

Hilbert may add year to TID No. 1

By Ed Byrne
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HILBERT – Thanks to a recent change in state law, the Village of Hilbert is able – if it chooses – to add a year on to the life of its Tax Increment Financing District No. 1.

Seth Hudson, Economic and Community Development Services Senior Manager for Cedar Corporation, told the Hilbert Village Board last week that the TIF, which is set to expire, can be extended one year, and the tax revenues from the year directed to new uses.

“There is an option to extend the TID one year, and use the increment from that extra year for housing within the community,” Village Administrator Dennis Duprey said. “It doesn’t have to be within your TID.”

The district already has a positive cash flow balance, and extending TIFD No. 1 for one year would allow about \$116,000 to be set aside for the village to use.

No decision was made at the board’s February 11 meeting, but the item will be on the village board’s March meeting agenda for discussion and a decision.

“There was a change in TIF law back in 2009 ... for workforce or affordable housing support,” Hudson said.

The village board would have to pass a resolution extending the TIFD’s life by up to one extra year.

“All that money comes in ... for affordable housing,” Hudson said.

The law requires at least 75 percent of the revenues from the one-year extension of the TIFD for affordable housing anywhere within the village.

“It can be anywhere in the village,” he said. “It’s a very, very broad definition of how the money gets spent.”

The other 25 percent of the funds have to be used by the municipality to improve its housing stock.

Hudson said there are many ways the village could use the funds. Among them:

- Create a fund to provide down payment assistance for first-time homebuyers.
- Make no interest loans for homebuyers
- Create a fund for environmental remediation, such as replacing lead water pipes.
- Create a revolving loan fund to

assist low- to moderate-income homeowners with repairs.

- Partner with builders to create multi-family housing.

Hudson said some communities are partnering with local industries to develop housing for workers.

“You don’t have to do any of this,” Hudson said. “You could just close the TIF down.”

But he said it is a one-time opportunity to encourage “workforce” housing development in the village by extending TIFD No. 1 for a year.

The program has few strings attached. The money just has to go toward affordable or workforce housing initiatives in the community – inside or outside of the actual TIF district.

Hudson said communities that used TIF extension funds to create revolving loan programs keep the money working for years.

Most changes to a TIFD have to be approved by a committee of representatives from the municipality, the school district, technical college district and county. But this one-year extension of the TIFD can be done by the village board, acting alone – and the other entities would have no say.

Cold storage

Bel Brands is willing to sell its old cold storage facility – located on the south side of Chestnut Street between Seventh and Eighth – to the Village of Hilbert.

But there’s one catch: the old building is loaded with asbestos in the ceiling, floor and walls – and the cost to remove it is around \$500,000.

To make it worse, no existing state or federal environmental cleanup program would help pay for it.

Hudson is working on a Community Development Block Grant (CDBG) for blight removal to tear the old concrete block building down and prepare the site for new development.

Hilbert wanted to create what’s called an “Environmental TIF District” – like the one created in Brillion to clean up the old Brillion Iron Works property.

To create one, a municipality needs to get the blessing of both the state Department of Natural Resources and the state Department of Revenue.

“The hiccup we have here ... is environmental contamination is in the ground, air or water,” Hudson said.

“The Bel Brands building does not have any of that. It is contamination within the building, because it is full of asbestos.”

Hudson said other communities have similar cleanup dilemmas, and no answer under current programs.

But Hudson has a plan.

He said he wants to get the state legislature to change the law to permit contaminated building cleanups by amending the statute that created Environmental TIF Districts “and make it so asbestos-related contamination would count for cleanup.”

Hudson plans to bring up the fix through the Wisconsin Housing and Economic Development Authority (WHEDA), whose board of directors includes state Senator Andre Jacque, R-De Pere.

“The next step now is to go talk to our elected [officials] and say ‘Here are our issues,’” Hudson said.

He plans to have WHEDA call for the change in law to allow contaminated buildings to be covered by Environmental TIFs.

Once the site is cleaned up under an environmental TIFD, then the building would be demolished and the site restored for new development under CDBG funding.