



City of Racine

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

Meeting Minutes - Final Standing Joint Review Board

Friday, October 23, 2009

4:00 PM

City Hall, Room 209

Call To Order

Chairman Doug Stansil called the meeting to order at 4:06 p.m.

PRESENT: 4 - John Dickert, David J. Hazen, Douglas Stansil and Mark Zlevor

EXCUSED: 1 - John Engel

*Others present: Brian O'Connell, Director of City Development
Kristin Niemiec, Racine County Economic Development Corp.
Jody Karls, S.C. Johnson
Tom Friedel, City Administrator
Dustin Block, Racine Post
Stephanie Jones, Racine Journal Times*

Approval of Minutes for the August 20, 2008 Meeting

A motion was made by David Hazen, seconded by Mark Zlevor, to approve the minutes as presented. The motion PASSED by a voice vote. Mayor Dickert abstained.

08-2535

Subject: (Direct Referral) Request to create Tax Incremental District No. 16 for Uptown Area.

Recommendation of the Standing Joint Review Board on

10-23-09: Your Standing Joint Review Board reports, pursuant to sec. 66.1105 (4m) (b) 3., Wisconsin Statutes, that the Standing Joint Review Board met on October 23, 2009 and approved the creation of Tax Increment District No. 16 as described in your Resolution No. 08-1044, and

Recommends that this communication be received and filed because the district is now established.

Fiscal Note: N/A

Attachments: [Request to create TID](#)
[Resolution No. 08-1044](#)
[JRB TID No. 16 Report & Resolution](#)

Director of City Development Brian O'Connell reviewed the process of creating a Tax Increment District (TID). He said the purpose of the meeting is to review the public record on the city's approval of the TID and to review the TID based on the three

tests specified in the TID law.

Regarding the city's creation of the District, Mr. O'Connell explained that the delay in holding this meeting of the Board was due to the City determining the best time to create the district. If created before 9/30/08, then 2008 would have been the base year. If created after 9/30/08, then 2009 is the base year. The City needed to know the consequences of changes occurring at the SC Johnson Howe Street campus as well as the values for the manufacturing properties in the proposed TID, which are assessed by the State, before moving forward with the TID.

Mr. O'Connell reported that tax exempt status for the S. C. Johnson (SCJ) Administration Building and Research Tower removed \$1.6 million in assessed value while Project Honor has added \$7.0 million as of 1/1/09 for a net gain of \$5.4 million. It was noted that Project Honor is not yet completed and therefore will exceed the value assigned to it in the TID Plan. However the value for the building will not be changed in the project plan as the final assessed value has not been determined. It is anticipated that there will be \$750,000 in new assessed value from other properties in the District. There could be more projects that create increment as well the simple increase in value due to inflation. The City is encouraging other property owners to improve their properties so these figures are considered conservative estimates.

He noted that all dates referenced in the TID plan will be moved ahead one year.

Mr. Stansil asked if the exempt SCJ buildings are in the TID. Mr. O'Connell stated that two parcels, containing the Administration Building and Research Tower (tax-exempt), and Project Honor and the Golden Rondelle (taxable), are included in the district.

Mr. O'Connell indicated that the City will consider both bonding and sewer revenue money to fund projects but will be cautious in borrowing to ensure that increment is sufficient to cover both principal and interest.

David Hazen inquired about the use of revenues. Mr. O'Connell referred the JRB to page 20 of the plan that outlines the projects. Mayor Dickert mentioned a grant the police department received that will allow the City to hire three additional Community Oriented Policing (COP) officers, which will allow a COP house to be established to serve the Uptown area.

Doug Stansil asked about the large figure listed for corridor contract. Mr. O'Connell indicated he would review what was included in that figure.

Mr. Hazen inquired about any restrictions on how the City can spend the revenue. Mr. O'Connell stated that any expenditures have to go through another public body like the Redevelopment Authority or the Common Council and must be spend on activities described in the project plan. He indicated that recent revisions to the TID law require that the City report back to the JRB on the status of the TID.

Mr. O'Connell reviewed the three tests that the JRB needs to consider. He directed the members to the analysis presented on pages 6 and 7 of the plan and reviewed the findings. Mr. Stansil asked about the anticipated life of the district. Mr. O'Connell answered that the district has a 22 year expenditure period. [Secretary's note: In a follow-up conversation, Mr. O'Connell and Chairman Stansil clarified that 22 years is the maximum expenditure period allowed under the law; however, the financial feasibility analysis for TID No. 16 forecasts that the district will be able to be closed-out in 15 years.]

A motion was made by Mayor Dickert, seconded by Mark Zlevor, to approve

Common Council Resolution 08-1044. The motion PASSED by a voice vote.

Adjournment

Following a motion and a second, Chairman Stansil adjourned the meeting at 4:45 p.m.

Respectfully submitted,

*Brian F. O'Connell
Director of City Development*