

**FINANCE COMMITTEE
MAY 13, 2019 AT 8:19 P.M.
POLICE DEPARTMENT – 933 MICHIGAN AVENUE**

PRESENT: Ald. Phillips, Shorr, Morrow, and Johnson

ALSO

PRESENT: C/T Ladick; City Attorney Beveridge; Clerk Piotrowski; Director Ostrowski, Fire Chief Finn; Deputy C/T Freeberg; Ald. Kneebone, Nebel, Jennings, Dalton, and Zarazua; Andrew Halverson; Erik Carlson; Doug Ballweg; Amy Fairchild; Brandi Makuski;

ITEM #1 – DESIGNATION OF OFFICIAL NEWSPAPER.

C/T Ladick stated we received one bid, which was from Portage County Gazette. They are our current official newspaper and the new bid came in at the same rate as we pay currently. He recommended approval.

Motion made by Ald. Morrow, seconded by Ald. Johnson, to approve the designation of Portage County Gazette as our official newspaper.

Ald. Morrow questioned if it has to be a printed newspaper or if it could be an online service. C/T Ladick replied there are requirements to be the official newspaper of record and the current law states that they have to have paid circulation, they cannot be an online only paper.

Ayes: All Nays: None Motion carried.

ITEM #2 – PERMISSION FOR THE COMMUNITY DEVELOPMENT DEPARTMENT TO APPLY FOR A WISCONSIN ECONOMIC DEVELOPMENT CORPORATION (WEDC) COMMUNITY DEVELOPMENT INVESTMENT (CDI) GRANT.

Director Ostrowski stated this grant is typically used for redevelopment related purposes and has a match component of 3 to 1, but the private investment can be our match component. We are allowed to apply for one grant per year and their fiscal year ends June 30th and we have one currently out on the former Lullabye site. This would be for the Wanta project on the former Belke site.

Motion made by Ald. Shorr, seconded by Ald. Johnson, to approve applying for the Wisconsin Economic Development Corporation Community Development Investment Grant.

Ayes: All Nays: None Motion carried.

ITEM #3 – DEVELOPMENT AGREEMENT WITH DELTA DENTAL OF WISCONSIN, INC. RELATED TO A PROJECT IN TIF DISTRICT 9 AT 2000 BUSINESS PARK DRIVE (PARCELS 230802100014 AND 230802100015).

Director Ostrowski stated this is for a new corporate headquarters for Delta Dental in the Portage County Business Park next to the interstate, currently owned by Ascension. The development agreement states that the developer would be purchasing the property from the existing property owner and creating a 100,000 square foot facility, with an assessment of approximately 25 million. They intend to complete the project within 24 months and possibly starting as early as spring of next year. The City's contribution to this would be a pay-as-you-go incentive of 50% of the increment back for the remaining years of TID #9.

Motion made by Ald. Johnson, seconded by Ald. Shorr, to approve the development agreement with Delta Dental of Wisconsin for a project in TIF District 9 located at 2000 Business Park Drive.

Ald. Johnson stated that this has been something that has been discussed in closed session for the last few months and based on those conversations, Community Development did exactly as they were asked to by Council.

Ald. Morrow stated that Delta Dental is a large corporation that has offices in all states and is a very successful firm. He stated that while some businesses need the help to proceed with a project, he does not feel that this particular business needs the help. He referenced the Sentry Insurance project, where they never asked for a dime of taxpayer money. He stated he has a problem approving an agreement with a firm asking for taxpayer money when they do not need it.

C/T Ladick stated both parties sat down and he felt what they came up with was fair for both parties. He stated there would be 13 years of increment, due to the time that it will take to construct and go on the tax role. With the pay-as-you-go, they would get half of the increment back and the City would keep half. He also stated that the City does like the pay-as-you-go structure, especially in comparison with using our borrowing capacity, because it is much less risk for the City and it also keeps it off our balance sheet and frees up our debt capacity to do other things.

Ald. Jennings stated she agrees with Ald. Morrow's hesitancy. She stated that using TIF money with a project that would happen anyway is not a way we should be using TIF. She feels as though this is not meeting the "but for" test in this location.

Ald. Nebel stated she was surprised to see a pay-as-you-go development incentive for this. She stated that it was never talked about, only locations were discussed in closed session, so she is uncomfortable with making a decision on this. She stated there has been no dollar amount given for what we would need to pay back and feels that is not being transparent. She would like more information, would like more time, and would like to know what the payment would be for this.

C/T Ladick stated if we assume an estimate of \$25 million in value, it would be about \$550,000 in increment per year at the current tax rate. That would leave \$275,000 for each year for both the City and the developer over the 13 years left in the TIF. The total increment throughout the 13 years, from 2022-2034, would be \$3,575,000 going back to Delta and the same amount coming back to the City. He stressed that we do not know what the building will assess out for when completed, so this is just an estimate. He stated that in comparison with some of the other developments, this is actually one of the more favorable agreements we have had.

Ald. Johnson confirmed that this was discussed in closed session and that the parameters were set by Council to staff. She is in favor of the pay-as-you-go option.

Ayes: Ald. Phillips, Shorr, and Johnson

Nays: Ald. Morrow

Motion carried.

ITEM 4 – APPROVAL OF CLAIMS PAID.

Ald. Johnson stated that she would like to see a list of the extraordinary expenses as it may result in more discussion. She stated that is what is done on other boards and would like to see it instituted here.

C/T Ladick clarified that she still wanted the full list of claims, but also some highlighting of the unique or big expenses, things that are not routine, and expenses over a certain dollar amount. Ald. Johnson replied yes, but that she would not need the full list of claims, just the highlighting.

Ald. Phillips stated he wants the full list so he can see what the expenses are. Ald. Johnson stated that she understands that but because of her daytime job, she is the purchasing agent and is authorize to approve those vouchers for her department, and her board just needs to know that they are paid.

The claims were discussed.

Ayes: All

Nays: None

Motion carried.

ITEM #5 – ADJOURN INTO CLOSED SESSION (APPROXIMATELY 7:40 P.M.) PURSUANT TO WISCONSIN STATUTES 19.85(1)(E) (DELIBERATING OR NEGOTIATING THE PURCHASING OF PUBLIC PROPERTIES, THE INVESTING OF PUBLIC FUNDS, OR CONDUCTING OTHER SPECIFIED PUBLIC PROPERTIES, THE INVESTING OF PUBLIC FUNDS, OR CONDUCTING OTHER SPECIFIED PUBLIC BUSINESS, WHENEVER COMPETITIVE OR BARGAINING REASONS REQUIRE A CLOSED SESSION) ON THE FOLLOWING: A. NEGOTIATING THE TERMS OF A DEVELOPMENT AGREEMENT RELATING TO A POSSIBLE PROJECT IN TIF DISTRICT 6. B. NEGOTIATING THE TERMS OF A DEVELOPMENT AGREEMENT RELATING TO A POSSIBLE PROJECT IN TIF DISTRICT 5. C. NEGOTIATING THE TERMS OF A DEVELOPMENT AGREEMENT RELATING TO A POSSIBLE PROJECT IN TIF DISTRICT 5.

Motion made by Ald. Morrow, seconded by Ald. Shorr, to adjourn into closed session at 8:40 p.m.

Roll Call: Ayes: Ald. Phillips, Morrow, Shorr, and Johnson

Nays: None

Motion carried.

Adjourned in closed session at 9:55 p.m.