

**Joint Review Board for
Tax Incremental Financing (TIF) District #6**

Tuesday, August 25, 2020

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1 The Meeting of the Joint Review Board for Tax Incremental Financing (TIF) District #6 was
2 called to order at 6:00 p.m. on Tuesday, August 25, 2020. It was noted that the meeting had been
3 announced and a notice posted at City Hall.

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5 Roll call was taken, with the following members present: City of Onalaska Mayor Kim Smith,
6 Western Technical College Representative Majel Hein, La Crosse County Representative Brian
7 Fukuda, Holmen School District Representative Julie Holman, City of Onalaska Citizen Member
8 John Lyche

9

10 Also Present: City of Onalaska Administrator Eric Rindfleisch, City of Onalaska Planning
11 Manager Katie Aspenson, City of Onalaska Engineer Jarrod Holter, Ehlers Senior Municipal
12 Advisor Sean Lentz

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Consideration and possible action on the following items:

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16 **Item 2 – Consideration and appointment and/or reaffirmation of the Joint Review Board’s**
17 **public member**

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19 Motion by Mayor K. Smith, second by Brian, to appoint John Lyche as the Joint Review Board’s
20 public member.

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22 On voice vote, motion carried.

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24 **Item 3 – Election and/or reaffirmation of Chairperson**

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26 John noted that City Administrator Rindfleisch understands the procedures and policies involved
27 with TIDs, and he said he would like to nominate City Administrator Rindfleisch for
28 Chairperson, provided he is able to serve.

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30 City Administrator Rindfleisch told John the Chairperson should be a board member and said he
31 is unable to serve in that capacity at this point.

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33 Motion by John, second by Julie, to nominate and elect City of Onalaska Mayor Kim Smith as
34 Chairperson of the Joint Review Board.

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36 On voice vote, motion carried.

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38 **Item 4 – Discuss responsibilities of the Joint Review Board**

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40 Sean told board members that when a Tax Increment District is created, the current taxable value
41 of the property proposed to be put into the TID is frozen for the purpose of revenue collection by
42 each of the overlapping taxing jurisdictions. During the life of the TID, the new property

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43 hopefully is constructed and developed, and new tax value is created. Tax revenue on that new
44 value is segregated, and it all goes to the city to assist it in paying back expenses associated with
45 promoting the development. During the life of a TID the overlapping districts, including the
46 city's general fund, are foregoing tax revenue from the site in order to create a financing
47 mechanism that allows either for infrastructure or incentive projects to be paid for to start the
48 development. Because of the nature of a TID, State of Wisconsin law includes the overlapping
49 taxing jurisdictions in the process of creating a district. This means the involved parties have a
50 seat at the table, they understand what is being proposed by the city, and they may provide input
51 on the discussion. The overlapping taxing jurisdictions have the opportunity to be part of an
52 annual meeting, at which the status of the TID is discussed, during the life of the TID, provided
53 it is approved.

54

55 Sean told board members that they will be asked to participate; review the material they are
56 provided; and review the process, approvals, and notices that have been sent and published to
57 ensure that the process follows State of Wisconsin law. Assuming approval by both the Plan
58 Commission and the Common Council, the Joint Review Board will be asked to cast a vote on
59 the creation of TID No. 6.

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61 **Item 5 – Discuss and review project plan**

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63 Sean told board members Ehlers had drafted both an executive summary and a project plan in
64 draft form. The PowerPoint presentation included the following information:

65

- 66 • Tax Increment Financing captures tax revenue from new construction to create a funding
67 source for incentive and infrastructure for development. It creates a new tax base that
68 was not present previous to the creation of the TID. The district in question would have a
69 maximum life of 20 years, and at the end of the TID's life the value that had been
70 captured in the district shifts back and becomes part of the tax base for all the taxing
71 jurisdictions for the general operations.
- 72 • There is taxable value to the property. All the taxing jurisdictions are collecting their
73 share of the tax revenue off that base. That will continue the entire life of the TID.
74 When a district is created, any new value up and above that base is categorized as
75 increment value. Instead of the tax revenue from that increment going to all the
76 jurisdictions, it only flows to the city. It does not flow to the city's general fund to pay
77 for general city expenses; rather, it flows to the newly created TID No. 6 fund. It then
78 may be utilized to pay for expenditures associated with promoting development or
79 redevelopment in the area or within one-half mile of the area.
- 80 • The city will not be taking any current tax base away from any of the taxing jurisdictions.
81 Any new value on this site up and above the base would be captured as increment value,
82 and the city would receive that for up to a maximum of 20 years to pay back expenses to
83 try to create that value in the first place.

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85 Majel asked Sean to cite some examples of what the expenses might be.

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87 Sean said the most common expense is infrastructure improvements, and he used the example of
88 an area that is currently not served by sewer, water, streets, or stormwater. Sean said in order to
89 make a development feasible, it is common that infrastructure improvements will need to be put
90 on the site such that new taxable value either through a business or residences may occur. Sean
91 said if those expenses will be paid for directly by the community or by the development group,
92 the additional expense makes it cost-prohibitive to proceed with the development. Sean said
93 another expense is if a business is entering a community either via expansion or relocation, a
94 new business, new jobs, and new tax base are created. A business may request that a
95 development incentive is paid to that business to allow it to pay for certain expenses associated
96 with locating at a particular site. Those expenses also are common tax-increment expenditures.

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98 Sean continued with his presentation:

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- 100
- 101 • The purpose of TID No. 6 is to create a mixed-use district to provide a variety of housing
102 and commercial uses. The goal is to expand residential and commercial activity in
103 Onalaska. An analysis of the site needed to be conducted to affirm that at least 50
104 percent of the area was suitable for residential and commercial uses. Newly platted
105 residential could not comprise more than 35 percent of the total area of the district.
106 Those findings are met with this area.
 - 107 • Other districts are industrial and blight elimination. Neither one is a good fit for the site
108 in question. The mixed-use designation is.
 - 109 • The expenses primarily are infrastructure related (e.g. streetlights and engineering
110 services; traffic roundabout; sewer, water, and stormwater utilities; and temporary
111 roadway). The infrastructure projects will provide the mainline utilities to the area.
 - 112 • Projects are approved from the sense that they may be TID-eligible expenses, and the TIF
113 may be utilized as a funding source to pay them. The projects must undergo the same
114 process that any infrastructure project the city would do to be approved. When the
115 Common Council and the Joint Review Board approve a TID, they are approving the
116 ability for the TIF to be utilized to fund projects. The City of Onalaska must approve the
117 projects on an individual basis as it moves through the implementation of the TID.
 - 118 • The development group has provided a proposal to the City of Onalaska, and the
119 expectation is that throughout the life of the TID the TIF could bring in more than \$60
120 million (\$62.6 million) in new taxable value to the city. At the current tax rate of the
121 properties within the City of Onalaska, based on the equalized tax rate of 19.72 mils, the
122 revenue grows from \$258,344 early in the life of the district to \$1,234,531 at the end.
123 That stream of revenue is what is available to pay back the infrastructure projects.
 - 124 • The preliminary finance plan is that there are debt issues that are done by the city to fund
125 the capital costs. The yearly debt service payments (principal, interest) are made using
the new tax revenue coming from the \$62.6 million in development that is forecasted for

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- 126 a full buildout of the TID.
- 127 • With this buildout, the district could reach a point in 2033 where the funds in the bank are
- 128 greater than the principal balance on the loan. The district could be paid off in 2033, and
- 129 all the expenses would be paid. The district then potentially could shut down, and the
- 130 \$62.6 million in tax base would shift back and become part of the City of Onalaska's tax
- 131 base in the general fund, as well as the general funds for the Holmen School District, La
- 132 Crosse County, and Western Technical College.
- 133 • The Joint Review Board's initial meeting is this evening. A similar presentation will be
- 134 made at 7 p.m. to the Plan Commission, which will vote on a resolution recommending
- 135 approval of TID No. 6 to the Common Council. If the Plan Commission approves TID
- 136 No. 6 this evening, and the Council approves it at its September 8 meeting, the Joint
- 137 Review Board would need to meet one more time in September to vote on the creation of
- 138 TID No. 6.
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140 City Administrator Rindfleisch said the full project plan that was emailed to board members

141 includes a map of the infrastructure improvements, and he told board members the projected

142 investment cost is more than \$5 million.

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144 Jarrod noted he had worked on putting together the project plan for the projects that are needed

145 for TID No. 6. Those projects are as follows:

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- 147 • A stormwater pond next to the Menards property by the U.S. Highway 53/Sand Lake
- 148 Road interchange. The ponding area will be constructed large enough so that all the
- 149 water from the east side of Sand Lake Road may go over to the ponding area. This will
- 150 allow for more developable land not only in TID No. 6, but also in the future
- 151 development area owned by Mayo Clinic.
- 152 • A box culvert that will go under the road.
- 153 • A storm sewer that will reach the TID No. 6 area. The first three projects will bear
- 154 significant costs, but they also will lead to increased development in this area. They also
- 155 will allow for better stormwater control in the entire region.
- 156 • A sanitary sewer and watermain connection through TID No. 6. It also would serve
- 157 future areas and connections.
- 158 • A roundabout for traffic control at the intersection of Sand Lake Road, County Trunk
- 159 Highway S, and County Trunk Highway SN. The road improvements would extend to
- 160 the intersection of Krause Road, one of the primary entrances to the new development.
- 161 • Streetlighting improvements along Sand Lake Road.
- 162 • A road connection to direct traffic to the existing roundabout located at Sand Lake Road
- 163 and Riders Club Road.
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165 Sean told board members they will receive any changes to the project plan in advance of the next

166 meeting.

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168 **Item 6 – Set next meeting date**

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170 Sean said the meeting must be noticed at least five days before it occurs.

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172 Motion by John, second by Majel, to hold the next meeting of the Joint Review Board at 6 p.m.

173 on Wednesday, September 16.

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175 On voice vote, motion carried.

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177 **Adjournment**

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179 Motion by Majel, second by Julie, to adjourn at 6:36 p.m.

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181 On voice vote, motion carried.

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184 Recorded by:

185

186 Kirk Bey