

**CITY OF LA CROSSE,
WISCONSIN**

**REPORT ON TAX INCREMENTAL
FINANCING (TIF) DISTRICTS**

DECEMBER 31, 2016

CITY OF LA CROSSE, WISCONSIN

TABLE OF CONTENTS

DECEMBER 31, 2016

Page

| | |
|-------|--|
| 2 | Independent Accountants' Compilation Report |
| 3-9 | Tax Incremental Financing (TIF) Districts No. 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17 Historical Summary of Sources, Uses, and Status of Funds |
| 10-11 | Tax Incremental Financing (TIF) Districts No. 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17 Notes to Report |

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

City of La Crosse, Wisconsin
Tax Incremental Financing (TIF) Districts No. 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17
La Crosse, Wisconsin

Management is responsible for the special-purpose Historical Summary of Sources, Uses, and Status of Funds for the year ended December 31, 2016, and from the date of creation through December 31, 2016, for the City of La Crosse Tax Incremental Financing Districts No. 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Other Matter

The special-purpose financial statements included in the accompanying prescribed form are intended to comply with the annual reporting requirements for tax incremental districts as required by Wisconsin State Statute 66.1105, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
June 1, 2017

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2016

| | <u>DISTRICT NO. 5</u> | | <u>DISTRICT NO. 6</u> | |
|--|---|----------------------------------|---------------------------|----------------------------------|
| | <u>DOWNTOWN (MARRIOTT/ CENTRAL BUSINESS DISTRICT)</u> | | <u>DOWNTOWN</u> | |
| | <u>YEAR ENDED</u> | <u>FROM DATE OF CREATION</u> | <u>YEAR ENDED</u> | <u>FROM DATE OF CREATION</u> |
| <u>SOURCES OF FUNDS</u> | | | | |
| Tax increments | \$ 222,917 | \$ 3,900,282 | \$ 1,611,182 | \$20,316,506 |
| Exempt computer aids | 10,302 | 91,731 | 61,461 | 1,095,581 |
| Grants | - | - | - | 441,015 |
| Sale of land, other sources | - | 21,713 | - | 237,347 |
| Proceeds from long-term debt | - | 1,292,611 | 158,794 | 33,692,804 |
| Transfer from other TIF's | - | - | <u>192,822</u> | <u>17,657,726</u> |
| TOTAL SOURCES | <u>233,219</u> | <u>5,306,337</u> | <u>2,024,259</u> | <u>73,440,979</u> |
| <u>USES OF FUNDS</u> | | | | |
| Capital expenditures | 425 | 1,297,979 | 529,150 | 36,776,874 |
| Principal and interest on long-term debt | 29,617 | 1,629,713 | 1,750,000 | 35,880,087 |
| Interest on advances | - | 1 | 2,227 | 126,301 |
| Transfer to other TIF's | <u>192,822</u> | <u>2,368,289</u> | <u>-</u> | <u>703,587</u> |
| TOTAL USES | <u>222,864</u> | <u>5,295,982</u> | <u>2,281,377</u> | <u>73,486,849</u> |
| NET SOURCES (USES) | 10,355 | 10,355 | (257,118) | (45,870) |
| BEGINNING FUND BALANCE | <u>-</u> | <u>-</u> | <u>211,248</u> | <u>-</u> |
| ENDING FUND (DEFICIT) BALANCE | <u>\$ 10,355</u> | <u>\$ 10,355</u> | <u>\$ (45,870)</u> | <u>\$ (45,870)</u> |
| <u>FUTURE TIF REQUIREMENTS</u> | | | | |
| Unpaid debt principal and interest | | \$ 29,553 | | \$ 7,720,887 |
| Advances outstanding | | - | | 325,206 |
| Interest on advances | | - | | 6,682 |
| Less cash (on hand) | | <u>(10,355)</u> | | <u>(279,336)</u> |
| BALANCE NEEDED TO CLOSE TIF | | <u>\$ 19,198</u> | | <u>\$ 7,773,439</u> |

(Continued on page 4)

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2016

| | DISTRICT NO. 7 | | DISTRICT NO. 8 | |
|--|-------------------|--------------------------|-------------------|--------------------------|
| | AMTRAK | | DURATECH | |
| | YEAR ENDED | FROM DATE OF CREATION | YEAR ENDED | FROM DATE OF CREATION |
| <u>SOURCES OF FUNDS</u> | | | | |
| Tax increments | \$ 294,607 | \$ 2,803,160 | \$ 98,567 | \$ 1,174,225 |
| Exempt computer aids | 5,407 | 58,386 | 5,997 | 10,743 |
| Grants | - | 985,445 | - | 89,284 |
| Economic development proceeds | - | 10,000 | - | - |
| Sale of land, other sources | 9,284 | 356,966 | - | - |
| Proceeds from long-term debt | - | 2,724,981 | - | 351,093 |
| TOTAL SOURCES | 309,298 | 6,938,938 | 104,564 | 1,625,345 |
| <u>USES OF FUNDS</u> | | | | |
| Capital expenditures | 298,277 | 3,134,672 | 425 | 355,247 |
| Principal and interest on long-term debt | 156,791 | 3,138,914 | - | 479,591 |
| Interest on advances | - | 6,272 | - | 99 |
| Transfer to other TIF's | - | - | - | 684,387 |
| TOTAL USES | 455,068 | 6,279,858 | 425 | 1,519,324 |
| NET (USES) SOURCES | (145,770) | 659,080 | 104,139 | 106,021 |
| BEGINNING FUND BALANCE | 804,850 | - | 1,882 | - |
| ENDING FUND BALANCE | \$ 659,080 | \$ 659,080 | \$ 106,021 | \$ 106,021 |
| <u>FUTURE TIF REQUIREMENTS</u> | | | | |
| Unpaid debt principal and interest | | \$ 69,869 | | \$ - |
| Less receivables/plus payables | | 3,403 | | - |
| Less cash (on hand) | | (662,483) | | (106,021) |
| BALANCE NEEDED TO CLOSE TIF | | \$ (589,211) | | \$ (106,021) |

(Continued on page 5)

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2016

| | <u>DISTRICT NO. 9</u> | | <u>DISTRICT NO. 10</u> | |
|--|------------------------------------|------------------------------|-------------------------------------|----------------------------|
| | <u>INT. BUSINESS PARK (HWY 16)</u> | <u>FROM DATE</u> | <u>PARK PLAZA (OLD HOLIDAY INN)</u> | <u>FROM DATE</u> |
| | <u>YEAR ENDED</u> | <u>OF CREATION</u> | <u>YEAR ENDED</u> | <u>OF CREATION</u> |
| <u>SOURCES OF FUNDS</u> | | | | |
| Tax increments | \$ 447,486 | \$ 4,655,766 | \$ 20,522 | \$ 141,942 |
| Proceeds from other government | - | 51,029 | - | - |
| Payment from other government | - | - | - | 688,807 |
| Exempt computer aids | 7,167 | 55,257 | 4,883 | 70,846 |
| Grants | - | 225,000 | - | - |
| Sale of land, other sources | 126,211 | 1,669,170 | 26,806 | 26,806 |
| Loan repayments | - | 618,159 | - | - |
| Proceeds from long-term debt | - | 2,233,712 | - | 240,750 |
| Transfer from other TIF's | - | 67,943 | - | - |
| TOTAL SOURCES | <u>580,864</u> | <u>9,576,036</u> | <u>52,211</u> | <u>1,169,151</u> |
| <u>USES OF FUNDS</u> | | | | |
| Capital expenditures | 758,981 | 4,010,574 | 425 | 1,292,187 |
| Principal and interest on long-term debt | 325,000 | 2,517,113 | 6,000 | 53,629 |
| Interest on advances | - | 41,790 | 1,547 | 12,504 |
| TOTAL USES | <u>1,083,981</u> | <u>6,569,477</u> | <u>7,972</u> | <u>1,358,320</u> |
| NET (USES) SOURCES | (503,117) | 3,006,559 | 44,239 | (189,169) |
| BEGINNING FUND BALANCE (DEFICIT) | <u>3,509,676</u> | <u>-</u> | <u>(233,408)</u> | <u>-</u> |
| ENDING FUND BALANCE (DEFICIT) | <u>\$ 3,006,559</u> | <u>\$ 3,006,559</u> | <u>\$ (189,169)</u> | <u>\$ (189,169)</u> |
| <u>FUTURE TIF REQUIREMENTS</u> | | | | |
| Unpaid debt principal and interest | | \$ 314,991 | | \$ 232,901 |
| Advances outstanding | | - | | 291,474 |
| Interest on advances | | - | | 18,563 |
| Estimated payable | | - | | 844,595 |
| Intergovernmental agreement | | - | | 688,806 |
| Proceeds from other government | | - | | - |
| Less receivables/plus payables | | 1,172 | | - |
| Less cash (on hand) | | <u>(3,007,731)</u> | | <u>(102,305)</u> |
| BALANCE NEEDED TO CLOSE TIF | | <u>\$ (2,691,568)</u> | | <u>\$ 1,974,034</u> |

(Continued on page 6)

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2016

| | DISTRICT NO. 11 | | DISTRICT NO. 12 | |
|--|------------------------|-----------------------|--|-----------------------|
| | DOWNTOWN (GATEWAY/LHI) | | THREE RIVERS PLAZA (FESTIVAL STRIP MALL/MOBILE OIL SITE) | |
| | YEAR ENDED | FROM DATE OF CREATION | YEAR ENDED | FROM DATE OF CREATION |
| <u>SOURCES OF FUNDS</u> | | | | |
| Tax increments | \$ 2,406,538 | \$ 15,482,120 | \$ 573,148 | \$ 5,080,638 |
| Exempt computer aids | 397,746 | 2,617,725 | 9,310 | 76,279 |
| Grants | - | 5,432,773 | - | 42,640 |
| Economic development proceeds | - | 640 | - | - |
| Sale of land, other sources | - | 807,002 | 22,300 | 42,200 |
| Judgment/liquidated damages | 1,000,000 | 2,000,000 | - | - |
| Loan repayments | - | 134,684 | - | - |
| Proceeds from long-term debt | 886,844 | 37,061,983 | - | 6,965,222 |
| TOTAL SOURCES | 4,691,128 | 63,536,927 | 604,758 | 12,206,979 |
| <u>USES OF FUNDS</u> | | | | |
| Capital expenditures | 4,816,244 | 48,829,354 | 40,968 | 8,057,543 |
| Incentives for reverse TIF | - | 271,150 | - | - |
| Principal and interest on long-term debt | 2,500,000 | 14,599,672 | 550,000 | 4,141,660 |
| Interest on advances | 21,219 | 655,783 | 1,634 | 11,772 |
| TOTAL USES | 7,337,463 | 64,355,959 | 592,602 | 12,210,975 |
| NET (USES) SOURCES | (2,646,335) | (819,032) | 12,156 | (3,996) |
| BEGINNING FUND BALANCE (DEFICIT) | 1,827,303 | - | (16,152) | - |
| ENDING FUND (DEFICIT) | \$ (819,032) | \$ (819,032) | \$ (3,996) | \$ (3,996) |
| <u>FUTURE TIF REQUIREMENTS</u> | | | | |
| Unpaid debt principal and interest | | \$ 30,118,876 | | \$ 7,211,698 |
| Advances outstanding | | 3,292,946 | | 354,986 |
| Interest on advances | | 297,059 | | 22,880 |
| Estimated payable | | | | |
| Developer's agreement | | 6,560,221 | | - |
| Less receivables/plus payables | | 22,809 | | - |
| Less cash (on hand) | | (2,496,723) | | (350,990) |
| BALANCE NEEDED TO CLOSE TIF | | \$ 37,795,188 | | \$ 7,238,574 |

(Continued on page 7)

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2016

| | DISTRICT NO. 13 | | DISTRICT NO. 14 | |
|--|--------------------------|----------------------------|----------------------------|----------------------------|
| | KWIK TRIP | | GUNDERSEN | |
| | YEAR ENDED | FROM DATE OF CREATION | YEAR ENDED | FROM DATE OF CREATION |
| <u>SOURCES OF FUNDS</u> | | | | |
| Tax increments | \$ 1,197,724 | \$ 4,788,687 | \$ 1,147,734 | \$ 7,277,124 |
| Exempt computer aids | 278,753 | 721,839 | 1,061,568 | 7,972,784 |
| Grants | - | 375,000 | - | - |
| Proceeds from the entity | - | - | 347,314 | 1,725,678 |
| Economic development proceeds | - | 128 | - | - |
| DNR loan | - | 216,657 | - | - |
| Sale of land, other sources | 21,221 | 238,890 | 60,699 | 159,863 |
| Loan repayments | 5,000 | 5,000 | - | - |
| Proceeds from long-term debt | 26,517 | 4,202,307 | - | 584,148 |
| Interest income | - | - | 2,907 | 4,262 |
| TOTAL SOURCES | <u>1,529,215</u> | <u>10,548,508</u> | <u>2,620,222</u> | <u>17,723,859</u> |
| <u>USES OF FUNDS</u> | | | | |
| Capital expenditures | 973,477 | 6,976,332 | 1,441,037 | 5,612,750 |
| Incentives for reverse TIF | - | 150,000 | 948,818 | 5,321,393 |
| Principal and interest on long-term debt | 500,000 | 3,301,245 | - | - |
| Interest on advances | 2,728 | 5,517 | 1,038 | 8,781 |
| TOTAL USES | <u>1,476,205</u> | <u>10,433,094</u> | <u>2,390,893</u> | <u>10,942,924</u> |
| NET SOURCES | 53,010 | 115,414 | 229,329 | 6,780,935 |
| BEGINNING FUND BALANCE | <u>62,404</u> | <u>-</u> | <u>6,551,606</u> | <u>-</u> |
| ENDING FUND BALANCE | <u>\$ 115,414</u> | <u>\$ 115,414</u> | <u>\$ 6,780,935</u> | <u>\$ 6,780,935</u> |
| <u>FUTURE TIF REQUIREMENTS</u> | | | | |
| Unpaid debt principal and interest | | \$ 2,003,066 | | \$ 425,823 |
| Advances outstanding | | 655,746 | | - |
| Interest on advances | | 21,827 | | - |
| Outstanding DNR loan | | 164,655 | | - |
| Estimated payable | | | | |
| Developer's agreement | | 884,000 | | 15,335,631 |
| Less receivables/plus payables | | (30,872) | | 92,534 |
| Less cash (on hand) | | <u>(740,288)</u> | | <u>(6,873,469)</u> |
| BALANCE NEEDED TO CLOSE TIF | | <u>\$ 2,958,134</u> | | <u>\$ 8,980,519</u> |

(Continued on page 8)

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2016

| | DISTRICT NO. 15 | | DISTRICT NO. 16 | |
|---------------------------------------|---------------------|--------------------------|---------------------|--------------------------|
| | CHART/TRANE COMPANY | | TRANE PLANT 6 | |
| | YEAR ENDED | FROM DATE OF CREATION | YEAR ENDED | FROM DATE OF CREATION |
| <u>SOURCES OF FUNDS</u> | | | | |
| Tax increments | \$ 539,184 | \$ 881,239 | \$ 16,244 | \$ 16,244 |
| Exempt computer aids | 51,229 | 91,164 | 2,609 | 2,609 |
| Proceeds from the entity | 6,500 | 256,500 | - | - |
| Economic development proceeds | - | - | - | 30,000 |
| Judgment/liquidated damages | 4,670 | 4,670 | - | - |
| Proceeds from long-term debt | - | - | 1,090,535 | 1,090,535 |
| TOTAL SOURCES | 601,583 | 1,233,573 | 1,109,388 | 1,139,388 |
| <u>USES OF FUNDS</u> | | | | |
| Capital expenditures | 40,555 | 44,668 | 1,805 | 1,262,355 |
| Interest on advances | 16 | 24 | 5,114 | 6,744 |
| TOTAL USES | 40,571 | 44,692 | 6,919 | 1,269,099 |
| NET SOURCES (USES) | 561,012 | 1,188,881 | 1,102,469 | (129,711) |
| BEGINNING FUND BALANCE (DEFICIT) | 627,869 | - | (1,232,180) | - |
| ENDING FUND BALANCE (DEFICIT) | \$ 1,188,881 | \$ 1,188,881 | \$ (129,711) | \$ (129,711) |
| <u>FUTURE TIF REQUIREMENTS</u> | | | | |
| Advances outstanding | | \$ - | | \$ 141,645 |
| Interest on advances | | - | | 92,044 |
| Outstanding DNR loan | | - | | 125,000 |
| Estimated payable | | | | |
| Developer's agreement | | 7,000,000 | | - |
| Less receivables/plus payables | | 2,460 | | - |
| Less cash (on hand) | | (1,191,341) | | (11,934) |
| BALANCE NEEDED TO CLOSE TIF | | \$ 5,811,119 | | \$ 346,755 |

(Continued on page 9)

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2016

| | DISTRICT NO. 17 DOWNTOWN NORTH | |
|------------------------------------|-----------------------------------|--------------------------|
| | YEAR ENDED | FROM DATE OF CREATION |
| <u>SOURCES OF FUNDS</u> | \$ - | \$ - |
| <u>USES OF FUNDS</u> | | |
| Capital expenditures | 214 | 7,099 |
| Interest on advances | 29 | 31 |
| TOTAL USES | 243 | 7,130 |
| NET (USES) | (243) | (7,130) |
| BEGINNING FUND (DEFICIT) | (6,887) | - |
| ENDING FUND (DEFICIT) | \$ (7,130) | \$ (7,130) |
| <u>FUTURE TIF REQUIREMENTS</u> | | |
| Advances outstanding | | \$ 7,130 |
| Interest on advances | | 530 |
| BALANCE NEEDED TO CLOSE TIF | | \$ 7,660 |

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17
NOTES TO REPORT
DECEMBER 31, 2016

1. TIF District Information

The Tax Incremental Financing Districts No. 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17 (the "District") were created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the Districts. The tax on the increased value is called a tax increment.

Districts No. 5, 6, 7, 10, 11, and 12 project costs may be incurred up to 22 years after the creation date of the Districts and collect tax increments for up to 27 years. Districts No. 8 and 9 costs may be incurred for up to 18 years and collect tax increments for up to 23 years. District No.13, 14, 15, 16, and 17 costs may be incurred for up to 15 years and collect tax increments for up to 20 years. Project costs uncollected at the dissolution date are absorbed by the municipality.

| | <u>CREATION DATE</u> | <u>LAST DATE TO INCUR PROJECT COSTS</u> | <u>FINAL DISSOLUTION DATE</u> |
|-----------------|--------------------------|---|---------------------------------------|
| District No. 5 | 03/12/92 | 03/12/14 | 03/12/19 |
| District No. 6 | 04/14/94 | 04/14/16 | 04/14/21 |
| District No. 7 | 08/14/97 | 08/14/19 | 08/14/24 |
| District No. 8 | 07/10/97 | 07/10/15 | 07/10/20 |
| District No. 9 | 06/10/99 | 06/10/17 | 06/10/22 |
| District No. 10 | 06/12/03 | 06/12/25 | 06/12/30 |
| District No. 11 | 10/12/04 | 10/12/26 | 10/12/31 |
| District No. 12 | 07/14/05 | 07/14/27 | 07/14/32 |
| District No. 13 | 05/11/06 | 05/11/21 | 05/11/26 |
| District No. 14 | 08/24/06 | 08/24/21 | 08/24/26 |
| District No. 15 | 08/08/13 | 08/08/28 | 08/08/33 |
| District No. 16 | 06/12/14 | 06/12/29 | 06/12/34 |
| District No. 17 | 09/29/15 | 09/29/30 | 09/29/35 |

2. Principal and Interest Due

All general obligation notes payable are backed by the full faith and credit of the municipality. Notes borrowed to finance District expenditures will be retired by tax increments accumulated by the debt service fund. Future principal and interest payments are shown on the summary of sources, uses, and status of funds.

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17
NOTES TO REPORT - Continued
DECEMBER 31, 2016

3. Transfer of Tax Increments

The Wisconsin Statutes were amended to permit the transfer of positive tax increments from a successful district to another district. The donor district must be able to demonstrate, based on the positive tax increments that are currently generated, that it has sufficient revenue to pay for all project costs that have been incurred under the project plan and sufficient surplus revenue to pay for some of the eligible costs of the recipient TIF district.

In accordance with Wisconsin State Statute 66.1105, paragraph 6, positive tax increments may be allocated from one TIF district to another if:

- ◆ The donor TIF district and the recipient TIF district have the same overlapping tax jurisdictions;
- ◆ The allocation of tax increments is approved by the joint review board;
- ◆ The donor TIF district has first satisfied all its current year debt service and project cost obligations;
- ◆ The project costs in the recipient TIF district are used to create, provide, or rehabilitate low-cost housing, or to remediate environmental contamination; or
- ◆ The recipient TIF district is a “blighted area” or an “area in need of rehabilitation” TIF district.

During 2016, District No. 5 transferred \$192,822 to District No. 6.

4. Joint Agreement

District No. 10 is a joint agreement between the City and another government. Proceeds from the other government will be repaid if positive increments are available, and therefore, such proceeds are also reported as “Future TIF Requirements”.