

**Special Plan Commission Meeting/Public Hearing  
Monday, April 15, 2019**

**1. Meeting called to order**

President Jim Dobb called the meeting to order at 5:00 p.m. at the Village Hall, 5043 Chester Lane, Racine, Wisconsin.

**2. Roll Call/Introductions**

Members present: Thomas Knitter, Trustee Kevin Wanggaard, President Jim Dobbs, Jonathan Schattner Bill Folk, and Duane Michalski.

Absent: Joseph Minorik

Also Present: Village Administrator Thomas Christensen, Public Works Director Tom Lazcano, Utility Director Anthony Bunkelman, Capital Finance Officer Dave Wagner, Tom Ludwig from Foth, Laura Million from RCEDC, Brian Della from PMA Securities, Attorney Elaine Ekes, Attorney Tyler Helsel, Attorney Jessica Lothman from von Briesen, Trustee Benkowski and Trustee Martin were also present in the audience.

**3. Public Hearing Items followed by Commission Recommendations**

**3A - Tax Increment District No. 5 proposed to be created as a rehabilitation – conservation district of the vacated Olympia Brown School property and the Western Publishing Building along Erie Street, north of 4 1/2 Mile Road. The proposed District also includes a vacant 15 acre parcel on the west side of Erie Street.**

Attorney Ekes for the record showed and read the proof of publication along with an affidavit of mailing. Also for the record was the notice of the hearing that was sent to the required property owners per statute along with an affidavit of mailing.

A resident thought that the notice should have been mailed to a larger area span. Ekes explained that the Statutory requirements for TID creation is to notify the property owners that are included in the TID. There is a whole set of rules that are applied when it comes to rezoning of the area, but tonight's meeting is strictly for the creation of the TID and the boundaries.

Ekes then described that the purpose of the hearing was to hear the proposed plan for the Taxing Increment District no. 5. The Plan Commission will then need to decide on whether or not act on the proposed boundaries and adopt the project plan. The Plan Commission's recommendations will be forwarded to the Village Board for their approval. She also referenced statute Chapter 66.1105(4) which talks about a municipalities authority for TID planning and rehabilitation. She went on to say that the district contains the Old Western Publishing Building, as well as the parking lot and the vacant Olympia Brown School owned by RUSC. She then described the project plan which was later detailed by Brian Della, the Financial Advisor on this project. She ended by noting that it is important to keep in mind that at this time, the project is only a plan, it is not a project or commitment and action only makes it possible to seek potential developers. The plan is a guidance to provide to developers and can be amended.

Brian Della presented the project plan.

The area will be designated as a rehabilitation-conservation district due to greater than 50% of the area being in need of rehabilitation. The maximum length of this TID is 27 years. The required process for a new TID is Plan Commission review, a Public Hearing, Village Board approval and Joint Review Board, i.e., County, Unified, Gateway, Village and a public member. The proposed boundaries of the TID are the vacant

Olympia Brown School, the vacant Western Publishing Building and 18 acres of vacant property. The district would require property acquisition, demolition, site grading and bluff stabilization, utilities, street extensions 4 ½ Mile and 5 Mile Road and reconstruction of Erie Street. The plan consisted of luxury multi-family, presumably condominiums, market rate apartments and single family lots. At this time, it is only a conceptual plan to help guide Developers. Della then discussed the project costs. \$24 million in total costs (\$11.3 million to TID and \$12.7 million to the Village). It is estimated that a full development could create approximately \$56.6 million of new taxable property value, which would annually generate \$1,192,563 of tax increments to pay TID expenses. The estimated financing sources are \$7,110,000 of G.O. Water & Sewer and \$4,600,000 of Municipal Revenue Obligation or (MRO) for a total of \$11,710,000. He then explained the potential debt service on the estimated debt issues. 2019 G.O. \$910,000 at 4% interest, 2019-2039 principal and interest, \$1,419,600. 2020-2021 Water and Sewer Rev. 1,100,000 at 4% interest, 2021-2040 principal and interest, \$1,629,600. 2020-2021 G.O. \$385,000 at 4% interest, 2021-2040 principal and interest, \$597,800. 2022-2023 G.O. \$2,620,000 at 4% interest, 2022-2042 principal and interest, \$4,039,600, 2024-2025 G.O. \$2,095,000 at 4% interest, 2024-2044 principal and interest, \$3,149,000. He also explained the estimated cash flows. It is estimated to pay off the outstanding debt in 2036. If changes to the plans were made the process would start all over again.

Elaine explained the definition of a TID. The law allows the village to create a district by setting boundaries of the district. The taxes imposed on those boundaries are essentially frozen. Once the project gets developed any tax revenues it receives from increased values are used to pay back the redevelopment.

**Public Hearing opened** at 5:35 p.m.

### **3B - Public Comments**

Heather Shafer 6035 North Point Dr. asked about how the 50% of the project plan was decided? Dave Wagner explained the other TID Districts in the Village and their cash flow. Some of which are being subsidized by the Village. She commented upon the lower rate of this TID. Dave Wagner gave her a brief explanation of each TID the Village currently has. She also thought there was not enough notice given. She stated that that TID money is not always numbers seen by everyone. She questioned the bluff stabilization numbers which was estimated based on Mt. Pleasant's most recent work with bluff stabilization. The full process would have to come back if the costs exceeds in aggregate 20% of the total cost of the project (approx. \$2.5 million).

Michael Quale 6045 N. Point Drive, had concerns that this is not transparent. Assumptions are being made. What are the specifics of the plan? Where will it happen? He spoke about the construction that was done regarding a T turnaround and there was no notice given. He felt the turnaround devalued his property. Will this Board invest in this area and protect the home values in the area? He spoke about not seeing any conservation areas in the project plan. He was concerned that his home value has already declined and the details of the plan were not flushed out. What are the sizes of the homes? Multi-family needs to be explained regarding what it means. Who determines the market rate? Have you considered the covenants near the plan? What about the land directly connected to it? The construction equipment will damage the roads and it cannot be left. New lights, landscaping. Where are the utilities going? Where is the storm water plan? The details are not included in the plan so how can it be approved? Exactly what does luxury mean? He felt everyone within a 1 mile radius should be notified before a plan is considered.

Martha Hutsick 700 Waters Edge Rd, #10 she felt this should be delayed until the new Planning Director has started. She would like to see public access to the beach. She saw no opportunity for retail. Will this be a rezoning issue?

Rick Larson, 700 Waters Edge Rd, he questioned why the three parcels were put together and felt the vacant land was not blighted. He felt putting them together is backwards there is a market for the land.

Keith Stannis, 6021 Charles St., he questioned if there will be higher property taxes? It should be self-funded.

Jay Benkowski stated that there will be higher taxes in schools, roads, village as a body, etc.

Scott Dizack, 700 Waters Edge Rd, #22 & #23, he felt the plan was a good plan but of course many details still need to be hashed out. He spoke about wetlands being restored to purify the water. The multi-family should be replaced with condos that form an Association that will take care of the green space. He didn't feel it should be left up to a Developer.

Rose Kennedy, 1110 Waters Edge Rd., she agreed that more transparency is needed for this project. She questioned the amount of units and felt there will be increased traffic. She felt there may be a decrease in property with multi-families. She questioned the Joint Review Board's function.

Jay Benkowski, 5645 County Rd. V, he spoke about the two failed TIF districts and the impact to the residents as far as safety protection, etc. He questioned the cost of the bluff stabilization and said it is of no benefit. He spoke about the limited amount of capital that needs to be considered.

Larry Riley, 1107 5 Mile Rd, he likes the seclusion and feels 5 Mile Rd will be thoroughfare. Will the houses be of comparable value of those around it?

Lauren Chalekian, 5953 Daily Double Lane, she didn't like the multi-family units.

John Dembowski, 805 Waters Edge Rd, he asked why every piece of land has to be developed? The parking lot could possibly be single families.

Steve Ryder, 1021 3 Mile Rd, he wanted to enjoy the quiet area that it is. He would like to see conservation area with trails, etc.

Jim Fransion, 700 Waters Edge, he talked about the biggest TID risks.

Fran Martin, 5635 5 Mile Rd, she spoke as a Trustee and had concerns over the notice given. There will be an increase to police and fire and that number needs to be included.

Michael Ryder, 908 Silent Sunday Ct., he would never want to see development on the Ryder property that is where he grew up.

Someone in the audience asked if the yellow parcel (vacant land) could be eliminated from the plan? Attorney Ekes said the Plan Commission could vote to amend the plan and bring it to the Board.

Jay Benkowski asked if Ryder donated his property as park land, what would be the feeling?

Alan Chalekian, 5953 Dailey Double Lane, no multi-family, concerned about road and the traffic.

Aldonia Matalonis, 700 Waters Edge, asked what are the next steps? Will there be more public input? Can we have an opportunity to work with the plans?

Ken McReynolds, 1117 5 Mile Rd, he had concerns regarding the amount of homes.

Attorney Ekes answered some of the questions as follows:

This it is just a plan not a rezoning, that part will come later when there is a Developer's proposal and a specific procedure. She explained the process for notifying residents if a developer comes before them.

Where is the conservation? She spoke about the issues with the two vacant buildings. That property has been on the market for a number of years without any interest. Complaints have come before the Board with the school also. To respond to the concerns, the Board had to look at the possible solutions.

Who will determine what multi-family, luxury condos mean? It will come before the Plan Commission through the proper channels as described above.

The Village Board will look at the surrounding homes, and the comprehensive plan when deciding. The protective covenants of the surrounding areas don't necessarily affect the project but if you want the Board to have that information it should be provided as part of the public hearing process.

Adding additional land would put us above the statutory threshold.

This is not a rezoning.

Access to the beaches would come before the Plan Commission and the Board.

The new Planning Director will be starting at the end of the month. This has been worked on for approximately 3 months. That would be a decision for the Board.

The But for test. But for the creation of the district the development and redevelopment projected to occur as detailed in the plan, 1 would not occur or 2 would not occur in the manner, at the values, or in the timeframe desired by the Village. That is the statutory but for test. That dove tails with the question about the property being in need of rehabilitation and what the history has been.

It doesn't apply to the whole project but only 50% of the properties in need of rehabilitation.

Increase to property taxes the whole idea is to increase the value of the land in the TID. If the Board wants staff to investigate further it can be looked at further.

Retail was not considered because residential is consistent with the Village's comprehensive plan

Increase needs for schools, fire, police; these can be looked into except for the schools. Jay Benkowski said these questions were asked 3 weeks ago with no response.

The Joint Review Board consists of Unified, Gateway, County, Village and one citizen member. They met today where the project was presented but no decision was made. They do not manage the project but only approve it or deny it as a taxing body.

Bluff stabilization benefits. It is a benefit because it protects the shoreline from eroding. It is also required.

What are the next steps? The next step is Plan Commission recommendation to the Board. The Village Board would act. If the Plan Commission would approve the Village Board would act on May 6<sup>th</sup>. The Joint Review Board would need to meet to approve. If the Plan Commission agrees with the boundaries and the plans it will then go to the Board on May 6<sup>th</sup>. Then you wait for a Developer to come forward with an application. Then public hearing in front of the Plan Commission and then back to the Village Board. The Board makes the decision to what the proposal looks like.

Further discussion was held regarding why the vacant lot piece is included in the district. It has been in the comprehensive plan and there needs to be public access for safety purposes.

Conditions to the plan can be placed once a development plan comes forth.

Road restoration of damage to roads, etc. will be part of a development.

Jay Benkowski said the need to extend 5 Mile Road is due to this development.

Being no further comments, President Dobbs closed the Public Hearing.

**Public Hearing Closed** at 7:49 p.m.

### **3C - Recommendation on Public Hearing**

#### **Consideration of Resolution PC 2019-01 – Resolution Designating Proposed Boundaries and Approving a Project Plan for Tax Increment District No. 5, Village of Caledonia, Wisconsin.**

Motion by Duane Michalski to approve the proposed project plan. Seconded Tom Knitter. Motion carried unanimously.

Motion by Thomas Knitter to designate and approve the proposed boundary for TID No. 5 to the Village Board. Seconded by Bill Folk. Motion carried unanimously.

Motion by Jonathan Schattner to approve Resolution PC 2019-01 – Resolution Designating Proposed Boundaries and Approving a Project Plan for Tax Increment District No. 5, Village of Caledonia, Wisconsin. Seconded by Tom Knitter. Motion carried unanimously.

### **4. Adjournment**

Motion by Trustee Wanggaard to adjourn. Seconded by Bill Folk. Motion carried. Meeting adjourned at 7:55 p.m.

Respectfully submitted,

Karie Pope  
Village Clerk