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Testimony in Support of Assembly Bill 982

Assembly Committee on Ways & Means

February 1, 2024

Chairman Macco and members of the committee, thank you for holding a public hearing on Assembly Bill (AB) 982.

Tax Incremental District (TID) #4 in the City of Antigo has been a huge success. Since 1999, the expansion and eventual sale of the Antigo Cheese Company (formerly Kraft Cheese; now Sartori Foods) has created great economic growth for the city and its residents. The expansion of the TID in 2014, which included parts of Antigo's downtown and CoVantage Credit Union, created 137 jobs in addition to the already established operations.

The expenditure period is now over for TID #4; it ended in 2018. With the past successes in mind, now is the time for the TID to repay the City of Antigo. The life of this TID needs to be extended from 2025 to 2031, in order for this to occur. At this point in time, the tax dollars generated by the TID have not been enough to repay the loans covering past infrastructure projects.

As the folks from Antigo here today will tell you, the city is in a much better place than it was 25 years ago. I'm happy to have them here with us today to personally share their story with you all.

Thank you again for this opportunity to testify on AB 982, and I look forward to your support.



MARY FELZKOWSKI

STATE SENATOR • 12TH SENATE DISTRICT

Testimony on AB 982

Senator Mary Felzkowski
Committee on Ways and Means
February 1, 2024 | 328NW

Chair Macco and Fellow Members of the Committee,

Thank you for the opportunity to testify on Assembly Bill 982, a bill that would extend the life of Tax Incremental District #4 in the City of Antigo through 2031 for the sole purpose of paying off the loans and closing it out.

In 1993, the Kraft Cheese plant in Antigo had plans to close up shop and move their operations out of state. By the grace of grassroots activists, the plant was purchased by Kraft Cheese employees and renamed the Antigo Cheese Company – keeping family supporting jobs in the area.

In 1999, the City of Antigo created TID #4 with news that the Antigo Cheese Company had plans to expand their operations – which they did, rather successfully. That success, along with desires to expand even further, resulted in a sale to Sartori Foods in 2006; we've all tasted Sartori Cheese, it's award-winning and mouthwatering good.

In 2014, Sartori Foods underwent a massive expansion, bringing more economic prosperity to the City of Antigo. Since then, TID #4 has expanded to include parts of the struggling downtown area and CoVantage Credit Union. The CoVantage Credit Union expansion alone added another 137 jobs for the area.

In 2018, the expenditure period ended for TID #4. This TID was extremely successful, and the City of Antigo wouldn't be the same if it weren't for this opportunity.

We're here today, asking to extend the life expiration of TID #4 from 2025 to 2031. The City of Antigo has been making loan repayments on behalf of the TID, but they need more time for revenues to catch up with infrastructure expansion costs, so the TID can repay the city.

We are blessed to have some incredible local leaders from Antigo here today, who will be testifying and are more than happy to discuss the financials behind this request.

I am blown away by the transformation that the City of Antigo has made over the last decade. Not only has it benefited their future economically, it's had a huge positive impact on the citizens of that area who elected me to be their voice in Madison. Thank you again for the opportunity to testify today, and thank you for your consideration of this bill.



Testimony on AB 982

Assembly Committee on Ways and Means
Kaye Matucheski, Clerk-Treasurer/Finance Director
City of Antigo
February 1, 2024

Good morning Chairman Macco and Members of the Assembly Committee on Ways and Means.

Thank you for taking the time to hear testimony on Assembly Bill 982, regarding the extension of the life of Tax Increment Finance District (TID) Number 4 for the City of Antigo by six years to allow for recouping the costs of the debt service that remains and for the past debt service that was advanced by the City.

In 1993, the Kraft Cheese plant announced that they were relocating their operations to California. Local Kraft employees got together and purchased the company and it became the Antigo Cheese Company. This grassroots effort saved this company from closing which would have been a significant job loss for our area.

In September of 1999, the City of Antigo created Industrial TID #4 to assist Antigo Cheese Company with their expansion plans. The City agreed to replace the municipal infrastructure serving the facility while also providing funds for the construction and operation of the cheese curing/packaging facility with a developer's agreement.

Antigo Cheese Company experienced great success. However, in order to continue to grow, a 2006 decision to sell the company to Sartori Foods was made. Sartori Foods sustains this success as they continue to make award-winning cheese.

Sartori Cheese Company underwent a massive expansion in 2014 and brought in new equipment in August of 2015. Expansion assured that Sartori retained its existing Antigo workforce while adding new employees to achieve increased production. There are currently plans by Sartori for a further expansion, which will directly benefit our area.

The original TID #4 project plan also covered a portion of the Highway 45 corridor located south of Antigo's downtown. There were unsightly buildings that needed razing to improve the appeal for those coming in to Antigo. This area was revitalized and presents a much better impression as travelers come in to Antigo.

In June of 2005, TID #4 was amended to include the downtown area on Fifth Avenue and Sixth Avenue. Sixth Avenue was the first priority as CoVantage Credit Union was planning a new building and expansion to keep their corporate headquarters in Antigo. Through a developer's agreement, the City provided new streetscape along the corridor and CoVantage agreed to create at least 37.5 jobs for the area. This was also very successful as they met and exceeded the job creation goals as they have expanded further to include the addition of a third story and 100 more jobs.

The amendment also included the Fifth Avenue downtown corridor, which was very much in need of improvement. Although the expenditure period for TID #4 had ended in 2018, Fifth Avenue reconstruction was accomplished by utilizing grant funds to enhance the large local investment. Many buildings that were previously vacant and deteriorating along this corridor have been improved by owners and/or tenants through joint City/County/Private Façade and Entrepreneur programs. *Many are now filled with small business start-ups that have increased the downtown's overall value.*

TID #4 has been successful as far as increasing manufacturing jobs, adding professional jobs, filling empty storefronts and increasing the tax base. The current increment value is \$13,968,500. Unfortunately the increased value has not generated enough tax dollars to repay the loans needed to complete the infrastructure investment projects. This is why we are respectfully requesting the direct legislation to increase the life of TID #4 by six years or earlier if the debt is repaid.

The City of Antigo will have no further expenditures in TID #4 except to pay the remaining debt service which is \$550,000 and repay the City for the advances for past debt service of \$1,234,222 for a total of \$1,784,222. The City will also not be requesting the one-year housing extension at the end of TID #4's life.

Thank you for your time to listen to my testimony on this important legislation for the City of Antigo. I would be very happy to answer any questions you may have.