

JUNE 29, 2017, JOINT REVIEW BOARD MEETING MINUTES

3 p.m. Council Chamber. Present: Andy Albarado, Economic Development Director, as voting rep for Rusk County; Pete Boss-Rusk County Board Chair; Al Christianson-City Administrator; Brett Gerber, WITC Board member, as voting rep for Wisconsin Indianhead Technical College; Allen Kenyon-City Attorney; Don Rubow as public voting member; Paul Uhren, 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. A Wisconsin Dept. of Revenue handout entitled Wisconsin Tax Incremental Financing-Joint Review Board Information was provided to members.

Locations and Purposes:

City Administrator Christianson passed around 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 district has formally been declared "distressed" and has a considerable negative balance in excess of \$200,000. This is due to the rapid decline in the combined State assessed values of the paper mill and Weather Shield plants, which it encompasses, which, 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.
- *No. 8: This district was created to remove blight from the 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. As a district created for blight removal, it is the only one eligible to receive donations from another district.
- *No. 9: This district financed a number of infrastructure improvements, which helped attract Wal-Mart and Kwik Trip, among other businesses.
- *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 #8 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.

2016 Reports:

The 2016 reports relating to each district were then reviewed with commentary on the amount and nature of expenditure made in 2016 and in previous years. The following were among notations made:

- Some districts have positive balances; others negative. The positives outweigh the negatives.
- TIFD #8 is a receiver 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 #11 is a donor district, which may donate funds to TIFD #8, without necessity of repayment.
- TIFD #11 encompasses a single property; Ladysmith Nursing Home. Its creation brought the City to 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. 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, in response to a question, 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, as follows:

*No. 9: Wal-Mart.

*No. 10: Indeck.

*No. 11: Ladysmith Nursing Home a/k/a Ladysmith Care Community.

Action:

Motion was made by Reynolds and seconded by Gerber to approve the 2016 Reports on the status of Ladysmith TIFDs #5, #8, #9, #10 and #11. Roll call vote: Albarado-yes; Reynolds-yes; Rubow-yes; Gerber-yes; Uhren-yes. Motion carried.

Adjourn:

The meeting was adjourned at about 3:45 p.m.