



City of Madison

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

Friday, November 8, 2013

1:00 PM

Madison Municipal Building
(215 Martin Luther King, Jr. Blvd.)
Room LL-110

1. CALL TO ORDER / ROLL CALL

Call to Order

Present – Ellingson, Schmidt, Bidar-Sielaff, Clear

Absent – Verveer

Staff – Gromacki, Rolfs, Olver, Monks,

Meeting called to order at 1:08 PM

Present: 4 -

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

Absent: 1 -

Michael E. Verveer

2. APPROVAL OF MINUTES

This was Approve the Minutes.

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

3. PUBLIC COMMENT

None.

4. DISCLOSURES AND RECUSALS

None.

5. NEW BUSINESS

CONTINUE DISCUSSION OF DRAFT TIF UNDERWRITING POLICY

[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](#)

This Resolution was Re-refer to the TIF POLICY REVIEW AD HOC COMMITTEE,

Motion to refer to the next meeting by Clear, second by Ellingson.

Discussion took place on the Draft TIF Loans Underwriting Policy. Staff was asked to write a brief introduction to the document.

Consensus was to leave the section on Land Costs, Environmental Remediation, Assessable Infrastructure, Operating Costs, and City Fees as presented in the Draft TIF Loans Underwriting Policy document.

Discussion took place around the proposed “but for” language. It was noted that the “but for” language that was proposed may need adjusting so it matched up with the proposed language in the section “Types of TIF – Assisted Projects”. Gromacki outlined the proposed language that lays out the WHEDA Gap. Olver and Gromacki noted that there could be an instance where a project proposal comes forward that still has a gap, but is a blend of units and affordability levels, it would be an exception to policy. Discussion took place around setting an average of affordability for units for WHEDA projects, so a proposal could have a range of affordability. Alder Rummel asked if the language in the proposed language “but for” section would need to be adjusted, given that it would require exhausting all other sources of funds. Gromacki suggested modifying the language to allow TIF assistance to a WHEDA project if the project was within a certain percentage of a WHEDA score that would be likely to be successful.

Consensus was to direct staff to draft language to tie the formula for a tax credit project to the tax credit funding scoring formula, while also requiring the developer to provide their own tax credit scoring sheet to Staff for review. Consensus was to have the TIF Report include information on how the proposed TIF Loan would affect the score for tax credits relative to known previous successful scores.

Consensus was also to add to the Draft Goals and Objectives Policy a section in the "TIF Report" on the expected affects of the Tax Credits on the TIF application.

Gromacki provided an overview of the “Jobs Project – Pay for Performance” section of the Draft Underwriting Policy. Clear said he was concerned about the potential for increased risk if an employer did not have as positive a growth and was depending upon the TIF end loan, this could cause a downward spiral if things went poorly, the employer did not create the jobs, and then did not receive the TIF assistance.

Consensus was to direct Staff to modify the Draft TIF Policy to allow Staff to make a recommendation on the appropriate timing of assistance to a Jobs TIF Project, whether that is an end loan, an upfront loan, or a percentage at the beginning and the end.

Discussion took place around whether or not to include language requiring "career ladders" in the jobs creation requirements. Concern was whether a small employer would even have career ladder options to provide to employees. Alder Rummel also indicated that she would like to see jobs with solid pay and also job security.

Consensus was to strike the language requiring a "career ladder".

Consensus was to maintain the 60% bonus in the "TIF - Jobs Project" section, assuming that the 50% rule was maintained in the policy.

Discussion took place around how to verify that a request for TIF funding assistance was also receiving financial incentive bids from other communities.

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. ADJOURNMENT

Consensus was for the next meeting on Nov 15, 2013 at 1 PM.

Motion to adjourn by Clear, second by Ellingson. Motion carried at 3:00 PM.
This was Adjourn.