



PLANNING AND DEVELOPMENT

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May 25, 2017

Memo

To: Economic Development Commission, Common Council

From: Andrea Schnick, Economic Development Planner

RE: Closure of TID 5 and TID 8, Resolutions 17-0539 and 17-0540

Summary of TID 5 & TID 8

TID 5, Marriot, is located Downtown, bound by Cass Street to the South, 2nd Street to the East, King Street to the North, and the River to the West. It was created on March 12, 1992 to reduce blight and has created over \$7,664,000 in increment. The current dissolution date of this TID is 3/12/2019.

TID 8, DuraTech, is located East and North of Commerce and Hauser Streets, respectively, and includes the DuraTech campus. It was created on July 10, 1997 for DuraTech's expansion and it has created over \$3,750,000 in increment. The current dissolution date of this TID is 7/10/2020.

TID 5 and TID 8 have no outstanding debt or will satisfy all debt payment requirements in the current fiscal year, and they also do not have balances payable to other City funds. They are both beyond their respective expenditure periods, so no more debt or project costs may be incurred.

The only potential future expense with respect to either of these TIDs is sharing of excess increment with TID No. 6 as donors. TID 6, however, as an eligible recipient of shared increment from each respective TID, does not require the shared increment of either respective TID to meet its obligations.

Impact on taxing jurisdictions

The consideration of the closure of these TIDs has been communicated to all of the taxing jurisdictions and no concerns have been raised.

Total value increment of \$11,415,100 will be returned to the City's general tax base for taxes payable 2019. The City, La Crosse County and Western Technical College will each be afforded a (modest) percentage increase in the respective allowable levies for taxes payable in 2019. The impact for the School District of La Crosse will be by the receipt of State aids.

Significant TID projects

TID 5: This TID was created in 1992 and assisted the City in the renovation of the City-owned Pump House Regional Arts Center building. Other improvements included streetscaping along Front and King Streets. Additional redevelopment included the restoration of the Mike's Building Supply building which was extensively remodeled into Piggy's Restaurant at a cost of approximately \$4,000,000. A new business, "The Wine Guyz," opened in 2006 in the Piggy's Building. The "LIPCO" building also

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added over \$3,300,000 in tax base to this area as a joint project with the City, Xcel Energy and the La Crosse Area Development Corporation. The City recently provided an additional \$300,000 for renovations to the Pump House Regional Arts Center. Due to the large influx of downtown employees, an \$11,000,000 parking ramp was erected in 2011 to accommodate 551 parking stalls. An artistic walkway between LHI building #3, the new parking ramp, and the Pump House was created by incorporating stamped poems and dance steps making a unique pedestrian corridor. The poems and dance steps flow throughout a four block area within the City's Arts District and will continue to be expanded in the future. The La Crosse Weber Center for the Performing Arts Center opened in 2013 on the Mississippi River waterfront, and the Marriott Hotel completed a major remodeling and facelift at the same time. The budding arts district is forming around the Pump House and the Weber Center for the Performing Arts (which is now affiliated with Viterbo University). The City of La Crosse Arts Board landed a National Endowment for the Arts grant in 2013 to hire internationally acclaimed Trompe l'oeil artist John Pugh to complete a mural on the west side of the Pump House Regional Arts Center. In January 2014, the Wisconsin Economic Development Corporation dedicated \$30,500 to the project. The mural was dedicated in 2014 during the City's inaugural arts celebration.

TID 8: This TID was created to assist DuraTech, a local manufacturer with a building expansion/job creation project, as well as redevelop a vacant 8-acre site. Both redevelopment projects have been completed. Infrastructure improvements on Enterprise Avenue were completed as a result of this TID.

Why close TIDs early?

The creation of an addition of territory to TIDs are constrained by the "12% Test"; the combination of existing value increment in active TIDs plus the proposed base value of a new TID area or the addition of territory to an existing TID may not exceed 12% of the City's total equalized value. Currently, the total value increment in all existing TIDs is \$366,056,800, which is equal to 10.59% of the City's total equalized value. Reducing the total value increment by \$11,415,100 will bring this down to 10.26%. This will leave more room for the City to expand current TID boundaries or create new TIDs in the future.

The City will also be afforded the ability to increase its 2018 allowable levy by a percentage equal to the most recent total combined certified value increment of the terminated TIDs divided by the total equalized value of the City, which percentage is then multiplied by 50%. This percent increase in the base levy of the City estimated using current valuations would be roughly 0.165% (which would be applied to the previous year's unadjusted levy). TID 5 would comprise 0.11% of the increase, with TID 8 comprising the remaining 0.055%.

Finally, terminating TID 5 and TID 8 would relieve staff of administrative duties relative to these districts and allow them to focus on the 11 remaining active TIDs. Staff will also continue to monitor and review for other early TID termination opportunities and update Committees and the Council as needed.

Staff Recommendation

Staff recommends terminating both TID 5 and TID 8 at this time.