

## COUNCIL WORK SESSION – NOVEMBER 29, 2017

The work session of the Common Council of the City of Marshall was held on November 29, 2017 in the Professional Development Room at the Marshall Middle School, 401 South Saratoga Street. The meeting was called to order at 5:30 P.M. by City Council President Pro Tem, Sturrock. In addition to Sturrock the following members were present: Schafer, Meister, Bayerkohler and Lozinski. Absent: Byrnes and DeCramer. Staff present included: Sharon Hanson, City Administrator; Karla Drown, Finance Director; Dave Parsons, City Assessor; Cal Brink, Executive Director of Marshall Area Chamber of Commerce and Kyle Box, City Clerk, effective December 1, 2017.

### **TAX INCREMENT FINANCING INFORMATIONAL:**

City Administrator, Sharon Hanson, introduced Terri Heaton of Springsted. Ms. Heaton introduced, Mikaela Huot and Elizabeth Bergman of Springsted's. Terri Heaton, Senior Vice President, presented general information on Tax Increment Financing (TIF). Mikaela Huot, Vice President, of Springsted discussed further on the item of Confidence and Sensitivity when dealing with TIF. There was further discussion by Council.

Council Member Bayerkohler discussed Risk vs. Reward. Terri Heaton provided information on the different finance and bonding options the City has when it comes to Risk vs. Reward.

Mikaela Huot provided information on the City of Marshall and its TIF districts. Council Member, Bayerkohler, discussed decertified TIF Districts and whether it can have a negative or a positive balance. Mikaela Huot provided further information on the item. There was continued discussion by Council.

Ms. Huot provided a list of the City's existing City TIF Districts by Type:

#### **Redevelopment (pre – 1990)**

- 1-1, 1-2, 1-7, 2-1, 2-2 (decertified)
- 1-5 (active)

#### **Housing (pre – 1990)**

- 1-8 (decertified)
- 4-1 (active)

#### **Redevelopment**

- 2-3 (decertified)

#### **Economic Development**

- 1-11, 1-12, 1-13, 1-14, 2-4 (active)

President Pro Tem, Sturrock, discussed what are the City's Pre-1990 TIF districts invested in? Finance Director, Karla Drown was able to confirm that the Pre-1990 TIF dollars (\$3,929,548) are invested in a money market collecting .045% interest. Sturrock also confirmed that the Pre '90 TIF dollars are available for certain uses within the project area the districts are located in. Once a district is decertified, the tax collection goes back to the County, City and School and only a resolution by the City can decertify a district before its end date.


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Cal Brink, Executive Director of Marshall Area Chamber of Commerce, recommended that the Council have an analysis of TIF and develop the pro and cons for moving forward to start planning for the future.

Council Member, Meister, discussed a basic TIF model and why doesn't the Existing Tax Base increase as the New Tax Base increases. Mikaela Huot, Vice President of Springsted's, stated that the State deems it frozen until decertification.

Council Member, Lozinski, discussed how the school district is compensated when a TIF plan can take money away. Ms. Huot mentioned that a tax formula from the State changes to reflect revenues from property taxes or other sources.

City Council President Pro Tem, Sturrock, declared the meeting adjourned.

 12/12/2017  
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City Council President Pro Tem

Attest:

  
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City Clerk