



TAX INCREMENTAL FINANCING JOINT REVIEW BOARD AGENDA

Date and Time: Thursday, July 30, 2020 at 11:00AM CDT

Location: City Hall, 101 South Boulevard, Baraboo, WI 53913

Room: Council Chambers

This meeting is open to the public. However, with the health concerns regarding COVID-19, anyone appearing in person will be requested to wear a mask and to follow social distancing protocols. Remote participation at this meeting is allowed and encouraged. Committee Members and the public wanting to participate remotely must dial:

Conference Call: 1 (414) 662-3639 Conference Code: 217 158 107#

Members: Madison Area Technical College, Dr. James Falco; Baraboo School District, Dr. Lori Mueller & Kevin Vodak; Sauk County, Elizabeth Geoghegan; City of Baraboo, Phil Wedekind; Public Member, Stewart Koehler

Others: Mayor, Mike Palm; Interim City Administrator, Ed Geick; City Finance Director, Cynthia Haggard; City Engineer, Tom Pinion; Executive Director Community Development, Pat Cannon

1. Call to Order:
 - a. Roll call of members.
 - b. Note Compliance with Open Meeting Law.
 - c. Approve minutes – July 16, 2020.
 - d. Approve agenda.
2. Action Items:
 - a. JRB Resolution 2020-01, Tax Incremental District Standard Extension Resolution TID 7, by majority voice vote.
 - b. JRB Resolution 2020-02, Tax Incremental District Technical College Extension Resolution TID 7, by majority voice vote.
 - c. JRB Resolution 2020-03, Tax Incremental District Standard Extension Resolution TID 8, by majority voice vote.
 - d. JRB Resolution 2020-04, Tax Incremental District Technical College Extension Resolution TID 8, by majority voice vote.
3. Presentation:
 - a. Presentation from Pat Cannon, Executive Director of Community Development to discuss the potential creation of TID 10 and TID 11.
4. Informational Items:
 - a. Discuss next meeting date and time to consider creation of TID 10 Overlay of TID 8 and TID 11 Overlay of TID 7.

5. Adjournment:

For more information about the City of Baraboo, visit our website at www.cityofbaraboo.com.

Agenda prepared by Cynthia Haggard, (608) 355-2700 Agenda
Posted by Donna Munz on July 24, 2020

Any person, who has a qualifying disability as defined by the Americans with Disabilities Act and requires the meeting or materials at the meeting to be in an accessible location or format, should contact the Baraboo City Clerk at 101 South Boulevard, Baraboo, Wisconsin or by phone (608) 355-2700 during regular business hours at least 48 hours before the meeting to ensure reasonable arrangements are made to accommodate each request.

Present: City of Baraboo, Alderperson Phil Wedekind; Baraboo School District, Kevin Vodak; Sauk County, Elizabeth Geoghegan; Madison Area Technical College, Dr. James Falco

Absent: None

Also Present: Mayor, Mike Palm; Interim City Administrator, Ed Geick; Executive Director of the Community Development Authority, Pat Cannon, Assistant Fire Chief, Mark Willer; City Finance Director, Cynthia Haggard; Stewart Koehler

Citizen Present: None

The meeting was called to order by City Alderperson Phil Wedekind at 11:00AM CDT., with roll call and noting compliance with the Open Meetings Law.

Moved by Vodak to approve the minutes of July 11, 2019, seconded by Dr. Falco and unanimously carried.

Motion by Vodak to approve agenda, seconded by Dr. Falco and unanimously carried.

Selection of the Tax Incremental Financing Joint Review Board Chairperson, by majority vote for TID 6, TID 7, TID 8, and TID 9.

Motion by Geoghegan to nominate Phil Wedekind as the Chairperson for TID 6, TID 7, TID 8 AND TID 9, seconded by Vodak with roll call and unanimously carried.

Selection of the Tax Incremental Financing Joint Review Board Public Member, by majority vote for TID 6, TID 7, TID 8 and TID 9

Mayor Palm provided background that he was originally the public member for the TIDs. He was the public member before becoming the Mayor. He expressed that in the best interest of the Board, he chose to step down from that roll and asked the Board to vote in a new public member. He informed the Board that he had asked Stewart Koehler to attend today’s meeting in hopes he would be considered for the vacant public member position.

Motion by Dr. Falco to nominate Stewart Koehler as the public member for TID 6, TID 7, TID 8 and TID 9, seconded by Geoghegan with roll call and unanimously carried.

Review annual reports and review the performance and status of the Open Tax Incremental Districts TID 6, TID 7, TID 8 and TID 9

The Committee reviewed the annual reports for TID 6, TID 7, TID 8 and TID 9

The Committee reviewed the performance and status of TID 6, TID 7, TID 8 and TID 9, which included:

- Performance Highlights
- Outstanding Debt Service
- Estimated Future Performance
- Performance Graphs

Discuss next meeting date and time to consider prospective extension of TID 7 and TID 8

Pat Cannon presented information about the need for TID 7 and TID 8 extensions. He also discussed the timing of the next meeting being late July.

The Board agreed upon the next meeting being July 30th at 11:00AM CDT. The meeting location will be Council Chambers at 101 South Boulevard, and will have remote capability available through Microsoft Teams.

Motion by Vodak to adjourn the meeting, seconded by Geoghegan, meeting adjourned at 11:25AM CDT.

Respectfully submitted,
Cynthia Haggard, Finance Director

MEMORANDUM

To: Joint Review Board

CC: Mayor Palm
Ed Geick
Emily Truman
Tom Pinion
Cynthia Haggard

From: Patrick Cannon
Executive Director

Re: TID #7 & TID #8 Extension information

Date: July 23, 2020

At the July 16, 2020 Joint Review Board, a meeting date was set to consider and discuss the request from the City of Baraboo to approve the automatic extensions for TID #7 & TID #8. The City of Baraboo took action at their July 14, 2020 meeting to formally request these extensions.

Under current State Statutes, a Tax Incremental Financing District may be granted two, three extensions based upon the districts inability to generate sufficient funds to retire the debt within the allowable time. It is our analysis that these two districts will not generate the sufficient tax increment.

TID #7

This district is located on the property near Teel Manufacturing. It includes the Teel facility and the vacant lands within the business park. At this time, the tax increment is limited to the Teel properties and the Pizza Ranch restaurant. When the TID was created, it had projected additional development that has not occurred.

While the taxes generated in this district are less than the annual debt service, the Developer has an agreement with the City that they would be responsible for any revenue shortfalls. In addition, they would be allowed to recover these expenses if the district has surplus revenues. In addition to this recovery option, the City also has expenses that were not covered via the issuance of the debt.

Attached is a projection of the TID revenues and expenses with the available six-year extension. As shown both the Developer and the City would be able to recover their costs.

TID #8

This district is the area along the Baraboo Riverfront. It was created to assist with re-development along the river corridor.

Based upon the current projections, this district will not generate sufficient revenues to retire its debt obligations. For the past several years, donations from TID #6 have been transferred to this district in order to pay the debt service. TID #6 will retire soon and the transfers will not be available.

Attached is a copy of the projections without any transfers from TID #6. As you can see, it will not be able to make its obligations. Also attached is a projection with the additional 6-year extensions. Again, this district will not be able to generate sufficient revenues.

At this time, the City is asking that the Joint Review Board approve the extensions for TID #7 & TID #8.

Please let me know if you have any questions.

City of Baraboo
TIF #7
Projected Extensions

pac 7/23/2020

Year	TIF #7 Debt	Projected Tax payments	Donation from TIF #11	Teel Payment (Repayment)	Teel Balance
					534,905 pd as per agreement
2020	367,681	221,075		146,606	681,511
2021	365,330	221,075	-	144,255	825,766
2022	368,206	221,075	-	147,131	972,897
2023	385,407	221,075	-	164,332	1,137,229
2024	321,705	221,075	-	100,630	1,237,859
2025	228,768	221,075	-	7,693	1,245,552
2026	227,981	221,075	-	6,906	1,252,458
2027		221,075	-	(221,075)	1,031,383
2028		221,075		(221,075)	810,308
2029		221,075		(221,075)	589,233
2030		221,075		(221,075)	368,158
2031		221,075		(221,075)	147,083
2032	73,992	221,075		(147,083)	-
2033	193,263	221,075		(27,812)	(27,812)

Assumptions

Debt per the Financial Report

Payment projection does not assume any growth and is based upon 2019 Property Tax Revenues

Payments in 2032 & 3033 are a repayment of the City costs

14

MAP OF PROPOSED DISTRICT BOUNDARY



City of Baraboo
TIF #8
TIF Extension Projection
Annual Debt Service

Year	Debt Service	Projected Increment	Annual Operating Gain/(Loss)	Fund Balance
2019				(481,365)
2020	268,198	10,458	(257,740)	(739,105)
2021	298,620	10,563	(288,057)	(1,027,162)
2022	303,011	10,668	(292,343)	(1,319,505)
2023	317,213	10,775	(306,438)	(1,625,943)
2024	305,362	10,883	(294,479)	(1,920,423)
2025	292,381	10,991	(281,390)	(2,201,812)
2026	284,834	11,101	(273,733)	(2,475,545)
2027	55,305	11,212	(44,093)	(2,519,637)
2028	61,830	11,325	(50,505)	(2,570,143)

Assumptions

Does not include subsidy from TIF #6

1% growth in annual increment

Fund Balance not recovered becomes City Responsibility

City is responsible for any annual debt service shortfall

City of Baraboo
TIF #8
TIF Extension Projection
With TIF Extensions

Year	Debt Service	Projected Increment	Annual Operating Gain/(Loss)	Fund Balance
2019				(481,365)
2020	268,198	10,458	(257,740)	(739,105)
2021	298,620	10,563	(288,057)	(1,027,162)
2022	303,011	10,668	(292,343)	(1,319,505)
2023	317,213	10,775	(306,438)	(1,625,943)
2024	305,362	10,883	(294,479)	(1,920,423)
2025	292,381	10,991	(281,390)	(2,201,812)
2026	284,834	11,101	(273,733)	(2,475,545)
2027	55,305	11,212	(44,093)	(2,519,637)
2028	61,830	11,325	(50,505)	(2,570,143)
2029	-	11,438	11,438	(2,558,705)
2030	-	11,552	11,552	(2,547,153)
2031	-	11,668	11,668	(2,535,485)
2032	-	11,784	11,784	(2,523,701)
2033		11,902	11,902	(2,511,799)
2034		12,021	12,021	(2,499,778)

Assumptions

Does not include subsidy from TIF #6

1% growth in annual increment

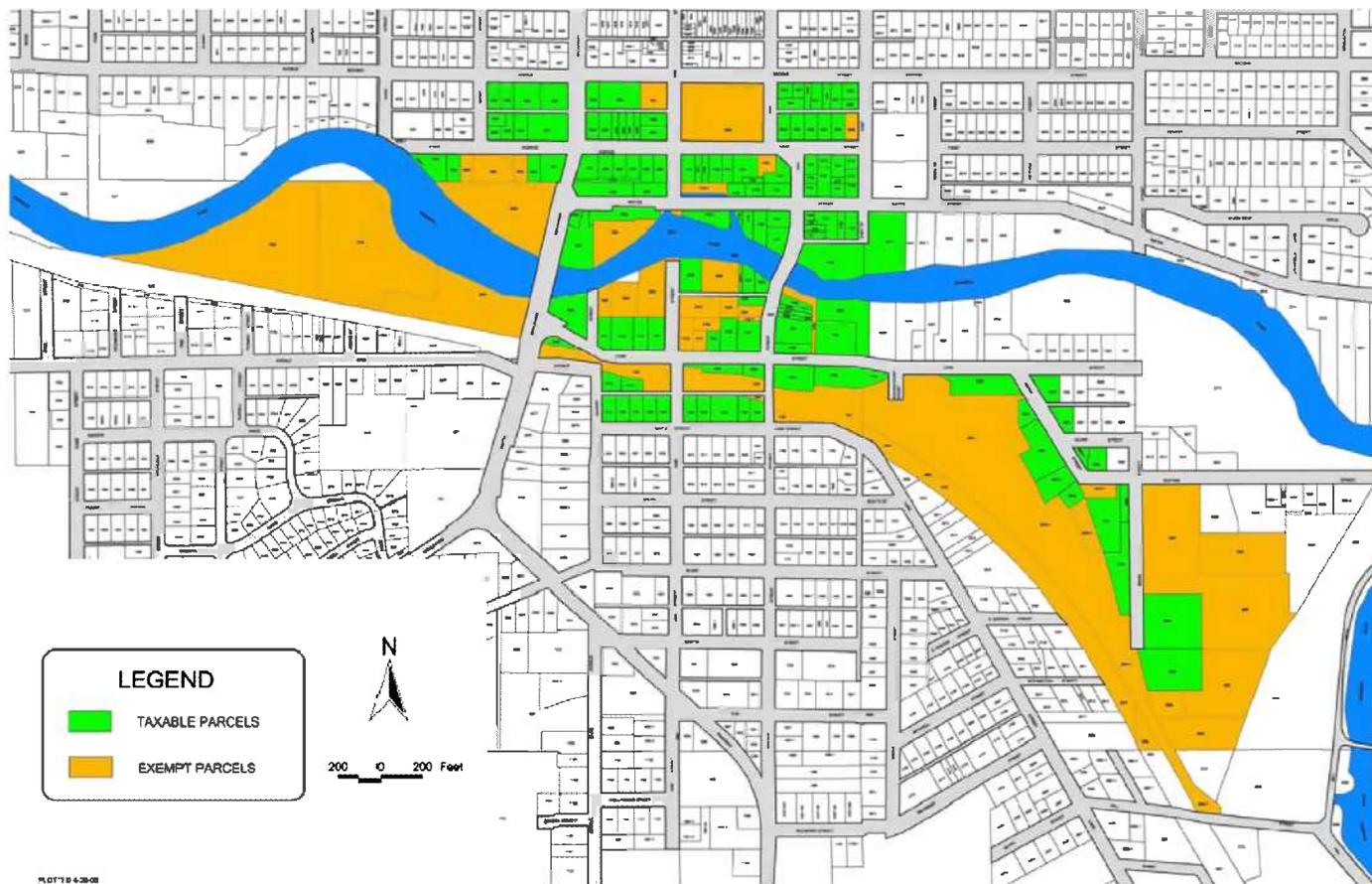
Fund Balance not recovered becomes City Responsibility

City is responsible for any annual debt service shortfall

14

MAP OF PROPOSED DISTRICT BOUNDARY

PROPOSED TID 8



The City of Baraboo, Wisconsin

Background

Staff has reviewed the financial projections for Tax Increment Districts (TIDs) 7 and 8 and at this time, based upon the economic growth within TID 7 and 8, it is staff's opinion that these TIDs will not be able to fulfil their debt obligations at the end of the current life. State statute allows TIDs to be extended for additional years based upon a review by the Joint Review Board. In order for the Joint Review Board to consider the extension, the Common Council is required to formally request the Board extend the life of the TIDs as long as statutorily allowed by §66.1105(7)(am), Wis. Stats.

Note: (✓one) Not Required Budgeted Expenditure Not Budgeted

Comments

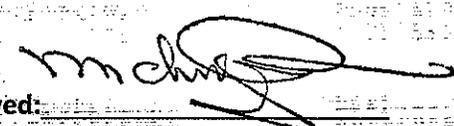
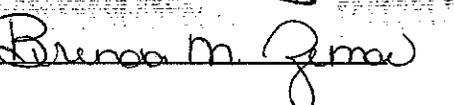
Resolved, by the Common Council of the City of Baraboo, Sauk County, Wisconsin:

That the Common Council hereby requests the Joint Review Board extend the life of Tax Increment Districts 7 and 8 as long as statutorily permitted by §66.1105(7)(am), Wis. Stats.

Offered by: Finance and Personnel Committee
Motion: Petty
Second: Ellington

Approved:

Attest:

Tax Incremental District (TID) Standard Extension Resolution

City of Baraboo TID #7 Resolution 2020-01
(town, village, city) (municipality) (number) (number)

WHEREAS, TID #7 was created on 01 01, 2006 and has a maximum life date of 12 31, 2026; and
(month) (day) (year) (month) (day) (year)

WHEREAS, the City of Baraboo TID #7 is not expected to generate sufficient revenue to recover its project costs within its maximum life; and

WHEREAS, under state law (sec. 66.1105(7)(am)1.- 3., Wis. Stats.), a municipality may request that the Joint Review Board (JRB) extend the life of a TID if the annual and total amount of tax increments over the remaining life of the district are not expected to generate sufficient revenue to recover its project costs.

TID Type: *(check one)*

- Blight – creation resolution adopted 10/1/95 - 9/30/04, allows four additional years
- Rehabilitation/Conservation – creation resolution adopted 10/1/95 - 9/30/04, allows four additional years
- Blight – creation resolution adopted after 10/01/04, allows three additional years
- Rehabilitation/Conservation – creation resolution adopted after 10/01/04, allows three additional years
- Industrial – creation resolution adopted after 10/01/04, allows three additional years
- Mixed-use – creation resolution adopted after 10/01/04, allows three additional years
- Environmental Remediation – creation resolution adopted after 11/29/17, allows three additional years

WHEREAS, under state law (sec. 66.1105(7)(am), Wis. Stats.), the municipality, together with the extension request:

- Provided an independent audit, which demonstrated the TID is unable to pay off its project costs by the required maximum life date *(JRB must approve)*
- Did not provide an independent audit but provided documentation on the TID's finances *(JRB may deny or approve)*

THEREFORE BE IT RESOLVED, that the JRB hereby approves the extension of TID #7 by an additional three years to 12 31, 2029; and
(month) (day) (year)

BE IT FURTHER RESOLVED, that the City of Baraboo Clerk shall notify the Wisconsin Department of Revenue by providing a copy of this resolution.

Adopted this day of July, 2020
(day) (month) (year)

Resolution introduced and adoption moved by JRB member _____
(name)

Motion for adoption seconded by JRB member _____
(name)

On roll call motion passed by a vote of ayes to nays
(number) (number)

ATTEST:

Joint Review board Chairperson Signature

Clerk Signature

Tax Incremental District (TID) Technical College Extension Resolution

City of Baraboo TID #7 Resolution 2020 - 02
(town, village, city) (municipality) (number) (number)

WHEREAS, TID #7 was created on 01 01, 2006 and has a maximum life date of 12 31, 2029; and
(month) (day) (year) (month) (day) (year)

WHEREAS, the City of Baraboo TID #7 is not expected to generate sufficient revenue to recover its project costs within its maximum life; and

WHEREAS, under state law (sec. 66.1105(7)(am)4.a, Wis. Stats.), a municipality may request that the Joint Review Board (JRB) extend the life of a TID an additional three years if the annual and total amount of tax increments over the remaining life of the district were adversely impacted by 2013 Wisconsin Act 145; and

WHEREAS, under state law (sec. 66.1105(7)(am)4.b, Wis. Stats.), the municipality, together with the extension request:

- Provided an independent audit, which demonstrated the TID is unable to pay off its project costs by the required maximum life date (*JRB must approve*)
- Did not provide an independent audit but provided documentation on the TID's finances (*JRB may deny or approve*)

WHEREAS, the City of Baraboo has demonstrated to the JRB that TID #7 was adversely impacted by a decrease in revenues following 2013 Wisconsin Act 145; and

THEREFORE BE IT RESOLVED, that the JRB hereby approves the extension of TID #7 by an additional three years to 12 31, 2032, pursuant to Wisconsin Act 254; and
(month) (day) (year)

BE IT FURTHER RESOLVED, that the City of Baraboo Clerk shall notify the Wisconsin Department of Revenue by providing a copy of this resolution.

Adopted this _____ day of July, 2020
(day) (month) (year)

Resolution introduced and adoption moved by JRB member _____
(name)

Motion for adoption seconded by JRB member _____
(name)

On roll call motion passed by a vote of _____ ayes to _____ nays
(number) (number)

ATTEST:

Joint Review Board Chairperson Signature

Clerk Signature

Tax Incremental District (TID) Standard Extension Resolution

City of Baraboo TID #8 Resolution 2020-03
(town, village, city) (municipality) (number) (number)

WHEREAS, TID #8 was created on 01 01, 2006 and has a maximum life date of 12 31, 2033; and
(month) (day) (year) (month) (day) (year)

WHEREAS, the City of Baraboo TID #8 is not expected to generate sufficient revenue to recover its project costs within its maximum life; and

WHEREAS, under state law (sec. 66.1105(7)(am)1.- 3., Wis. Stats.), a municipality may request that the Joint Review Board (JRB) extend the life of a TID if the annual and total amount of tax increments over the remaining life of the district are not expected to generate sufficient revenue to recover its project costs.

TID Type: *(check one)*

- Blight – creation resolution adopted 10/1/95 - 9/30/04, allows four additional years
- Rehabilitation/Conservation – creation resolution adopted 10/1/95 - 9/30/04, allows four additional years
- Blight – creation resolution adopted after 10/01/04, allows three additional years
- Rehabilitation/Conservation – creation resolution adopted after 10/01/04, allows three additional years
- Industrial – creation resolution adopted after 10/01/04, allows three additional years
- Mixed-use – creation resolution adopted after 10/01/04, allows three additional years
- Environmental Remediation – creation resolution adopted after 11/29/17, allows three additional years

WHEREAS, under state law (sec. 66.1105(7)(am), Wis. Stats.), the municipality, together with the extension request:

- Provided an independent audit, which demonstrated the TID is unable to pay off its project costs by the required maximum life date *(JRB must approve)*
- Did not provide an independent audit but provided documentation on the TID's finances *(JRB may deny or approve)*

THEREFORE BE IT RESOLVED, that the JRB hereby approves the extension of TID #8 by an additional three years to 12 31, 2036; and
(month) (day) (year)

BE IT FURTHER RESOLVED, that the City of Baraboo Clerk shall notify the Wisconsin Department of Revenue by providing a copy of this resolution.

Adopted this day of July, 2020
(day) (month) (year)

Resolution introduced and adoption moved by JRB member _____
(name)

Motion for adoption seconded by JRB member _____
(name)

On roll call motion passed by a vote of ayes to nays
(number) (number)

ATTEST:

Joint Review board Chairperson Signature

Clerk Signature

Tax Incremental District (TID) Technical College Extension Resolution

City of Baraboo TID #8 Resolution 2020 - 04
(town, village, city) (municipality) (number) (number)

WHEREAS, TID #8 was created on 01 01, 2006 and has a maximum life date of 12 31, 2036; and
(month) (day) (year) (month) (day) (year)

WHEREAS, the City of Baraboo TID #8 is not expected to generate sufficient revenue to recover its project costs within its maximum life; and

WHEREAS, under state law (sec. 66.1105(7)(am)4.a, Wis. Stats.), a municipality may request that the Joint Review Board (JRB) extend the life of a TID an additional three years if the annual and total amount of tax increments over the remaining life of the district were adversely impacted by 2013 Wisconsin Act 145; and

WHEREAS, under state law (sec. 66.1105(7)(am)4.b, Wis. Stats.), the municipality, together with the extension request:

- Provided an independent audit, which demonstrated the TID is unable to pay off its project costs by the required maximum life date (*JRB must approve*)
- Did not provide an independent audit but provided documentation on the TID's finances (*JRB may deny or approve*)

WHEREAS, the City of Baraboo has demonstrated to the JRB that TID #8 was adversely impacted by a decrease in revenues following 2013 Wisconsin Act 145; and

THEREFORE BE IT RESOLVED, that the JRB hereby approves the extension of TID #8 by an additional three years to 12 31, 2039, pursuant to Wisconsin Act 254; and
(month) (day) (year)

BE IT FURTHER RESOLVED, that the City of Baraboo Clerk shall notify the Wisconsin Department of Revenue by providing a copy of this resolution.

Adopted this day of July, 2020
(day) (month) (year)

Resolution introduced and adoption moved by JRB member _____
(name)

Motion for adoption seconded by JRB member _____
(name)

On roll call motion passed by a vote of ayes to nays
(number) (number)

ATTEST:

Joint Review Board Chairperson Signature

Clerk Signature

MEMORANDUM

To: Joint Review Board

CC: Mayor Palm
Ed Geick
Emily Truman
Tom Pinion
Cynthia Haggard

From: Patrick Cannon
Executive Director

Re: Information regarding the potential creation of TID #10 & TID #11

Date: July 23, 2020

Included on the July 30, 2020 Joint Review Board agenda is a request to select a date to discuss the possible creation of two new TID districts. I wanted to provide some background information regarding this request.

The potential creation of these new districts is in addition to the extension requests also on the agendas. The other driving factor in these requests is the potential for additional developments within the prescribed areas and their abilities to assist the other TIDs in making their debt service payments.

TID #10

This proposed TID would be a partial overlay of the existing TID #8. The proposal generally centers around the areas directly adjacent to the Baraboo River on both the north and south sides. The exact area would be included in the creation documents.

TID #10 would serve two initial purposes. First, it would be the financial support for an economic incentive agreement with the Developers of the proposed new apartment complex on Lynn St. The Developer has requested assistance in their financial pro forma with a “pay-go” agreement. These terms are still in negotiations. It is our analysis that the requested incentive could not be provided within the current TID #8 due to the limited time to provide the assistance or its extension for that matter.

The second aspect is that the new district would have a longer time to recover its costs. This would allow for the incentive aspect, for the City to recover its site development costs, as well as for it to be designated as a donor to the current TID #8 to assist with its annual debt payments.

TID #11

This district would be an overlay of the existing vacant properties within TIF #7. While our projections show this TID’s ability to be solvent with the requested extensions, it would not allow the City to provide any type of economic incentive packages to a Developer.

The Baraboo Community Development Authority does not and shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry) disability, marital status, sexual orientation or military status, in any of its activities, operations or employment. The Baraboo CDA is an equal opportunity employer and will take affirmative actions as required.

The City is currently in discussions with Developers regarding the potential construction of a hotel and some additional flex office space in the district. Any incentive offers would be a “pay go” package. In addition, the revenues will also be used as a donation to TIF #8 in order to ensure its ability to retire the debt on a timely basis.

At the forthcoming meeting to create these districts, a more detailed financial and project plan will be presented.

Please let me know if you have any questions.