

# **SPECIAL CITY COUNCIL MEETING – TIF WORKSHOP**

## **SATURDAY, MARCH 14, 2015 – 8:30 AM**

### **COUNCIL CHAMBERS, CITY HALL**

Mayor Connors called the meeting to order at 8:34am.

The Pledge of Allegiance was led by City Clerk Waswo.

**Roll Call.** Present: Mayor Connors, Aldermen Wall, Chappell, Kordus, Kehoe, Hedlund, Hill, and Kupsik. Absent: Alderman Lyon. Also present: City Administrator Jordan, Vandewalle & Associates Inc Representative Scott Harrington, City Attorney Draper, and City Clerk Waswo.

**Comments from the public as allowed by Wis. Stats. §19.84(2), limited to items on this agenda, except for public hearing items. Comments will to be limited to 5 minutes.**

Richard Malmin, N1991 South Lakeshore Drive, Lake Geneva, stated he would like the city to close TIF4 and would like the reroute of South Lake Shore Drive to not be a part of the projects before closing. He attended the February 10<sup>th</sup> Walworth County Finance Committee meeting where a resolution was passed urging the City to close the TIF. He stated South Lake Shore Drive is not in need of repair or meets any requirement to qualify for a TIF project. He believes the reroute for safety is incorrect as the road would be more dangerous with extra turns, entrances and exits. He stated the Lake Geneva community will not accept this reroute without protest. He urged the council to close the TIF and not add the reroute to any list of new TIF projects.

Mary Jo Fesenmaier, 955 George Street, Lake Geneva, requested the process be protected. Based on the agenda she is assuming that the decision will be made today on which projects will be added to the TIF. She noted there was a representative from Vandewalle for the TIF and requested him to go over the dates. During her council term, any projects that existed had to have signed contracts in place before the TIF closing date. She would like the procedure of adding new projects at the last minute explained by the Vandewalle representative. She requested council to postpone their decision to allow for public input.

Henry Sibbing, 1031 West Main Street, Lake Geneva, stated in speaking with Alderman Kupsik about the referendum last November, it became clear that city residents did not want funds spent on a parking structure. He believes taxpayers would be interested in having their tax money spent on something of interest and value in the community. One of his pet projects is the Hillmoor Golf Course. He read an excerpt from a 1997 letter he wrote to the Lake Geneva Regional News, where he requested the City of Lake Geneva own and operate the Hillmoor Golf Course. He said the time has come for the city to reclaim and rescue this Historic crown jewel. Hillmoor is located in TIF 4 and the city has \$10 million in the TIF fund, all that would be required is approval to amend TIF 4. He believes the joint board would approve this project. He challenged the council to take action and save Hillmoor. Mr. Sibbing noted about 6 years ago a survey was sent out to the residents of the community asking if the city should own and operate Hillmoor as a municipal golf course. He stated 884 people responded and 66% of the residents were in favor of the city owning and operating the golf course. He felt the parking structure failed because the taxpayers wanted their money spent on something they can use and have fun with. He urged the council to give this project serious consideration as he believes the taxpayers and Joint Review Board would stand behind it as it benefits the entire community.

Ken Etten, 1109 Wisconsin Street, Lake Geneva, appeared on behalf of the Friends of Lake Geneva Theater 3c Charitable Corporation. He stated TIF's are not illegal; rather it is how they are interrupted. He noted the state revenue site listed over 1,100 active TID's throughout Wisconsin and that it is not something unique to Lake Geneva. He believes good work and valuable projects have been done over the years in the city with the TIF funds. These projects have enhanced the community and would not have happened without the TIF. Mr. Etten stated it is important to note that the TIF money was paid by real estate taxes from property owners who live within the TID in the City of Lake Geneva. The money was not paid by people in Bloomfield, Linn, or Geneva Township; it was paid by property owners within the City of Lake Geneva. Back in 2012 he made a presentation asking the city to purchase the Theater with TIF funds with the understanding that the Friends of Lake Geneva Theater would be responsible for raising funds

to restore and maintain it. The property has been vacant for 5 years and qualifies as a deteriorated property right in the middle of the downtown area. The property tax 5 or 6 years ago was over \$30,000 and last year, they were under \$14,000. It is obviously going downhill and bringing the value of other properties around it down as well. He stated other communities have done this and been successful. The theatre would be a multipurpose facility that would benefit local school children, and be a gathering place for adults and seniors. The biggest impact will be bringing people to the downtown area that will increase spending and revenue and creates jobs. Mr. Etten stated the choices are to do nothing and allow the Theater to deteriorate, allow the TIF to close, or allow the city to collect only 25% of these funds. The other option is to take a portion of the TIF funds to buy the building as an investment in long term economic vitality of downtown Lake Geneva and restore it as a multiuse community arts center. He requested the council give this last option a strong consideration to include this project before the TID closes.

Richard Peterson, 2223 Sheridan Springs Road, Burlington, stated Mr. Etten left out that the Geneva Theatre would cost about 1 to 3 million dollars to renovate. He stated Mr. Etten believes he will be able to raise the money to take care of the renovations and the city would only need to buy the building. He said this was tried in Highland Park, Illinois, where they bought the theatre for 1 million dollars and they could not even raise \$20,000 for the study. Mr. Peterson suggested the Friends of the Geneva Theatre start obtaining the donations, make sure the checks clear, and then start talking about it. He recommended the issue be put on a referendum to get the support of the people and then buy it.

Mary Jansen Quinn, 512 Maxwell Street, Lake Geneva, stated she is a board member of the Friends of the Geneva Theater. She responded to one statement Mr. Peterson said as she felt he cherry picked the one failure in the historic theatre purchase and revocation, most of which have had city support. She stated there are several examples of historic theaters that have revitalized downtown areas and they do work. Ms. Quinn said it really hurts her to see the idea of a TIF fund that have been accumulated for public good over many years, not be used to make a big impact on the downtown. She urged the council to do something with this money to make a difference for the community.

Terry O'Neill, 954 George Street, Lake Geneva, asked the council to suspend the rules and change the position of items 5 and 6 to allow the council to vote to close the TIF and end further projects. There are times when people in the city rise up to object to what the council wants to do. Most of the time, such as with the liquor demerit system, the council listens and changes its course. However, he noted twice the council has turned against the citizens and the surrounding area. He stated one issue was the Mirabeau Hummel property. The land annex increased the area of Lake Geneva by 50% and led to lawsuits, divided the city and created hostile feelings with neighbors. He brought this up today as he believes the driving force behind the Big Foot Park road reroute is again, the construction companies, the developer, and the real estate investors that are concerned with the development of the annexed property. He hopes that 5 members will vote today to close TIF 4. He stated they need to decide if people will be able to drive to an area where a forest once was or hike through a forest. He noted everyone is right in their own eyes, but the difference is in the eyes of the people affected and requested the council to vote to close TIF 4.

Ed Yaeger, 421 Water Street, Lake Geneva, stated he thinks the agenda items are reversed. The issue is not what the council is going to do with TIF, it is whether or not to close it. He stated the county has done a good job in responding to requests to stop taxpayer abuse that the TIF 4 creates. He noted it should be closed before any decisions are made. He believes the council needs to stop proposing things that the people do not want or like, such as the Big Foot Beach. Mr. Yaeger believes TIF 4 has been used as a wedge between citizens and businesses and stated it is a divisive cruel statute that should be closed to allow Lake Geneva to continue its small town character.

Marsha Enquist, 544 Highland Road, Williams Bay, was concerned that the museum has outgrown its walls. If a plan is not started now to add to the space, they are going to be limited with what they do and how they do it. She currently services as the Assistant to the Executive Director and has been with the museum for several years. She stated she has seen an increase in attendance from 3,000 to 18,000 per year. She stated the one hour workshops have gone from 7 to 102 people. This is a community asset that the city has built and supported. She is hoping that they start to think about expansion and requested the council talk about the long range plan for the museum.

Mayor Connors noted the city also received a letter from Penelope Roehrer.

## **Discussion and Recommendations on Project Plan Amendment for TID 4**

City Administrator Jordan commented on the original TID and the intent. It started in 1996 with two prongs; to eliminate blight and to alleviate traffic congestion in the city, which City Attorney Draper confirmed. He stated using the TIF funds was how the city was able to do the 120 bypass and Edwards Boulevard. He noted moving the boat launch to Big Foot State park was part of the original TIF as it would help with traffic congestion in the downtown area. As a point of clarification on the agenda, Mayor Connors noted that the agenda says discussion and recommendation with no decision to be made as the item would go back to council.

Alderman Kehoe stated she was part of the original TIF in 1995 and stated there were many ideas. She wanted to see the White River, which began a lot of thought with the White River that accommodated the citizens. She requested residents to speak to their alderman about what they wish to happen in Lake Geneva. Ms. Kehoe notes she is not in favor of closing the TIF as there are a lot of things that still need to be done. She said she wants to be partners with other communities and requested citizens to speak with their alderman about what they would like to see done in their community.

Alderman Kupsik said he wanted to respond to some accusations made that there were frivolous things done with the TIF. As of May 12, 2014, there was a list of projects that were completed because of the TIF district funds. The list includes the beach house remodeling, the Riviera remodeling, West End Library Park restroom, beach wooden walkway, West End pier slips, gas dock, Main Street bridge, city portion of Wrigley bridge, Edwards Boulevard, museum renovation, Chamber of Commerce restroom upgrade, burying electrical power lines north alley, south alley and Seminary park, Library park restorations and sidewalks, boat launch ramp reconstruction, Flat Iron park pavilion and sidewalks, Dunn Field parking, signage rehabilitation, paint signage and light poles in downtown Lake Geneva, Sheridan Springs traffic signals, parking station system (2/3 funded by TIF), street sweepers, bobcats, Seminary Park shelter, tree planting, Wells Street-Lakeshore Drive-Main Street improvements, Main Street-Mill Street intersection, street improvements through the TIF area, Dunn Field Skateboard Park, Library restroom upgrade, downtown traffic signal upgrade, Dunn Field tennis court and concession stand, Maple Park tennis courts, alley paving (4 pavings at \$25,000 per alley in TIF 4), Riviera seawall repair, resurface Main Street between Center and Broad Streets, Mill Street and Main Street to Sage Street, Main Street culvert, Geneva Street parking lot upgrade, traffic signal Main Street at Cook Street, Broad Street lighting, Geneva Street to the corner of Williams to County H and there are still some projects that need to be completed. Mr. Kupsik noted the list is maintenance related items that needed to be done. Without the TIF 4 these items would put a burden on taxpayers. He believes the right move was to use the TIF as it was set up to be a tool for municipal development and to take care of blighted areas and infrastructure. In regards to the county vote, he noted it was only a recommendation, not a forceful action. The county has no right to tell the city what to do with their TIF, however, as a formality, as a way of conveying their thoughts to the city, they have every right to present a resolution to recommend the city close TIF 4. He said that is all it is, a recommendation.

Alderman Chappell asked if there are any other things we can do with this money. She suggested picking projects that benefit the most people. She has seen Hillmoor go from a beautiful piece of property to an awful lump of broken dead trees and tall weeds. This main entrance to the city has become an awful eyesore for tourists and residents coming into town. She believes the golf course would be well attended and a great addition to the skate park and dog park. She believes incorporating this would benefit most residents and also agreed with buying the Theatre and making it into a community center for the arts. She stated generally the funding is cut for arts however; they are the foundation for creating a valuable life and increasing the quality of life for citizens in the community. She believes the museum should also be added to the long term planning of expansion. She stated Hillmoor and the theatre are two important properties that the city should look into getting back up and running as it would help round out the city.

Alderman Hill noted that Mr. Kupsik reading the prior items funded by the TIF is a good reminder of all the positive things these funds were able to contribute to the community. She stated she spoke with the supervisor at the county who made the motion to recommend the resolution to tell the city to close TIF. He indicated that the city was in a partnership, which Ms. Hill stated she responded to him that a one way direct communication is not a partnership, nor is it a conversation about how the city uses joint funds. Ms. Hill said she respectfully requested the county postpone their vote for one month for the council to have this conversation here today. But rather, they took the course of passing a nonbinding resolution, which in Ms. Hill's opinion was purely a political stunt as it has no bearing on what they actually decide to do here today. She said TIF 4 is a tremendously positive financing tool for the council. There may be a reason why other counties in the state have not taken such action because she believes the city has one of the most successful TIFs in the State of Wisconsin. The city is fully funded and debt free and noted there is lot of other

people who want to put their hands in the pot, whether it is the county, or for Hillmoor, or the theatre. She stated she contends that the council is here to be strong financial stewards of the taxpayers' monies and it is their responsibility to not choose frivolous projects and spend the money wisely. The main test for these projects is, does it pass the "but for" test. She stated would these developments have happened "but for" the use of these TIF funds. She is very familiar with the Hillmoor situation from her real estate side and does not want to be in the golf course or theatre business as a city. She noted when you are in a community so long and you drive or walk by a piece of blight so many times, it tends to fade into the background. Those four block faces are the most important and profitable block faces in the city and stated the theatre is a major piece of blight in that area.

She said it is important to note in the project plan from 1995, the frustration with traffic congestion even 20 years ago and what permeates throughout these documents is blight and traffic congestion. She believes the failure of the parking referendum not to be a referendum on TIF itself. There was tremendous amount of misinformation in regards to the parking structure. Such as, people being told that if they voted against the parking garage, the council would close TIF and they would get a refund check, which she noted was obviously not the case and outright foolish.

Ms. Hill asked Mr. Harrington, in regards to cash grants for development, would there have to be a developers agreement in place in order to present it to the Joint Review Board. Mr. Harrington stated no. She questioned instead of outright purchasing the theater building, would there be a way to partner with a developer and what does cash grant mean. Mr. Harrington stated a cash grant would be providing some direct financial contribution to a project. He noted there are a lot of different ways it can be done but, it does require a developer's agreement. Under the TIF statute, that does not have to be approved by the Joint Review Board. The project plan has to include that as an expenditure but once that is done, the details of the cash grant, the amount and the terms are strictly between the city and the recipient. He stated sometimes the cash grants are upfront payments, or pay as you go where the value of the property increases. As the property pays additional taxes, some portion of that tax is refunded back to the property owner on an annual basis up to a certain amount. There is a lot of different ways that could be structured to provide assistance without the city having to actually buy the property. Ms. Hill felt this is the type of creativity the council needs to come up with. She noted projects such as the theater are opportunities that happen all over the country. To get back to the "but for" she didn't see that property changing hands any time soon in the private sector. She stated she completely disagrees that this is a divisive issue in the city; it is really only the same 3 or 4 individuals that attend the council meetings that she hears being told to close TIF. She has done this for the last 3 years and stated most of the citizens and her constituents feel that the city has been good financial stewards of these funds. She would like to continue with TIF and like the council to get very earnest and creative to address these areas of blight. She noted Traver Hotel is another example of blight in the city.

Mayor Connors asked Mr. Harrington to explain what was spent in relationship to what the last project plan was, along with the council's options. Mr. Connors said the last project plan in the TIF had an overall dollar value on how much could be spent and asked to explain the council's options along with the timing of the dates. Mr. Harrington stated the TIF was first adopted in September of 1995 and as a blighted district under the statute, the city has until 2017 to spend funds with an additional 5 years to 2022 in order to collect funds to retire any outstanding obligations. Those are the statutory limits in terms of the dates as prescribed by the State. In order to close the district such that funds would not be placed into the TIF account for next year, the city would need to notify the Department of Revenue in May of this year and essentially close it. The DOR would work with the city to do a final accounting and finish it up this year. Starting with next year, it would be distributed to the taxing districts as they are everywhere else without a TIF.

Administrator Jordan stated with the revised TIF amendment 3 and the 15%, the city has spent \$24,020,246 and is within \$300,000 of that amount. Mayor Connors asked Mr. Harrington if the city has a normal or abnormal TIF. He stated the city is abnormal in a good way. The city's TIF district has been hugely successful with the growth in value, projects accomplished and the difference it has made with how the downtown functions. The fact that the city has completed all or most of its authorized projects and still has another two years of spending period left with no debt, makes the city far ahead of the game, which he considers an abnormal success. He stated there are a lot of TIF districts in the State that suffered pretty dramatically during the recession. They are grossly upside down, and are having to declare themselves stressed or severely distressed. In these instances, the statute allows them to add additional time, in some cases up to 40 years to retire the debt that they took on or to deal with the loss in value that occurred during the recession. He stated the city's district is an absolute unqualified success.

Alderman Kordus said in discussing the closing dates they have heard a lot of different ideas, some projects partially completed that may have been started but not completed, or may have had funding reduced. He questioned if projects could continue to be fully funded if the council decides to close the TIF in May or if once the TIF is closed, would those funds immediately be remediated back to the taxing authorities. Mr. Harrington replied that once the city decides to close the TIF, any expenditures have to be made prior to that date. The city cannot close the TIF and then spend the funds; the funds have to be encumbered or allocated before that time. There may be ways to encumber funds prior to that point, but that would need to be discussed with legal counsel if those projects would be constructed years later.

Alderman Chappell stated that closing would stop the process and questioned if keeping it open keeps money coming in. She said that does not mean the city would use the extra money coming in, just using the money that is already in the TIF to round out the blighted areas. Ms. Chappell noted that the golf course and theatre were functioning back in 1996, which means they could not have known that these areas would have been an issue. She asked if being positive meant the city would not be able to make new projects. Mr. Harrington stated, they can, but the spending plan would have to be amended. The dates given of 2017 and 2022 are the statutory limits. However, it is also in the statute that once you complete the projects authorized on the spending plan, the city needs to close the district. He noted the city is about at that point, which means they have the option to pursue an amendment to add additional projects and carry those out. She asked if that amendment would go to the Joint Review Board, which Mr. Harrington confirmed. He stated even if the city were to fund those projects out of the cash balance, as long as the district is open, the increment would still be collected and assigned to the TID. There is no way to keep working the projects but not collect additional funds. Those funds would build up as a surplus. At the closure of the district, and once the projects are completed within those statutory dates, the funds would then be distributed to the taxing districts on a prorated share. Alderman Chappell noted that the projects being considered would not be over and above the amount that is in the TIF, meaning that the taxing districts would eventually get their share, just not this fall.

Alderman Wall stated he is in favor of closing the TIF now. He disagreed with a couple of the projects lately including the concession stand at Dunn Field and the Skateboard Park. Mr. Wall stated if the parking structure would not have failed, the council would not be talking about this as it would not have any more green money to spend outside the White River Trail. He reiterated that he is in favor of closing it.

Alderman Kupsik stated there are issues with Big Foot Beach and was surprised to find out that the upgrades go back to 1997. He said this is nothing new, the state has been planning to do this for awhile. He found it unbelievable that over 189,000 people visit the park during the course of spring and summer. He asked if the city decided to work with the state and put a road through Big Foot Park, can the city use TIF money to fund that. He said it seems like it is an issue and wants to know if the city can take TIF 4 money and use it to put a road in; is this something possible or is it something the city cannot do.

Mayor Connors stated there is a timing issue of no new projects after 2017. To do additional projects, the council would need to do a project plan amendment. The reason for the meeting is to gauge if there is any interest by the council to do a project plan amendment.

Alderman Hill questioned if it was in the TIF. Alderman Kupsik said can we use TIF money to fund that road. Mayor Connors stated looking back at the original TIF 4 (page 13), it lists all these things. Administrator Jordan commented that there were various parts that it was included in the original. He said in 1995 money put aside for planning and engineering for the boat facilities district. He noted on page 17 it states, "Assist state with redevelopment of boat launch facility in Big Foot Park," which at the time was estimated at 3 million dollars, much more than just moving the boat launch. Alderman Chappell asked what the funding of \$300,000 with a checkmark meant. Mr. Jordan stated from what he understood, the state was supposed to do a big project within the state park and the \$300,000 was the city's contribution. The state later came back and said they did not have the money. The council, at that time, said they were not willing on their own to spend the 3 million dollars to move the boat launch. Now, 10 years later the state is coming back saying, they now have some money and are interested in putting it towards urban smaller parks. Mr. Jordan noted that is what brought this issue up. Ms. Chappell asked if the city would have to go to referendum for that. City Attorney Draper stated if the council wanted to do that project, if it is over \$1,050,000, it would need to go to referendum. He noted even if it is joint with the state, if the city is spending over \$1,050,000, they cannot split it up into smaller pieces. Alderman Kordus said if the spending from the state was 3 million and the city's portion of the

spending is \$300,000, it would not have to go to referendum, which Mr. Draper confirmed. Mr. Kordus stated it is only if our portion of the spending is over, not the overall spending.

Alderman Kehoe stated that in 2008, the city was subject to blight. She asked for an explanation on the amendment stating the city still has 27 years to retire the district but the spending period had been increased. Administrator Jordan stated the amendment that was passed took advantage of the new state statute. He said the dates given by Mr. Harrington are accurate; the council would have to spend by 2017 and close by 2022. Mr. Harrington stated what the section refers to, is that prior to that, the district had a life of 27 years, but the initial spending period under the TIF law, at that time, was 10 or 12 years. With the 2008 amendment, the city took advantage of that change in state law to spend the money within the 22 year period rather than the previous much shorter period of time that the old statute indicated.

In regards to Big Foot, Alderman Kupsik believes it is a long shot that anything will happen based on the project presented to the city as it is not earmarked for this year's budget. It would not be earmarked until 2017. With the condition of our state legislature and our budget, he felt it may not happen. He asked if the city can appropriate the money for that road and have it available if the state decides to do that project. He also asked if the money is put aside, can the council still close the TIF afterward. Alderman Chappell questioned why the city would have to put money into the road. She said if the city wants the boat launch to be in that area, it would be nice to get it out of town. Mr. Kupsik said the road is part of the whole project. Administrator Jordan said the road is the city's apart from a couple small exceptions that are the Town of Linn's. He noted that the city was concerned with the erosion that is happening alongside of the road. The road being suggested through the park is the DNR's because they want to make the beach larger and do not want people crossing that road. Ms. Chappell stated Mr. Kupsik is right based on the timeline, it does not seem like this is even a possibility except for the \$300,000 that is already earmarked for a boat launch.

Mayor Connors stated to clarify what Mr. Jordan said early, the city has spent within roughly \$300,000 of what they are allowed to spend. The project plan must be amended if the council desires to even allow the possibility of anything happening.

Alderman Chappell asked if the project has been amended 3 times. Alderman Hill stated, yes, in 2005, 2008 and 2010. City Attorney Draper noted the city has not had any boundary amendments. The statutes were changed to allow a half mile boundary. They have not had any boundary amendments, only project amendments which have no limitation on the number of projects the city can have. There is a limitation on the number of times the boundary is expanded. Alderman Kupsik asked what the process would be if the city wants to do an amendment. Mr. Draper stated the council would have to pass a resolution, which would be brought to the planning commission for approval. Then the Joint Review Board would have to review it and approve it. The Joint Review Board consists of the county, Gateway, school districts, the City of Lake Geneva and one citizen.

Alderman Chappell stated they are talking about a couple projects that will benefit so many people in the community. Alderman Hill said it sounds to her, as a group, the council is in favor of going through the process of a project plan amendment. Mayor Connors stated if the council is interested in a project plan amendment, he thinks this body should make a recommendation with specific projects, to be brought back to council. The council should stick with the original intent of the TIF which was to improve traffic flow and parking in the downtown. Ms. Hill said some unpopular items need to be discussed as well, such as burying power lines. She asked Mr. Jordan to note some of these items. Mr. Jordan stated there has been talk about the blight from the telephone poles and wires coming down Main Street to Wells Street. Ms. Hill asked if all the alleys were done. Mr. Jordan replied he believes so but would need to discuss that with Mr. Winkler. He noted the Traver Hotel is another issue the council has discussed.

City Attorney Draper stated the basic premise behind the TIF is that it provides a means of financing particular projects that usually would not be done by an individual community by itself because it is too expensive. The reason the increment is allowed is because it has a benefit to the community and surrounding communities. He noted this particular TIF is really a traffic circulation. There is an impact with all the congestion and the city has an interest in diverting the traffic. He stated if the council is talking about projects, they need to figure out how they are going to advance this particular TIF project and how will it help the surrounding communities. Mr. Draper also noted that the council would have to sell the Joint Review Board on these particular items; he did not think it could be local little

items that are beneficial just to the City of Lake Geneva. Ms. Hill pointed out that once the TID is retired, the city will see a healthy increase tax valuation.

Alderman Kordus asked if there were a recommendation to proceed forward with an amendment, would it mean the city could not close the TIF in May. Mr. Harrington stated there are two things involved. One is amending the spending plan and taking that through the process outlined in the packet. The other is extending the funds before closing the district. For each one of these things discussed, figuring out that second part is probably more difficult. He noted if the city closes it this year, how would the city be able to spend the funds and do so prior to the May notification to the state.

Alderman Kupsik stated he did not feel comfortable making a recommendation today on projects or plans. He said they need more time to go over the project list for recommendations. He would like to continue agenda items 5 and 6 to March 23<sup>rd</sup> at which time, they would come back with a list of projects, a timeline and procedures for closing TID 4.

Alderman Hill said they have until May 15<sup>th</sup> to commit the funds and felt there is no way to do that. Mr. Draper stated May 15<sup>th</sup> is the date the council needs to make the decision if they want to close the TID or not close the TID. The effect is, if the decision is not made by May 15<sup>th</sup>, the city collects additional funds under the increment that are set aside and put into the fund. If the council agrees to keep the TID open, they don't have to commit by May 15<sup>th</sup>, the council has until 2017 to make that decision. Mr. Harrington stated the May 15<sup>th</sup> date is if the council wants to close it early and not collect any additional funds. Once it is closed, the city would be done spending funds. The amendment would have to be approved and funds would have to be spent and committed under the TIF statute. If the city is not able to commit them at that point, they would not do anything by May 15<sup>th</sup> in terms of closure; the TIF would just remain open. Then the city has until 2017 to complete those final projects that are added to the list. In 2017, the city would not be allowed to spend any funds, and the TIF would close unless there are any outstanding obligations that would require it to stay open beyond that point.

Alderman Kordus asked if there is a way to notify DOR that in 2016 and 2017 they don't want to collect funds and add more money to the TIF but want to keep it open. Mr. Draper stated some other communities have done something with funds and then still closed the TID. Mr. Harrington stated each of those cases were unique. There have been some instances where communities have partnered with another organization and provided funding to the organization within their spending period. That organization was able to use those funds beyond the close of the spending period to complete a project. Mr. Draper stated he wanted everyone to be aware of this option. It is not the most desirable and he is not advocating for it, but he wanted everyone to know all the information before making a decision. Mr. Jordan noted it is not just any organization; generally it is with the CDA or a development corporation. There is a written agreement between them on how it would happen and if it does not happen, it would go back to the various districts. Mr. Draper commented that the basic answer is, once the TID is closed, it is over, it is closed.

Kupsik/Hill motion to continue items 5 and 6 to the March 23<sup>rd</sup> council meeting to come up with a project list and a timeline to close TID 4. Mayor Connors cautioned the council to bring a very limited list as the council will not be able to come to a consensus on March 23<sup>rd</sup>. He stated it should be very finite, and fit in with the "but for" and original intent of the TIF. Alderman Chappell stated once it is continued, they would not be able to talk outside of this situation. Mr. Connors replied he hoped the council is not giving calls to each other as it is an open meetings law violation. Ms. Chappell stated, she knows they cannot do that, but her point was to try and work out this list right now. Mr. Connors stated he recommends skinning down the list to give constituents time to contact their alderman and voice their opinions. Otherwise, they would be back in the same boat with no list or thought process going on. Ms. Chappell questioned the process to be handled at the next meeting. Alderman Kupsik stated he wants everyone to come back to council with a final list of things that they would like to get done under TIF 4. He said, at that point, once there is a list, the alderman can decide when to close TID 4. He stated he does not feel comfortable making a list at this point. Now that he has the information in front of him, he has time to make that decision. Alderman Kordus stated he is in favor of narrowing down a list but thinks it should be at another public meeting. Mr. Kupsik stated they could individually make lists and discuss the items at the March 23<sup>rd</sup> meeting.

Mayor Connors asked if the March 23<sup>rd</sup> agenda item would be a resolution. City Attorney Draper stated a resolution would come out of that meeting. Mr. Connors noted the resolution would then have to go to the April meeting. Mr.

Jordan stated the lists should be sent to staff 3 days prior to compile for the packet. This way at the meeting the alderman will have the information in front of them.

Kupsik/Hill motion an amendment for the alderman to have their suggestions to staff for review by March 20<sup>th</sup>. Alderman Kordus asked if those staff recommendations would become part of the agenda and included in the public notice for the March 23<sup>rd</sup> meeting. Mr. Kupsik confirmed and stated it would all be public with everything being transparent. Mr. Draper stated the lists should not be sent to each other, just to Administrator Jordan. Mayor Connor suggested moving the deadline for the list to March 18<sup>th</sup> to give staff time to compile the information. Mr. Kordus stated his point was to have the information available to the public to review 24 hours before the meeting.

Kupsik/Hill motion an amendment for the alderman to have their list of projects in by March 18<sup>th</sup>. Mayor Connors stated he still feels the list should be skinned down today to allow for input from constituents. Mr. Connors stated part of the reason for this workshop was to get some of these items out to the public and not bring them out at the last minute. Mr. Draper agreed and said the purpose of this workshop was to work down the recommendations the council thought were appropriate. He said part of the problem is that there needs to be some sort of consensus if they want to keep the TID open beyond May 15<sup>th</sup> because he does not see how these projects will get underway before May 15<sup>th</sup>. Mr. Draper stated if there is a majority that says no, they don't want the TID to stay open past May 15<sup>th</sup>, the council is spinning its wheels. Mayor Connors noted that issue was not on the agenda today. Alderman Kupsik questioned how he was to make a list of projects and decide when to close the TID right now at this meeting. Mr. Connors stated there is nothing on the agenda saying they are going to make a decision today. He said the agenda states "Discussion and Recommendations on the Project Plan" and then it is "Discussion on Procedure and Timeline" just so the council is informed of the steps involved. Mr. Kupsik stated he made the motion to continue 5 and 6 in order to make a recommendation and to discuss the procedures on when to close the TID. Mr. Connors said the council has not even discussed item 6. He said what is happening is that the council is just postponing the items to have the same discussion. He said the council has not publicly vetted what people would like to see continued here. Alderman Hill stated the majority of council did not get this packet until they walked in this morning but she understands where Mr. Kupsik is coming from with a finite list. Ms. Hill commented that in the past two hours, if the public at large has not heard what the council has been talking about in regards to Hillmoor, the Theater, Traver Hotel, and the boat launch, then what more does the council need to disclose. She noted the council is asking for a few days as a finite list will not come out of the meeting today. He said it is now a matter of the alderman going out to the public and presenting themselves and coming up with a list. Ms. Hill stated maybe at this meeting it should have been an up or down vote to close the TIF because if the majority of council wants it closed, a project plan amendment is a moot point. Motion carried 6 to 1 with Alderman Chappell voting "no."

Main motion: Kupsik/Hill motion to continue items 5 and 6 to the March 23<sup>rd</sup> council meeting with Alderman having their suggestions to staff for inclusion in the packet by March 18<sup>th</sup>. Alderman Kordus stated he agrees with the Mayor about what the council was called to do here today. He said they have somewhat of a list they could go through, narrow down, and make the recommendation for the council meeting on the 23<sup>rd</sup>. He recommended voting down the motion. Motion carried 5 to 2 with Alderman Chappell and Kordus voting "no."

**Discussion on Procedure and Timeline for Closing TID 4.** Item continued based on the above motion.

### **Adjournment**

Hill/Wall motion to adjourn at 10:39 am. Unanimously carried.

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/s/ Sabrina Waswo, City Clerk

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