

CITY OF NEENAH
SPECIAL FINANCE AND PERSONNEL COMMITTEE MEETING
Wednesday, November 16, 2022 – 6:30 p.m.
Council Chambers, Neenah City Administration Building
211 Walnut Street, Neenah, Wisconsin

NOTICE IS HEREBY GIVEN, pursuant to the requirements of Wis. Stats. Sec. 19.84, that a majority of the Neenah Common Council may be present at this meeting. Common Council members may be present to gather information about a subject over which they have decision-making responsibility. This constitutes a meeting of the Neenah Common Council and must be noticed as such. The Council will follow the same agenda as the committee, but will not take any formal action at this meeting.

AGENDA

1. TID No. 5 Termination - Resolution No 2022-20 Terminating Tax Increment District (TID) No. 5 Within the City of Neenah and Authorizing the Distribution of Excess Increment to Overlying Taxing Districts (Attachments) (Haese)
2. Creation of Operating Budget Stabilization Fund for TIF Surplus Dollars (Attachment) (Kahl)

In accordance with the requirements of Title II of the Americans with Disabilities Act (ADA), the City of Neenah will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. If you need assistance, or reasonable accommodation in participating in this meeting or event due to a disability as defined under the ADA, please call the Clerk's Office (920) 886-6100 or the **City's ADA Coordinator at (920) 886-6106 or e-mail attorney@ci.Neenah.wi.us** at least 48 hours prior to the scheduled meeting or event to request an accommodation.



M E M O R A N D U M

DATE: November 4, 2022
TO: Chairman Erickson and Finance and Personnel Committee Members
FROM: Chris A. Haese, Director of Community Development and Assessment
RE: **Closure of Tax Incremental District (TID) No. 5 – Resolution 2022-20**

TID No. 5, which was created in 1993, serves a large portion of the downtown. The District has generated increment of almost \$14 million during its life. More importantly, TID No. 5 facilitated the rebirth and transition of Neenah's Downtown from an industrial and retail center to one with a significant supply of professional office development. This has greatly improved the market diversity of the downtown and furthered the success of our commercial and retail sectors, ultimately resulting in a much stronger and resilient downtown.

TID No. 5 has repaid all of the debt incurred to assist the redevelopment of the District and is required by state statute to close. Attached for your review and consideration is Resolution 2022-20, terminating TID No. 5 and proportionately allocating excess increment of approximately \$722,508 to the affected taxing districts. The City's proportionate share will be approximately \$325,127 (45%).

Appropriate action at this time is to recommend Council approve Resolution No. 2022-20 Terminating TID No. 5 and allocating excess increment to the affected taxing districts.



RESOLUTION NO. 2022-20

A RESOLUTION TERMINATING TAX INCREMENT DISTRICT (TID) No. 5 WITHIN THE CITY OF NEENAH AND AUTHORIZING THE DISTRIBUTION OF EXCESS INCREMENT TO OVERLYING TAXING DISTRICTS

WHEREAS, the City of Neenah created TID No. 5 on April 22, 1993, and adopted a project plan in the same year; approved amendments in 1999, 2006, 2015 and designated the district as distressed in 2015; and

WHEREAS, all TID No. 5 projects were completed in the prescribed allowed time; and

WHEREAS, sufficient increment was collected from the 2021 tax roll, payable 2022 to cover TID No. 5 project costs; and

WHEREAS, the final tax increment collected from the 2022 tax roll, payable in 2023 to support affordable housing efforts as approved in Resolution No. 2022-16.

THEREFORE, BE IT RESOLVED, that the City Council of the City of Neenah terminates TID No. 5; and

BE IT FURTHER RESOLVED, that the City Clerk shall notify the Wisconsin Department of Revenue (DOR) within 60 days of this resolution, or prior to the deadline of April 15, 2022, whichever comes first, that TID No. 5 has been terminated; and

BE IT FURTHER RESOLVED, that the Director of Finance shall sign the required DOR final accounting form (PE-223) agreeing on a date by which the City shall submit final accounting information to the DOR; and

BE IT FURTHER RESOLVED, that the Director of Finance shall distribute any excess increment collected after providing ongoing expenses of the TID, to the affected taxing districts with proportionate shares to be determined by the final audit by the City's auditors, Baker Tilly US, LLP and

BE IT FURTHER RESOLVED, that the City of Neenah shall accept all remaining debts for TID No. 5 as determined by in the final audit by the auditors, Baker Tilly US, LLP.

Recommended by: **Finance and Personnel Committee**

CITY OF NEENAH, WISCONSIN

Moved:

Jane Lang, Mayor

Passed:

Charlotte Nagel, City Clerk



M E M O R A N D U M

DATE: November 15, 2022
TO: Chairperson Erickson and Members of the Finance and Personnel Committee
FROM: Andrew Kahl, CPA, Deputy Director of Finance
RE: Creation of Operating Budget Stabilization Fund for TIF Surplus Dollars

TIF 5 has recovered its expenditures and is scheduled to close, pending Council approval of the termination resolution on Nov. 16. TIF 6 is also projected to close as soon as next year. Both TIF districts are expected to close with surplus funds, and pursuant to state law the funds must be distributed back to the four taxing entities proportionate to each entity's share of the latest total tax rate. Estimates, at this point, are that the City of Neenah's share will be about \$300,000 from TIF 5 and about \$400,000 from TIF 6. Funds from TIF 5 would be available in late 2023 after the completion of a required Final TIF Audit.

A financially sound option for use of these dollars would be to set them aside and create annual transfers to the City's General Fund to help stabilize the operating budget. For one option, based on TIF 5 and 6 projections above, we could create annual transfers of \$70,000 that would last ten years. This would accomplish two things: 1) Creates a recurring funding source in the operating budget, and 2) bridges the gap to the next set of projected TIF closures between 2031 and 2033, possibly including TIFs 7, 8, or more, at which time additional surplus funds will likely be available.

Staff recommends the creation of an Operating Budget Stabilization Fund, with the City of Neenah's share of TIF 5 surplus dollars directed to the fund.