

MAY 31, 2018, JOINT REVIEW BOARD MEETING MINUTES

3 p.m. Council Chamber. Present: Andy Albarado, Rusk Co. Economic Development Director; Dave Willingham-Rusk County Board Chair as voting rep for Rusk County; Al Christianson-City Administrator; Alan Christianson, Mayor, as voting rep for City of Ladysmith; Brett Gerber, WITC Board member, as voting rep for Wisconsin Indianhead Technical College; Kurt Gorsegner-City DPW; Allen Kenyon-City Attorney; Ron Moore as public voting member; Paul Uhren, Ladysmith School District Superintendent, as voting member for the Ladysmith School District; Terry Verdegan-City Comptroller.

Roll Call:

All members of the Joint Review Board for the City of Ladysmith were present, as listed above.

Locations and Purposes:

City Administrator Christianson passed around packets containing draft TID Annual Reports (Form PE 300) for and aerial views showing locations and boundaries of the City's five active TIFDs; #5,#8,#9, #10 and #11. In each case the purpose each district was created was described in the context of its location, date of creation and maximum lifespan, including the following:

*No. 5: This oldest (1997) currently active district has formally been declared "distressed" and has a considerable negative balance, in excess of \$170,000. This is due to the rapid decline in the combined State assessed values of the paper mill and Weather Shield plants, which it encompasses. This, in turn, has resulted in lower than projected increments. The primary expenditure in TIFD #5 was to construct E. 14th St. S., later renamed Flambeau Falls Drive, to facilitate industrial expansions there and to provide a second emergency access into the area. The expansion did occur. As a distressed district no additional expenditures may legally be incurred there and none were in 2017.

*No. 8: This district was created to remove blight from the (2002) tornado damaged downtown area. There is still a long way to go on this effort such that TIFD #8 is, perhaps, most likely to see additional expenditures going forward. These could include the following:

-Acquire and raze deteriorated buildings making the lots available for resale at or below land value only if there is commitment to construct a new building.

-Make grants or loans to incentivize property owners to upgrade buildings, inside or out. [Thus far grants of 25-33% of project costs have been made. These have been in the \$400-7,000 range.]

As a district created for blight removal, it is the only one eligible to receive donations from another district. Districts #9 and #11 have been identified as potential donors to #8, although no donations were made in 2017, or prior.

*No. 9: This district financed a number of infrastructure improvements, which helped attract Wal-Mart and Kwik Trip, among other businesses. Contrary to public opinion there were no significant contributions although the City did participate in the cost of a bio filter to serve nearby City roads.

*No. 10: This district was created to attract the Indeck Biofuel Center; a \$20 million private investment, which Mr. Albarado was very involved with. The TIF involvement extended municipal utilities down Meadowbrook Rd. to the purposefully (noise buffer) isolated site and rebuilt that poorly constructed (just to minimal town road standards) access road to current heavy truck traffic standards.

*No. 11: This district was created to loop both an emergency access road and a water main for fire protection to assist expansion of the Ladysmith Nursing Home. As TIFD #11 costs were not very high compared to other districts, it is expected to be paid off in a shorter time frame. For that reason it has been formally designated as a "donor district" to TIFD #8.

2017 Reports:

The 2017 reports relating to each district were reviewed with commentary on the amount and nature of expenditures made in 2017, the 2017 tax increment for each, and the current balance in each. The following were among notations made:

- Some districts have positive balances; others negative. The positives outweigh the negatives.
- TIFD #8 is a "recipient" district, which may receive donations from other districts. As it was formed to remove blight following the devastating tornado of 2002, TIFD #8 is the only district eligible to receive donations.
- TIFD #9 is an identified "donor" district to TIFD #8, although no such donations have actually been made to date they might be in the future.
- TIFD #11 is also a donor district, which may donate funds to TIFD #8, without necessity of repayment.
- TIFD #11 encompasses a single property; Ladysmith Care Community. Its creation put the City at the Statutory limit of including 12% of a community's value in all its districts combined. No new districts may be created until the combined value of all the City's districts drops below that 12% threshold; presumably through dissolution of one or more districts. As State and Federal grant funding opportunities are reduced or even eliminated, having TIF available as about the only locally controlled tool for local economic development will become increasingly important.

District Boundaries:

A question was raised whether district boundaries may be altered. It was noted, in response, that while there is a mechanism for doing so, Ladysmith never has so should probably become familiar with that process. Part of the reason it has not is that the State's TIF rules were amended a few years back to be much more flexible through allowance for projects in a one-half mile "halo zone" around each district.

Development Agreements:

It was noted that TIFDs No. 9, No. 10 and No. 11 were all created pursuant to "development agreements" enacted in concert with private firms who agreed to construct projects and make investments in exchange for improvements to be made and financed through the respective districts. These private developers were as follows:

*TIFD #9: Wal-Mart.

*TIFD #10: Indeck Ladysmith Biofuel Center.

*TIFD #11: Ladysmith Nursing Home a/k/a Ladysmith Care Community.

Housing:

Mr. Albarado mentioned that recent legislation allows selected TIF districts to apply their final year's revenue to a housing project, which might be applicable here at some point.

Action:

Motion was made by Gerber and seconded by Willingham to approve the respective 2017 TID Annual Reports on the status of Ladysmith TIFDs #5, #8, #9, #10 and #11. Vote: Willingham-yes; Christianson 2-yes; Moore-yes; Gerber-yes; Uhren-yes. Motion carried.

Adjourn:

Upon motion by Uhren, which was seconded by Moore and carried by voice vote the meeting was adjourned at about 3:40 p.m.