

SPECIAL PLAN COMMISSION
AUGUST 29, 2007 - 7:00pm
VILLAGE HALL

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Unapproved Minutes Subject to Board Approval

CALL TO ORDER-7:07pm/PLEDGE OF ALLEGIANCE/ROLL CALL: Deeter, Destree, Diedrich, Karow, Skinner, present. Beyer absent. Also in attendance: David E Cox, Village Administrator; Mike Hallmann, Griffin, Kubic, Stephens & Thompson; Jamie Rybarczyk, Village Planner; and Kathleen Richardson, Clerk/Treasurer.

PUBLIC HEARING TO RECEIVE COMMENT ON THE PROPOSED CREATION OF TAX INCREMENTAL FINANCING DISTRICT #1, THE PROPOSED DISTRICT BOUNDARIES, AND THE RELATED PROJECT PLAN. Motion by Karow, Skinner, Carried, to Open the Public Hearing.

Jamie Rybarczyk, of PDI, reviewed the current draft of the Tax Increment District #1 plan design which is now in the final document format. There are approximately 212 parcels in the proposed district; several public meetings have been held in the past 6 months; individual meetings were held with interested property owners (30 in total); a public workshop was held with the results from these interviews; and monthly meetings have progressed through the four phases of this process. There are two main areas of focus now: Main Street District - the downtown area which a conceptual idea has been created including street/sidewalk improvements, as well as the potential for 8 new building sites; and the North Lake Avenue District. Three areas have also been identified for gateway features for the Village. A requirement per Wisconsin State Statute under TIF (Tax Incremental Financing) law is a Blight Study which is an evaluation of the condition of all properties in the district. Rybarczyk continued that being identified as blight does not have any affect on the business function, as it may pertain to a poor sidewalk/street in front of the property, no ADA accessibility, a needed electrical or plumbing upgrade, or simply low curb appeal. This does not mean an establishment will be demolished nor will a property owner be required to do anything. Additionally, if a property is identified as blight, it could be eligible for matching grants for improvements.

Mike Hallmann, Village Financial Consultant from Griffin, Kubic, Stephens & Thompson, explained the TID concept. By law a TID allows a community to make improvements within the district using the incremental tax revenue. Start with the base year of value within the district, and as the value continues to grow there is an increment (the difference between the base value and the current value of the properties within the district). The taxes associated with the increment are used for the improvements that are done within the district. Many statutory requirements must be met before this TIF can be in place. To compare, if the Village were to borrow the money to make improvements, the cost of the borrowing would be spread out among the tax payers of the Village. Forming a TIF, any borrowing that is done within the district, the increase in the value of the district would be multiplied by the tax rate and the cash flow (increment) from that would be used to pay for the improvements. This is a way to make improvements that does not cost the community as a whole. Hallmann continued that their role is to take the proposed plan, analyze it and determine whether the amount of tax increment revenue generated would be sufficient to make the debt payments to fund the projects. Their analysis determines this to be a viable plan with more than enough revenue to make the payments, and the general tax levy will not have to support this project.

Public Comments:

Ross Boone, 3031 E Lake Shore Drive - expressed his feelings against a TIF district in the Village; in part this is due to many residents going out of town for services, only secondary County roads leading into the Village, there is no blight in Twin Lakes that is preventing development, and if the TIF does not raise tax revenue in the district, the homeowners taxes will be raised to pay for the expenses of the TIF as well as the cost of running the Village and the schools.

Teresa Kloster, daughter lives in the Village -(partial inaudible due to not speaking in the microphone) -questioned who on the Board lives in the TID district or who has a business in the district and will gain the benefit of this district; argued the designation of blight having an economic affect on property; concern with the length of the TIF (27 years) and the future boards that will be coming in; questioned what happens to the money that is left over. Hallmann stated the money stays in the district and must be used for expenditures or debt payments on the TIF borrowing. After all the debts are paid, the TID is closed and the tax base is spread out over all the government bodies. Rybarczykrczk stated that any new development or re-development within the TID must go through the proper review process. This involves staff level, Plan Commission, Regular Board, and then the Joint Review Board (which is made up with members from the taxing bodies-Kenosha County, Gateway Technical College, Wilmot Union High School, Lakewood School District, the Village, and a citizen member from the community).

Kathy Ticha, 2062 Megan's Way - asked what those who were interviewed had wanted to accomplish as well as why a TID was needed to improve the sewer system when each resident pays for their service. Rybarczyk stated some of the plans of the interviewed owners included updating outdated electrical/plumbing needs, current leasers who wanted to purchase their own building; upgrade to facades; as well as a new development proposed in downtown area. Rybarczyk continued that the sewer improvement would be a cost that would be TID eligible, and would not have to be paid by the

general tax levy.

Christine Volbrecht, 206 Burden Avenue - asked if the property taxes will be going up. Hallmann stated the tax rate will stay the same as those outside the district. Volbrecht stated she did not receive a notice for the initial interviews and asked if they could still meet with someone. Cox stated a time could be arranged to meet and discuss the plan, as well as any concerns they may have.

Deeter asked what would happen if the Village were to set up the TID, and then decided not to go any further. Hallmann stated if the Village adopts the TID plan, then decides not to proceed, they can close the plan at any time. Any TID incremental revenues would then be distributed to the appropriate governmental entities.

Tom Olson, Twin Lakes Laundry - questioned if the Village could come in, decide they don't want his business in town, and use eminent domain to take the property. Destree stated that could happen either with or without the TID district. Cox stated the Village is not planning on doing any large projects that would involve that, and stated the importance of electing those who use their powers carefully.

Patricia Danielson, 534 Barry Road - expressed great concern over the blighted designation given to their newly improved home and how long it would be designated as such. Rybarczyk stated the designation was given to the properties on Barry Road because there is a public safety concern with the road right-of-way. There is a need for curb and gutter, and sidewalks in that area. Cox stated this is an opportunity to make these improvements to this area.

Fritz Guasta, 316 E Main Street -(partial inaudible)- questioned if nothing is done in the district, will only the 212 properties pay for the new sewer, or any other improvement that was mentioned to be done, or is it spread out among all taxpayers. Hallmann stated the attorney has to determine if the project is related to the TID, and if it is, it will be paid for out of the increment. If the project will benefit more than just the TID, that portion will be born by the taxpayers.

Larry Witzling, PDI, stated that if the Village decided to do an improvement within the TID district, they do not have to use the increment money. It can be funded through the general tax levy. Cox continued by stating that it is the intent of those bodies involved that no expenditures will be made within the district until there is an approved project to support the cost. Hallmann added the bonds will be in the 4 - 5% range.

Phil Parisi, 2039 E Lake Shore Drive - owner of property at 316 N Lake Avenue, asked why the designation of blight on his properties. Cox stated the reasons listed included the deficiencies in the right of way (sidewalks/curbs) as well as 'lack of curb appeal'. Parisi continued that a better word is needed for 'blight'!

Charles Lovely, 212 W Main Street - owner of 517 N Lake Avenue, questioned what is wrong with his properties and what he has to do. Rybarczyk stated the blighted designation was due to 'lack of investment in the property' and 'lack of curb appeal'. The 'lack of investment' pertains to the building which houses many different businesses, but none have unique entrances. Rybarczyk stressed that a property owner does not have to do anything. Lovely asked what would happen if people could not sell their property at the assessed value, as things are today. Hallman stated historical trends and averages are used in their figuring bringing them to the 4%.

Gerry Kuhn, 410 S Lake Avenue - stated he felt this is a worthwhile effort to beautify the Village that is long overdue. If being designated blighted brings more opportunities for grants, great! Also stated in terms of improving the downtown, the Village needs to get rid of the bars!

Motion by Skinner, Destree, Carried, to close the Public Hearing.

Motion by Destree, Deeter, Carried, to Recommend Creation of Tax Incremental Financing District #1 to the Village Board of Trustees.

Motion by Karow, Skinner, Carried, to Designate the Boundaries of Tax Incremental Financing District #1, per Exhibit 1 of the Current Plan. Cox stated the Commission had been interested in having the 28 acre parcel (East of Kennedy and Roosevelt Roads) added to the district, but were unable to accomplish that due to various requirements regarding vacant property. They were able to add the properties on Pawley Avenue, intersection of Main Street and Lance Drive (south side), and Lincoln Drive (west side) as requested though. Skinner asked if the 28 acre parcel could be split and brought in to include the additional increment, or if it could be added after the boundaries are accepted. Rybarczyk stated it could be added but to remember there are only two amendments to the plan allowed during the 27 year period.

Motion by Skinner, Destree, Carried, to Adopt the Tax Incremental Financing District #1 Project Plan, Including the Finding of Blight for the Properties Included Therein. Rybarczyk reviewed the various changes to the plan which include the addition of the Public Involvement section on page 2, pictures on page 3, and the draft conceptual plan on page 4. Hallmann continued with page 7 Inflationary Valuation Increases information, page 8/9 changes to the charts due to the increased boundaries valuation, and on page 10 Sanitary Sewer improvements has been increased (refer to page 12-List of Non-project Costs). Rybarczyk stated on page 13 the process of the project adoption has been added, Exhibit 5 shows the change to the configuration of Bassett Street, and Exhibit 11 Design Guidelines and Standards for the TID area is new.

Motion by Karow, Skinner, Carried, to Submit the Creation of Tax Incremental Financing District #1, the Designated Boundaries, and Approved Project Plan to the Village Board of Trustees for Approval.

Motion by Skinner, Destree, Carried, to adjourn @ 8:40pm.

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Kathleen Richardson, CMC
Village Clerk/Treasurer

Attachment: Email - Rhett Suhre

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