

TIF District 6 ends as a successful venture

Where a farmstead once stood is, today, the Hammond - St. Croix Business Center. The industrial park tenants combine for about \$250,000 in annual tax revenue.



In 1995, travelers driving north from I-94 at exit 16 would pass nearly two miles of farm fields on both sides of County Road T before ascending a steep hill. Upon reaching the crest of the hill, the driver would see a farmstead was below on their left and the Village of Hammond limits more than one-half mile beyond.

In 1996, this view changed when St. Croix Electric Cooperative purchased 40 acres for a new headquarters facility south of the intersection at Co. Rds. T and J. The move away from offices in Baldwin, where SCEC had been located since 1937, turned out to be a strategic and, ultimately, successful decision.

SCEC President and CEO Mark Pendergast remembers working with the Board of Directors to prioritize the objectives in selecting a location for the new headquarters.

“We all viewed this as a 50-year decision. We predicted our growth was going to primarily be in the western part of the county and we wanted to be closer to

it,” he said. “Job creation and the addition of new electric load within an industrial park were additional components of our vision. We also wanted a location with easy access and visibility.

“In 1997, we moved into a new facility and, in a few short years, all our objectives would be met,” Pendergast said.

Before construction began on the new headquarters, the Co-op’s land was annexed into the Village of Hammond. Two years later, an adjoining 40 acres were purchased. In 1997, SCEC moved into their new location and, in 1999, the Cooperative and its for-profit subsidiary entered into a Developer’s Agreement with the Village of Hammond. Tax Increment Financing (TIF) District 6 was created. The Agreement allowed the developer, St. Croix Electric Cooperative, to make the required property and infrastructure investments in 30 acres in order to attract new businesses. The new property tax revenue, if sufficient, would be used to pay back the Co-op for its actual development costs, plus interest and a profit on the sale of land.

According to Pendergast, the property development and real estate sales got off to a slow start.

“In 2000, we extended roads, sewer, water and completed site work needed to build a 20,000 square foot manufacturing building for resale. We held the building for nearly two years before it was sold for a small profit,” he said.

In 2004, the remaining 22 acres held for developments were sold to Hammond Cold Storage.

The final annual TIF reimbursement payment from the Village was made to SCEC in August 2015. Total payments over the life of the TIF District was \$1.57 million plus interest.

Pendergast said it was a high-risk, high-reward venture. The businesses pay nearly \$250,000 a year in property taxes and the Hammond Cold Storage facility is the Cooperative’s largest electric load. He said the profit on the sale of land in the development has been used for electric operating purposes and to reduce electric rate increases.



Integration

October 2015 will mark the start of meter installations for Project Integration.

As technology improves, the current meter system is on the verge of being obsolete. Once complete, Project Integration will allow St. Croix Electric Cooperative to continue providing reliable and affordable electricity to members with the added capacity to eventually allow members to see more detailed information regarding their electric use. This feature would enable members to make changes in their electric use to help save money.

Meter installations begin this fall

Roll out expected to continue through 2016

The first meter installations are expected in October 2015 and will continue through 2016. SCEC has selected Chapman Metering to install the meters. Chapman Metering employees will have a St. Croix Electric Cooperative magnetic sign on the signs of their vehicles, as well as “Approved Contractor” badges to show, upon request. Letters will be mailed to members, in advance, of their new meter installation. Project Integration can be completed efficiently with help from members.

“Chapman Metering will need access to our equipment, so we’re asking members to make sure there are no enclosures or barriers around the meters,” SCEC Operations Technician Gary Robinson said.

A 3” x 6” yellow door hanger will be left on a front door once employees from Chapman Metering have completed their work. Members with questions regarding the project may contact SCEC at 715-796-7000.