

**CITY OF CEDARBURG
JOINT REVIEW BOARD
TAX INCREMENTAL DISTRICT NO. 4 CREATION
OCTOBER 16, 2017**

A meeting of the Joint Review Board for the creation of TID No. 4 in the City of Cedarburg, Wisconsin, was held on Monday, October 16, 2017 at 6:00 p.m. at City Hall, W63 N645 Washington Avenue, second floor Council Chambers

Roll Call: Present - Mayor Kip Kinzel, City Representative
 Kathy Geracie, Ozaukee County Representative
 Todd Bugnacki, School District Representative
 Wilma Bonaparte, MATC Representative
 Allan Lorge, Public Member

Also Present - Christy Mertes, City Administrator/Treasurer, Constance McHugh,
 City Clerk, Council Members Patricia Thome and Rick Verhaalen
 (arrived at 6:10 p.m.), Community Development Authority, Member
 Joe Kassander, Todd Taves of Ehlers & Associates
 DJ Burns, Brian Berner and Chelsea Corson of Drake Consulting
 Group, LLC; interested citizens and news media

CALL TO ORDER

Mayor Kinzel called the meeting to order at 6:00 p.m.

APPOINTMENT OF JOINT REVIEW BOARD'S PUBLIC MEMBER

Ms. Geracie nominated Allan Lorge as the Joint Review Board's public member. The motion was seconded by Mayor Kinzel.

Mayor Kinzel closed the nominations.

With Mayor Kinzel, Mr. Bugnacki, Ms. Bonaparte, and Ms. Geracie voting in favor of the appointment of Allan Lorge as the public member, Mr. Lorge was seated.

ELECTION OF CHAIRPERSON

Motion made by Ms. Geracie and seconded by Mr. Lorge, to appoint Mayor Kinzel as Chair. Motion carried unanimously.

REVIEW RESPONSIBILITIES OF JOINT REVIEW BOARD

Mr. Taves explained this is an organizational meeting of the Joint Review Board for the creation of Tax Incremental District No. 4 (TID No. 4). He said the Board has already accomplished two of its goals: 1) appointing a public member and 2) appointing a chair.

Mr. Taves explained the Board must use the "but for" standard and come to the conclusion that "but for" tax incremental financing this Project would otherwise not happen. The decision to approve or deny creation of the District shall be based on the following criteria outlined in State Statutes:

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- A. Whether development expected in the tax incremental district would occur without the use of tax incremental financing;
- B. Whether the economic benefits of the tax incremental district, as measured by the increased employment, business and personal income and property value, are sufficient to compensate for the cost of the improvements; and
- C. Whether the benefits of the proposal outweigh any loss, if it occurs, in the tax revenues of the overlying jurisdictions.

The Community Development Authority (CDA) will hold a public hearing on the Project Plan later this evening and take action on the matter. The Common Council will review the Project Plan at its meeting on October 30 and take action on a resolution approving the Project Plan and the district boundaries. The Joint Review Board will need to reconvene after October 30 to further consider the Project Plan and approve or reject it.

REVIEW AND DISCUSS PROJECT PLAN

Mr. Taves reviewed the Project Plan with the Board. TID No. 4 consists of three parcels and 8.42 contaminated acres. The site is the former Meta Mold Aluminum Company manufacturing site. State Statutes require that 50% of the area be blighted in order to qualify for a blighted TID. In this case 100% of the area is blighted.

The City anticipates making total project expenditures of approximately \$4.54 million, including \$3.33 million in project incentive and assistance payments to a private developer, \$1.04 million for long-term interest due on the associated debt obligation, \$97,000 for finance related expenses and \$84,000 for administrative expenses over the life of the District. Costs to carry the debt are estimated to be \$1.37 million with an expectation that the City will need to provide a net \$337,766 subsidy to cover the full amount of the interest payments due. The District is expected to remain open for 27 years and create a minimum of \$10,025,000 in incremental valuation. It is expected that the District will not recover its project costs, and that the City will be providing an estimated \$878,946 subsidy to the District consisting of the \$337,766 debt service gap plus \$541,180 in estimated interest accruals on both the recovered and unrecovered portion of advanced funds.

SET NEXT MEETING DATE

The next meeting of the Joint Review Board will be November 16, 2017 at 6:00 p.m.

ADJOURNMENT

Motion made by Mayor Kinzel, seconded by Ms. Geracie, to adjourn at 6:15 p.m. Motion carried unanimously.

Constance K. McHugh, MMC/WCPC
City Clerk