



City of Madison

City of Madison
Madison, WI 53703
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Meeting Minutes TIF POLICY REVIEW AD HOC COMMITTEE

Friday, December 20, 2013

1:00 PM

Madison Municipal Building
215 Martin Luther King, Jr. Blvd.
Room 260

1. CALL TO ORDER / ROLL CALL

Present – Ellingson, Schmidt, Bidar-Sielaff, Clear

Absent – Verveer (ill)

Others – Zellers

Staff – Gromacki, Rolfs, Olver, Zellhoefer, Monks

Meeting called to order at 1:09 PM

Present: 4 -

Mark Clear; Sue Ellingson; Chris Schmidt and Shiva Bidar-Sielaff

Absent: 1 -

Michael E. Verveer

2. APPROVAL OF MINUTES

Motion by Bidar-Sielaff, second by Clear to approve the minutes of the Dec 17, 2013 and meeting. Motion carried.

3. PUBLIC COMMENT

In support, wishing to speak -

Delora Newton (Greater Madison Chamber of Commerce) – Newton brought up an issue under the Goals, Objectives, and Process, where the goals were listed. She noted that the questions that were worded in the draft document could be misleading in that a perception may be that an answer in the negative could be perceived as a boundary to obtaining TIF funds. She expressed concerns about the items discussing project labor agreements and requirements that an applicant be required to allow workers to negotiate freely towards organizing.

Nathan Wautier (Madison, WI) – Wautier noted that when the policy got split into 2 documents, he recommended the addition of the following sentence into the section dealing with the annual review of TIF Policy, “The TIF Team, in conjunction with the Finance Staff as appropriate, review the financial assumptions that are used in TIF runs”.

In Opposition, Wishing to Speak

Susan Pastor (Madison, WI) – Pastor said she was concerned with the change in the change to the proposed policy that redefined TIF’s major goal as growing the property tax base. She referred to an e-mail and report that she sent to the Committee members, asking the Committee to look at TIF in a larger context. She said that her view of government was that it was often viewed to be there to help generate profit, which had been redefined to look at profit as part of the “public interest”. She asked them to look at TIF as a part of a way to address both community needs and community benefits, instead of only looking at it only in the context of growing the property tax base. Bidar-Sielaff asked if she knew that the Committee had listed other goals. Pastor indicated that the word “primary” in the goal related to tax base growth, and the fact that it was listed first, gave a lot of importance to this goal. She was concerned that there was no statement about community benefits and other greater needs.

4. DISCLOSURES AND RECUSALS

None.

5. OLD BUSINESS

a) DISCUSSION AND ACTION ON REVISED FINAL DRAFT TIF UNDERWRITING POLICY AND DRAFT GOALS, OBJECTIVES AND PROCESS DOCUMENTS

- b) [29485](#) Accepting the revised TIF Policy approved by the Economic Development Committee on February 20, 2013 for Common Council consideration and adoption. Adopting the revised TIF Policy.

Attachments: [TIF Underwriting Policy - ADOPTED.pdf](#)
[TIF Goals Objectives and Process - ADOPTED.pdf](#)
[TIF Underwriting Policy - Council President's TIF Policy Review Com.pdf](#)
[TIF Goals Objectives and Process - Council President's TIF Policy Review C Version 1.pdf](#)
[Version 2.pdf](#)

Motion to adopt the Policy as recommended by the Committee by Clear, second by Bidar-Sielaff.

Schmidt reviewed the documents provided to the Committee. The Committee began with the Goals, Objectives and Process document. Ellingson asked when the TIF Team came into play in the review of an application. Gromacki said this usually occurred when the analysis of a project was completed. Ellingson asked if the phrase “as necessary” is required to be in the Policy. Gromacki noted that more complex projects required more staff, but “standard” projects did not require the review or input of a large number of staff.

Consensus was to modify Section 3.1(3).

Consensus was to modify Section 3.1(5) to remove the words “as necessary”.

Bidar-Sielaff asked if the Committee should move Goal #1 to the bottom of the list to ensure that there was no perception that this was the most important goal. Clear said he was not concerned with this being the first goal. Ellingson said given how the program was set up, growing the property tax base was the first goal, and Schmidt agreed. Clear said that the most important thing was growing the commercial property tax base to reduce the burden on homeowners.

Consensus was to change the Goals to being lettered instead of being numbered.

Consensus was to change the language in 3.1(7) to add the language “... less than or equal to...”.

The Committee discussed the introduction to Section 3.2. Gromacki noted that sometimes alders held public meetings to introduce the concept of TIF and TIDs. These meetings often were helpful to address questions at the neighborhood level about TIF.

Consensus was to use the language added by Schmidt.

The Committee discussed Section 3.4. Schmidt said that he drafted this section based upon the input from the Committee and his previous experiences with TIF in the City. He noted that he was using this to expand upon the nine goals and how they will be evaluated. Bidar-Sielaff noted that the intention of this section was not to exclude particular applicants, but to provide guidance to Staff. Clear said he was concerned that the language, while not intended to be prescriptive or exhaustive, could very easily become just that. He wanted to ensure that there was a way for policy makers to review varying types of applications in changing conditions, having this kind of language might pose a problem down the road. He recommended having this section removed. Bidar-Sielaff said she was fine with the proposed language, and would like to see it posted publicly. She noted that the annual review could allow the policy to be modified if questions were found to be a problem. Clear said there was an additional concern that this could lead to applicants “teaching to the test”, which was to proscriptive in his view. He felt this would make applications less creative.

ACA Zellehofer addressed the questions brought up by Bidar-Sielaff at the previous meeting. Zellhoefer said that the City was prohibited from requiring certain levels of wages during the construction phase. She said that the City’s Living Wage ordinance would apply to all staff of a developer, all developer staff working on site, and all of their contractors. She noted that it did not apply to the tenant of the building. She said that the City could require labor agreements of a developer for the construction of the project when TIF funding was used. Zellhoefer said that the City was not pre-empted from requiring tenants to hire people from within a certain distance from a project, but the enforcement would be difficult.

Olver noted at the previous meeting that discussion took place around providing an additional incentive to a TIF applicant if they met certain goals for things such as utilizing women and minority owned contractors during design

and / or construction. Zellhoefer said that this would pass legal muster, as long as there were eligible project expenses. Schmidt said if something like this were added, it should be added to the Underwriting section. Schmidt said that the fundamental question was whether or not to provide Staff direction on the Goals. He said if there were no examples, it would be challenging if not impossible for Staff to in effect, read policy maker's minds. Olver said it might not be a bad thing to provide direction to Staff by providing a list that was neither proscriptive nor exhaustive. Bidar-Sielaff said an alternate way of doing this was to make statements that were examples of what the City was looking for, instead of asking a series of questions. Gromacki said that the developer would want to know what the language in Section 3.4 would mean and how it would impact their application. He said developers would invariably ask Staff how to address this particular section when applying for funds. Ellingson said she liked the idea of adding this language to the TIF application, instead of in the Goals, Objectives and Process document. Bidar-Sielaff and Clear suggested putting this item in Section 3.1, under the Goals. Ellingson said she liked having this in a separate section. Olver noted that 3.4(1) and 3.4(9) were sections that Staff should probably evaluate, and not have the applicant address these items. Bidar-Sielaff said she liked the idea of working in references to appropriate plans, ordinances and other documents that specifically dealt with each of these goals. The Committee then re-drafted Section 3.4.

Consensus was that the re-written Section 3.4 was acceptable.

The Committee moved on to review the edited version of the Underwriting Policy.

Consensus was that the edits to the Underwriting policy were acceptable.

Schmidt indicated he would write an overview of the process prior to the Council taking up this item. It was noted that this would be referred to both the EDC and the BOE. It was noted that the recommended Underwriting Policy and Goals, Objectives and Process documents would be the report of the Committee.

Consensus was to allow Staff and the Chair to make non-substantive changes to the document

Motion to recommend adoption of the TIF Policy Review Ad Hoc Committee's documents and to allow Staff and the Chair to make any necessary changes to correct any inconsistencies, carried.

6. REPORTS

- a) [30913](#) Communications and Reports of the 2013 TIF Policy Review Ad Hoc Committee

Attachments: [TIF Goals Objectives and Process - ADOPTED.pdf](#)
[TIF Underwriting Policy - ADOPTED.pdf](#)
[TIF Underwriting Policy - TIF Policy Review Com FINAL.pdf](#)
[TIF Goals Objectives and Process - TIF Policy Review Com FINAL.pdf](#)
[2013 TIF Ad Hoc Com presentation - 07-09.pdf](#)
[Legistar File #29153 - EDC Recommended Policy](#)
[Legistar File #30799 - Comparison Matrix of Existing TIF Policy to EDC Prop](#)
[Mertz ltr - 2013 07-10.pdf](#)
[Mertz ltr - 2013 07-31 Members of the TIF Revision Committee.pdf](#)
[Pastor e-mail ltr 2013 08-01.pdf](#)
[Olver TIF Ad Hoc Com presentation - 2013 08-01.pdf](#)
[JRB TIF Presentation - OLVER 2013 08-26.pdf](#)
[Pastor e-mail comments 2013 08-29.pdf](#)
[Pastor e-mail\(2\) 2013 08-29.pdf](#)
[Kozlovsky email 2013 08-29.pdf](#)
[Mertz email - 2013 08-29.pdf](#)
[Creation vs Capture Exvaluating the True Costs of TIF - Carig Handout 2013](#)
[2013 08-29 TIF Policy Review Ad Hoc Com - Registrations .pdf](#)
[TIF Policy IV But for Rewrite - 9-12-13.pdf](#)
[Alternatives to 50 Percent Rule Slide.pdf](#)
[Memo on Business Incentive Programs.pdf](#)
[2013 09-19 TIF Policy Review Ad Hoc Com - Registrations.pdf](#)
[TIF Policy IV But for Rewrite - matrix.pdf](#)
[Pastor e-mail 2013 10-03.pdf](#)
[2013 10-03 TIF Policy Review Ad Ho Com - Registrations.pdf](#)
[Sample TIF Report - Facility Gateway 4-24-13.pdf](#)
[Sample TIF Report - 309 W Johnson 5-29-13.pdf](#)
[Sample TIF Report - Gebhardt 3-6-12.pdf](#)
[Sample TIF Report - University Crossing Phase II 6-21-12.pdf](#)
[Sample TIF Report - Wingra Clinic 12-13-11.pdf](#)
[DRAFT TIF Goals and Objectives - 2013 10-28.pdf](#)
[DRAFT TIF Underwriting Policy - 2013 10-28.pdf](#)
[Pastor e-mail 2013 11-04.pdf](#)
[2013 11-25 TIF Policy Review Ad Hoc Com - Registrations.pdf](#)
[TIF Goals, Objectives and Process - 2013 12-06.pdf](#)
[TIF Underwriting Policy - 2013 12-06.pdf](#)
[TIF scoring concept - 12-06.pdf](#)
[2013 12-09 TIF Policy Review Ad Hoc Com - Registrations.pdf](#)
[2013 12-09 Schmiedicke PILOT handout - TIF Policy Review Ad Hoc Com.px](#)
[TIF Underwriting Policy - 2013 12-22.pdf](#)
[TIF Goals, Objectives and Process - 2013 12-22.pdf](#)
[TIF Ad Hoc Com - Map 1.pdf](#)
[TIF Ad Hoc Com - Map 2.pdf](#)
[TIF Ad Hoc Com - Map 3.pdf](#)
[TIF Ad Hoc Com - Map 4.pdf](#)
[Speculative TIDs language 2013 12-16.pdf](#)
[Pastor e-mail 2013 12-17.pdf](#)
[Union Corners Community Benefits Agreement DRAFT.pdf](#)
[TIF Underwriting Policy - FINAL DRAFT 2013 12-18.pdf](#)
[TIF Underwriting Policy - FINAL DRAFT 19 Dec CCS edits.pdf](#)
[TIF Goals, Objectives and Process - FINAL DRAFT 2013 12-18.pdf](#)
[TIF Goals Objectives and Process - FINAL DRAFT - 19 Dec CCS edits.pdf](#)
[Pastor e-mail 2013 12-20.pdf](#)

[Pastor - Public Comment 12-20.pdf](#)
[Legistar #29485 - EDC TIF Policy Recommendations](#)
[Peterson e-mail 2014 01-28.pdf](#)
[2014 TIF Matrix - AdHocpolicy_EDC_Adoptedpolicy.pdf](#)
[Link to Legislative File No. 32945](#)

7. ADJOURNMENT

Motion to adjourn sine die by Clear, second by Ellingson. Motion carried at
3:09 PM