



# **La Crosse Economic Development Commission**

TID 18 – RiverPoint District Financing Update

December 17, 2020

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## Update on RiverPoint District

- RiverPoint District – Phased Project Profile
    - Projects & anticipated timing
    - Multi-year, phased financing approach
    - Establish donor TID allocations for anticipated expenditures, including debt service
    - Looking forward
  - *Approach is to provide for unforeseen circumstances, mitigate risk, and provide maximum flexibility for TID 18 and donor TIDs*
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## Riverpoint District Project Profile

PHASE I	CAUSEWAY BLVD	PHASE II	PHASE III
Fill	Infrastructure	Infrastructure	Infrastructure
2021	2022	2023	2023 & Later
\$2,660,000	\$4,935,000	\$7,534,000	\$9,507,000
Site prep	Utilities & Streets	Utilities & Streets	Utilities & Streets

Phase I & Causeway BLVD projects will provide developable sites, with Phase II providing interior infrastructure



# Multi-year Interim Financing Strategy

Infrastructure and other projects need to come after fill settles/compacts

- **Phase I – Fill:** funded in 2021
    - ❑ Interest only financing with five-year stated balloon maturity (2026)
  - **Causeway** funded in 2022
    - ❑ Interest only financing with five-year stated balloon maturity (2027)
  - **Phase II** funded in 2023
    - ❑ Interest only financing with five-year stated balloon maturity (2028)
  - **Phase III** funding plan based on prevailing circumstances in the future
    - ❑ Component projects (one or more concurrently or over time)
  - Donor TIDs provides sufficient cash to cover annual costs, including interest
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## Looking Forward

- RDA & City will need to collaborate on financing & overall approach
    - ❑ Anticipated transfers from donor TIDs committed to in advance
    - ❑ Annually (or more frequently) review donor TIDs to determine available funds for expenditures beyond public improvements/infrastructure
    - ❑ Need to look forward 2 – 3 years of CIP to anticipate future outlays of donor TIDs
  - As much certainty as possible on availability of donor TID resources
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## Looking Forward

- Donor TIDs (11, 13, 14, 15, 16, 17)
    - ❑ Sufficient excess cash flow available to fund initial TID 18 costs
    - ❑ Lump sum cash transfers can be made periodically at certain milestones
      - ❖ Cash contributions, debt retirement, property acquisition, developer incentives, etc.
  - What value needs to be attained to cash flow project costs through Phase II?
    - ❑ \$45MM in value increment at current tax rate produces sufficient revenue to support permanent financing of infrastructure through Phase II
  - Phase III and other projects will need to be evaluated for feasibility
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## Funding Development Incentives

- All projects will be evaluated for “need”
- If an incentive(s) is warranted, structure will be negotiated based on facts and circumstances
- “Up-front” incentives can be funded several ways – examples:
  - ✓ Land write-downs
  - ✓ City/RDA loan to developer
  - ✓ Borrowed proceeds (TID revenue pays debt)
  - ✓ Cash contribution (including transfer from donor TID)



## Summary

- Objective of current approach is to provide maximum flexibility and minimize impact of unknowns
  - ❑ Site prep and public infrastructure are the key to providing clarity to development community and seeking commitments
  - ❑ Redevelopment will take years to unfold
  - ❑ Continuous planning cycle will provide framework to make informed decisions
  - ❑ As increment value is generated in TID 18, definition around debt retirement and feasibility of future projects can be established