

**CITY OF OCONTO FALLS
COMMON COUNCIL
MEETING**

Council Chambers – Municipal Building
500 N. Chestnut Avenue - Oconto Falls, WI 54154
MONDAY SEPTEMBER 25, 2023 – 5:00 pm

MINUTES

1. Meeting called to order at 5:00 pm by Mathew McDermid
2. Pledge of Allegiance
3. Roll Call Present: Mayor Brad Rice (arrived 5:03), Aldermen: Marty Coopman, Tim Holman, Mathew McDermid and Jeff McDonald

Also Present: Administrator Peter Wills, Deputy Clerk Jenny Friedman, Ben Andrews MSA, Jim Zeise, John Gretzinger, Robert Krzyzanowski Five Bugles/Wendel Architects (Via Zoom), Fire Chief Tim Magnin, Kevin Rusch, Cole Magnin, Bart Schindel, Trinity Rasmussen

Absent Excused: Devin Wirtz, Ashley Bahrke

4. OPPORTUNITY FOR CITIZENS TO ADDRESS THE COUNCIL:

DISCUSSION AND POSSIBLE ACTION ON ANY OR ALL OF THE FOLLOWING:

New Business:

5. Review Proposed Project Plan and Boundary for TID No. 3 in the City
Ben Andrews Community Development Specialist went over some of the new highlights of the TID Project Plan. These improvements will allow the City to attract and retain potential development, and encourage further private investment in local businesses. The business development that is anticipated to occur will provide long-term tax benefits to both the City and all other overlying taxing jurisdictions. Maps identifying the boundaries for the newly designated TID No. 3 were presented to the Council. The City of Oconto Falls is zoned in accordance with an ordinance formally adopted by the City Council. Based on the current zoning classifications within TID No. 3, no zoning changes are necessary as a result of creating TID No. 3 Equalized Value Test Per Wisconsin State Statute 66.1105(4)(gm)4.c., municipalities are restrained in their use of Tax Increment Financing such that the equalized value of taxable property of the (new/amended) district area plus the value increment of all existing districts does not exceed 12 percent of the total equalized value of taxable property within the municipality. The total assessed value of taxable property in TID No. 3 as of January 1, 2023 is \$ 12,578,200. The total municipal equalized value as of January 1, 2023 for the

City is \$ 263,430,90. The City of Oconto Falls intends to implement a number of public works projects that will positively impact business and community related development in the newly designated TID No.3 area. These projects will be undertaken within the 15-year expenditure period of the TID's existence, subject to change based upon the relative needs of the City and the ability of the newly designated District to recoup expenses through the generation of tax increment. These projects may be undertaken within TID No. 3 or within ½ mile of the TID No. 3 boundary, per 2007 Wisconsin Act 57 § 2.

Some of the projects that could happen are;

- Property Development
- Water System Improvements
- Sanitary Sewer System Improvements
- Drainage and Storm Water Management Improvements
- Electric, Natural Gas, and Other Utility Improvements
- Transportation and Parking Infrastructure Improvements
- Streetscaping, Landscaping and Park Improvements
- Development Incentives
- Economic Development Planning
- Financing Costs
- Industrial Development

The City expects that there may be several projects that encompass an area outside of the boundaries of the TID. Pursuant to Wisconsin Statutes Section 66.1105(2)(f)(1)(n), the City may undertake projects within territory located within one-half (1/2) mile of the boundary of the TID, and pay for them using tax increment, provided that: 1) the project area is located within the City's corporate boundaries and 2) the projects are an eligible TIF expenditure within this Project Plan as approved by the Joint Review Board and 3) the expenditure must be made within the expenditure period. In addition to the above projects, the City of Oconto Falls may request multiple base value redeterminations during the life of TID No. 3, if necessary and allowed by the WI State Statute. Project Cost Summary It is important to note that this Project Plan is not meant to be an appropriation of funds for specific projects, but a framework with which to manage projects. All costs identified are preliminary estimates made prior to design considerations, or engineering studies, and are subject to change after planning is complete. All of the customary expenses are considered in these estimates, including but not limited to: legal fees, engineering fees, architectural fees, planning fees, surveying and mapping fees, inspection, construction costs, materials and apparatus, restoration work, permits, reports, judgments, claims for damages and other expenses. Ineligible / Estimated Non-Project Costs The following bullets identify public works projects that are not eligible to be paid with tax increments under Wis. Stat. 66.1105(2)(f).2.

- The cost of constructing or expanding administrative buildings, police and fire buildings, libraries, community and recreational buildings and school buildings, unless the

administrative buildings, police and fire buildings, libraries and community and recreational buildings were damaged or destroyed before January 1, 1997, by a natural disaster.

- The cost of constructing or expanding any facility, except a parking structure, if the City generally finances similar facilities only with utility user fees.
- General government operating expenses, unrelated to the planning or development of a TID.

• Cash grants made by the City to owners, lessees, or developers of land that is located within the TID unless the grant recipient has signed a development agreement with the City, a copy of which shall be retained by the City in the official records for that TID.

Non-project costs are public works projects that only partly benefit the TID or are not eligible to be paid with tax increments. Examples of non-project costs include projects undertaken within the TID as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, or special assessments. Other examples include public works projects that only partly benefit the TID, such as a new water tower which serves properties both inside and outside of the TID, and its ½ - mile boundary. That portion of the total project costs allocable to properties outside of the TID, and its ½ - mile boundary, would be a non-project cost. No ineligible project costs were identified at the time this Project Plan was considered for adoption. The economic feasibility of TID No. 3 depends on the tax incremental revenue generated from within the TID. There are three critical components in determining the economic feasibility of a TID: New development increases in property value, inflation driven increases in property value, and the change in the full value tax rate. Impact on Overlying Taxing Jurisdictions. The estimated share of the projected tax increments to be paid by the owners of taxable property in each of the taxing jurisdictions overlying TID No. 3

Jurisdiction	% Share of Taxes (2023)	Share of Projected Increment
School District of Oconto Falls	45.8%	\$330,352
Northeast Wisconsin Technical College	3.1%	\$22,479
Oconto County	18.9%	\$136,661
City of Oconto Falls	32.2%	\$232,582
	100%	\$772,074

Source: Wisconsin Department of Revenue "Town, City and City Taxes Levied 2022 - Collected 2023" Under Wisconsin law there are several methods of borrowing, some of which apply against a municipality's debt limit, and others that do not apply against the limit. The state sets this limit at five percent (5%) of the municipality's total equalized property valuation. The feasibility of financing specific projects at any given time using a particular method can be determined based on the municipality's current fiscal situation, anticipated non-TID related capital needs, the amount of money to be borrowed, interest rates, and lending terms. Possible funding sources include:

- General Obligation Borrowing
- General Obligation Bonding
- Mortgage Revenue Bonds
- Special Assessment "B" Bonds
- Federal/State Loan and Grant Programs

The City will have to report to the Department of Revenue every year by July, the TID will also be brought to JRB annually, Common Council Annually but possibly Bi Annually. If there are projects as well these will be brought to Council as well. The City did receive its first bill for the TID for 2023 but should start taking in revenue in 2024. There is no debt at this time with the TID.

The Common Council had the following question;

- Once the TID is created can the boundaries be extended or subtracted.
The TID district can be amended but only four times in the twenty-year life of the TID.
- Can you change the zones on a parcel in the TID?
Yes, the zoning can be changed in the TID.
- Were there any concerns from citizens or tax amenities about the TID?
No, there hasn't been concerns.
- Can annexed properties be also added into the TID?
Yes, because most likely property are within that boundary of the TID. In the Resolution 23-007 it also states "The City pledges to pay the Town of Oconto Falls and/or the Town of Stiles an amount equal to the property taxes the Town(s) levied on any annexed parcels for each of the next five years
- Is this just for new development?
This is for anything that would improve the taxable value of a property.
- Revolving Loan Fund still something that the City can use?
Yes, this is still an option for the City. The City funds would be used to fund the Revolving Loan Funds.
- With the first couple years having expenditures where does those funds come from?
The City would need to pay for this and funds could come out of Fund Balance and would be negative on the TID.
- Is our Accessor aware of the TID that the City is going to form?
Yes, R&R Accessing is aware and already has gotten the information that the city will need to us.

- Are there any anticipated Ordinances changes that will need to be done?
There are no anticipated changes at this time most of this is on State Statues.

NO ACTION TAKEN

6. Consideration and/or possible action on Resolution No. 23-007, the creation of Tax Incremental Finance District No. 3.

MOTION: McDermid/Coopman

Motion to Resolution No. 23-007 the creation of Tax Incremental Finance District No.3.

Roll Call: McDermid-yes, Coopman-yes, McDonald-yes, Holman-yes

Absent: Wirtz, Bahrke

Old Business:

7. CSM for 425 Mc Dougal Circle
Administrator Wills brought forth the CSM for 425 Mc Dougal. This property was two separate parcels and in April 2021 the owners brought this to Common Council and Planning Commission to combine the lots. This was granted. The owners now want to sell the property as two separate parcels. This require the properties to be separated again. This wouldn't require a public hearing. The Planning Commission has approved on September 20,2023 Building Inspector has also reviewed and agreed.

MOTION: Coopman/Holman

Motion to approve CSM for 425 Mc Dougal Circle.

Voice Vote: All present voting aye - **MOTION CARRIED**

8. WI DOA NEIGHBORHOOD INVESTMENT GRANT- FIRE STATION PROJECT UPDATE

A. New Fire Station Budget Update

B. Zeise Construction Change Order #1

The Fire Station project is about two weeks ahead of schedule according to Zeise's plans. The crew is finishing up on the perimeter of the Apparatus Bay. The concert will be poured on the foundations the week of September 25th. Deliveries of supplies have been coming on schedule or earlier. The exterior of building will still need to have a foam placed on it then a brick veneer placed for final. Zeise Construction has requested a Change order to approve in the amount of \$94,081 in contingency cost. The current balance in the Fire Station Contingency is \$192,758.

The Contract is Changed as Follows:

(Included, where applicable, any undisputed amount attributable to previously executed Construction Change Directive)

1. Proposal #1 Unstable soil-parking lot	Add	\$14,678.00
2. Proposal #2 Electric strikes	Deducted	(\$1,200.00)
3. Proposal #3 Unstable soil-office area	Add	\$7,638.00
4. Proposal #4 Added Windows treatment and exit lights	Add	\$3,712.00
5. Proposal #5 Unstable soil-SW parking lot	Add	\$14,042.00

6. Proposal #6 Unstable soil-NW driveway and building pad	Add	\$28,2543.00
7. Proposal #7 Red/Green lights at OH doors	Add	\$7,919.00
8. Proposal #8 HVACVE	Add	\$11,108.00
9. Proposal #9 Unsuitable Soil-Driveway NW of App Bay	Add	\$7,641.00

Total Add \$94,081.00

- Council questioned with all the initial soil samples that were done the contractors weren't able to tell that the soil was bad from those for the parking lot? Construction Manager Zeise stated these tests had to be done to meet the requirements. These samples told if there is any ground water, organic soil, know the depths of ground soil. This was just for the foundation location not for the parking lot.
- How were the prices for hauling the soil determined?
The contractors put together the cost of what the fill and hauling would be then place that up for BIDS. The final prices were determined by BID. The fill does have to meet Wisconsin DOT standards.
- Red/Green lights at OH doors why are they in the change order if it was omitted from the BID then why would the City be charged? Are these lights required by state code?
Robert Krzyzanowski Five Bugles/Wendel Architects (Via Zoom) explained that this wasn't in the original BID. These lights were added after and therefore the RED/Green lights will need to be paid for. These lights are not required by state code.

NO ACTION TAKEN

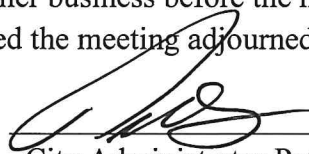
MOTION: McDermid/Coopman

Motion to approve Zeise Construction Change Order #1.

Voice Vote: All present voting aye - **MOTION CARRIED**

9. Adjournment

Brad Rice asked if there was any further business before the meeting is adjourned. Having no further business, he declared the meeting adjourned at 5:46pm.



City Administrator Peter Wills