



City of Madison

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

Thursday, October 3, 2013

5:00 PM

215 Martin Luther King, Jr. Blvd.
Room 300
Madison Municipal Building

1. CALL TO ORDER / ROLL CALL

Present –Ellingson, Schmidt, Bidar-Sielaff,
Absent – Verveer, Clear
Staff – Gromacki, Rolfs, Olver, Zellhoefer, Monks, Cover
Meeting called to order at 5:02 PM

Present: 3 -
Sue Ellingson; Chris Schmidt and Shiva Bidar-Sielaff
Absent: 2 -
Michael E. Verveer and Mark Clear

2. APPROVAL OF MINUTES

a. Motion by Bidar-Sielaff, second Ellingson, by to approve the minutes.
Motion carried.

3. PUBLIC COMMENT

In support, Not Wishing to Speak–
Corey McGovern (Madison, WI)
Carole Schaeffer (Smart Growth Madison)

In Opposition, Not Wishing to Speak-
David Carig (Madison, WI)

4. DISCLOSURES AND RECUSALS

None.

Present: 5 -
Michael E. Verveer; Mark Clear; Sue Ellingson; Chris Schmidt and Shiva
Bidar-Sielaff

5. OLD BUSINESS

29485

Accepting the revised TIF Policy approved by the Economic Development Committee on February 20, 2013 for Common Council consideration and adoption.

Attachments: [TIF Policy by EDC Feb 20 2013.pdf](#)
[Comparison Matrix of Existing TIF Policy to EDC Proposal](#)

Motion to refer to the next meeting by Ellingson, second by Bidar-Sielaff.

Verveer arrived at 5:04 PM.

Schmidt said he would like to step back and talk about how the entire process should play out, specifically when an application is received, how the review process should play out.

Motion by Bidar-Sielaff, second by Ellingson to suspend the rules to allow for additional comment. Motion carried.

Speaking In Support:

Brenda Konkel (Madison, WI) – Konkel spoke about the need for additional funds for affordable housing funds. She handed out a spreadsheet that described the affordable housing income levels for Dane County. She said that she usually pushed for income levels of 30% of AMI because that is where the most need is in the County. She said there is very little housing available for people who are making this level of income in the County; typically she sees 5-6 units per week that will work for people at this income level. Verveer asked Konkel if she had seen the draft of the policy that was being discussed. Konkel said that the primary issue she was concerned about setting the affordable housing levels at a number low enough to help the large number of people in need.

Schmidt asked the Committee what they would like to see in a process to review applications for funding when they do come in. Bidar-Sielaff said that one of the things she recognized as a part of this review of policy was that policy makers were not involved early enough in the process when a TIF application was being reviewed and considered. She said a process that was more along the lines of Plan Commission report and discussion among policy makers would provide more insight. Verveer said he would like to see a process where the Board of Estimates had a more rigorous role in the review of applications for TIF funding. He noted that in the past, the BOE was brought policy questions earlier in the review process, instead of later on after a tentative deal, that may or may not include exceptions, had been struck. He noted that in the past when deals were done in his district, TIF Staff had gone through the deal with him prior to the project coming the Council for action. Schmidt said that it appeared to him that the existing policy was drafted to eliminate this from the process. Verveer noted that the existing policy did include bringing projects to the BOE earlier on. Gromacki said the existing policy did allow for the BOE to address issues where there were disagreements between Staff and an applicant, but did not instruct staff to report to BOE earlier in the process.

Clear arrived at 5:20 PM.

Olver said his fundamental premise was that flexibility was good, as it would allow policy makers to tell staff what they would like to support with TIF funds. He said gap analysis and the 50% rule are the two primary items where there were issues in the EDC's opinion. He said that in his view, gap analysis worked 90% of the time. Discussion took place around what projects the City may or may not have lost due to the City's TIF Policy. Olver said maybe policy makers wanted to set up speculative TIDs where they would like to see projects occur, including in high need neighborhoods. He said the benefit of flexibility was that it would send a message to staff and the developers about what the City would like to see for development areas.

Bidar-Sielaff said she felt that the City Council was not brought in on the negotiations for TIF funding early enough, such as in closed session in the Board of Estimates. She said that she would like to see the Council articulate its goals and review them on a regular basis. Bidar-Sielaff said she would like to see this process happen with every project that came to the City, regardless of whether or not it fit within the adopted policy framework. At Verveer's request, Gromacki went through the current process for the review of projects that have applied for TIF funding. Verveer also asked Gromacki to review the process, relative to interaction with the BOE and other City bodies. Gromacki noted that the TIF application fee was only collected when an agreement on the actual TIF assistance was close. This timing was to ensure that the final number for assistance was set so the fee could be accurately calculated.

Olver said that there are occasional moments where there are policy triggers that need to be decided. He noted that this might be an obvious moment for the BOE or the Mayor to review the project and give staff an indication on the policy decision that would be made.

Schmidt asked Bidar-Sielaff when she would like things to go to BOE. Bidar-Sielaff said she would like to see projects go to BOE earlier in the process. She said this would provide a place to also see where things went off course if a project was rejected or the developer pulled out. She said if all parameters were met, then the only time that BOE would need to see it would be at introduction. She said if there were roadblocks or exceptions to the policy, these could be brought to the BOE before a final project was approved or agreed to.

Clear said the point of the TIF Policy was to provide Staff and potential applicants where exceptions would be made. Schmidt said he was very frustrated with and tired of hearing unfounded stories of TIF projects that didn't go through or even come to Madison, without hearing numbers, names or examples. He said the WHEDA gap and the greenfield TID issues still needed to be addressed. He said that without hearing specific numbers or examples, why would the Council throw out the current policy? Bidar-Sielaff said that the EDC Proposal seemed to be going towards "guidelines" as opposed to "policy". "Guidelines" in her view were softer and murkier than "policy". She said if switching from "policy" to guidelines" was the direction of the Council, then the Council needed to have a much more involved role with the review of a project. Bidar-Sielaff said that even if there was a balance between "guidelines" and "policy" and the Council had to have more involvement, she pointed out that this would make Staff's job more difficult as Staff was still being asked to implement policy as set by the Council, not

guidelines.

Ellingson said she found it very difficult to judge all of the hypothetical projects. Ellingson said it might be good to ask Gromacki to draft a hypothetical policy that would address the issues identified by the Committee, but that would still be workable. Verveer stated that Gromacki's September memo did just that. Ellingson said she felt that the process was okay the way it currently worked, given the level of detail that was involved with a TIF project. Ellingson said she would like to see a more robust report, including all of the factors that the Council should be considering. She said she would like to see reports that addressed the age of the TID, competitive factors, the type of project, etc. She also asked to see reports on why projects failed, such as the 800 Block of East Washington Avenue. Gromacki and Olver provided an overview of the two previous projects that did not occur on the 800 Block of East Washington Avenue.

Ellingson said she would like to see a clear policy, along with a Council briefing when there are projects that do fall through to help everyone learn from the process, or when there are large projects that do succeed. Bidar-Sielaff said she felt that Gromacki's September 19, 2013 memo and that put the concepts in the September 19, 2013 memo in matrix form that was provided to the Committee for this meeting was a good start. She wanted to see the Staff Team membership as represented in the EDC Proposal, and their responsibilities identified, and how the members produce the written TIF report. She said that the written report should include both the hard numbers but also some qualitative information in the report such as the life of the TID and the overall financial status of the TID. Verveer asked Gromacki to share examples of previous Staff Reports. Clear noted that the reports that Planning Staff created for a project would be a good model, indicating where items either met the relevant policies or where they did not. He also noted that other Agencies could also be involved with the crafting of this report.

Ellingson said she would still like to see a draft of a policy from Staff, based upon the input from the Committee.

Olver noted that there are projects that are coming forward, specifically Judge Doyle Square, that will challenge the existing TIF policy. Schmidt said that those types of projects generally saw a greater deal of oversight anyway and did not require revising the entire policy. Clear noted that the bottom line was that the Council was still the backstop and made a decision on every TIF loan. Bidar-Sielaff said that the current policy was set outside of specific goals for projects. She would like to see a policy that melds the two ideas of goals and objectives while also providing some specific numbers that outline what the development community can expect. She posed the following questions for the Committee to discuss. Who is the Staff Team? Who runs the staff team? Who writes the report to Council? Bidar-Sielaff also wanted to see a better summary of these items for the Council, along with a better defined Staff Team, and a further discussion of how and when the process should come to policy makers with exceptions or a description of the project in question.

Schmidt asked if the policy should include a specific discussion of land banking projects and how these exceptions should be made. Olver said the Committee and Council should articulate as clearly as possible what they would like to see in a Policy. Schmidt said it appeared that the Committee

would like a baseline policy to measure a project against, and then identify where the Council would consider exceptions.

Verveer made a motion to suspend the rules to allow additional speakers, second by Ellingson. Motion carried. There were no additional speakers, other than an acknowledgement of the comments provided via e-mail by Susan Pastor.

Motion for referral carried.

6. REPORTS

30913

Communications and Reports of the 2013 TIF Policy Review Ad Hoc Committee

Attachments: [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](#)

7. DISCUSSION OF FUTURE MEETING DATE(S)

The next meeting was set for Nov 4, 2013 at 4:30 PM.

Staff was asked to split the policy in to a TIF Goals and Objectives and a TIF Underwriting manual, along with samples of the previous TIF reports from Gromacki.

8. ADJOURNMENT

Motion to adjourn by Ellingson, second by Verveer. Motion carried at 6:50 PM