



John Nygren

WISCONSIN STATE REPRESENTATIVE ★ 89TH ASSEMBLY DISTRICT

**Assembly Bill 2 – City of Marinette TID Extension
Senate Committee on Economic Development and Local
Government**

**Testimony by State Rep. John Nygren
February 19, 2013**

Thank you, Chair Gudex and members of the Committee on Economic Development and Local Government, for holding a hearing on Assembly Bill 2 today, relating to an extension of the expenditure period for a tax incremental district in my hometown of Marinette.

The legislation before you came about in response to an issue that was brought to my attention by officials with the City of Marinette. Although Mayor Ruleau is unable to attend today's hearing, I have submitted a letter, addressed to the Chair and all committee members, on her behalf.

Late last year, city officials requested the legislature extend the expenditure period of the city's tax incremental district (TID) number three, which runs from Ogden Street to the Waupaca Foundry area in the City of Marinette. TID #3 was created on July 2, 1991 as an industrial TID and it has a maximum life of 27 years, meaning it expires on July 2, 2018. However, under current law, a city generally may not make expenditures for project costs later than five years before the unextended termination of the TID, limiting their expenditure period to July of this year.

The city is currently undergoing projects which depend on this TID as a revenue source. Primarily, they are committed to a grant match for Wisconsin Department of Natural Resources (DNR) funding for the Menekaunce Harbor Dredge Disposal project, of which TID #3 provides them with the revenue required for the match.



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The Menekaunee Harbor dredging is a long-overdue, crucial project for the region. The dredging is allowing for the removal of an array of contaminants that have had a negative effect on the area's ecosystem. The project is also going to enhance boating recreation opportunities and assist the area's shipping industry.

The original timeline for the dredging project fell within the TID's expenditure period. However, due to unforeseen circumstances that were beyond the control of the city, the project was delayed and will not be completed before July 2nd of this year, when the city's TID #3 expenditure period is set to expire. The city is working with the DNR and the Environmental Protection Agency (EPA) to complete the project in a timely fashion, and that effort is greatly dependent upon the legislation we are discussing today.

As the TID is set to expire before the end date of the dredging project, the city needs us to pass this legislation which extends the TID expenditure period to July 2, 2018. As you can see in the provided fiscal note, under this bill it is estimated that TID #3 will generate incremental levies at the current level of \$252,000 or higher for the five years of the proposed extension. Again, this extension and the ability to appropriate the funds are necessary in order to complete the major dredging project the city is working on with the DNR and EPA.

In summary, I urge you to support this legislation extending TID #3 in the City of Marinette in order to allow the city to move forward with their planned environmental and recreational projects and continued economic development efforts.

I appreciate the opportunity to testify before your committee today on this important piece of legislation and welcome any questions you may have at this time.

1905 Hall Avenue
Marinette, WI 54143-1716
715.732.5150 Phone
715.732.5122 Fax



City of Marinette

Jonathan I. Sbar
City Attorney

February 8, 2013

Scott Fitzgerald
Senate Majority Leader
Room 211 South, State Capitol
P.O. Box 7882
Madison, WI 53703

Speaker Vos
Room 211 West, State Capitol
P.O. Box 8953
Madison, WI 53703

RE: Assembly Bill No. 2

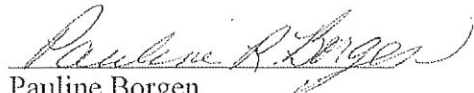
Dear Speaker Vos and members of the Wisconsin State Assembly, and
Senate Majority Leader Scott Fitzgerald and members of the Wisconsin State Senate,

As members of the Tax Increment Financing Joint Review Board for the City of Marinette, Wisconsin, please accept this letter demonstrating full support for AB 2 which extends the date of expenditures for the City of Marinette Tax Incremental Financing District #3.

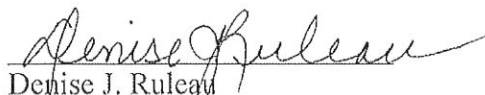
The City is in need of an extension of the expenditure period because delays in construction of planned projects are due to factors beyond our control of the City of Marinette. Approval of this request would not extend the closure of the Tax Incremental Financing District. We would like to request the extension of the expenditure period from July 2, 2013 to July 2, 2018.

If there is additional information needed, please do not hesitate to contact us.

Sincerely,


Pauline Borgen
Marinette School District


Vilas Schroeder
Chairperson, Marinette County Board


Denise J. Ruleau
Mayor City of Marinette


Dean Patrick O'Hara
Northeast Wisconsin Technical College

JS/ls

CC: Rep. Nygren, Jacque, Mursau, Steineke, Tauchen, Weininger
Sen. Dave Hansen
Sen. Tom Tiffany

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City of Marinette

Denise J. Ruleau
Mayor

February 4, 2013

Representative Duey Stroebel
Chair, Assembly Committee on State and Local Finance
207 North, State Capitol
P.O. Box 8953
Madison, WI 53708-8953

RE: Assembly Bill 2


Chairman Stroebel and Members of the State and Local Finance Committee:

As Mayor of the City of Marinette, Wisconsin, I appreciate your committee's consideration of Assembly Bill 2 which would, if passed, extend the expenditure period for City of Marinette TIF District #3.

Construction of planned projects within TIF District #3 were delayed due to factors beyond the control of the City of Marinette. Approval of this request would extend the expenditure period from July 2, 2013 to July 2, 2018, but not extend the closure date of this TIF District.

Thank you, and if you need additional information, please do not hesitate to call me at 1-715-732-5120.

Sincerely,


Denise J. Ruleau
Mayor

Cc: Representative John Nygren

CITY OF MARINETTE, WISCONSIN
RESOLUTION 5-2013

“RESOLUTION TO EXTEND EXPENDITURE PERIOD FOR CITY OF MARINETTE TIF DISTRICT #3 TO 07/02/18 (CURRENT TERMINATION DATE OF CITY OF MARINETTE TIF DISTRICT #3 IS 07/02/18)”

WHEREAS, once a Tax Incremental District (TID) has been created, the Dept. of Revenue calculates the “tax increment base value” of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a “value increment” is created. That portion of taxes collected on the value increment in excess of the base value is called a “tax increment”. The tax increment is placed in a special fund that may be used only to pay back the project cost of the TID. The cost of a TID, which are initially incurred by the creating city or village, include public works such as sewers, street, and lighting systems; financing costs; site preparation costs; and professional service cost.

WHEREAS, DOR authorizes the allocation of the tax increments until the TID terminates or, generally 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created. Under certain circumstances, the life of the TID and the allocation period may be extended. Also, under current law, a city or village may not generally make expenditures for project costs later than five years before the unextended termination date of the TID. In 2009 City of Racine needed additional time for expenditures to be covered by TID funds and Successfully introduced legislation (ACT 66; AB174 and SB 132) to extend the expenditure of their TID.

WHEREAS, the City of Marinette is currently confronting a similar need and therefore is respectfully requesting consideration from its members of the Wisconsin State Senate and Legislature. Under the proposed bill, for TID Number 3 in the City of Marinette, the 27 year life of the TID would remain the same but the expenditure period would be extended from July 2, 2013 to July 2, 2018.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF MARINETTE AS FOLLOWS: The Common Council of the City of Marinette, County of Marinette, State of Wis., respectfully requests the Wis. State Senate & Legislature amend Wis. State Stat 66.1105 Municipal Law section (6) (am) to create Sub 2.e. to read as follows: (66.1105(6)(am)2.e. Expenditures for projects costs for Tax Incremental District Number 3 in the City of Marinette with a population of 10,968 that is located in a county that was created in 1879 and that is adjacent to one the Great Lakes. Such expenditures may be made no later than 27 years after the tax incremental district is created, and may be made through July 2, 2018.)

FURTHER, BE IT RESOLVED THAT, the City Clerk for the City of Marinette, Wisconsin forward this resolution to State Representative John Nygren and State Senator David Hansen.

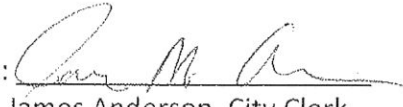
ADOPTED AND APPROVED BY THE CITY OF MARINETTE COMMON COUNCIL FEB. 5, 2013.

Resolution introduced and adoption moved by Kowalski,


Motion for adoption seconded by Saunier,

On roll call, motion unanimously adopted by a vote of 9 ayes to 0 nays.

Attest:


James Anderson, City Clerk

By:


Denise J. Ruleau, Mayor