

## **JOINT FINANCE AND ECONOMIC DEVELOPMENT COMMITTEES**

Date and Time: Tuesday, May 8, 2018 at 6:15 pm., Council Chambers

**Finance Members Present:** Rasmussen (C), Smith, Nutting, Kellbach, Martens

**Economic Development Members Present:** Neal (C), Gisselman, Peckham, Rasmussen, Martens

Others Present: Groat, Schock, Lindman, Mielke and other interested parties

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. The Finance Committee meeting was called to order by Chairperson Rasmussen and the Economic Development Committee was called to order by Chairperson Neal at 6:15 pm.

### JOINT ITEM WITH ECONOMIC DEVELOPMENT COMMITTEE

#### **Discussion and Possible Action authorizing the Project Plan Amendment #4 for Tax Increment District Number 6, City of Wausau**

Groat explained that the amendment for both agenda items are simply adding products to the plan, not changing boundaries. There is added time and an extra process for changing boundaries. The TID 6 area runs east & west along I39 and down Thomas Street. There are two purposes for amending this TID, one to include the Blenker duplex project and, two, to include the Sherman Street remnants. Both projects are within the ½ mile boundary. In 2018, projects were already included in TID 6; the completion of the DOT project, Stewart Avenue and Callon Street. In 2019 the TID projects include phase two of Thomas Street and the 1<sup>st</sup> Avenue project. The one parcel within the TID and the other lots outside of the area, on which Blenker will be constructing, will be added for 2018 and we will be adding Public Works improvements and the Rivers Edge improvement plan and park project for 2020 after which the TID will then expire. Groat also explained the financial projections for 2018-2020 and financial results since 2005 to the committees and showed them the contemplated new developments of Kwik Trip on 17<sup>th</sup> Avenue and the new dental office for the 2025 mandated increment due date year. Rasmussen mentioned that TID 6 is one of the top performing TID's.

Smith asked how the negative numbers would be paid and Groat clarified that these are small deficits and the increment areas are not anticipated to be developed. We are taking the conservative approach on revenue service and assuming there is no new building and we will pay out everything in full with delayed bills from projects. Rasmussen agrees and mentions that there are many for sale parcels and that we should have more flow into the district but want to stay conservative. Due to the timing of when the expenses take place we thought we would have to borrow for 2019 & 2020 projects like we typically do every year, but we won't have to as our 24 month spend down period is complete and there are excess proceeds projected in 2019 which means we will be depleting debt proceeds in 2020. This is all a "plan" not specifically an approved budget. Groat reminds the committees that they should look at the cumulative column which shows the conservative interest rate and no increase in tax rates or other growth and appreciation of property values. It is very unlikely to incur debt due to conservative revenue projections and, if so, it could be paid out of the City's CIP account.

Peckham asked why these TID plans need to be amended and Groat explained that if the project is not included in the plan, besides street reconstruction, it needs to be added. He also asked, in his absence of a meeting, if the Blenker Construction loan got approved and Schock confirmed that it was approved by the ED committee but not the full council yet.

Gisselman wanted more detail on the Rivers Edge improvements and Lindman explained that there is not much detail except that they want to link the bicycle and pedestrian trail across the bridge and connect with Riverside Park. Engineering presented the property title information that they found to CN, Canadian National, and they are now just waiting to see what they find. Neal asked if the project cost reflected both to connect the possible trail and fixing the retaining wall. Lindman replied that these are approximate costs including alternatives and is just a placeholder. Rasmussen thinks it is good that we have a placeholder but if we don't spend the money then we are positive in the TID.

*Finance Committee:*

Motion by Nutting, second by Kellbach to approve the amendment for #4 for Tax Increment District Number 6.  
Motion carried 5-0.

*Economic Development Committee:*

Motion by Peckham, second by Gisselman to approve the amendment for #4 for Tax Increment District Number 6.  
Motion carried 5-0.

**Discussion and Possible Action authorizing the Project Plan Amendment #1 for Tax Increment District Number 8, City of Wausau**

Groat presented that this is the same type of schedule amendment as the other agenda item. This is a smaller district which was created in 2012 including 2<sup>nd</sup> Avenue street reconstruction and the Stahmer building that was transformed into apartments. We also assisted with the Associated Bank/CoVantage building renovations and the purchase of 401 & 415 South 1st Avenue. There are no other solid accomplishments or conversations to safely add to the TID, like Eastbay, so TID 8 will be solely for 1<sup>st</sup> Avenue project. TID 6 & 8 have targeted amounts per plan but we can modify them depending on revenue and other funding such as the scheduled work in 2019 with the DOT. Peckham added that the possibility of the bike trail easement along Rivers Edge behind the 1<sup>st</sup> Avenue project is not a desirable route and cannot run adjacent to the water according to Mr. Duncanson.

*Finance Committee:*

Motion by Nutting, second by Kellbach to approve the amendment for #1 for Tax Increment District Number 8.  
Motion carried 5-0.

*Economic Development Committee:*

Motion by Peckham, second by Martens to approve the amendment for #1 for Tax Increment District Number 8.  
Motion carried 5-0.

**Adjournment**

Motion by Kellbach, second by Nutting to adjourn the Finance Committee meeting. Motion carried unanimously.  
Motion by Martens, second by Peckham to adjourn the Economic Development Committee meeting. Motion carried unanimously. Committees adjourned the joint meeting at 6:42 pm.