

---

**Meeting of the:** COMMITTEE OF THE WHOLE COUNCIL  
**Date/Time:** Monday, December 19, 2016 @ 5:30 p.m.  
**Location:** Council Chambers, 321 S Fourth St, Stoughton, WI  
**Members:** Tim Swadley, Matt Bartlett Sid Boersma, Michael Engelberger, Regina Hirsch, Greg Jenson, Kathleen Tass Johnson, Dennis Kittleson, Paul Lawrence, Thomas Majewski, Pat O'Connor, Scott Truehl, and Mayor Donna Olson

### **CALL TO ORDER**

Council President Swadley called the meeting to order at 5:31 p.m.

Clerk Kropf called the roll and noted that nine alders were present with Johnson, Engelberger, and Boersma being absent.

President Swadley thanked the first responders for their effort with the snow fall.

Boersma joined the meeting at 5:33 p.m.

#### **Public Comment Period**

No persons registered to speak.

#### **Presentation by Finance Director Sullivan regarding current status of Kettle Park West Phase I; i.e. net new construction and payment requests**

Finance Director Sullivan gave a detailed overview of the current tax incremental districts within the City.

Engelberger joined the meeting at 5:35 p.m.

Sullivan explained the base value and current value for all of the TIDs within the City. She explained that the limit for TIF value is 12% of the City's equalized value and the City's current TIF value is 3.84% of the equalized value. She explained that when a TID creates value and generates increment, the TID will have to pay back its debt service first and then it can use its remaining funds to either continue new projects within the TID, to become a donor TID, or to close the TID and distribute the balance, if any.

She noted that when a pay request is made by Forward Development Group, it is first given to the Planning Director to verify the work completed. It is then given to the Finance Director, who verifies the amounts. It is finally given to the Title Company and they pay the contractors based on the work completed.

She explained that the projected value of the completed phase I of Kettle Park West will be up to \$36.5M and that phase II will add approximately \$55M in value.

She gave an overview of net new construction as a whole and within the City. She explained that the net new construction is based on all taxable property in a municipality, including in TIF districts. She gave an assumed build out of the net new construction for Kettle Park West.

The Committee of the Whole recessed at 7:02 p.m.

The Committee of the Whole reconvened at 7:12 p.m.

Presentation by Springsted Vice President/ Consultant Mikaela Huot regarding TIF and how it applies to the KPW Phase II request; i.e. terminology, vetting process, Pay-go and Look back.

Mikaela Huot, from Springsted, gave an overview about TIF as a whole. She explained that TIF is a tool used by cities for infrastructure and other improvements, a method of capturing tax base growth resulting from new development, captures new local taxes, through increment, to pay for public improvements related to development, and is a fixed term for capture, then new development added to tax base.

She explained that cities can use TIF to stimulate development by using the “but for” test, encourage developments of uses that would otherwise not occur, enhance the tax base, facilitate infrastructure improvements, and coordinate new developments with existing plans. She stated that developers can request to have TIF upfront using general obligation bonds or can be paid using pay-as-you-go notes. The Kettle Park West phase II TIF application has requested to use both methods. She noted that the developer for Kettle Park West has requested \$5.44M as pay-as-you-go financing and \$5.74M as upfront (City bond issuance) financing.

She explained that TID #7 is a mixed use area, meaning that it has both commercial and residential areas. She also noted that the mixed use TID may not have more 35% of the total land area as residential.

The Committee may meet in closed session to discuss the possible terms of a development agreement with Forward Development Group relating the Kettle Park West Phase II, pursuant to Wis. Stat. sec. 19.85(1)(e)

Motion by Hirsch, to have the committee of the Whole meet in closed session to discuss the possible terms of a development agreement with Forward Development Group relating the Kettle Park West Phase II, pursuant to Wis. Stat. sec. 19.85(1)(e), second by Engelberger. Motion carried by a roll call vote of 11-0. The Committee convened in closed session at 8:22 p.m.