

**VILLAGE OF THIENSVILLE
JOINT REVIEW BOARD
PROPOSED CREATION OF TAX INCREMENTAL DISTRICT NO. 2
MINUTES**

DATE: Tuesday, July 21, 2015

**LOCATION: 250 Elm Street
Thiensville, WI**

TIME: 3:30PM

I. CALL TO ORDER

Administrator Robertson called the meeting to order at 3:30PM.

II. ROLL CALL

Ozaukee County:	Karl Hertz
Village & Secretary:	Dianne Robertson
Mequon-Thiensville School District:	Dr. Demond Means
MATC:	Wilma Bonaparte
Citizen Member:	

III. BUSINESS

- A.** Consideration and Appointment of the Joint Review Board's Citizen Member
1. Sarah Elliott

MOTION by Member Means, **SECONDED** by Member Hertz to approve the Appointment of the Joint Review Board's Citizen Member, Sarah Elliott. **MOTION CARRIED UNANIMOUSLY.**

- B.** Election of Chairperson

MOTION by Member Means, **SECONDED** by Member Elliott for the Election of Dianne Robertson as Chairperson for the Joint Review Board. **MOTION CARRIED UNANIMOUSLY.**

- C.** Discuss Responsibilities of the Joint Review Board

Mr. Michael Harrigan of Ehlers described the responsibilities of the Joint Review Board.

- D.** Discuss and Review Project Plan

Mr. Michael Harrigan of Ehlers presented the Project Plan for the Creation of Tax Incremental District No. 2. Mr. Harrigan explained that this evening would involve a public hearing at the Village Board level and then following would be the Plan Commission meeting. Anyone present will have the opportunity to be heard during the public hearing.

Mr. Harrigan reported that it is on the Plan Commission Agenda to consider whether to adopt a Resolution recommending approval of the Plan to the Village Board. Administrator Robertson confirmed that the Plan Commission will be reviewing the Conceptual Plans at this evening's meeting. The Village Board will then be discussing this on August 17, 2015.

President Mobley explained that the Village Board would also need to adopt and change the Ordinance to the zoning regarding density.

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Mr. Harrigan gave an overview of the Project Plan. It was explained that there are three reasons to create a TID: for industrial purposes, to encourage mixed used development and for purposes of rehabilitation. The project has been identified as one for the purpose of rehabilitation.

The building that occupies this site currently has been vacant for a period of time and is located at the corner of Green Bay Road and Riverview Drive. It is a commercial building no longer in use. The project currently proposed is a two story 44 unit apartment rental unit with underground parking. It is anticipated to have a taxable value of at or above \$6 million. TID participation requested is at \$1,200,000. This participation bridges the financial gap.

This project is expected to generate about 72 temporary jobs with an average wage of between \$18 and \$88.50 per hour. The project is designed in a horse-shoe style with a courtyard in the middle.

Financially, the Developer Grant (financing gap) is \$1,200,000, the Village Legal, Financial Consulting is \$25,000 and the Contingency cost is \$25,000 for an estimated project cost of \$1,250,000. Because this is a rehabilitation district, the TID could remain open for 27 years. The year 2031 is the scheduled final payment, and it is in that year that the District is closed. Because of the cash flows available and with the revenues that are coming in, it appears that the obligations of the District can be retired in 2031. At that point, the law indicates that once your costs are covered, you must close the district. It could extend longer in the event that the revenues that are expected from the cash flow decrease.

It was confirmed that the Village is issuing the note to the Developer. Administrator Robertson shared that if the equalized value of the Village decreases, this might extend the TID.

Mr. Harrigan explained that the date of expiration of TIDs has evolved considerably over time. For rehabilitation it used to be 23 years and now because of the school funding laws, the time has been extended to 27 years. There was also a change to make all future TIDs for industrial purposes and for mixed use purposes to be only 20 year Districts. For this project, because it is rehabilitation, it is 27 years.

The existing TID will expire in 2017 or mid-2018. This TID was created in 1985 and has gone beyond the 27 years. Administrator Robertson shared that this was amended a few years ago because the TID was declared distressed. The Village paid the TID debit for many years out of the General Fund and it still owes the General Fund some money; that is why it was declared distressed.

The impact to all the entities was inquired about with the existing TID still in existence. Mr. Harrigan reported that TIDs for school districts are very neutral. During the period of the TID, the school formula will ignore the increase in value created for the life of the District.

It was confirmed that if the TID does not exist, the project will not move forward. The Village has indicated their intent as part of the Development Agreement. This is the first step in getting the Village to proceed with the implementation of this plan. The approval of the TID does not commit the Village to move forward.

Mr. Harrigan reported that what is unique about this TID is that it is proposed to be financed not by the Village, but by the Developer. If there is any hiccup in the cash flow at the end of the 27 years and the Developer has not been paid back, there is no need to extend it because that was part of the deal up front.

Member Means inquired that from a school district perspective that if there is a TID that is out there that has been extended beyond 27 years and classified as distressed and now there is discussion about creating a new TID, is the well being of Thiensville healthy enough to support this new TID.

Member Elliott expressed her feeling that the likelihood of this Developer not succeeding is quite low because of his work on Elm Street.

President Mobley shared that once the TID from 1985 expires then the taxes for his constituents will go down. Administrator Robertson shared that the state of the Village is very healthy.

E. Set Next Meeting Date

The next meeting is scheduled for Wednesday, September 9, 2015 at 3:30PM.

IV. ADJOURNMENT

MOTION by Member Elliott, **SECONDED** by Member Means to adjourn the meeting at 4:12PM. **MOTION CARRIED UNANIMOUSLY.**

Submitted by,



Amy L. Langlois
Village Clerk

Approved by,



Dianne Robertson
Administrator