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FOR IMMEDIATE RELEASE

***WILL files lawsuit challenging validity of the TIF Districts  
created by the City of Eau Claire to fund the Confluence Project.***

**March 12, 2015** - On behalf of Voters With Facts and numerous Eau Claire taxpayers, the Wisconsin Institute for Law & Liberty today filed suit against the City of Eau Claire and the City Joint Review Board in Eau Claire County Circuit Court. The lawsuit seeks to invalidate the City's actions in creating and amending two tax incremental financing ("TIF") districts to fund certain projects and to pay the expenses of a real estate developer in connection with the controversial Eau Claire Confluence Project.

During September and October of last year, the City expanded the boundaries of already existing TIF District # 8 and created an entirely new TIF District #10. The creation of TIF District #10 was done in order to permit the City to use tax dollars to fund certain development costs of the Confluence Project, and includes taxpayer funding that reimburses a private real estate developer for the costs of building a residential and mixed use structure that is part of the project. The developer has already purchased and demolished several historic structures in downtown Eau Claire. The expansion of TIF District #8 was done to further the construction of an otherwise unneeded city parking structure that is intended to serve private development.

The Complaint asserts that the Wisconsin laws that govern the creation of TIF districts are narrowly drawn and permit a City to create such districts only when specific requirements have been satisfied. Although the districts at issue in the case were supposedly created to address the problem of urban "blight," the plaintiffs claim that the properties were not blighted. The City's claim to the contrary lacked any basis in reality. The City's actions were therefore invalid and the creation of the districts was unlawful. The Complaint also challenges the action of the Eau Claire Joint Review Board, which failed to comply with its statutory duty to first ensure that development within the proposed districts would not occur in the absence of tax incremental financing. The Complaint asserts that the use of TIF funding to demolish historic structures is also a violation of Wisconsin law. And, finally, that the use of tax incremental financing in this way violates the uniformity clause of the Wisconsin Constitution.

WILL called these problems to the attention of the City and the Joint Review Board in an October 2014 letter. The City elected to proceed, ignoring the legal problems. WILL filed a

formal notice of claim on behalf of its clients on November 10, 2014, giving the City 120 days to respond as required by Wisconsin law. It did not, making the lawsuit inevitable.

Rick Esenberg, President and General Counsel of WILL, said: “WILL is pleased to have the opportunity to represent Eau Claire taxpayers in their suit. We believe that Eau Claire government is using the Tax Increment Law to favor private development in a way that the legislature never intended. The statute is not a general authorization to hand taxpayer dollars to private developers.”

Michael Fischer, Senior Counsel at WILL, said: “We gave the City Council an opportunity to address our serious legal concerns before they acted and they decided to go ahead with their tax increment plans. All of the subsequent actions the City has or may take in reliance on the legal validity of these TIF Districts – including the payment of City taxpayer funds to a private developer – are now being challenged. We hope the court will decide the matter promptly. In the meantime, we urge the City to proceed with caution.”

The complaint can be found on our website, [www.will-law.org](http://www.will-law.org), and is available on request.

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*The Wisconsin Institute for Law & Liberty is a non-profit, public interest law center promoting the public interest in constitutional and open government, individual liberty, and a robust civil society.  
Further inquiries may be directed to Mr. Esenberg at [rick@will-law.org](mailto:rick@will-law.org).*