



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 \$13,033,890 (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 \$12,379,544 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 2028 (14 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, 2014. 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.

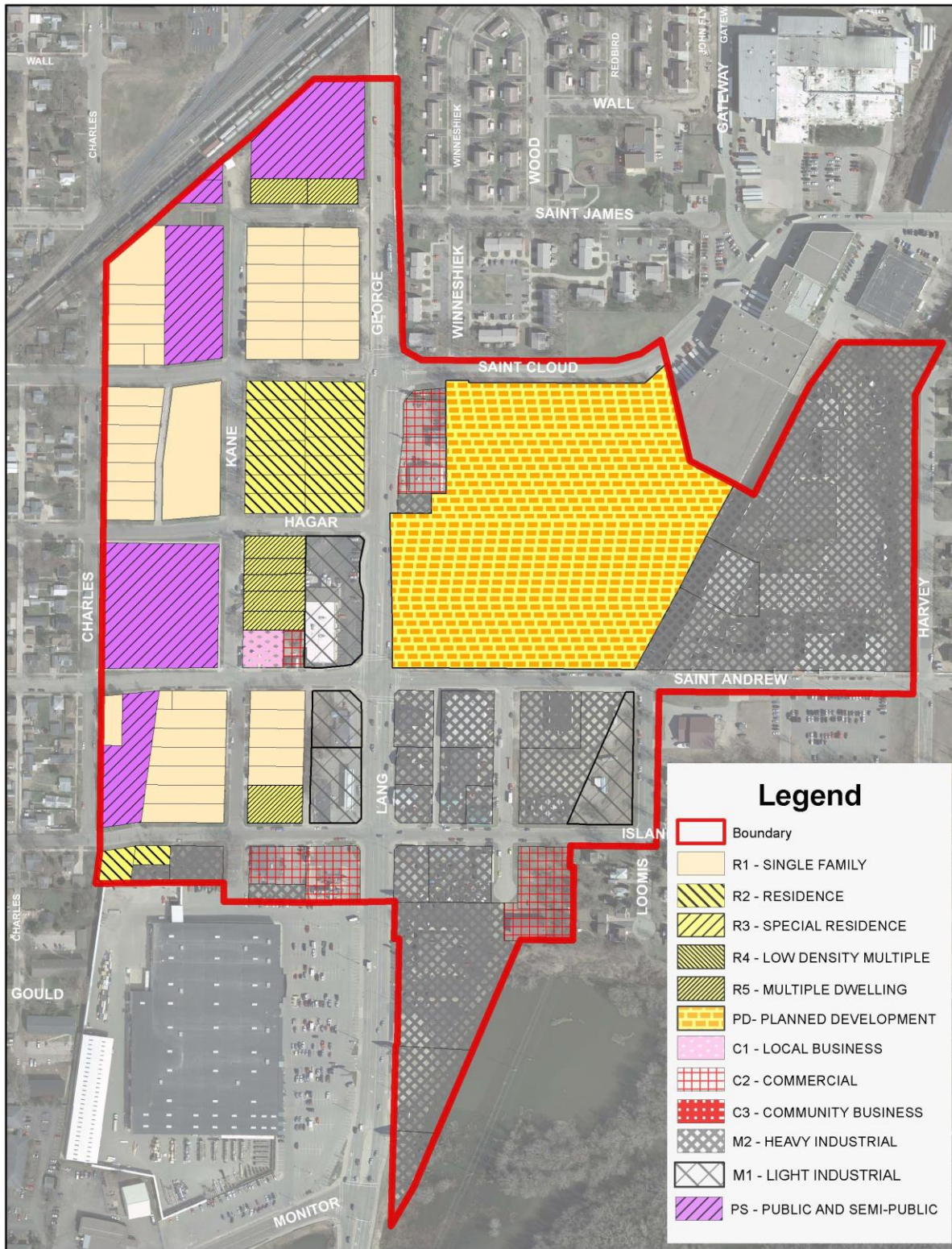
Property standing vacant for seven years immediately preceding adoption of the Creation Resolution for this District will not comprise more than 25% of the area in the District in compliance with Section 66.1105(4)(gm)1. of the Wisconsin State Statutes.

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.

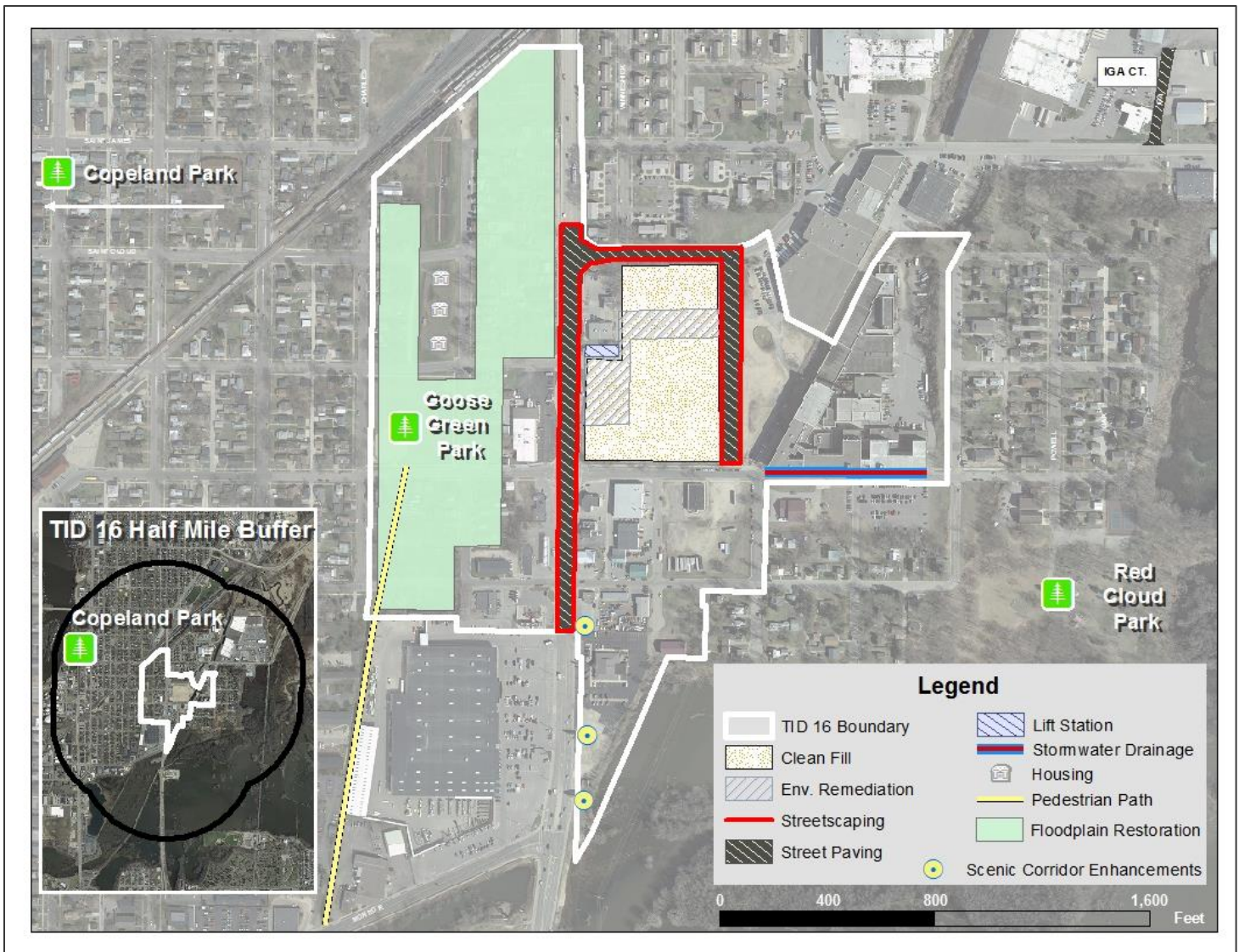
The Trane Plant 6 Site also contains two asphalt parking lots that need to be removed prior to filling the site. Buried rubble and other remnant construction materials also need to be removed to prepare the site. Cost estimates for the two environmental remediation efforts are estimated to cost up to \$680,000. Removal of a sewer pipe, through the center of the Trane Plant 6 site, is estimated to cost \$80,000. The total site prep estimate is \$1,145,000.

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	680,000	680,000																					
Clean Fill 2' above 100 Yr. Flood Zone	High	385,000	385,000	385,000																					
Sewer Pipe Removal	High	80,000	80,000	80,000																					
Road on TP6 Site and Streetscaping	Low	600,000																							
Total		1,745,000	1,145,000																						
Public Works																									
Stormwater/Drainage	Low	1,440,000																							
Lift Station	Low	50,000																							
Reconstruction of Lang Drive	Low	345,000																							
Street Paving St. James	Low	100,000																							
Street Paving IGA Court	Low	100,000																							
Streetscaping, Other	Low	600,000																							
Lang Drive	Low	200,000																							
St. Andrews	Low	200,000																							
Flood Plain Revitalization Plan	Low	50,000																							
Sidewalks, other	Low	800,000																							
Bike Path Monitor St. to GG Park	Low	200,000																							
Total		4,085,000																							
Economic & Housing Revitalization																									
Residential - LI Grant	Low	1,100,000	1,100,000	1,100,000																					
Wetland Restoration in Residential Neighborhood	Low	500,000																							
Housing Demolition and/or Replacement	Low	1,000,000																							
Paint & Fix-Up (50 units x \$500 ea.)	Low	25,000																							
Land Assembly/Incentives for Commercial/Residential	Low	1,000,000																							
Scenic Corridor Enhancements	Low																								
Bury Power lines Lang Drive	Low	250,000																							
Billboard Removal x3 Lang Drive	Low	750,000																							
Community Art Project	Low	50,000																							
Artist Workspace Loan/Grant	Low	100,000																							
Total		4,775,000	1,100,000																						
Park & Rec																									
Copeland Park Splash Park	Low	300,000																							
Copeland Park Board Walk	Low	650,000																							
Goose Green Park: BB field, playground, pavilion, wal	Low	400,000																							
Red-Cloud Park: 30 ac. land purchase	Low	150,000																							
New Park: playground, connecting trails, shelter	Low	300,000																							
Red-Cloud park Ho-Chunk Interpretative Center	Low	400,000																							
Total		2,200,000																							
Administrative & Professional Services																									
Planning, Legal, Administrative, Marketing, Engineeri	High	228,890	228,890				8,749	38,189	43,013	47,840	52,068	39,032													
Total		228,890	228,890																						
Summary																									
Trane Plant 6 Site Prep		1,745,000	1,145,000																						
Residential - LI Grant		1,100,000	1,100,000																						
All Other Projects		9,960,000																							
Administrative & Professional Services		228,890	228,890																						
Total		13,033,890	2,473,890																						
Expenditures																									
TP6 Grant - Site Prep.			1,145,000																						
Residential - LI Grant			1,100,000																						
All Other Projects																									
Administrative & Professional Services							8,749	38,189	43,013	47,840	52,068	39,032													
Inflation Costs 2.5% Compounded Annually (Public Works, Econ/Housing, Park & Rec.)																									
Debt Service												1,454,150						1,743,500							
Annual Total			2,245,000				8,749	38,189	43,013	47,840	52,068	39,032	1,454,150					1,743,500							
Annual Revenues																									
Balance from Previous Year							49,575	265,981	509,720	780,811	1,075,863	1,387,172	286,617	618,497	953,697	1,292,248	1,634,185	236,041	584,851	937,148	1,292,969	1,652,348	2,015,321	2,381,924	
Bond			2,245,000																						
Increment Revenue							58,324	254,595	286,752	318,931	322,120	325,341	328,595	331,880	335,199	338,551	341,937	345,356	348,810	352,298	355,821	359,379	362,973	366,603	
WI Site Prep Grant*											25000	25000	25000												
Annual Total			2,245,000				58,324	304,170	552,733	828,651	1,127,931	1,426,204	1,740,767	618,497	953,697	1,292,248	1,634,185	1,979,541	584,851	937,148	1,292,969	1,652,348	2,015,321	2,381,924	
Annual Cash Flow Balance							49,575	265,981	509,720	780,811	1,075,863	1,387,172	286,617	618,497	953,697	1,292,248	1,634,185	236,041	584,851	937,148	1,292,969	1,652,348	2,015,321	2,381,924	

Estimated cost of slag & asphalt removal is \$680,000. WI grant will provide a grant totaling \$75,000 to be paid to the City in three \$25,000 payments in years 2021-2023.

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	Square Feet	\$ / Square Feet	Assessed Value 100% Complete	Construction Year & Full Revenue Year
Residential - LI	unknown	unknown	2,462,120	2015 & 2018
Residential - Loft	35,000	\$110	3,850,000	2015 & 2018
Commercial - M	unknown	unknown	1,200,000	2015 & 2018
Commercial - BP	unknown	unknown	3,000,000	2016 & 2020
Total			10,512,120	

LI = Low Income Housing Tax Credit

M = Medical Facility

BP = Business Park

Trane Plant 6 will be redeveloped in several phases. The first phase is expected to last from 2015-2020, and it includes a mixture of low-income housing, market rate housing, and commercial uses. 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 LIHTC development will likely not proceed. The developer may attempt to reapply when LIHTC funds become available in the future.

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	Mill Rate	0.029909709
Maximum Life	20	Property Inflation	1.0%
Expenditure Period	15		
End of Expenditure Period	6/25/2030		
Latest Termination Date	6/25/2035		
Eligible for Extension/Yrs.	Yes/+3		

Construction Year	Valuation Year	Revenue Year	Value Increment				Revenue Increment				Total Revenue Increment	Cumulative Revenue Increment
			Residential - LI	Residential - Loft	Commercial - M	Commercial - BP	Residential - LI	Residential - Loft	Commercial - M	Commercial - BP		
2014	2015	2016										
2015	2016	2017	475,000	475,000	1,000,000		14,207	14,207	29,910		58,324	58,324
2016	2017	2018	2,462,120	3,850,000	1,200,000	1,000,000	73,641	115,152	35,892	29,910	254,595	312,919
2017	2018	2019	2,486,741	3,888,500	1,212,000	2,000,000	74,378	116,304	36,251	59,819	286,752	599,671
2018	2019	2020	2,511,609	3,927,385	1,224,120	3,000,000	75,121	117,467	36,613	89,729	318,931	918,601
2019	2020	2021	2,536,725	3,966,659	1,236,361	3,030,000	75,873	118,642	36,979	90,626	322,120	1,240,721
2020	2021	2022	2,562,092	4,006,325	1,248,725	3,060,300	76,631	119,828	37,349	91,533	325,341	1,566,062
2021	2022	2023	2,587,713	4,046,389	1,261,212	3,090,903	77,398	121,026	37,722	92,448	328,595	1,894,657
2022	2023	2024	2,613,590	4,086,853	1,273,824	3,121,812	78,172	122,237	38,100	93,372	331,880	2,226,537
2023	2024	2025	2,639,726	4,127,721	1,286,562	3,153,030	78,953	123,459	38,481	94,306	335,199	2,561,737
2024	2025	2026	2,666,123	4,168,998	1,299,428	3,184,560	79,743	124,694	38,866	95,249	338,551	2,900,288
2025	2026	2027	2,692,784	4,210,688	1,312,422	3,216,406	80,540	125,940	39,254	96,202	341,937	3,242,225
2026	2027	2028	2,719,712	4,252,795	1,325,547	3,248,570	81,346	127,200	39,647	97,164	345,356	3,587,581
2027	2028	2029	2,746,909	4,295,323	1,338,802	3,281,056	82,159	128,472	40,043	98,135	348,810	3,936,391
2028	2029	2030	2,774,378	4,338,276	1,352,190	3,313,866	82,981	129,757	40,444	99,117	352,298	4,288,688
2029	2030	2031	2,802,122	4,381,659	1,365,712	3,347,005	83,811	131,054	40,848	100,108	355,821	4,644,509
2030	2031	2032	2,830,143	4,425,476	1,379,369	3,380,475	84,649	132,365	41,257	101,109	359,379	5,003,888
2031	2032	2033	2,858,445	4,469,730	1,393,163	3,414,280	85,495	133,688	41,669	102,120	362,973	5,366,861
2032	2033	2034	2,887,029	4,514,428	1,407,094	3,448,423	86,350	135,025	42,086	103,141	366,603	5,733,464
2033	2034	2035	2,915,900	4,559,572	1,421,165	3,482,907	87,214	136,375	42,507	104,173	370,269	6,103,732
Total							1,458,662	2,272,892	733,915	1,638,262	6,103,732	

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, held constant. Property inflation is calculated at 1% after each development is built out.

TABLE VI
Debt Service

Year	Principle	Site Prep		Residential - LI		Annual Debt Service
		P	I	P	I	
		1,145,000	3.00%	\$1,100,000	4.50%	
2014	2,245,000					
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023		1,145,000	309,150			1,454,150
2024						
2025						
2026						
2027						
2028				1,100,000	643,500	1,743,500
2029						
2030						
2031						
2032						
2033						
2034						
2035						
Total	2,245,000	1,145,000	309,150	1,100,000	643,500	3,197,650

Advanced funding is required to prepare Trane Plant 6 for redevelopment. Table VI shows that an initial principal amount of \$1,145,000 is required for site preparation costs, including environmental remediation, fill, and removal of a sewer pipe. The financing instrument used in this scenario, is a nine year bond with one balloon payment, at 3% annual interest. The principle grant amount for the LIHTC development is estimated to cost \$1,100,000 plus 4.5% annual interest producing a debt service payment of \$1,743,500 by year fourteen. At year fourteen, the LIHTC development is expected to produce \$866,004 in cumulative increment revenue, and \$1,458,662 over the life of the TID (See Table V). Increment revenue produced from other development, within the TID 16 boundary, would be required to offset the LITCH debt service by year fourteen.

TABLE VII
Cash Flow Projections

Site Prep and Developer Incentive Cost (Principle)		\$2,245,000						
Site Prep and Developer Incentive Cost (Interest)		\$952,650						
% of Increment Revenue for Site Prep & Developer Incentive (P&I)		52%					Inflation	2.5%
							Multiplier	1
Admin. Cost Estimate		\$228,890						
% of Increment Revenue for Admin.		3.75%						

Year	Revenues				Expenditures							Cumulative Balance
	Service Bonds	Tax Increment	WI Grant	Total Revenue	TP6 Site Prep	Residential - LI Grant	Admin. & Prof. Services	Project Costs: Other	Project Inflation	Debt Service	Total Expenditures	
2014	2,245,000			2,245,000	1,145,000	1,100,000					2,245,000	
2015												
2016												
2017		58,324		58,324			8,749				8,749	49,575
2018		254,595		254,595			38,189				38,189	265,981
2019		286,752		286,752			43,013				43,013	509,720
2020		318,931		318,931			47,840				47,840	780,811
2021		322,120	25,000	347,120			52,068				52,068	1,075,863
2022		325,341	25,000	350,341			39,032				39,032	1,387,172
2023		328,595	25,000	353,595						1,454,150	1,454,150	286,617
2024		331,880		331,880								618,497
2025		335,199		335,199								953,697
2026		338,551		338,551								1,292,248
2027		341,937		341,937								1,634,185
2028		345,356		345,356						1,743,500	1,743,500	236,041
2029		348,810		348,810								584,851
2030		352,298		352,298								937,148
2031		355,821		355,821								1,292,969
2032		359,379		359,379								1,652,348
2033		362,973		362,973								2,015,321
2034		366,603		366,603								2,381,924
2035		370,269		370,269								2,752,192
Total	2,245,000	6,103,732	75,000	8,423,732	1,145,000	1,100,000	228,890			3,197,650	5,671,540	

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 VII and Table III. The principle cost for site preparation is \$1,145,000, and the principle cost for the Residential-LI Grant is \$1,100,000**. The estimated debt service for both bond issuances is \$3,197,650 or 52% of the cumulative increment revenue. Administration costs are estimated to be 3.75% of cumulative increment revenue.

By year fourteen, Table VII shows 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.

**Note: Potential gap financing incentives for a Low to Moderate Income Housing development, shall be subject to a review and recommendation from the EDC and approval by the Common Council of a development agreement.

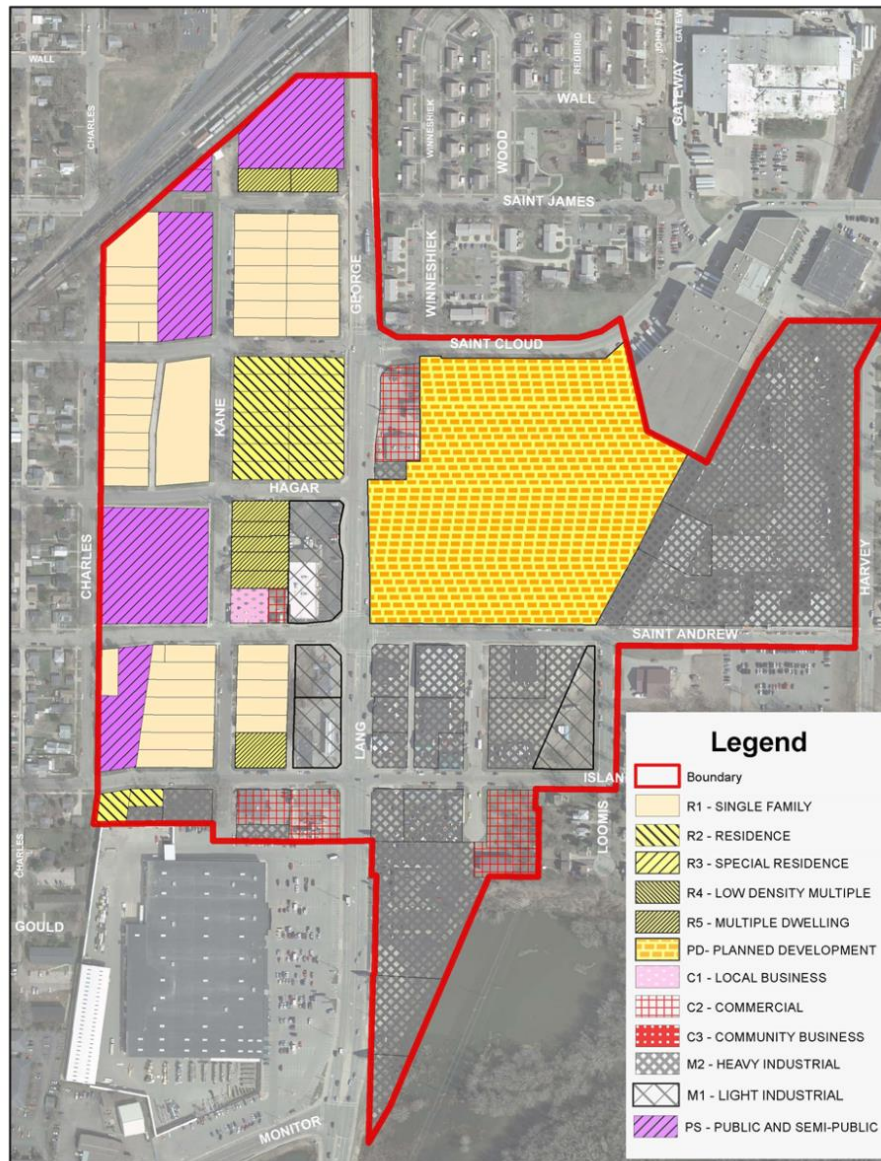
9 Annexed Property

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 V, \$370,269 will be produced and distributed annually to the overlying taxing jurisdictions at the time TID 16 is closed. See Table VIII for jurisdictional allocation.

TABLE VIII
Distribution of Projected Revenue at TID Closure

Taxing Jurisdiction	% of Mill Rate	Share of Tax Revenue
La Crosse County	12.6%	\$46,794
Local Municipality	40.9%	\$151,508
La Crosse School District	37.5%	\$138,793
Western Technical College	0.6%	\$2,122
State of Wisconsin	8.4%	\$31,050
Total	100.0%	370,269

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