

REDEVELOPMENT AUTHORITY COMMISSION

Minutes

September 21, 2017

Ariens Museum

5:30 pm

CALL TO ORDER:

Chairperson Beth Wenzel called the meeting to order at 5:42 pm.

ROLL CALL:

Present were Chairperson Beth Wenzel, Matthew Bennett, Kim Buboltz, Tamara Hillmann, and Alderperson Mel Edinger. Absent were Jerome Popp and Ralph Rice. Also present was Administrator/Clerk-Treasurer Lori Gosz.

Guests:

Calumet Count Economic Development Director Mary Kohrell, TJ Lamers from the IPR Group, and Phil Cosson from Ehlers.

APPROVAL OF AGENDA:

Motion - Buboltz moved to approve the agenda as printed and circulated. Seconded by Edinger. Motion carried unanimously.

APPROVAL OF MINUTES:

Motion – Edinger moved to table the approval of the minutes of the September 14, 2017 Redevelopment Authority Commission meeting to the next meeting date. Seconded by Buboltz. Motion carried unanimously.

REDEVELOPMENT AUTHORITY FINANCING PRESENTATION – PHIL COSSON, EHLERS:

Phil Cosson from Ehlers was present. Cosson introduced himself as the City's financial advisor for over 20 years. Cosson explained if the option to finance the RDA projects is not done properly in regard to levy limits, it could really cause a negative impact on the City. He explained the history of the state mandated levy limit since it became law in 2005. He explained the City's prior year actual levy may be increased by the percentage of net new construction in the preceding year. He explained there are adjustments that may reduce or increase the allowable levy. There is one adjustment allowed which is debt service adjustment, which allows communities to increase for debt payment without affect to the allowable levy limit.

Cosson explained the debt service adjustment related strategies to consider, one being short term financing. This allows for borrowing for smaller amounts to be paid off in a short period of time, usually 90 days. Cosson explained that RDA debt is not exempt from City levy limits. He explained that because RDA debt does not count against the City's allowable debt limit, the RDA can borrow for the municipal complex, then annually the City could issue a taxable GO Note to pay the principal/interest due on the RDA financing, which will allow as an exemption to the City levy limit. This can be done through a local bank or the State Trust Fund. The borrowing would have to be taxable. He explained the only risk is that the State would eliminate the debt adjustment from the levy limit law.

Cosson explained another option to finance the municipal complex would be for the IPR Group to finance the project, then the City would short term borrow to pay back the IPR Group. The terms of the development will need to be negotiated. Cosson also suggested borrowing through the USDA as an option, and those loans can go out 40 years. He cautioned extending loans out that long, because of the life expectance of the infrastructure may only be 15-20 years. Buboltz pointed out increasing the amount of years on the borrowing overall increases amount of interest paid.

Wenzel asked if the City will need to get involved with the Brillion Iron Works property which would require borrowing, what options would be available. Cosson explained the option for environmental remediation for TIF development. He explained it is more restrictive than traditional TID's and has no TID capacity limit, however, it requires a DNR/DOR approved remediation plan, this could be a challenge to get and takes time for approval. He would suggest with a site the size of Brillion Iron Works to pursue seeking special legislation to exceed the TID capacity limit. Then go for traditional TID development which allows for more flexibility in expenditures. He stated the Village of Oostburg recently accomplished this. He stated that in his opinion environment remediation for the site would require RDA involvement. Cosson recommended that the RDA recommends to City Council to begin seeking special legislation soon and to begin contacting local legislators.

Kohrell explained there is a grant funding opportunity for the Brillion Iron Works site through the federal Economic Development Administration (EDA). She explained that there are time limits to this funding.

The Commission thanked Cosson for the information. Cosson left the meeting.

DOWNTOWN DEVELOPMENT:

Downtown Redevelopment Project Plan:

Discuss/Finalize Presentation to City Council:

The Commission discussed the request to the City Council to authorize the RDA the use of the \$30,000.00 in Reserves set aside for the RDA Main Street Square Parking Lot Improvements and \$20,000 of other City Reserves for the RDA to use along with \$50,000 in private donations to purchase the old T & C Market building up to the old Groskopp portion of the building. Gosz suggested that the Commission consider what City reserves the City Council might consider for funding the \$20,000. She suggested an option might be to use some of the other RDA/Community Development reserves earmarked for other projects along with the money the RDA has in the bank account. Gosz stated the RDA might want to keep these reserves to continue with other projects they have. Also, with the purchase of property there will be legal fees and closing costs over and above the purchase price. Discussion followed.

Gosz reported the property owner is requesting a Letter of Intent for the purchase of the property. She explained that the City Attorney advised that the RDA could proceed with a Letter of Intent because it does not bind the City or RDA to the purchase it just gives an intent to purchase.

Motion – Bennett moved to proceed with a Letter of Intent for the purchase of the old T & C Market building on Tax ID #15698 up to the portion of the building currently occupied by Dollar General and to use the City Attorney to draft the document. Seconded by Edinger. Motion carried unanimously.

It was stated that once purchased the RDA can seek grant funding for demolition and site preparation. Kohrell explained there is a WEDC Community Development Investment grant opportunity. She will contact Jon Bartz from WEDC on this grant.

2018 BUDGET REQUEST:

The Commission reviewed the year to date RDA Reserve funds and projects for 2018. Gosz questioned if the RDA would like to have City staff continue with the hanging flower basket project and run it through the RDA Reserve fund for the project. The Commission agreed to continue running the project through City RDA Reserves. Wenzel stated there should be money budgeted for replacement of the flag poles. She explained the agreement with the Legion was that they would pay for flag replacements and the RDA would pay for the poles.

Wenzel stated with all the development that will be happening, the intent is that the RDA can generate revenue to fund future projects on their own. It was suggested to not ask the City Council for additional RDA Reserves for these smaller projects and to keep the remaining balances in place for 2018 project expenditures.

Motion – Buboltz moved to recommend to City Council to keep the current balances in the RDA reserves to be used for 2018 projects and not add additional reserves in 2018. Seconded by Edinger. Motion carried unanimously.

POLE DECORATING:

A press release will be submitted to the newspaper, to allow downtown businesses to decorate Main Street light poles during the fall for the Brillion Nature Center Pumpkin Fest and the Walk through Brillion events.

FACEBOOK:

Hillmann will put the pole decorating info on Facebook with pictures from last year.

NEW BUSINESS:

Future Agenda Items:

Hillmann suggested getting all the civic groups together annually to know what each group is doing and how other groups can help. She would like to start this project.

Next Meeting Date:

A Special meeting to further discuss/finalize the Downtown Redevelopment Project will be held on either October 10th for October 11th at 7:00 am at Brillion City Hall.

ADJOURNMENT:

Motion – Edinger moved to adjourn. Seconded by Hillmann. Motion carried unanimously. The meeting was adjourned at 7:54pm.

Lori M. Gosz
City Administrator/Clerk-Treasure
RDA Secretary