

REPORT OF BOARD OF JOINT REVIEW
July 6, 2015 – 5:30 PM
Lincoln Center – 1519 Water Street

PRESENT: Michael Ostrowski (City of Stevens Point), Patty Dreier (Portage County), Nelson Dahl (Mid-State Technical College), Tom Owens (Stevens Point Area School District), and John Schlice (Public Member).

ALSO PRESENT: Dawn Gunderson Ehlers Financial Advisor/Vice President, Mayor Mike Wiza, Comptroller Treasurer Corey Ladick, City Attorney Andrew Beveridge, Alderperson Phillips, Alderperson Kneebone, Alderperson Ryan, Alderperson Oberstadt, Alderperson Mrozek, Alderperson McComb, Alderperson Morrow, Nate Enwald, and Barb Jacob.

INDEX:

1. Call to order.
2. Consideration and appointment of the Joint Review Board's public member.
3. Election of Chairperson.
4. Discuss responsibilities of the Joint Review Board.
5. Review and Discuss project plan amendment documents.
6. Set next meeting date.
7. Adjourn.

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1. Call to order.

Mr. Ostrowski called the meeting to order at 5:30 PM.

2. Consideration and appointment of the Joint Review Board's public member.

Director Ostrowski recommended appointment of John Schlice former Comptroller/Treasurer for the City of Stevens Point as the citizen member; seconded by Ms. Dreier. Motion carried 4-0.

3. Election of Chairperson.

Motion by Mr. Schlice to elect Mr. Ostrowski as the Chairperson of the Joint Review Board; seconded by Mr. Dahl. Motion carried 4-0.

4. Discuss responsibilities of the Joint Review Board.

Dawn Gunderson of Elhers explained this is an organizational meeting and no actions will occur tonight. This first meeting is to discuss the amendments and answer any questions that the Board would have. Following the Joint Review Board meeting, the Plan Commission will hold a public hearing and act on a resolution. On July 20, 2015, the Common Council will review the plan and adopt a resolution approving the plan amendment. A final meeting of the Joint Review Board will be held after July 20, 2015 for the final action.

5. Review and Discuss project plan amendment documents.

Ms. Gunderson explained that the city already has several tax incremental districts and this evening we are talking about three of them. TID 6 is the downtown area which was created in 2006 and amended two times, once in 2009 and another in 2011. State Statues allow for the sharing of excess funds to other TID's if the project plans are amended stating as such. A lot of project costs were under taken in TID 6

and when we walk through the schedules, you will see that it is in a negative cash flow position. Since it is a rehabilitation district, it is allowed to be a recipient from donor districts. The City has chosen not to distress or extend the life of TID 6 at this time, so it is opting to look at the sharing amendment to help cover some of the costs. The two districts that are being requested to be amended to allow sharing are TID 5 and TID 7. Ms. Gunderson pointed out that the plans provided explain when the districts were created and the purpose for the creation of each district.

Director Ostrowski explained TID 5 is identified by the boundary of North Point Drive down Division Street to about Fourth Avenue, which would include development like Klasinski Clinic. Ms. Gunderson pointed out this district was created as a blight district, but it is eligible as a donor district, and has been more successful than TID 6.

Ms. Gunderson explained TID 6 is the district the City is proposing to be the recipient. Mr. Ostrowski explained TID 6 includes much of the downtown area, as well as area on the west side of the river. He indicated most of the costs in TID 6 came from the mall redevelopment project. TID 6 has not seen the expected increment as some of the anticipated projects never came to fruition.

Ms. Gunderson discussed the financials of TID 5. In regards to future conservative projections of revenue for TID 5, with no additional development, no depreciation, and holding the tax rate constant, there is a projected revenue of \$387,000 annually. The current cash flow without any additional project costs, and the current obligations that exist, would equate to approximately \$6.7 million in increment that could be shared over the life of the TID. The City would make that decision on an annual basis regarding transferring money from one district to another.

Ms. Gunderson said TID 6 has annual revenue forecasting of about \$48,000 per year, along with some rental income. With current obligations, at the end of 2014 there was a negative fund balance of approximately \$2.8 million. With the annual cash flow, and if no other development takes place in this district, by the end of the districts life it would have a required advance from other funds of approximately \$10.2 million. If funds are transferred from TID 5 and 7, TID 6 would be about \$2 million short.

Mr. Ostrowski explained the area of TID 7 being the Travel Guard / AIG area on the south western corner of the Portage County Business Park. Ms. Gunderson explained this district was created back in 2008 as a mixed use district meaning it has a 20 year statutory life. This district assuming no appreciation, the flat tax rate, and no future development, it would generate about \$563,000 per year. The sharing potential is \$1.4 million with a maximum of \$3.1 million to TID 6. If the full amount available from TID 5 and 7 were available to share, there is the possible for TID 6 to break even.

Mr. Owens clarified that if the Joint Review Board agrees to amend the TIDs to be donors, is this an annual review by the Common Council of the funds to be transferred. Ms. Gunderson answered yes, this does give the Common Council the flexibility to transfer funds if needed and approved on an annual basis.

Mr. Dahl asked if TID 6 was able to get an extension, to which Ms. Gunderson answered the State allows for three years if they get to the end of the life of the TID and there is still a short fall.

Ms. Dreier asked if you can borrow across districts, then why have the districts in the first place, why not create larger blanket areas, is there an acreage parameter or something else that restricts the size of the districts. Ms. Gunderson answered these districts are geographically spread out. Mr. Ostrowski added we also have to look at the type of district it is, whether it is a blighted rehabilitation district and the percentage of blight, or an industrial district.

6. Set next meeting date.

The next meeting date of the Joint Review Board was scheduled for August 3, 2015 at 1:00 PM in the City Hall Conference Room.

7. Adjourn.

Meeting adjourned at 6:01 PM.