



**TWO  
RIVERS**  
WISCONSIN

**CITY OF TWO RIVERS  
TAX INCREMENTAL DISTRICT NO. 17  
PROJECT PLAN AND BOUNDARIES**

**WEST TWIN RIVER REDEVELOPMENT DISTRICT**

Date Adopted by City Council:  
Date Adopted by Joint Review Board:  
Expenditure Deadline:  
TID #17 Expiration Date:

CITY COUNCIL

|                   |                   |
|-------------------|-------------------|
| Jeff Dahlke       | Tracey Koach      |
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AND  
BUSINESS AND INDUSTRIAL DEVELOPMENT COMMITTEE (BIDC)

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| Tracy Yaggie      |                         |

CITY OFFICIALS

Gregory Buckley, City Manager  
James McDonald, Public Works Director/City Engineer  
Elizabeth Runge, Community Development Director/City Planner

FINANCIAL CONSULTANT

Robert W. Baird & Co., Inc.

LEGAL REVIEW PROVIDED BY

Quarles & Brady



**TWO  
RIVERS**  
WISCONSIN

Members of the City Council, Plan Commission, Joint Review Board,  
Community Development Authority/Business and Industrial Development Committee  
and Interested Citizens

Re: Proposed Tax Incremental District No. 17 (TID No. 17)

Ladies and Gentlemen:

The proposed creation of TID No. 17 is for blight elimination of a property that is a priority redevelopment site within the city. This site was the former home to Eggers (West) Industries which manufactured doors, stiles, panels, and other wood products.

The City is working with a Developer that is proposing to construct a new multi-family development with subsidized and market rate units on this property adjacent to the West Twin River. The Developer is requesting TIF assistance for development costs. The amount of "pay-as-you-go" TIF assistance is \$500,000. The terms and conditions for this TIF grant will be addressed in a written development agreement between the City and the Developer and is subject to approval by the City Council. Also, proposed is the use of TIF funds for a public trail/walkway that exists along the riverfront, with seawall repair, and landscaping, if these are financially feasible.

There is an existing, former Eggers building on the site that potentially may be rehabilitated from its current use of light industrial to that of mixed use including residential and commercial. The TID No. 17 Project Plan proposes funding assistance for the rehabilitation of this existing building. The expenditure proposed is \$500,000 to apply toward infrastructure and site cost expenditures.

Also, the TID No. 17 Project Plan proposes to include grant assistance to businesses for façade and building improvements within one-half mile of the District's boundaries if financially feasible. The allocation of any funds is proposed to be based upon an application solicitation and City Council approved basis.

I would like to thank members of the Council, Plan Commission, Joint Review Board and Community Development Authority/BIDC who have supported this effort.

Respectfully submitted,

Gregory E. Buckley  
City Manager

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## INTRODUCTION

Tax Increment District Number 16 is being created by the City of Two Rivers under the authority provided by the Wisconsin Statutes Section 66.1105 "Tax Incremental Law" to assist with the elimination of blight and overall improvement of an area to significantly enhance the value of the real property within the District. This area is along the East River Street corridor, an area characterized as a former manufacturing site that has been demolished but is functionally obsolescent. The project area is 5.66 acres, not including street-right-of-way, and is zoned waterfront business.

The District is being created based upon the finding that at least 50% of the real property within the District is defined as blighted within the meaning of the Wisconsin State Statute Section 66.1105(2)(ae)1. Map 1 shows the existing land uses in the District and approximately, 5.66 acres (100%) of the area defined as blighted.

Tax Increment Financing (TIF) provides the means for the City of Two Rivers to support economic development by removing blights, completing environmental remediation, assisting businesses with TIF funding within one-half mile of TIF 17 grant. TIF allows for the City to create property tax revenues from the new development in the District to recover the City's investment.

The law allows for a 27-year maximum debt retirement period, during which time tax revenues generated by new development and growth in the TID area will be applied by the City to pay the public investment made in the project. When all project and associated holding costs are paid off, the TID is dissolved and all subsequent tax revenues generated are distributed to all taxing entities.

TIF ensures that the public investment made in support of private economic development is done in a financially feasible manner and that the benefits of the investment are distributed fairly - first to the affected area, and ultimately to the community as a whole. It promotes and supports growth of the tax base which otherwise might not occur. The law also recognizes that since the City is the only taxing unity that assumes financial risk in a District, it is entitled, within a prescribed time period to receive all new tax revenues of the TID as the source of paying off its public investment costs. All taxing entities subsequently receive future benefits from the expanded tax base that are generated as a result of the City's TID investment.

## PROJECT PLAN PROCEDURES

Public funding for TID No. 17 would be financed with tax incremental revenues. Section 66.1105(4)(f) of the Wisconsin Statutes requires that a Project Plan be adopted for each TID. TID No. 17 has been developed by the Plan Commission with input from the City Council and the CDA/BIDC.

Following a public hearing, the Plan Commission may adopt and recommend the Project Plan and TID Boundaries to the City Council for adoption. The Project Plan, if adopted, is then forwarded to the Joint Review Board (JRB) for its action, and if approved by the Joint Review Board, the Project Plan will be filed with the Wisconsin Department of Revenue. A development agreement between the City and Developer will be entered into upon approval by the City Council.

The Project Plan for TID No. 17 has been developed in accordance with Wisconsin Statutes. The headings in this Project Plan relate to specific requirements of Section 66.1105(4)(f).

## GOALS AND PURPOSES

The City of Two Rivers has identified this property a blighted area and a priority redevelopment location. Its location along the waterfront adds urgency to the blight removal as many planning documents identify the need to complete this step for redevelopment. Previous investments, with views of the waterfront include a new hotel to support growth along the waterfront in the downtown. Continuing with a revitalization strategy, is further emphasis on the elimination of blighting influences and brownfields of previous industrial sites. TID No. 17 continues a revitalization focus along the West Twin River waterfront and on the project location which is the former Eggers (West) Industries location.

Removing blight from the former Eggers site is a top priority for the City. This is part of the overall redevelopment strategy for the City in waterfront locations. Planning for this area includes mixed-use development and much needed residential development with public access integrated along the waterfront of the property. New development would eliminate the blighting influence of this idle, vacant site.

A Developer has proposed the construction of a 54-unit multi-family residential development that contains both affordable and market rate units. The development is new construction, with views of the West Twin River. There already is a public access trail along the shoreline of the property, but it needs some improvements and management of the landscape. The trail could be paved or have packed pea gravel. The shoreline of the property needs repair due to the wave action of the river eroding the shoreline.

The Developer is anticipating an investment of approximately \$10,000,000 and has requested TIF assistance from the City. The amount of TIF assistance requested is \$500,000. The TIF funding is proposed in the form of "pay-as-you-go" to assist with the costs of site preparation and construction. The terms and conditions, and all assistance will be addressed in a written development agreement between the City and the Developer and must be approved by the City Council.

There is an existing, former Eggers building on the site that may also be rehabilitated from its current use of light industrial to that of mixed use including residential and commercial. The TID No. 17 Project Plan proposes funding assistance for the rehabilitation of this existing building. The expenditure proposed is \$500,000 to apply toward infrastructure and site cost expenditures.

Also, the TID No. 17 Project Plan proposes to include grant assistance to businesses for façade and building improvements within one-half mile of the District's boundaries if financially feasible. The allocation of any funds is proposed to be based upon an application solicitation and City Council approved basis.

## DESCRIPTION OF DISTRICT AND STATEMENT OF FINDINGS RELATIVE TO LEGAL REQUIREMENTS OF WISCONSIN STATUTES

Map 1 depicts the boundaries of TID No. 17. The District boundaries encompass the land area that includes the former Eggers West site totaling 5.66 acres. A detailed description of the boundaries is included in Appendix A. See Appendix B for a listing of the parcels included in TID No. 17 and a map of tax key numbers.

It also proposes potential expenditures within one-half mile of the District's boundaries which is shown in Map 5. Following are statutory requirements and relevant statistical information on TID No. 17:

### **Blight Area Percentage**

Within TID No. 17, properties meeting the blighted area designation represent more than 50% by area, of all real property. TID No. 17 meets the statutory minimum requirement of a 50% blighted area. See Table B-1 in Appendix B for a listing of the parcels in the District.

**Table 1. 2021 Equalized Value Test**

| <b>Existing TIDs</b>              |                                   |                       |
|-----------------------------------|-----------------------------------|-----------------------|
| TID 4                             | <i>Increment Value (est)</i>      | \$2,126,400           |
| TID 6                             | <i>Increment Value (est)</i>      | \$ 980,800            |
| TID 7                             | <i>Increment Value (est)</i>      | \$ 4,415,600          |
| TID 8                             | <i>Increment Value (est)</i>      | \$ 8,132,000          |
| TID 9                             | <i>Increment Value (est)</i>      | \$ 9,444,400          |
| TID 10                            | <i>Increment Value (est)</i>      | \$ 227,100            |
| TID 11                            | <i>Increment Value (est)</i>      | \$ 1,149,700          |
| TID 12                            | <i>Increment Value (est)</i>      | \$ 4,315,200          |
| TID 13                            | <i>Increment Value (est)</i>      | \$ 375,000            |
|                                   |                                   |                       |
| TID 17                            | <i>Base value (est)</i>           | \$ 109,800            |
| <b>Total TID increment values</b> |                                   | \$31,276,000          |
|                                   |                                   |                       |
|                                   |                                   | ÷                     |
| <b>Total</b>                      | <i>City equalized Value (est)</i> | \$588,817,200 = 5.31% |

*DOR Value limitation Report, 2021. \* No increment in DOR report to date.*

**Statutory Requirement:** To meet statutory requirements, the base valuation of TID No. 17 plus the value increment of all existing TIDs may not exceed 12% of the total City equalized valuation. Table 1 shows the values of increments of the existing TIDs plus the base value of TID No. 17 and that these values will not exceed 12% for the City of Two Rivers.

Appendix C of this report contains proof of publication for a Class 2 notice, under Chapter 985. Also included in the Appendix is a list of all local government entities having the power to levy taxes on property located within TID No. 17. These entities were notified by first class mail prior to publication of the Class 2 notice. The documents provided in the appendix meet the statutory requirements of Section 66.1105(4)(a) and (e).

A list of the Joint Review Board members is also included in Appendix C. Minutes of the Joint Review Board meetings are included in Appendix D.

Appendix E includes an Attorney's Opinion advising that the Project Plan is complete and complies with Section 66.1105(4)(f). This opinion satisfies the requirement as specified in Section 66.1105(4)(f). Appendix F includes resolutions approving the Project Plan and creating the District.



The City of Two Rivers proposes to create TID No. 17 to provide funding for the project costs identified below. The following information is based on estimated costs at this time. The actual payments of project costs will be based on true costs incurred and will be made depending on the financial feasibility of making such payments.

The Developer estimates an investment of approximately \$10,000,000 and has requested TIF assistance from the City. The amount of TIF assistance for site preparation and construction costs is \$500,000. The TIF funding is proposed to be in the form of "pay-as-you-go". The terms and conditions of the assistance will be addressed in a written development agreement between the City and the Developer and must be approved by the City Council.

To address the blighted condition of the existing building, the former Eggers West building, TID No. 17 expenditures are proposed for site and building rehabilitation for the building's future use as residential and commercial with a waterfront view. TID No. 17 proposes \$500,000 in expenditures toward this part of the project at this location.

TID No. 17 project area has a public trail along the waterfront which needs improvements. The erosion from the shoreline has caused some small portions of the trail to collapse indicating a need for shoreline reinforcements. This expenditure line is to address the trail improvements, seawall repairs needed, and lighting options that are financially feasible.

TID No. 17 Project Plan proposes to include grant assistance to businesses for façade and building improvements within one-half mile of the District's boundaries if financially feasible

Administrative, legal and financial costs include the costs of those activities to support proposed TID No. 17 such as City staff labor, legal services, financing costs, certified public accountant fees, audit services and costs involved in preparing the Project Plan. Such costs are estimated to be \$10,000.

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## LOCATION OF PROPOSED IMPROVEMENTS

The general location of the proposed projects as described are shown on Map 2.

## DESCRIPTION OF FINANCING METHOD

The City's source of funds for the TIF assistance will be a combination of borrowing and "pay-as-you-go" assistance to the Developer. The TIF funding assistance on a "pay-as-you-go" basis, means that the property tax revenues paid by the owner(s) of the subject property would be the City's revenue source to pay the Developer to meet the City's payment obligations. Payments to the Developer would be made only after annual tax revenues are received.

The City reserves the right to issue tax incremental bonds and notes during the life of TID No. 17 to pay for any of the identified project costs identified in TID No. 17 Project Plan. Additional project costs for public project expenditures described herein may be considered if financially feasible.

## ECONOMIC FEASIBILITY ANALYSIS

The economic feasibility of financing project costs depends on the ability of the City to pay such costs from tax revenues generated. The estimated assessment provided for the new, 54 unit multi-family residential construction is \$5,500,000 after the construction of the project is complete. Additional tax base growth within the District is not assumed for purposes of this analysis. Such financing appears economically feasible based on the tax increment projections set forth in Table 2.

## DEBT SERVICE PLANNING

The cash flow proforma analysis presented on Table 2 in this Project Plan proposes funding a the TIF assistance to the Developer, the other projects identified if financially feasible, and TID administrative, financial and legal costs through borrowing and the "pay as you go" assistance on a reimbursement basis, with interest, based on funds available from TID No. 17.

## PROJECTED LIFE OF TID NO. 17

Current statutes allow TID No. 17 as a blight TIF to have a maximum life of 27 years. However, the District can be terminated when all project costs have been paid by revenue from the tax increments. Table 2 shows projections of the expenditures and increment values based on assumptions identified on the proforma.

**TABLE 2**

*(INSERT FROM BAIRD)*

### EXISTING LAND USES

Map 3 identifies existing land uses in TID No. 17. The property formerly housed Eggers (West) Industries and has an existing building which is in use as storage and light industrial. The other portion of the property is vacant and undeveloped.

### FUTURE LAND USES

Map 4 shows future land uses in TID No. 17. The City's currently adopted Comprehensive Plan has identified the largest parcel, the former Eggers (West) Industries location, as a priority redevelopment site and a "smart growth area" which means it is a location already served by services and is a prime location for infill and reuse.

### COMPREHENSIVE PLAN, OFFICIAL MAP, BUILDING CODE, ZONING CODE AND OTHER CITY ORDINANCES

The City's Comprehensive Plan currently identifies the property as a priority redevelopment area. The property is zoned Waterfront Business District which allows for multi-family residential uses, commercial and waterfront uses that are compatible to water access. The proposed new construction for a 54-unit multi-family development has been approved by the City's Plan Commission. Any additional, proposed designs for the TID No. 17 project area will be reviewed and shall meet the standards for the Waterfront Business District.

### STATEMENT OF NO RELOCATION REQUIRED

There is no anticipated relocation of families, individuals or business operations. Therefore, at this time, assistance in conformance with the relocation requirements set forth in Chapter 32, Wisconsin Statutes, and the Federal Uniform Relocation Assistance Real Property Acquisition Policies Act of 1970 (Public Law (91-646) will not be required.

### NON-PROJECT COSTS

This Project Plan does not include any non-project costs.

### ADDITIONAL PROJECT COSTS

The City of Two Rivers reserves the right, in accordance with Section 66.1105(4)(h) and 66.1105(5)(c), to further amend this Project Plan to include additional projects and project costs which are not anticipated at this time, and/or to add or delete territory in accord with State Statutes.

Any eligible projects may be included to the extent that their costs would be reimbursed through future TID revenues over the maximum life of TID No. 17 provided such project costs are made by the City within five years from the termination date of the District.

## FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Based upon the evaluation and facts included in this Project Plan, the following findings, conclusions and recommendations are made:

- (1) Redevelopment of the former Eggers (West) Industries property is a project appropriate for tax incremental financing and will promote the orderly development of the City.
- (2) Providing TIF assistance is in the form of "pay-as-you-go" financing in accord with a properly reviewed and approved Development Agreement.
- (3) TID No. 17 will encourage additional private investment in the near downtown area and the West Twin River corridor.
- (4) This location is a priority site to improve as it is a blighted property and listed for redevelopment as listed in the City's Comprehensive Plan, adopted in 2010.
- (5) The project would not occur "but for" the creation of TID No. 17. The former Eggers (West) Industries site is blighted. The City has not budgeted for additional financial assistance for an additional housing project.
- (6) Based upon the above findings and conclusions, it is recommended that TID No. 17 be adopted in accordance with the applicable statutes by formal resolutions of the City of Two Rivers Plan Commission and City Council.
- (7) It is also recommended that this Project Plan be adopted in accordance with the applicable statutes by action of the Joint Review Board overseeing TID No. 17.



## Manitowoc County Parcel Viewer

