



City of Madison

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

Tuesday, December 17, 2013

5:30 PM

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

1. CALL TO ORDER / ROLL CALL

Present – Ellingson, Schmidt, Bidar-Sielaff, Verveer

Absent – Clear

Others – Rummel

Staff – Gromacki, Rolfs, Olver, Cover

Meeting called to order at 5:32 PM

Present: 4 -

Michael E. Verveer; Sue Ellingson; Chris Schmidt and Shiva Bidar-Sielaff

Absent: 1 -

Mark Clear

2. APPROVAL OF MINUTES

This was Approve the Minutes. Motion by Verveer, second by Ellingson to approve the minutes of the Dec 9, 2013 and meeting. Motion carried.

3. PUBLIC COMMENT

In support, Wishing to Speak

Delora Newton (Greater Madison Chamber of Commerce) – Newton cautioned against the inclusion of Community Benefits Agreements, as it may make the City less competitive when compared to surrounding communities. She said the City should consider the back end approach to community benefits, after a TID creates value, to use the new taxes generated by that value to complete community benefits projects. She also asked that neighborhood business associations be notified of TIF projects, if neighborhood associations were to be notified as well.

Other –

Susan Pastor (Madison, WI) – Pastor talked about using the Union Corners Community Benefits Agreement (CBA). She said this was a good example of how to do a CBA and could be referenced in the revised TIF Policy. She said she would like to see specific emphasis placed upon affordable housing, jobs, and sustainability. Schmidt asked if this shouldn't be a general City policy and not just for TIF. Verveer asked if the City didn't use a point system, what

should the City do? Pastor thought they could be added to a goals section of the policy.

Matt Kozlowski (Progressive Dane) – Kozlowski commented on what has been good about the process. He said the “but for” was important to him. He also said the sample TIF reports were helpful. He suggested the policy be located online so people can review and comment on it. He said notification of the alder should be codified. He thought the score sheets were critical and should be added back in to the process. He said maintaining a strong “but for” test is important. Verveer asked when the alder / neighborhood is notified.

Clear arrived at 7:15 PM.

Present: 5 -

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

4. DISCLOSURES AND RECUSALS

None.

5. OLD BUSINESS

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

Motion to refer by Clear, second by Ellingson.

Rolfs provided a brief overview of the items that had been updated or changed based upon input from the last meeting. He said that based upon the Committee’s direction, Staff had drafted an additional goal to reserve increment for public infrastructure projects. Verveer noted that without a set aside for infrastructure, via the 50% rule, much of downtown wouldn’t have been built. He indicated that this was added to give him a higher level of comfort with the final product. Discussion took place around Goals number 7 and 9. Both goals were re-written. Clear provided language to re-write Goal 7. Bidar-Sielaff said once the Goals were re-written the Committee should return to a discussion of the 50% rule, given the changes that were proposed to the Goals. The Committee discussed having some written direction to Staff on how to interpret the Goals identified in the Goals, Objectives and Process document. Schmidt volunteered to draft some language to address this issue.

Consensus was that the rewritten goals were acceptable to the Committee.

Consensus was to remove the 50% rule from the Goals.

Verveer indicated that he wanted a broader discussion of CBAs. Bidar-Sielaff felt that CBAs were already in place, given the goals that were already outlined in the document. Verveer thought the Committee should memorialize project

labor agreements as a requirement for future TIF projects in the policy.

Bidar-Sielaff asked to have the City Attorney attend the next meeting. She wanted to what extent under the law the City can require:

- 1) a certain level of wages
- 2) labor agreements for developer and/or tenants
- 3) local hiring
- 4) women and minority owned contractors

Gromacki reviewed draft language that Staff generated concerning the creation of speculative TIDs. There were questions from the Committee about how these TIDs would be created and how long they would be considered speculative TIDs.

Consensus was to include the speculative TID language generated by Staff in the TIF Goals, Objectives and Process document under number 3.2(2).

Verveer reviewed the history of his belief concerning the 50% rule, culminating in a staff guidance sheet. Discussion continued about how to address the 50% rule, and if a number should be set, or if there should be different bands. The Committee also discussed whether or not the TIF Team should include elected officials, such as the Council President and the alder of the district where the project was located, and / or the Mayor. Bidar-Sielaff asked if it would be good to have monthly updates to the BOE on any TIF projects that were in the process of being reviewed.

Consensus was to not have any elected officials on the TIF Team.

Consensus was to include a "55% Gateway" in TIF Underwriting Policy, whereby Staff would be empowered to forward projects that met all other requirements and requested less than 55% of the available increment, but any project requesting more than 55% of the increment generated by that project would need to get approval from BOE before proceeding past the term sheet stage.

Discussion took place around where to refer the annual review of the TIF Policy to.

Consensus was to have CCOC, BOE, and the EDC conduct the annual review of TIF Underwriting Policy and the TIF Goals, Objectives and Process documents.

Motion for referral carried

b) [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

6. **REPORTS**

- a) [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](#)
- [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.p](#)
- [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](#)

7. ADJOURNMENT

This was Adjourn. Motion to adjourn by Ellingson, second by Verveer. Motion carried at 7:21 PM