

CITY OF GENOA
City Hall
SPECIAL MEETING
Committee of the Whole Meeting Minutes
March 3, 2020
7:45 P.M.

In Mayor Vicary's absence, Mayor Pro Tem Stevenson called the Special Committee of the Whole meeting to order at 7:45 p.m. Roll call was taken. Aldermen Wesner, Carroll, Di Guido, Winter, Cravatta, Brust, Lang and Mayor Pro Tem Stevenson were present.

OLD BUSINESS – None

NEW BUSINESS

DISCUSSION REGARDING THE CREATION OF A TIF DISTRICT:

Administrative Director, Alyssa Seguss began the discussion by stating that Council was introduced to the concept of a TIF District in 2015. She indicated that an application has been submitted from Warehouse on Park and wanted to discuss TIF in greater length to provide a better understanding of what is entailed. She indicated that the proposed TIF District boundaries would be from approximately Sycamore Street to Madison Street and roughly a block back on each side of Route 72. The concept of a TIF is that the City would establish a TIF District. This would involve taking out a bond for the implementation of a TIF, as well as funding for the incentive requested by a developer/TIF project. Once the TIF is created, any additional property tax revenue generated above the base (property tax generated prior to the establishment of the District) by the properties within the district is the TIF increment, which will be used to pay for bonds and investment into the TIF District. A TIF project should increase property taxes for that given property, generating additional increment to help pay for the City's initial investment through a bond. The question was asked what would happen if the TIF project was not successful. Director Seguss indicated that there are 2 types of bonds, so it would depend on which bond the City took out. The first one is a general obligation bond, which is what pays for City Hall, so if the City were to take out a general obligation bond for a TIF project and the project failed, the City would be required to pay back the bond with money from its general fund. The second type of bond is a TIF bond, which has a higher interest rate, but would be lower risk for the City. After speaking with Bond Council, the understanding is that the City would not be required to pay back a TIF bond if the project failed and there would be no direct impact on the City. Director Seguss then indicated that she is seeking guidance from Council as to whether they are interested in creating a TIF District or not, as it is costly to continue this process for both the City and the owners of Warehouse on Park due to consulting fees, if ultimately the Council does not wish to establish a TIF District.

There was some discussion regarding the Enterprise Zone and it was determined that TIF would provide substantially higher financial incentives for the project in question.

Some Council members expressed that they would be more comfortable creating a TIF District if there was more than 1 interested party. Director Seguss indicated that although that would be ideal, the Warehouse on Park owners have expressed interest in moving forward with their project for quite some time and are not going to want to wait until there are more businesses interested in a TIF project, as the timeframe would be unknown. Securing two developers who are ready to move forward with their project, yet willing to wait for implementation of a TIF could be very difficult.

Administrative Director Seguss was asked what types of incentives were requested or offered to the Warehouse on Park owners and other previous interested parties. She responded that the City previously offered a City property that is located across from the old City Hall to a few developers, but the projects would only create increments to pay back the bond for the incentives requested, in addition to the donation of City property. There would be nothing additional to use toward public improvements.

Some Council members were concerned about the financial aspect of the project; future mortgage and taxes being approximately \$170,000 a year. The start-up funding for this project is extremely large, which is another concern. Director Seguss stated that a business pro forma has been submitted by the owners of Warehouse on Park with projected revenues, but it has not been reviewed by our Consultant yet; if the Council wishes to move forward, it will be reviewed and additional information will be presented. A Council member expressed that if someone approaches the City, takes the time to submit all the paperwork, meet the guidelines, timelines and deadlines of the TIF, it could be the marketing tool needed jump start the program, as notices will need to be posted, which could inspire other developers to apply for the TIF. Another suggestion was to reach out to the developers that were previously interested in a TIF project to see if they might still be interested.

Consensus amongst Council was to gather additional information regarding TIF to make a more informed decision at an upcoming meeting.

Alderman Di Guido indicated that previously, the City agreed to assist the Genoa Area of Commerce in submitting a grant for funding of a new website and to support other community events. He expressed that if the Chamber does not receive the grant, he feels that it would be a good sign of support if the City assisted in making up those funds. Finance Office Manager & Treasurer, Jan Tures indicated that the City is only able to sponsor events. The City can sponsor larger amounts for events, but funding a new website would not qualify as an event. Some Council members and staff expressed that with our current annual donation of \$1,500, plus the virtually free office space and use of City and Police staff for events, it is a fair amount of support. Other Council members felt that the Chamber does an excellent job of promoting Genoa and believe the City should provide additional financial support to assist in funding various events. Although a few Council members felt the current amount is sufficient, consensus amongst most Council members was to increase the annual amount of sponsorships for the Chamber to either \$3,000 or \$5,000.

Motion made by Alderman Wesner to adjourn the Special Committee of the Whole meeting, seconded by Alderman Di Guido. Voice vote was taken. All voted yes. Motion carried. Meeting was adjourned at 9:05 p.m.