalities are limited to the amount they

can increase their levy by the amount of what is termed net new construction in the prior year. He stated net new construction is actual new development, buildings, etc. – which was effectively zero within the city. He stated the city cannot take advantage of the growing tax base in a non TID situation. He stated in a TID, both economic appreciation and bricks and mortar new construction gets picked up as increment.

Alder Jung stated Alder Weidner asked about boundaries and he asked what the process was for coming up with the boundaries of the map.

Mayor Mason stated the boundaries came in discussion with the City Assessor and City Development. He stated there needs to be a mix of properties to make a TID Successful.

Alder Jung asked about the 20-27 years life of a TID. He asked if it were more advantageous to have a longer TID or a shorter TID.

Taves stated there is not a choice, the statute defines a conservation and rehabilitation TID as 27 years in length. He stated the statute requires that a TID be closed at the point where the revenues that are being collected exceed the total project costs.

Alder Jung commented about data around the measure of success of TIDs in Wisconsin. He stated as of August, there were 1128 active TIDs in the state of Wisconsin. He stated since its inception, the growth of property values was \$16 billion. He stated the average TID enacted in 2015 had a \$1,214,000 impact in the tax year. Alder Jung stated growth incurs faster in TIDs and mentioned successful neighborhood TIDs in Milwaukee, e.g. 20th and Brown, Historic Mitchell Street – neighborhoods that have utilized TIFs for home occupied units. He stated it is about creating a resource for neighbors to invest back into their neighborhoods. He stated he supports the initiative and looks forward to seeing a stabilization of neighborhoods in the city.

Alder Meekma stated TIDs are a good idea and will help stabilize the neighborhoods. He is concerned that we were not able to do justice to the questions that were asked. He hopes the city will continue to find ways to clarify the questions asked. He stated that we were using what Rejc was saying as things that what might be a part of the new TIDs, e.g. code violations. However, the fact is that there is so little detail about how the new TIDs are going to operate. Alder Meekma asked why detail regarding the program cannot be determined prior to the TID being approved.

Rejc clarified that the program does not require there be existing code violations.

Mayor Mason stated the plan was written to be broad and to learn as much as we could from Rebuild Racine.

No action was taken on item 1061-19.

END OF PUBLIC HEARINGS

[1082-19](#)

Subject: Consideration of a resolution designating the proposed boundaries and approving a project plan for the creation of Tax Incremental District No. 22, City of Racine, Wisconsin.

Recommendation of the City Plan Commission on 09-16-19: That the resolution designating the proposed boundaries and approving a project plan for the creation Tax Incremental District No. 22., City of Racine, Wisconsin, be adopted.

Fiscal Note: TID No. 22 is expected to generate \$20,656,360 of incremental revenue to fund 75 percent (\$14,742,270) housing rehab projects and 25 percent (\$4,914,090) of public infrastructure projects as well as administrative costs of \$1,000,000.

Attachments: [TID No. 22 Project Plan_DRAFT_2019-9-10.pdf](#)
[TID 22 PC Res \(Draft\).pdf](#)
[9.30.19 TID 22 Res.doc](#)
[#1082-19 Resolution](#)

A motion was made by Alder Jung, seconded by Commissioner Peete, to recommend approval of the creation of Tax Incremental District No. 22. The motion PASSED by a Voice Vote.

[1083-19](#)

Subject: Consideration of a resolution designating the proposed boundaries and approving a project plan for the creation of Tax Incremental District No. 23, City of Racine, Wisconsin.

Recommendation of the City Plan Commission on 09-16-19: That the resolution designating the proposed boundaries and approving a project plan for the creation of Tax Incremental District No. 23., City of Racine, Wisconsin, be adopted.

Fiscal Note: Tax Incremental District No. 23 is expected to generate \$6,618,101 of incremental revenue which would fund 75 percent (\$4,476,783) residential homeowner rehab projects, 25 percent (\$1,492,261) public infrastructure projects, and administrative costs of \$649,058.

Attachments: [TID No. 23 Project Plan_DRAFT_2019-9-10.pdf](#)
[TID 23 PC Res \(Draft\).pdf](#)
[9.30.19 TID 23 Res FINAL.doc](#)
[#1083-19 Resolution](#)

Mason explained that the next step would be for it to go to the Council meeting on September 30th. And another JRB meeting on October 7.

A motion was made by Alder Jung, seconded by Commissioner Hefel, to recommend approval of the creation of Tax Incremental District No. 23. The motion PASSED by a Voice Vote.

Adjournment

There being no further business, the meeting adjourned at 6:50 p.m.

