



MINUTES OF THE COMMON COUNCIL SPECIAL MEETING

**WEDNESDAY, AUGUST 13, 2014, 5:00 P.M.
COUNCIL CHAMBERS
ROOM 203, CITY HALL**

Roll call: Mayor James J. Schmitt, City Clerk Kris A. Teske, City Attorney Tony Wachewicz. Alderpersons: J. Wiezbiskie, Thomas DeWane, Tim DeWane, D. Nennig, J. Moore, R. Scannell, C. Wery, M. Steuer, T. Sladek. Absent: A. Nicholson. Tardy: G. Zima, B. Danzinger.

Pledge of Allegiance.

REPORT FOR COUNCIL ACTION

REPORT OF THE REDEVELOPMENT AUTHORITY

AUGUST 12, 2014

The Redevelopment Authority of the City of Green Bay, having met on Tuesday, August 12, 2014, considered all matters on its Agenda and wishes to report the following:

3. Review and action on Project Plan and Financial Analysis regarding re-determination of TID 16.
Recommendation: Approve Project Plan and Financial Analysis regarding re-determination of TID 16.
4. Review and action on Resolution regarding re-determination of TID 16.
Recommendation: Approve Resolution regarding re-determination of TID 16.

Moved by Ald. Wiezbiskie, seconded by Ald. Tim DeWane to adopt the report. Motion carried.

RESOLUTIONS

RESOLUTION APPROVING AN AMENDMENT TO THE PROJECT PLAN OF TAX INCREMENTAL DISTRICT NO. 16 FOR REDETERMINATION PURPOSES, CITY OF GREEN BAY, WISCONSIN

WHEREAS, the City of Green Bay (the "City") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and

WHEREAS, Tax Incremental District No. 16 (the "District") was created by the City on May 6, 2007 as a blight elimination district; and

WHEREAS, the City now desires to amend the Project plan of the District in accordance with the provisions of Wisconsin Statutes Section 66.1105, (the "Tax Increment Law"); and

WHEREAS, Wisconsin Act 183 amended the statutes to allow a District that has experienced a least a 10% drop in equalized value for the past two consecutive years to reset the base value of the District; and

WHEREAS, such amendment will re-determine the base value of the District in accordance with Wisconsin Statute Section 66.1105(5)(h); and

WHEREAS, an amended Project Plan for the District (the "Amendment") has been prepared that includes:

- a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in Wisconsin Statutes Sections 66.1105(2)(f)l.k. and 66.1105(2)(f)l.n., outside of the District;
- b. An financial analysis that includes, in addition to other items specified in Wis. Stat §66.1105(4)(f) and (i)(1)., the annual and total amount of tax increments to be generated over the life of the district, and the annual debt services costs on bonds issued by the city.
- c. A statement indicated that the city expects all project costs to be paid within 90 percent of the tax incremental district's remaining life, based on the District's termination date.
- d. A statement describing the purpose of the re-evaluation.
- e. A statement of the District's current financial situation.
- f. A projection of the District's future tax increments.

- g. An opinion of the City Attorney or of an attorney retained by the City advising that the plan is complete and complies with Wisconsin Statutes Section 66.1105(5)(h).

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of Brown County, Green Bay Area School District, and the Northeast Wisconsin Technical College, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Green Bay Redevelopment Authority (RDA), on August 12, 2014 held a public hearing concerning the proposed amendment to the Project Plan, providing interested parties a reasonable opportunity to express their views thereon; and,

WHEREAS, after said public hearing, the RDA adopted the Project Plan, and recommended to the Common Council that it amend the Project Plan for the District;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Green Bay that:

1. The boundaries of the District shall be named "Tax Incremental District No. 16, City of Green Bay," remain unchanged as specified in Exhibit A of this resolution.
2. That this Project Plan Amendment shall become effective as of the date of adoption of this resolution provided that it is further approved by the Joint Review Board.
3. The Common Council finds and declares that:
 - a. Not less than 50% by area, of the real property within the District, as amended, is a blighted area. Furthermore, at the time of adoption of the creation resolution for this District, and any subsequent resolutions amending its boundaries, any property standing vacant for seven years immediately preceding adoption of the resolution(s) did not comprise more than 25% of the total area in the District as required by Wisconsin Statutes Section 66.1105(4)(gm)1.
 - b. Based upon the findings, as stated in 3.a. above, and the original findings as stated in the resolution creating the District, the District remains declared as a blight elimination district based on the identification and classification of the property included within the District.

- c. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
 - d. The City estimates that the amount of retail business will not change as a result of this amendment.
 - e. The project costs of the District relate directly to promoting the blight elimination of the area consistent with the purpose for which the District was created.
 - f. The original base value established in 2007 was \$95,240,600. The most recent DOR certified value as of 1/1/13 was \$82,363,200 which represents a decrease of (\$12,877,400) or a drop of 13.5% from the original base. In the immediately preceding year (as of 1/1/12), the DOR certified value was \$79,805,400 or a drop of \$15,435,200 or 16.2% vs. the original base value. The decrease in value for two consecutive years significantly exceeds the 10% minimum required for qualification for base value reset under the Statute.
 - g. The City is invoking the expectation that the district will require only 90% of the remaining TID life to pay its project costs.
4. The amended Project Plan for "Tax Incremental District No. 16, City of Green Bay" (attached as Exhibit B) is approved, and the City further finds the Plan is feasible and in conformity with the master plan of the City.

BE IT FURTHER RESOLVED THAT the City Clerk is hereby authorized and directed to notify the Wisconsin Department of Revenue, within 60 days of adoption of the amendment, that this amendment has taken place pursuant to the provisions of Wisconsin Statutes Section 66.1105(5)(cm).

BE IT FURTHER RESOLVED THAT pursuant to Section 66.1105(5)(f) of the Wisconsin Statutes that the City Assessor is hereby authorized and directed to make notations to the assessment roll under Wisconsin Statutes Section 70.45, and the City Clerk is hereby authorized and directed to make similar notations on the tax roll made under Wisconsin Statutes Section 70.65, pursuant to Wisconsin Statutes.

Adopted August 13, 2014

Approved August 14, 2014

James J. Schmitt
Mayor

Kris A. Teske
Clerk

EXHIBIT A

**LEGAL BOUNDARY DESCRIPTION OR MAP OF
TAX INCREMENTAL DISTRICT NO. 16
CITY OF GREEN BAY**

THIS CAN BE FOUND IN THE PROJECT PLAN

EXHIBIT B

PROJECT PLAN

**TAX INCREMENTAL FINANCE
DISTRICT #16**

**Updated Project Plan for TID
Re-determination of TID base value**

Military Avenue

Amendment # 1



City of Green Bay, Wisconsin
Origination – June 2007
Amendment #1 – August 2014

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Description of District, Size and Location

The Military Avenue corridor, located on the west side of Green Bay, is a heavily traveled commercial corridor that is made up of a variety of local and regional businesses. This corridor is the primary area that is contained in the City's Tax Incremental District (TID) No. 16.

This TID was established in order to eliminate blight in the District and was created under state law (Sec. 66.1105(4) (f), Wis. Stats) by resolution of the City of Green Bay which was adopted May 6, 2007. Since this District was created after 2004, it has a 22 year expenditure period ending on May 31, 2029 and a maximum life of 27 years, or a closure date of May 6, 2034. This TIF could have a possible extension of 3 years.

Amendments

There have been no prior amendments made to this District.

Purpose of this amendment: Base Value Reset

The purpose of this amendment is to authorize a re-determination of the base value of the District in accordance with Wisconsin Statute Section 66.1105(5) h. Even though this process is called an amendment, the boundaries of the District will not be amended. Since this amendment does not involve the addition or subtraction of a territory from the District, it is not counted against the number of available boundary amendments according to a notice put out by the DOR Webmaster dated May 7, 2014 with a subject line of: 2013 Wisconsin Act 183 – TID Base Value Redeterminations.

The provision of this Statute, was adopted under 2013 Wisconsin Act 183 which amended the TIF law to allow a District that has experienced a 10% or greater drop in equalized value for a period of two or more of the past consecutive years to request the Department of Revenue (DOR) to reset the base value of the District to its current equalized value, thereby eliminating the decrement.

The original base value of TID # 16 established in 2007 was \$101,988,800, however, pursuant to Department of Revenue's change in valuing TID's in 2010, DOR gave the City a revised tax incremental base value of \$95,240,600 as of January 1, 2010 and this is the value set forth in Table 1 below and used in this calculation.

Table 1

	2012	2013
Base Value 2007	95,240,600	95,240,600
Current Value as of 1/1	79,805,400	82,363,200
Increment (Decrement)	(15,435,200)	(12,877,400)
% Increase / (Decrease)	-16.2%	-13.5%

The most recent DOR certified value for TID # 16 is January 1, 2013 which set its value at \$82,363,200 and represents a decrease of \$12,877,400 or a drop of 13.5% from the base value established by DOR. In the immediate preceding year (January 1, 2012), the DOR's certified value was \$79,805,400 which represents a decline in value of \$15,435,200 or 16.2% from its base value. The decrease in value for two consecutive years exceeds the 10% minimum value required to qualify for base value reset under the Statute.

Without this amendment, any new development first must generate new taxable value of at least \$12,877,400 before a single dollar of tax increment would be allocated to this District. This tax decrement has served as a significant obstacle in attracting new development to the District. Should this amendment be approved, it would allow this TID to begin creating increment immediately and thus enable the District to pay for the improvements made in the district and implement the projects outlined in the original TIF plan.

Selection of condition to enable the City to have its base value reset

A provision adopted as part of Act 183 requires, as a condition of being able to take advantage of the base reset described above, that the City agree to make the impacted TIF District subject to ONE of the three provisions outlined below in accordance with Sec. 66.1105(5) (i), Wis. Stats. (3, 4 & 5):

1. At least 51% of the total value of additional public infrastructure improvements to be constructed in the District will be financed by a private developer, or other private entity, pursuant to a development agreement, in return for the City's agreement to repay the developer or other entity for those costs solely through the payment of cash grants OR
2. The City expects all project costs to be paid within 25 years of its creation date, (by May 6, 2032) which is 90 percent of the District's remaining maximum life, OR
3. Expenditures will be made only within the first half of the remaining life of the District, which is nine years and 11 months, ending May 6, 2024. Expenditures may be made after this period if approved by a unanimous vote of the joint review board.

Based upon the projections contained herein, the City selects option #2 (Wis. Stat. §66.1105(5) (i) 4.) above and is invoking the expectation that the District will require only 90% of the remaining TID life to pay its project costs.

Project Plan: Remains the same for this amendment

Where the TID’s Financial Situation is today

The original TID Plan anticipated tax increment to be generated from increased investment from development along the corridor which would directly benefit from the City’s investment in its infrastructure, District signage and identification, and its promotion and marketing efforts. In reality, the only year in which a direct tax increment had been recognized was in 2009 in the amount of \$41,424 for its positive increment as of January 1, 2008. In years 2009 – 2013, the TID equalized value has been in a decrement situation. See Table 2 below.

Table 2

	Construction	Value	Valuation	Total	Revenue	Tax	Tax
	Year	Added	Year	Increment	Year	Rate	Increment
1	2007	1,843,400	2008	1,843,400	2009	22.47	41,424
2	2008	(4,420,000)	2009	(2,576,600)	2010	-	-
3	2009	(4,453,800)	2010	(7,030,400)	2011	-	-
4	2010	(4,522,600)	2011	(11,553,000)	2012	-	-
5	2011	(3,882,200)	2012	(15,435,200)	2013	-	-
6	2012	2,557,800	2013	(12,877,400)	2014	-	-

To further expand upon this District’s finances as they stand today, Appendix A details out the District’s revenues, expenses and debt service since it opened in 2007. As the Appendix A indicates, this District began running a negative fund balance in 2012, which further declined in 2013 with its payment of debt service ending the year with a negative fund balance of \$778,134 as of December 31, 2013.

As shown above, the TID value continued to remain in a decrement situation for taxes to be collected in 2014, and thus the City’s general levy along with sanitary and storm user fees are set to pay the TID’s 2014 debt service in order to not push this TID further into a deficit position. The hope is that future increment will enable the district to repay these other sources for the debt service payments made on its behalf.

Projection of Future Tax Increments

A number of key sites were identified in the original TID project plan completed in 2007 and updated with the Military Avenue Growth plan in 2012. Each of these key sites,

shown in Table 3 below is prime property set for future redevelopment into Retail, Big Box Retail, Office and Restaurant.

Table 3

Location	Potential Use	Net Square Footage	Net Residential Units	Comments
Key Site 1	Commercial	106,000		Assume split will be 50% retail and 50% office
Key Site 4	Commercial	135,000		Assume 100K sq ft big box, 20K sq ft retails, 15K restaurant
Key Site 5	Commercial	100,000		Assume 2 - 40K sq ft mid box retail and 20K sq ft retails
	Residential		6	48 apartments (-42 one/two family)
Key Site 6	Commercial	15,000		Assume Reasurant
Key Site 7	Commercial/Mixed	20,000		Assume Retail
Key Site 8	Commercial/Mixed	26,000		Assume Retail
	Residential		16	Apartments or townhomes
Key Site 9	Commercial/Mixed	3,000		Assume office
Key Site 10			80	Senior apartments
Shopko outlots	Commercial	10,000		Rough estimate - not in plan - Assume restaurant
Bay Diamonds outlots	Commercial	5,000		Rough estimate - not in plan - Assume retail
		420,000	102	

The City's Assessor's office gave us an approximate assessed value per square foot based on the type of commercial property listed below:

Type of Commerical Property	Est Assessed Value Per Square Foot
Office	100.00
Retail	80.00
Big Box Retail	40.00
Residential - multi-family	50.00
Restaurant	120.00

Using the two sources above, as well as projects that are currently underway, the City's Planning Department, Economic Development Department, and Finance Department have estimated the phasing of the future tax increments into this District with the values found on Table 4 below:

Table 4: Projected TID 16 Tax Increment from Primary Projects

Year	Value Date	TIF District Value	Accumulating Increment
1	2014	2,000,000	2,000,000
2	2015	4,319,072	6,319,072
3	2016	4,619,072	10,938,144
4	2017	1,619,072	12,557,216
5	2018	1,619,072	14,176,288
6	2019	1,619,072	15,795,360
7	2020	1,619,072	17,414,432
8	2021	1,619,072	19,033,504
9	2022	1,619,072	20,652,576
10	2023	1,619,072	22,271,648
11	2024	1,619,072	23,890,720
12	2025	1,619,072	25,509,792
13	2026	1,619,072	27,128,864
14	2027	1,619,072	28,747,936
15	2028	1,619,072	30,367,008
16	2029	1,619,072	31,986,080
17	2030	1,619,072	33,605,152
18	2031	1,619,072	35,224,224
19	2032	1,619,072	36,843,296
20	2033	-	36,843,296
21	2034	-	36,843,296

We believe these key sites will be developed over the next 20 years and will enhance and allow this corridor to generate the needed increment to make its debt service payment.

It is anticipated that all future projects will contribute, not only to stabilizing property values throughout the life of the TID, but enhance those same property values through the creation of a consistent and viable commercial District. Those stable and projected increasing values will ensure the growth of increments; which in turn will repay the debt issued for financing the public improvements.

Financial Projections

Below are two likely situations that could occur in this District. Each of the respective financial analysis has been completed with the starting point for each of the analysis being the fund balance as of December 31, 2013. The analysis then added in anticipated projects set to go on line as shown in Table 4 and anticipated a .5% appreciation factor for the TID. The only difference between the two analyses is whether or not the District's equalized value is reset as of January 1, 2013. The analysis can be found in Appendix B –E at the back of this document.

A. Incremental revenue projections with key sites developed, .5% appreciation factor in District and no reset on the TID equalized value will not allow this TID to return to a positive fund balance during its life. (Refer to appendix B and C)

Appendix B illustrates the TID's cash flow with the projected increment being added to the District and an annual .5% appreciation factor to the overall District's base value. As mentioned above and shown in Table 2, valuation for this TID as of January 1, 2013 is a negative \$12,877,400. Even with the projected tax increment in years 2013 - 2016, equalized value will not turn positive until valuation year 2017 for tax collected in 2018. The estimated taxes to be collected begin at a very modest \$20,510 growing to an amount that will just cover its debt service by valuation year 2029.

In short, the trajectory of new increment coming online coupled with an appreciation rate of .5% will not be sufficient to close the TID by year 2032; in fact the analysis indicates the fund balance will be -\$2,370,351.

B. Incremental revenue projects with key sites developed, .5% growth in District and a reset on the TID equalized value will allow this TID to begin generating increment sooner and the fund to return to a positive balance. (Refer to appendix D and E)

Appendix D illustrates the TID's cash flow with the projected increment being added to the District using an annual .5% appreciation factor to the overall District and a base value reset. As shown in Appendix D, the reset will allow this TID to begin generating increment for valuation year 2014 and 2015 for revenues to be collected in 2016.

As mentioned above, the valuation for this TID as of January 1, 2013 was a negative \$12,877,400. With the project increment of \$2,000,000 in 2014 and \$4,319,072 and a reset of the TID equalized value, the TID would generate \$197,597 in year 2016 and grow from there. The reset would allow this TID to slowly climb out of its negative status by year 2031 with the assumption that the City would continue to pay for its entire infrastructure investment using the TID's increment.

An alternative plan that could offer additional project resources could be to pay in whole or a part, a portion of the debt as it relates to the rehabilitation and upgrade done in 2010 / 2011 to the City's Sanitary and Storm sewer infrastructure from users fees of such utility. The City would like to have the ability to make this adjustment as development or redevelopment opportunities present themselves.

In Summary

The City of Green Bay would like to take advantage of the new legislations enacted through 2013 Wisconsin Act 183 and request the Department of Revenue to reset TID 16 equalized value as of January 1, 2013 to enable us to eliminate blight through development or redevelopment of the Military Avenue Corridor.

Moved by Ald. Nennig, seconded by Ald. Wiezbiskie to adopt the resolution.

Roll call: Ayes: Wiezbiskie, Thomas DeWane, Tim DeWane, Nennig, Moore, Scannell, Wery, Zima, Steuer, Danzinger, Sladek. Noes: None. Motion carried.

**RESOLUTION SUPPORTING
PREBLE HIGH SCHOOL**

August 13, 2014

BY THE COMMON COUNCIL OF THE CITY OF GREEN BAY:

WHEREAS, Green Bay Preble High School experienced a fire on the morning of August 8, 2014; and

WHEREAS, the fire damaged much of the gymnasium and sports equipment and the interior of Preble High School sustained considerable smoke damage; and

WHEREAS, area high schools are extending offers of help with use of sports equipment and areas for practice; and

~~WHEREAS,~~ **NOW THEREFORE,** the City of Green Bay **pledges its** support to Preble High School and the Green Bay Area Public School District and resolves to do whatever it can to assist in getting Preble High School whole again and ready for the opening of the 2014-2015 School Year.

Adopted August 13, 2014

Approved August 14, 2014

James J. Schmitt
Mayor

Kris A. Teske
Clerk

Moved by Ald. Wiezbiskie, seconded by Ald. Tim DeWane to adopt the resolution.
Moved by Ald. Zima, seconded by Ald. Moore to amend the resolution by deleting "WHEREAS" and replacing it with "NOW THEREFORE" and by adding "pledges its" before "support". Motion carried.

Moved by Ald. Wiezbiskie, seconded by Ald. Wery to adopt the resolution as amended.
Roll call: Ayes: Wiezbiskie, Thomas DeWane, Tim DeWane, Nennig, Moore, Scannell, Wery, Zima, Steuer, Danzinger, Sladek. Noes: None. Motion carried.

Moved by Ald. Zima, seconded by Ald. Danzinger to adjourn at 5:09 P.M. Motion carried.

Kris A. Teske
Green Bay City Clerk