



City of La Crosse, WI

LIPCO/Trane Plant 6 Tax Increment District #16 Project Plan

Joint Review Board #1 April 22, 2014
Public Hearing April 28, 2014
Plan Commission June 2, 2014
City Council June 12, 2014
Joint Review Board #2 June 18, 2014



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1 Executive Summary

DESCRIPTION OF THE DISTRICT

- Type of the District, Size and Location – Tax Incremental District (TID) No. 16 (The “District”) is proposed to be created as a mixed use area district. A map of the District boundary is located in Section 3 of this Plan.
- Estimated Total Project Expenditures – Total project expenditures are estimated to cost \$11,707,500 (2014 dollars). Actual project costs are estimated to increase dependent on variable inflation rates, and some projects listed on the project plan may not be fully funded or not funded at all due to insufficient increment revenues. Current estimates, in Table III, show that the site preparation costs will be fully reimbursed by year twelve. The project list is located in Section 6 of this Plan.

The expenditure period of this District is fifteen years from the date of adoption of the Creation Resolution by the Common Council. The projects to be undertaken pursuant to the Project Plan are expected to be financed with general obligation bonds and surplus dollars, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of total project financing is located in Section 8 of this Plan.

- Economic Development – As a result of the creation of this District, the City estimates that \$5,500,000 of new value will be created from the redevelopment, renovations and appreciation in the value of existing properties. This additional value will be a result of the projects undertaken within the District. A table detailing assumptions as to the timing of the developments and associated values is located in Section 8 of this Plan. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings, hereafter.
- Expected Termination of the District – Based on the economic feasibility study located in Section 8 of this Plan, this District would be expected to generate sufficient tax increments to recover allocated project costs by the year 2026 (12 years).

SUMMARY OF FINDINGS

As required by Section 66.1105 Wisconsin Statutes, and as documented in this Project Plan, the following findings are made:

1. That “but for” the creation of this District, the development projected to occur as detailed in the Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City. In making this determination, the City has considered the following information:

- The real estate included in the TID is essential to the economic health of the City and other taxing jurisdictions within the City.
 - The development projected in this project plan is an integral part of the manufacturing, commercial, retail, and housing needs of City residents and the surrounding area.
 - The benefits to be gained by the City as a result of the development are greater than the costs to the City.
 - The development will result in an economic and aesthetic benefit to the City and the surrounding area, including growth in the tax base and job creation and retention.
 - Residential neighborhoods within this district are in need of revitalization. The average improvement value of single family residences, in this District, is \$52,000.
2. The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the City has considered the following information:
- As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected are sufficient to pay for the proposed project costs. On this basis alone, the finding is supported.
 - The development expected to occur is likely to generate additional jobs over the life of the District.
 - Residential development and housing revitalization is an economic strategy that the City of La Crosse has adopted in recent years as a mechanism to spur investment and confidence in our neighborhoods. Many of the properties within the District are located in the one-hundred year flood plain. Flood insurance rates have increased sharply in recent years which may hinder appreciative growth, and possibly reduce property values.
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of the property in the overlying taxing jurisdictions.
- If approved, the district creation would become effective for valuation purposes as of January 1, 2015. As of this date, the assessed value of all existing property becomes the base value. The property taxes collected on the base value will continue to be distributed to the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2015 would be collected by the District and used to repay the costs of TIF-eligible projects undertaken within the District.
 - The redevelopment is unlikely to occur without the use of TIF (see Finding #1) and since the District will generate economic benefits that are sufficient to compensate for the cost of the improvements (see Finding #2), the City reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of the property in the overlying taxing jurisdictions. It is

further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not created. As required by Section 66.1105 (4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the property owners, of the overlying taxing jurisdictions, has been made and can be found in Section 17 of this Plan.

4. At least 50% of the land in the TID is suitable for a combination of industrial, commercial or residential development, and lands proposed for newly platted residential do not exceed 35%, by area, of the real property within the district.
5. Activities and improvements within the TID are intended to encourage and attract mixed use development growth in this area of the City.
6. The improvement to the area is likely to maximize the private investment within the TID and significantly enhance the value of substantially all of the other real estate in the District.
7. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property in the City.
8. Any newly platted residential will be located in a traditional neighborhood development as defined in Section 66.1027(1)(c) of the Wisconsin Statutes, “a compact, mixed-use neighborhood where residential, commercial and civic buildings are within close proximity to each other.”
9. Property within the TID was within the City municipal boundaries prior to January 1, 2004.
10. Property within the District that is suitable and zoned for industrial use will remain zoned industrial for the life of the TID.
11. The Project Plan for the District in the City is feasible, and is in conformity with the master plan for the City.

2 Type & General Description of District

The Trane Plant 6 facility was cleared during the summer of 2010 and soil remediation was completed in early 2011. The site is currently owned by the La Crosse Industrial Park Corporation (a partnership between the City of La Crosse, Xcel Energy, and the La Crosse Area Development Corporation), whose goal is to return the property to the private real estate development community for mixed use development. The site is 12 acres and has 400 feet of frontage on George Street/STH35 on the north side of La Crosse. The site is located in the one-

hundred year flood fringe and will need to be raised to allow for development; followed by a Letter of Map Revision certifying the site is out of the one-hundred year flood fringe. The area surrounding the site includes low to moderate income housing, Reinhart Food Service Distribution, Mid-America Commercial Court, Menards, Kwik Trip, and some small privately owned businesses.

TID No. 16 is being created by the City of La Crosse under the authority provided by Wisconsin Statue Section 66.1105. The District is created as a Mixed Use District based upon a finding that at least 50% of the land in the District is suitable for a combination of industrial, commercial or residential development and that newly platted residential areas will not exceed 35% of the total area of the TID.

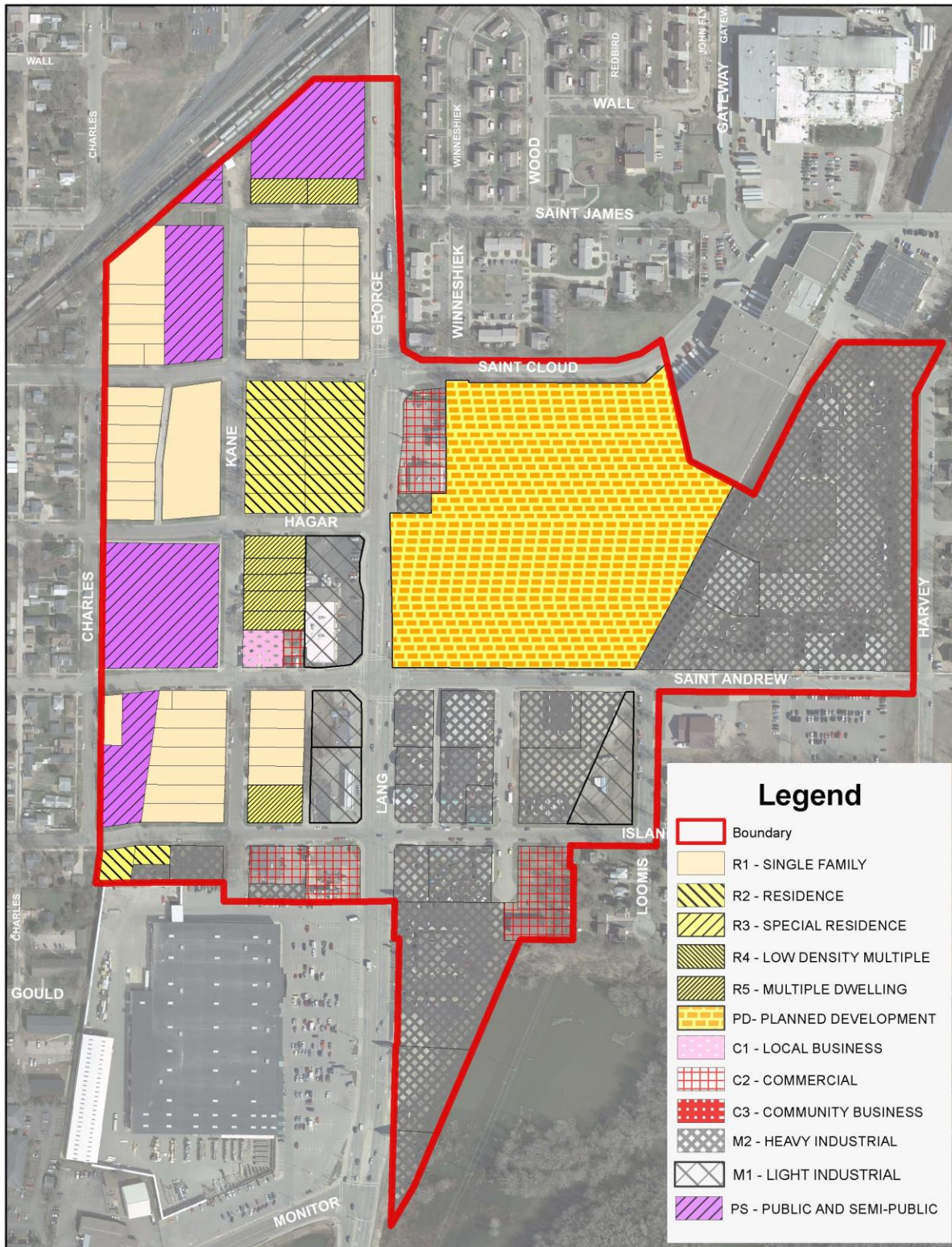
Property standing vacant for seven years immediately preceding adoption of the Creation Resolution for this District will not comprise more than 25% of the area in the District in compliance with Section 66.1105(4)(gm)1. of the Wisconsin State Statutes.

Maps depicting the District boundary as well as the proposed uses of the District are found in subsequent sections of this plan. The City of La Crosse intends that tax increment financing will be used to assure that private development occurs within the District consistent with the City's development and redevelopment objectives. This will be accomplished by installing public improvements and making necessary related expenditures to promote redevelopment within the District. The goal of the redevelopment is to increase the tax base and preserve employment opportunities within the City and region. The project costs included in this Plan relate directly to promoting the mixed use development sought in the District.

3 Map Of District Boundary



4 Map Of Existing Uses



5 Equalized Value Test

The following table demonstrates that the City of La Crosse is in compliance with Section 66.1105(4)(gm)4.c. Wisconsin Statutes, which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City of La Crosse.

The estimated property value of TID 16, plus the increment values of the existing Tax Incremental Districts equals 8.29% of the City's total equalized value. These values are based on the latest available data from the Wisconsin Department of Revenue (DOR). The 12% rule applies to official property values for the year in which TID is created. 2014 equalized value data will become official January 1, 2015. The data shown in Table I is based on 2013 numbers. Based on the latest available data, the City of La Crosse has approximately \$115,000,000 of future increment growth remaining before reaching the 12% statutory limitation.

Table I
Equalized Value Test

Percentage of Equalized Value		8.29%		
Total Existing Increment		\$240,167,900	City 2013 Equalized Value	\$3,103,160,000
Estimated Base Value of TID 16		\$17,188,400	12% Limit	\$372,379,200
Total Value		\$257,356,300		

Table II
Existing Tax Incremental Districts

TID	Year Created	Last Day to Incur Costs	Dissolution Date	Increment Value
4	8/18/1987	8/18/2009	8/18/2015	36,801,600
5	3/12/1992	3/12/2014	3/12/2019	7,664,500
6	4/14/1994	4/14/2016	4/14/2021	48,006,400
7	8/14/1997	8/14/2019	8/14/2024	9,029,500
8	7/10/1997	7/10/2015	7/10/2020	2,390,900
9	6/22/1999	6/22/2017	6/22/2022	17,325,800
10	6/14/2003	6/24/2025	6/24/2030	446,100
11	10/12/2004	10/12/2026	10/12/2031	66,578,600
12	7/14/2005	7/14/2027	7/14/2032	18,837,100
13	5/11/2006	5/11/2021	5/11/2026	24,649,400
14	8/24/2006	8/24/2028	8/24/2033	8,438,000
15	9/5/2013	9/5/2028	9/5/2033	Not Available
Total				\$240,167,900

6 Detail Of Proposed Public Projects & Costs

Any costs necessary or convenient to the creation of the District or directly or indirectly related to the public works and other projects are considered “project costs” and are eligible to be paid with tax increment revenues of the District.

➤ Capital Costs

Capital costs include projects located within the boundaries of the District or within one half mile of the District boundaries as permitted in the State’s TIF law. In addition, infrastructure costs for projects located outside of the District, benefiting or necessary for the development within the District may also be eligible project costs. Such costs must be shared in a reasonable manner relating to the amount of benefit to the District. Project costs may include:

- Land acquisition, preparation, relocation, and building demolition to facilitate development, redevelopment, or rehabilitation of existing buildings and structures within the District.
- Street construction or reconstruction, installation/upgrading of sanitary sewer, water, and stormwater infrastructure to facilitate development or redevelopment.
- Installation or improvements to other utilities including electric, natural gas, telecommunications, cable TV, fiber optic, etc.
- Construction of trails, bicycle facilities, and other related improvements to facilitate pedestrian and bicycle travel in and around the District.
- Installation/construction of landscaping improvements, streetscaping, wayfinding, traffic calming.
- Construction of parking improvements.
- Scenic improvements including billboard acquisitions that are part of an economic development project, voluntary commercial signage reduction matching grants, and burial of overhead wires.

➤ Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover project costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grant made by the City are eligible Project Costs.

➤ Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within the Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering;

legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

➤ Administrative Costs

The City may charge to the district as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees in connection with the implementation of the Plan.

➤ Financing Costs

Eligible financing costs include interest, and may include finance fees, bond discounts, bond redemption premiums, bond legal opinions, bond fees, ratings, capitalized interest, bond insurance and other expenses related to financing.

With all projects, the costs of engineering, design, surveying, inspection, materials, construction, restoring property to its original condition, apparatus necessary for the public works, legal and other consultant fees, testing environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as project costs.

In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statute Section 66.1105, in the written opinion of nationally recognized bond counsel retained by the City for such propose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for the purposes of this Project Plan.

The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.

Project costs include any expenditures made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and as outlined in this Plan. Project costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality outside the District, a proportionate share of the cost is not a project cost. Costs identified in this Plan are preliminary estimates made prior to design consideration and are subject to change after planning is completed. Proration of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fees adjustments.

DETAILED LIST, COST AND TIMING

Table III contains a list of public works and other projects that the City expects to implement in conjunction with this District. All project costs are based on 2014 preliminary cost estimates. Some projects or portions of projects are not funded at this time, but the City reserves the right

to include those costs if future TID projections show that it is feasible. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2014 and the time of construction. The City also reserves the right to increase certain project costs to the extent others are reduced or not implemented, without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

This Plan is not meant to be a budget nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Common Council without amending the Plan.

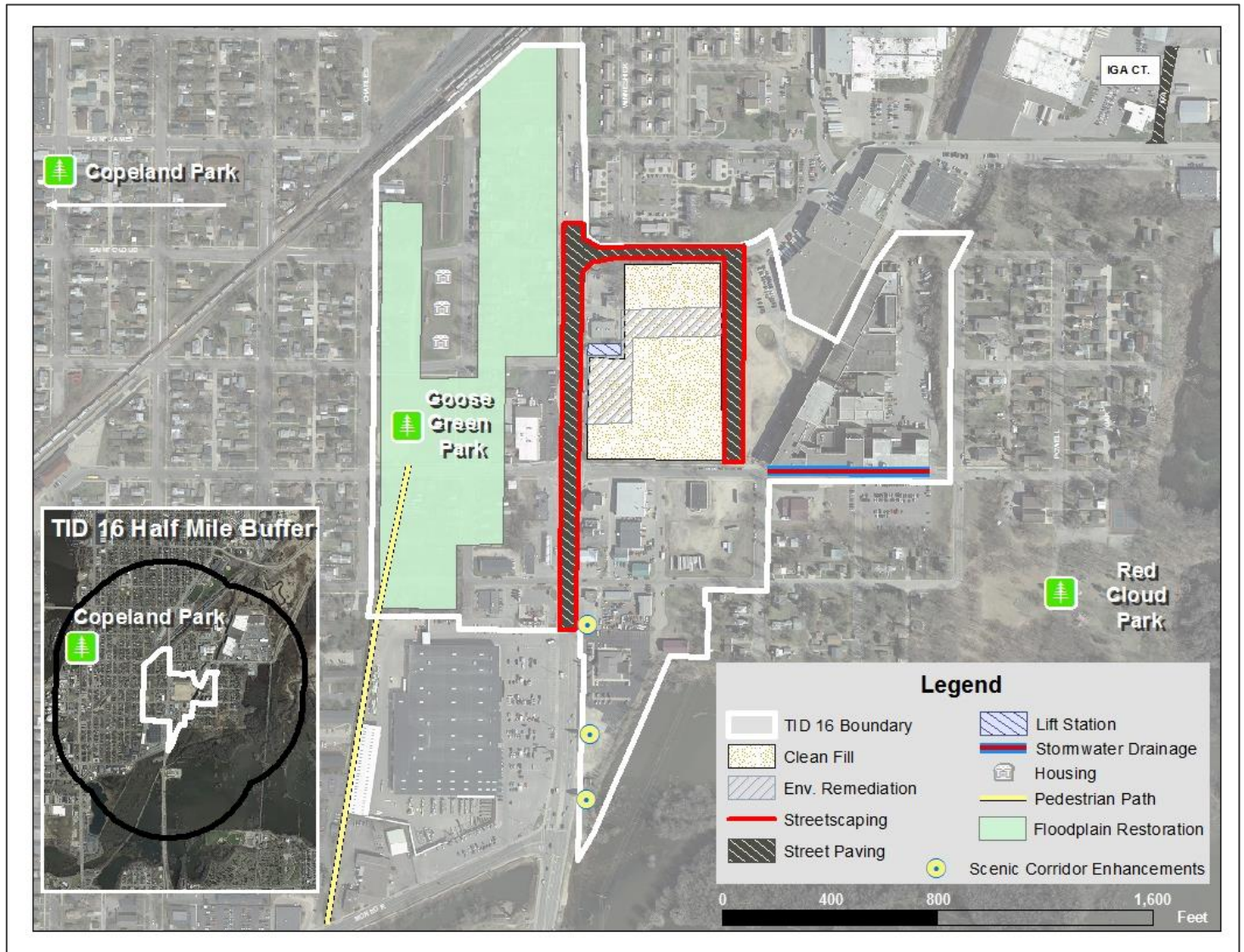
TID 16 is created to prepare the Trane Plant 6 site for redevelopment. This site is currently located in the one percent chance flood fringe which will require fill of at least two feet above the regional base flood elevation, followed by a Letter of Map Revision (LOMR) from the Federal Emergency Management Agency ensuring that the site is out of the one percent chance flood fringe and eligible for redevelopment. Volume needed to fill the site to the appropriate elevation is estimated to exceed 97,000 cubic yards, at a cost of \$385,000.

The Trane Plant 6 Site also contains two asphalt parking lots that need to be removed prior to filling the site. Buried rubble and other remnant construction materials also need to be removed to prepare the site. Cost estimates for the two environmental remediation efforts are estimated to cost up to \$680,000.

TABLE III
Project Cost & Balance Sheet

Project List				Rank	2014 Cost Estimate	Estimated Feasible	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
Trane Plant 6 Site Prep																														
Rubble & Asphalt Removal*				High	680,000	100%	680,000																							
Clean Fill 2' above 100 Yr. Flood Zone				High	385,000	100%	385,000																							
Road on TP6 Site and Streetscaping				Low	600,000	0%																								
Total					1,665,000																									
Other Project Costs																														
Public Works																														
Stormwater/Drainage					1,440,000	0%																								
Lift Station					50,000	0%																								
Reconstruction of Lang Drive					345,000	0%																								
Street Paving St. James					100,000	0%																								
Street Paving IGA Court					100,000	0%																								
Streetscaping, Other					600,000	0%																								
Lang Drive					200,000	0%																								
St. Andrews					200,000	0%																								
Flood Plain Revitalization Plan					50,000	0%																								
Sidewalks, other					800,000	0%																								
Bike Path Monitor St. to GG Park					200,000	0%																								
Total					4,085,000																									
Economic & Housing Revitalization																														
Wetland Restoration in Residential Neighborhood					500,000	0%																								
Housing Demolition and/or Replacement					1,000,000	0%																								
Paint & Fix-Up (50 units x \$500 ea.)					25,000	0%																								
Land Assembly/Incentives for Commercial/Residential					1,000,000	0%																								
Scenic Corridor Enhancements																														
Bury Power lines Lang Drive					250,000	0%																								
Remove Billboards x3 Lang Drive					750,000	0%																								
Community Art Project					50,000	0%																								
Artist Workspace Loan/Grant					100,000	0%																								
Total					3,675,000																									
Park & Rec																														
Copeland Park Splash Park				High	300,000	0%																								
Copeland Park Board Walk				Med	650,000	0%																								
Goose Green Park: BB field, playground, pavilion, wal				Med	400,000	0%																								
Red-Cloud Park: 30 ac. land purchase				Med	150,000	0%																								
New Park: playground, connecting trails, shelter				Med	300,000	0%																								
Red-Cloud park Ho-Chunk Interpretative Center				Low	400,000	0%																								
Total					2,200,000																									
Administrative & Professional Services																														
Planning, Legal, Administrative, Marketing, Engineering, High					82,500	100%	0	0	0	5,047	22,432	24,676	24,676	5,669	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Trane Plant 6 Site Prep					1,665,000																									
Other Project Costs					9,960,000																									
Administrative & Professional Services					82,500																									
Grand Total					11,707,500																									
Expenditures																														
TP6 Grant - Site Prep.							1,065,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other Project Costs							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Inflation Costs 2.5% Compounded Annually (Not applied to Admin. Costs)							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Administrative & Professional Services							0	0	0	5,047	22,432	24,676	24,676	5,669	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service							0	0	0	0	0	0	0	0	0	0	1,430,000	0	0	0	0	0	0	0	0	0	0	0	0	
Total Expenditures							1,065,000	0	0	5,047	22,432	24,676	24,676	5,669	0	0	1,430,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue																														
Balance from Previous Year								35,000	35,000	35,000	63,601	190,717	330,545	470,373	654,207	843,711	1,033,214	(232,283)	(67,779)	96,724	261,228	425,731	590,234	754,738	919,241	1,083,745	1,248,248	1,412,751		
Bond							1,100,000																							
Trane Plant 6 Increment Revenue									0	33,648	149,549	164,503	164,503	164,503	164,503	164,503	164,503	164,503	164,503	164,503	164,503	164,503	164,503	164,503	164,503	164,503	164,503	164,503		
WI Grant							0	0	0	0	0	0	0	25000	25000	25000	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Revenue							1,100,000	35,000	35,000	68,648	213,150	355,221	495,049	659,877	843,711	1,033,214	1,197,717	(67,779)	96,724	261,228	425,731	590,234	754,738	919,241	1,083,745	1,248,248	1,412,751	1,577,255		
Annual Balance							35,000	35,000	35,000	63,601	190,717	330,545	470,373	654,207	843,711	1,033,214	(232,283)	(67,779)	96,724	261,228	425,731	590,234	754,738	919,241	1,083,745	1,248,248	1,412,751	1,577,255		

7 Map Of Proposed Improvements



8 Economic Feasibility

The information contained in this Section demonstrates that the proposed District is economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan, that are financially feasible. A listing of “Available Financing Methods” follows.
- The City expects to complete the projects as outlined, but can adjust the timing of implementation as needed to coincide with the pace of private development. Proposed timing of project implementation is included in this Section.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development expected to occur, 2) a projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all project costs.

Available Financing Methods

Implementation of this Plan will require that the City issue debt obligations to provide direct or indirect financing for the Projects to be undertaken. The following is a list of the types of obligations the City may choose to utilize.

➤ General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of Projects included within this Plan. Wisconsin Statutes limit the principal amount of G.O. debt that a community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (including increment values). Not all anticipated Project Costs will need to be borrowed. For example, TID administration costs can be paid out of the City operating funds and reimbursed when TID funds are available. Other expenses can be paid out of TID cash flow as projects are constructed, and begin paying property taxes.

➤ Bonds Issued to Developers (Pay as You Go Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made

by the developer. To the extent of the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City's obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligation of the City and, therefore do not count against the City's statutory borrowing capacity.

➤ Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City or as a form of lease revenue bond by a Community Development Authority (CDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City if the bonds or other evidences of indebtedness state on their face that the bonds are not a debt of the City and that the City is not liable for the indebtedness. Per WI Statute 66.0913, any indebtedness created by this section is not an indebtedness of the city and shall not be included in determining the constitutional 5% debt limitations therefore do not count against the City's statutory borrowing capacity. To the extent that increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

➤ Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of the sewer and/or water systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds; the City must reduce the total eligible Project Costs in an equal amount.

➤ Special Assessment B Bonds

The City has the ability to levy special assessment against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event that the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City's statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

➤ Federal/State Loan and Grant Programs

The State and Federal Government often sponsor grant and loan programs that municipalities may potentially use to supplement TIF expenditures or provide financing

for capital costs which positively impact the District. These programs may include Wisconsin State Trust Fund Loans, Transportation Economic Assistance Grants, Economic Development Administration Grants, Wisconsin Department of Natural Resources trail and site cleanup grants, among others. These programs require local match funding to insure State and federal participation in the project.

Plan Implementation

Projects identified will provide the necessary anticipated governmental services to the area. A reasonable and orderly sequence is outlined previously in the Project Section. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses.

The order in which public improvements are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.

If financing as outlined in this Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.

TABLE IV
Development Assumptions

Development	Assessed Value 100%	Construction Year & Full Revenue Year
Low-Income Housing	1,900,000	2015 & 2018
Retail	2,600,000	2015 & 2018
Medical Office	1,000,000	2016 & 2019
Total	5,500,000	

Trane Plant 6 will be redeveloped in several phases. The first phase is expected to last from 2015-2019, and it includes a mixture of low-income housing, retail/office, and a medical facility. Preliminary estimates show that the market could absorb these uses and densities; however, the low-income housing component will require approval from the State of Wisconsin prior to obtaining low-income housing tax credits (LIHTC). If the LIHTC component is not subsidized, the housing development will likely not proceed. The developer may attempt to reapply when LIHTC funds become available in the future.

Phase I is expected to encompass approximately half of the twelve acre redevelopment site. Subsequent redevelopment phases are not included in Tables IV or V because insufficient information is available to accurately predict assessed values and increment revenue.

TABLE V
Increment Revenue Projections

			Type of TID	Mixed Use	Base Value		17,188,400		
			Creation Date	6/25/2014			0.02990971		
			Maximum Life	20					
			Expenditure Period	15					
			End of Expenditure Period	6/25/2030					
			Latest Termination Date	6/25/2035					
Eligible for Extension/Yrs.			Yes/+3						
			Value Increment			Revenue Increment			
Construction Year	Valuation Year	Revenue Year	Housing LITCH	Retail	Medical Office	Housing LITCH	Drug Store	Medical Office	Total Increment
2014	2015	2016							0
2015	2016	2017	475,000	650,000		14,207	19,441		33,648
2016	2017	2018	1,900,000	2,600,000	500,000	56,828	77,765	14,955	149,549
2017	2018	2019	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2018	2019	2020	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2019	2020	2021	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2020	2021	2022	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2021	2022	2023	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2022	2023	2024	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2023	2024	2025	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2024	2025	2026	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2025	2026	2027	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2026	2027	2028	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2027	2028	2029	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2028	2029	2030	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2029	2030	2031	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2030	2031	2032	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2031	2032	2033	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2032	2033	2034	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
2033	2034	2035	1,900,000	2,600,000	1,000,000	56,828	77,765	29,910	164,503
Total									2,979,755

Estimated property values, shown in Table V, are based on discussions with the potential developer of the Trane Plant 6 Site. Actual property values are expected to differ once the redevelopment takes shape. Increment revenue is calculated by multiplying equalized property value by the current mill rate.

TABLE VI
Debt Service

Year	Principle	10 Yr. Balloon		Annual Debt Service
		P	I	
		1,100,000	3.00%	
2014	1,100,000	0	0	0
2015	0	0	0	0
2016	0	0	0	0
2017	0	0	0	0
2018	0	0	0	0
2019	0	0	0	0
2020	0	0	0	0
2021	0	0	0	0
2022	0	0	0	0
2023	0	0	0	0
2024	0	1,100,000	330,000	1,430,000
2025	0			0
2026	0			0
2027	0			0
2028	0			0
2029	0			0
2030	0			0
2031	0			0
2032	0			0
2033	0			0
2034	0			0
2035	0			0
Total	1,100,000			1,430,000

Advanced funding is required to prepare Trane Plant 6 for redevelopment. Table VI shows that an initial principal amount of \$1,100,000 is required for environmental remediation, fill, and administrative costs. The financing instrument used in this scenario, is a ten year bond with one balloon payment, at 3% interest.

TABLE VII
Cash Flow Projections

<table><tr><td>85%</td><td>% of Increment Revenue for Site Prep</td><td>Projected Annual Inflation</td><td>2.5%</td></tr><tr><td>15%</td><td>% of Increment Revenue for Admin.</td><td>Multiplier</td><td>1</td></tr><tr><td>\$1,065,000</td><td>Site Prep. Cost Estimate</td><td></td><td></td></tr><tr><td>\$82,500</td><td>Admin. Cost Estimate (1.5% of new value, max)</td><td></td><td></td></tr></table>												85%	% of Increment Revenue for Site Prep	Projected Annual Inflation	2.5%	15%	% of Increment Revenue for Admin.	Multiplier	1	\$1,065,000	Site Prep. Cost Estimate			\$82,500	Admin. Cost Estimate (1.5% of new value, max)		
85%	% of Increment Revenue for Site Prep	Projected Annual Inflation	2.5%																								
15%	% of Increment Revenue for Admin.	Multiplier	1																								
\$1,065,000	Site Prep. Cost Estimate																										
\$82,500	Admin. Cost Estimate (1.5% of new value, max)																										
Year	Revenues				Expenditures						Cumulative Balance																
	Service Bonds	Tax Increment	WI Grant	Total Revenue	TP6 Site Prep	Admin. & Prof. Services	Project Costs Other	Project Inflation	Debt Service	Total Expenditures																	
2014	1,100,000			1,100,000	1,065,000		0	0	0	1,065,000	35,000																
2015				0	0		0	0	0	0	35,000																
2016	0	0		0	0		0	0	0	0	35,000																
2017	0	33,648		33,648	0	5,047	0	0	0	5,047	63,601																
2018	0	149,549		149,549	0	22,432	0	0	0	22,432	190,717																
2019	0	164,503		164,503	0	24,676	0	0	0	24,676	330,545																
2020	0	164,503		164,503	0	24,676	0	0	0	24,676	470,373																
2021	0	164,503	25,000	189,503	0	5,669	0	0	0	5,669	654,207																
2022	0	164,503	25,000	189,503	0		0	0	0	0	843,711																
2023	0	164,503	25,000	189,503	0		0	0	0	0	1,033,214																
2024	0	164,503		164,503	0		0	0	1,430,000	1,430,000	(232,283)																
2025	0	164,503		164,503	0		0	0	0	0	(67,779)																
2026	0	164,503		164,503	0		0	0	0	0	96,724																
2027	0	164,503		164,503	0		0	0	0	0	261,228																
2028	0	164,503		164,503	0		0	0	0	0	425,731																
2029	0	164,503		164,503	0		0	0	0	0	590,234																
2030	0	164,503		164,503	0		0	0	0	0	754,738																
2031	0	164,503		164,503	0		0	0	0	0	919,241																
2032	0	164,503		164,503	0		0	0	0	0	1,083,745																
2033	0	164,503		164,503	0		0	0	0	0	1,248,248																
2034	0	164,503		164,503	0		0	0	0	0	1,412,751																
2035	0	164,503		164,503	0		0	0	0	0	1,577,255																
Total	1,100,000	2,979,755	75,000	3,054,755	0	82,500	0	0	1,430,000	2,577,500																	

Cash flow projections consist of estimated increment revenue, bond revenue, public improvement expenditures, and debt service. The result is an annual cumulative balance, illustrated in Table III.

By year twelve, estimates show that TID 16 will produce enough increment revenue to pay for the debt service needed to carryout the project costs listed project plan. Moving forward, cash flow projections will be updated annually to ensure that sufficient funds are available for future expenditures.

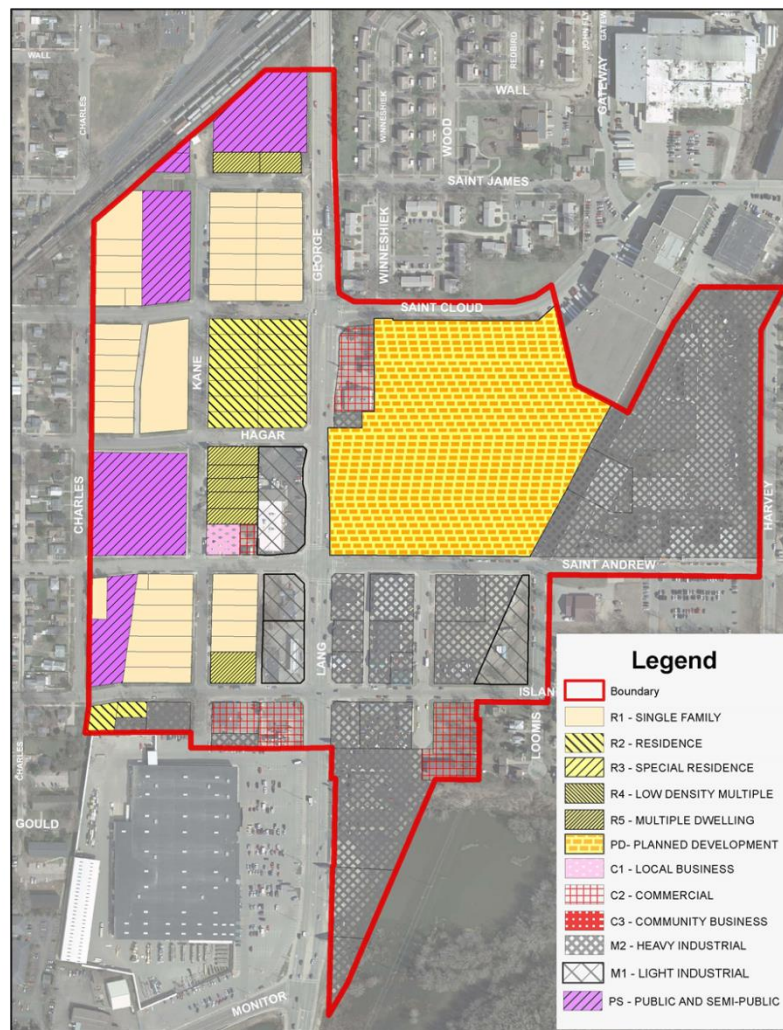
9 Annexed Property

There are no lands proposed for inclusion within the District that were annexed by the City on or after January 1, 2004.

10 Proposed Zoning Changes

The primary redevelopment site in TID 16 is currently zoned Planned Development District-General, and future zoning of this parcel will become Planned Development District-Specific prior to redevelopment taking place. The Map in Section 11 shows the proposed future uses.

11 Map of Future Uses



12 Changes to Maps, Plans & Ordinances

It is expected that this Plan will be complimentary to the City's Master Plan. There are no proposed changes to the Master Plan, map, building codes or other City of La Crosse ordinances for implementation of this Plan.

13 Relocation

The majority of the residential parcels, in TID 16, are located within the flood fringe. Neighborhood Revitalization projects, listed within Table III, include mitigation measures to remove properties from the flood fringe and potentially relocate residence to a new site that has been prepared for redevelopment. In the event that acquisition of property via eminent domain is required, and relocation necessary, the City will follow applicable state statutes as required in Wisconsin Statutes Chapter 32.

14 Promoting Orderly Development

The District contributes to the orderly development and redevelopment of the City by providing the opportunity for continued growth in tax base, job opportunities and general economic activity. This District will promote infill development of a vacant lot.

15 Non-Project Costs

Public improvements that are made outside the District and that do not benefit the property within the District, are not considered TID eligible expenses. Other examples include:

- Projects undertaken within the district as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

16 Attorney Opinion

17 Overlying Taxing Jurisdictions

Based on increment projections found in Table I, \$164,503 will be produced and distributed annually to the overlying taxing jurisdictions at the time TID 16 is closed. See Table VIII for the jurisdictional breakdown.

TABLE VIII
Distribution of Projected Revenue at TID Closure

Taxing Jurisdiction	% of Mill Rate	Share of Tax Revenue
La Crosse County	12.6%	\$20,790
Local Municipality	40.9%	\$67,312
La Crosse School District	37.5%	\$61,663
Western Technical College	0.6%	\$943
State of Wisconsin	8.4%	\$13,795
Total	100.0%	164,503

TID 16

Legal Description

A parcel of land consisting of a portion of the following quarter quarter sections, NW ¼ of the NE ¼, SW ¼ of the NE ¼, SE ¼ of the NE ¼, NE ¼ of the SE ¼, NW ¼ of the SE ¼, SW ¼ of the SE ¼, NE ¼ of the SW ¼, NW ¼ of the SW ¼, SW ¼ of the NW ¼, SE ¼ of the NW ¼ and NE ¼ of the NW ¼, all in Section 29, Township 16 North, Range 7 West, City of La Crosse, La Crosse County, Wisconsin.

Said parcel is further described as follows:

Commencing at the intersection of the south line of Island Street and the west line of Lang Drive; thence South along the west line Lang Drive 140 feet more or less to the southeast corner of Parcel ID 17-10219-60 and the point of beginning;

Thence, West along the south line of said parcel and the south line of Parcel ID 17-10219-75 to the east line of Kane Street; Thence, continuing West to the west line of Kane Street; Thence North, along the west line of Kane Street to the southeast corner of Parcel ID 17-10218-70; Thence West, along the south line of Parcel ID's 17-10218-70, 17-10218-60 and 17-10293-57 to the east line of Parcel ID 17-10292-50; Thence Southerly, along the east line of said parcel, to the northeast corner of Parcel ID 17-10292-10; Thence Southerly, along the east line of said parcel to the southeast corner thereof; Thence West, along the south line of said Parcel 17-10292-10 to its intersection with the north line of Gould Street; Thence Southerly to the south line of Gould Street; Thence West, along the south line of Gould Street to the intersection with the west line of Avon Street; Thence North, along the west line of Avon Street to the intersection with the south line of the Canadian Pacific Railway; Thence Northeasterly, along the south line of the Canadian Pacific Railway to the intersection with the south line of unimproved Wall Street; Thence East, along the south line of unimproved Wall Street to the intersection with the east line of George Street; Thence South, along the east line of George Street to the intersection with the north line of St. Cloud Street; Thence east, along the north line of St. Cloud Street to the intersection of the north line of St. Cloud Street with the northwesterly prolongation of the east line of Parcel ID 17-10289-40; Thence southeasterly along said prolongation to the northeast corner of Parcel ID 17-10289-40; Thence southeasterly along the east line of said Parcel ID 17-10289-40 to the easterly corner thereof and the southwest corner of Parcel ID 17-10288-86; Thence Southeasterly to the southeast corner of said Parcel ID 17-10288-86 and the west line of Parcel ID 17-10290-24; Thence Northeasterly, along said west line to the north line thereof; Thence East, along the north line thereof to the northeast corner of said parcel; Thence Southwesterly and South along said parcel to the southeast corner thereof and the intersection of the west line of Harvey Street and the North line of St. Andrew Street; Thence, South to the south line of St. Andrew Street; Thence West, along the south line of St. Andrew Street to the east line of Loomis Street; Thence South, along the east line of Loomis Street to the north line of Island Street; Thence, continuing South to the south line of Island Street; Thence West, along the south line of Island Street to the northeast corner of Parcel ID 17-10214-111; Thence South, along the east line of said Parcel ID 17-10214-111 and the east line of Parcel ID 17-10214-112 to the southeast corner of said Parcel ID 17-10214-112; Thence West, along the south line of said Parcel ID 17-10214-112 to the intersection with the east line of Parcel ID 17-10298-20; Thence Southwesterly, along the east line of said Parcel ID 17-10298-20, 17-10298-30 and 17-10298-35, to the east line of Lang Drive; Thence Northerly, along the east line of Lang Drive to the easterly prolongation of the south line of Parcel ID 17-10219-60; Thence West, along said easterly prolongation, to the point of beginning.

Project: 12-048 MISC
Drafted by: SMD