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# Analysis of and Recommendations for City of La Crosse Tax Incremental Districts

**Prepared by Ehlers:**

Sean Lentz, Senior Financial Advisor/  
Director

Brian Reilly, Senior Financial Advisor/  
Vice President

Patrick Malloy, Financial Specialist

**With the Assistance of:**

City of La Crosse Planning and  
Economic Development Staff

&

City of La Crosse Finance Staff

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September 23, 2014

## Analysis of and Recommendations for City of La Crosse TIDs

Ehlers has worked collaboratively with the City of La Crosse's Planning and Economic Development and Finance Departments to produce this Report of the City's existing Tax Incremental Districts (TIDs), which includes financial profiles based on known factors and certain assumptions, recommendations specific to individual TIDs, and recommendations to effectively manage the use of Tax Incremental Financing (TIF) across all City departments.

TIF is the City's most powerful economic development tool, which has contributed in excess of \$250,000,000 in tax base since the inception of the City's TID No. 1. This Report identifies opportunities and recommendations to best leverage this tool to its fullest extent, which requires that all City staff work collaboratively. Additionally, City elected and appointed officials, as organizational decision-makers, must be afforded the best information available to formulate policies and priorities in order to maximize the benefits of TIF.

The recommendations related to each TID and management of all the TIDs are generally based on current legislation and best practices we have seen across the entire state of Wisconsin, as well as other regions where we participate in economic development planning and fiscal matters.

We wish to thank all stakeholders for their contribution to this Report, most specifically the Planning and Economic Development and Finance staff for their tremendous investment of time, resources and institutional knowledge. The goal of these efforts is that they serve as a foundation to manage TIF in the future for the benefit of all in the City.

Respectfully submitted,

Sean Lentz, CIPFA  
Senior Financial Advisor / Director

Brian Reilly, CFA, CIPFA  
Senior Financial Advisor / Vice President

# SECTION 1: Introduction

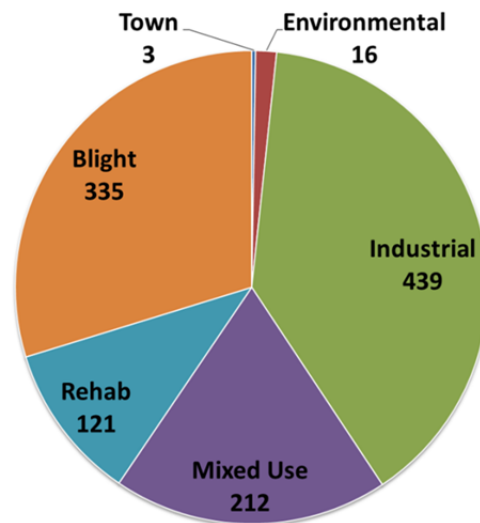
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## History of Tax Increment Financing

Tax Increment Financing (TIF) was approved by the Wisconsin legislature in 1975. The first Tax Increment Districts (TIDs) were created in 1976. The legislature approved this tool for municipalities because it found municipalities were postponing or canceling public improvements that would promote new development because taxpayers were being asked to pay the price. All taxing jurisdictions benefit from an expanding tax base but local municipalities were incurring all of the costs and associated risks. The creation of a Tax Increment Financing Program allowed new or redeveloped tax base to pay for the costs of incentivizing its development in the first place. Since 1976 TIF has been the most powerful economic development tool available to local government. While each municipality using TIF has its own goals and objectives, the broad intent is as follows:

- Promote economic development and redevelopment (tax base expansion, job creation and retention, blight elimination)
- Address the lack of incentives and financial resources and overcome sight-specific impediments to development and/or redevelopment
- Promote cooperation between public and private sectors
- Counteract economic downturn (originally in the Mid 70s but also recently)

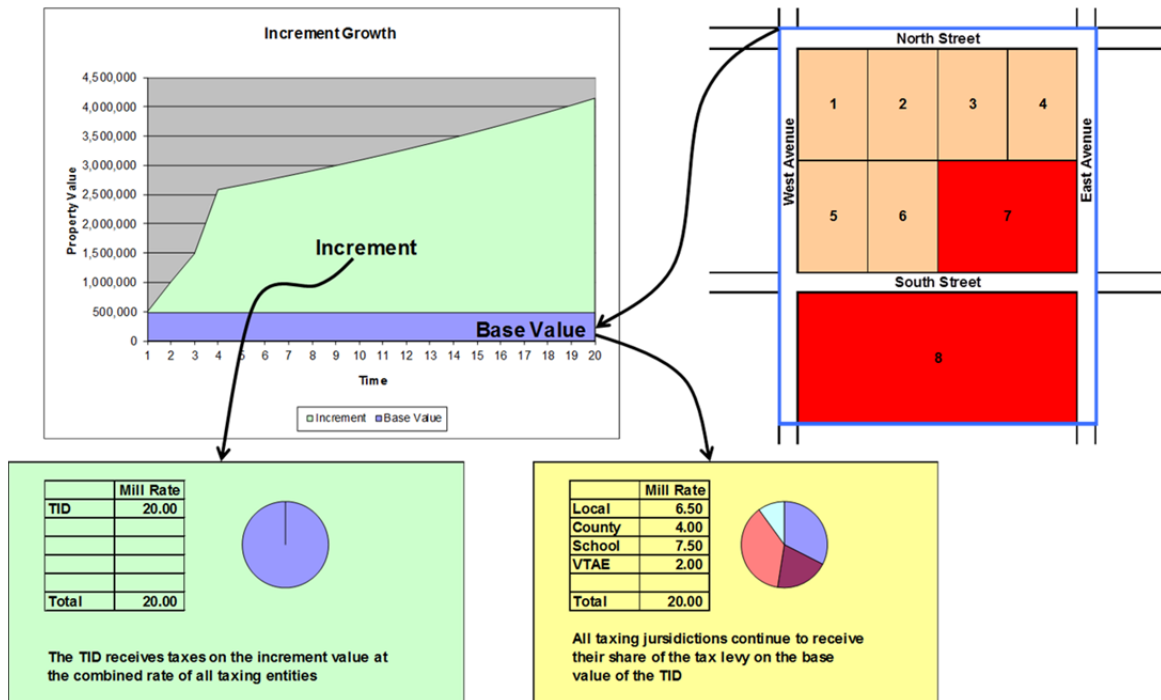
Since 1976, over 1,800 districts have been created. Of those, over 700 have been dissolved. Wisconsin has 593 total Cities and Villages, 414 communities have used Tax Increment Financing. **Below is a breakdown of the types of active tax increment districts in Wisconsin as of Oct. 31, 2013:**



## How does TIF work?

The logistics of how tax increment financing works can be complicated. The challenge is creating “Incremental Value”. Incremental Value is an increase in taxable value above the “Base Value”. The Base Value is the taxable value of property within the boundaries of the TID at the time it is created. The

Incremental Value is taxed at the same rate as all property in the community. The unique attribute of a tax increment district is the City collects 100% of the tax revenue from the Increment Value (tax increment). The municipal, county, school, and tech college shares of the tax revenue on Increment Value are collected by the local government and placed in a separate tax increment district fund. This fund is used to pay for costs associated to developing or redeveloping the property included in the TID. **We have included a chart we believe is helpful in understanding “How does TIF work?”:**



A key underpinning and required finding of a municipality wanting to create a TID is the “but for” test. This test states that “but for” the use of tax increment financing, the proposed development would not occur:

- As proposed
- Within the same time period
- With the same level of value (property, jobs, amenities)

The “but for” finding needs to be approved by the municipality and by the Joint Review Board. The Joint Review Board is made up of members of all of the overlapping taxing jurisdictions affected by the creation of a tax increment district. Because this finding needs to be affirmed by the Joint Review Board, all taxing jurisdictions are provided an opportunity to be a part of the approval of creating a tax increment district.

### Constraints, Qualifications, & Eligible Project Costs

While the State created the Tax Increment Financing Program to promote development and redevelopment, they also put constraints on the ability to use the program. One of these constraints is the “12% Test” which limits the ability to create a new TID or amend the boundaries of an existing TID when the equalized value of all existing TIDs plus the base value of a proposed new district exceeds 12% of the total equalized value of the taxable property within the municipality.

The following table demonstrates the City’s compliance with the 12% valuation requirement:

City of La Crosse, WI	
Calculation of Compliance with Value Limitation Thresholds	
All Values as of January 1, 2013	
	Valuation Data Currently Available
Total EV (TID In, as of January 1, 2013)	3,103,160,000
12% Valuation Limitation	372,379,200
Increment of Existing TIDs	
TID No. 4	36,801,600
TID No. 5	7,664,500
TID No. 6	48,006,400
TID No. 7	9,029,500
TID No. 8	2,390,900
TID No. 9	17,325,800
TID No. 10	446,100
TID No. 11	66,578,600
TID No. 12	18,837,100
TID No. 13	24,649,400
TID No. 14	8,438,000
TID No. 15	0
Total Existing Increment	240,167,900
Existing Increment as % of Total EV	7.74%
Remaining Value within 12% Limitation	132,211,300

Another constraint is the requirement that at least 50% of the property proposed to be included in a TID is:

1. Blighted or in need of rehabilitation; or,
2. Suitable and zoned for industrial use; or,
3. Suitable for mixed-use development as determined by any combination of at least two of:  
Industrial, Commercial, or Residential (the residential is limited to 35% of the total area for newly-platted developments)

Tax Increment Districts are also constrained by the time period they can remain open. In general, a district may remain open until the earliest of the following occurrences:

- The districts maximum life is reached, which varies by type of district and when it was created
- When total tax increments collected are sufficient to pay all of the district’s obligations
- When the City or Village passes a resolution to terminate the district

**The table on the following page shows the maximum life for TIDs created after October 1, 2004 and includes the maximum life for Town TIDs and Environmental Remediation TIDs which are tax increment districts created under special provisions of the tax increment law.**

Type of District	TID Creation Date		
	Prior to Oct. 1, 1995	Oct. 1, 1995 - Sept. 30, 2004	Oct. 1, 2004 or Later
Blight Elimination	27 Years	27 Years (+4)*	27 Years (+3)*
Conservation or Rehabilitation	27 Years	27 Years (+4)*	27 Years (+3)*
Industrial	27 Years	23 Years	20 Years (+3)*
Mixed Use	NA	NA	20 Years (+3)*
Town	NA	NA	Exp. Period + 11 Years (16 Years Max.)
		Oct. 14, 1997 to Sept. 30, 2006	Oct. 1, 2006 or Later
Environmental Remediation	NA	23 Years	23 Years

\*District eligible to receive an extension to maximum life

The time period to incur TID-eligible project costs is an additional constraint on the use of the Tax Increment Financing Program. Generally, all project costs must be incurred 5 to 7 years prior to the maximum termination date of the district. Repayment of outstanding deb, advances from other municipal funds, and administrative expenses can be paid after the end of the expenditure period is reached, but no new project costs can be incurred. **The chart on the next page details the expenditure period for the various types of tax increment districts:**

TID Created October 1, 2004 or Later	
Blight Elimination	22 Years
Conservation or Rehabilitation	22 Years
Industrial	15 Years
Mixed-Use	15 Years
Town	5 Years
TID Created October 1, 2006 or Later	
Environmental Remediation	15 Years

The list of eligible projects costs is extensive but not without some limitations. Eligible costs need to be listed in the Tax Increment District Project Plan and can include: Public Works & Improvements, Financing Costs, Real Property Assembly Costs, Professional Service Costs, Administrative Costs, Contributions to a Community Development Authority or Redevelopment Authority, Relocation Costs, Organizational Costs, Pro-rated Costs of Utility Infrastructure, Cash Grants (with Development Agreement), Environmental Remediation, and Projects outside of the District's boundaries but within ½ Mile. The TIF law does include some specifically **prohibited** project costs:

- Costs of constructing or expanding administrative, police, fire, community, recreational, library and school buildings



- Costs of constructing or expanding facilities if similar facilities are financed only with utility user fees
- General government expenses unrelated to the Tax Increment District
- Costs associated with newly-platted residential development (except in Mixed-Use districts where the density test or other statutorily-defined development classification have been met)

## **The Creation and Amendment Process**

The Tax Increment Financing Law contains very specific requirements related to the process of creating and amending a TID. A number of participants are involved and notices and formal hearings are required. Below are the broad steps necessary to create a Tax Increment District:

1. Plan Commission directs the preparation of a project plan
2. Convene a Joint Review Board
3. Public Hearing by Plan Commission
4. Municipality Governing Body approval
5. Joint Review Board approval
6. State approval (procedural and legal review)

A number of amendments can be made to existing TIDs. A boundary amendment can add or subtract property from an existing district. Boundary amendments must comply with the 12% test to add territory, as well as other property-related requirements, and a community is limited to four during the life of a district. There is no limitation on the number of times a project plan can be amended to add new TID-eligible expenses or to change the scope of an existing district. These amendments can be completed up to the end of the expenditure period and require the same process as creating a new district. Increment sharing amendments are also allowed under certain circumstances. These amendments allow a TID with a positive cash flow to assist another TID. TIDs generating excess revenue may allocate the excess to:

- A blighted area TID
- A rehabilitation/conservation TID
- A TID created before Oct. 1, 1995 if the donor district was also created before that date
- A distressed or severely distressed TID

## **Financing TID Projects and Implementing the Project Plan**

Successful tax increment districts generally involve significant up front planning and continuous monitoring during the implementation phase. The ability to capture 100% of the tax revenue from new development or redevelopment within the boundaries of a district reduces the risk in repaying the costs associated with promoting that development but does not entirely eliminate risk. TID-eligible costs are generally financed with general obligation or revenue debt, advances from other funds, or from available cash within the tax increment districts funds. Matching the revenue generated by the TID with the repayment costs is vital to the success of a tax increment district. The cash flow forecasts for TIDs should be updated regularly so new approaches can be implemented in the event of unforeseen changes in expected revenue collection. Challenges to taxable valuation, changes in state law, inadvertent errors in valuation, and reductions in equalized mill rates are all examples of outside factors that can have significant impacts on the forecast of available revenues in a TID.

The economic downturn in 2008 and 2009 coupled with a State wide change in the valuation methodology of property in TIDs led to new categories of tax increment districts being allowed by the Wisconsin Legislature. Those categories are Distressed and Severely Distressed tax increment districts. Existing

districts must be amended to be categorized as Distressed or Severely Distressed. The benefits of this amendment and categorization are an extension of the maximum life and the ability to receive funds from another TID with excess revenues. Declaring Tax Increment Districts Distressed or Severely Distressed does not come without consequences. Districts declared as such may not:

- be amended to add additional project costs
- add territory
- be overlaid by another TID
- become a donor district; or,
- incur costs outside the TID boundaries.

The ability to declare an existing district Distressed or Severely Distressed sunsets on September 30, 2015, so any district with a deficit cash flow projection should be reviewed to determine if this declaration is in the City's best interest.

The ability to spend TID funds on eligible projects that are within ½ mile of the boundary of an existing district was approved by the Wisconsin Legislature in 2007. Many existing TID project plans were created before that time and did not include that option. This report and on-going cash flow forecasting for all of the City's districts will allow staff and elected officials to determine if amending existing districts to add the ability to fund projects within ½ mile of the boundaries of existing districts is possible and beneficial.

The end of the expenditure period for all of the City's existing tax increment districts is also detailed in this report. All TIDs should be reviewed to determine what projects are unfinished from existing project plans and should Districts be amended to add new expenditures. The review of the cash flow forecasts should assist in determining the best financing plan for any new or additional TID eligible project costs. Districts nearing the end of their expenditure period can have a significant cash balance which could allow additional project costs to be paid for without the issuance of debt.

At the end of the life of a tax increment district, all taxing jurisdictions benefit from the increase in tax base and the distribution of any excess funds in the district's accumulated cash balance. If a cash balance remains at the time a TID is terminated (after retiring all obligations), that cash is distributed to all taxing jurisdictions based on each jurisdiction's pro-rata share of the levy for the most recent fiscal year. The report and on-going cash flow forecasting will allow the City to plan for the impact of adding tax increment to the general tax base and to target any unspent funds to non-TID capital expenses or to the unassigned general fund balance. The City will also be in a position to notify the other taxing jurisdictions of the impact of closing a district so they can anticipate the impact on their budgets and levies.

## SECTION 2: Tax Increment District Summaries

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### Summaries

The City's Planning staff have prepared narrative summaries related to the history and primary development projects of the respective TIDs. Ehlers has supplemented the summaries with the important characteristics of each TID (district type, creation date, expenditure period, amendments, etc.), value and tax increment projections (revenues), and projected cash flow with resulting balances.

### Cash Flow Assumptions

- All balances are as of December 31, 2013 (cash, debt requirements, advance from other funds)
- Figures shown for fiscal 2013 are actual & 2014 are estimated based on current information
- Revenues:
  - Value increment as of January 1, 2013 is actual
  - Value increment as of January 1, 2014 is held constant throughout the forecast period
  - Equalized tax rate for taxes payable 2014 is held constant throughout the forecast period
  - Exempt computer aids are actual for 2013 & 2014 and then reduced by 10% per year in subsequent years
  - Receipt of shared increments continues for eligible TIDs where such arrangement(s) have been established
  - No expectations of "one-time" revenues, such as land sale proceeds, etc.
- Expenses:
  - Expense prioritization is: (1) Debt service, (2) required developer payments, (3) allocations/sharing to other TIDs, (4) annual outlays and administrative costs, (4) recovery/retirement of advances made from other funds
  - Debt service transfers beyond 2014 have been established to fully satisfy Future Debt Service Requirements by the end of a TIDs maximum life in a generally uniform fashion
  - Future, contingent developer payments have not been shown
  - No administrative costs have been allocated to respective TIDs, although a placeholder exists
- Transfers to TID 9
  - Transfers to TID 9 were recorded in 2013 to account for previous misallocations of aggregate tax increment revenue during the life of TID 9
  - TID 9 recorded a one-time cash infusion in 2013 based on same
- Advance repayment
  - The City records interest against outstanding advances to the TIDs from other funds, which accrues at the average rate of the Local Government Investment Pool during the fiscal year
  - Interest accrual is not shown
  - It is assumed advances are retired from future surplus balances after all other existing obligations are retired

## Tax Incremental District No. 4

“Airport”

<b>District Type:</b>	Industrial
<b>Created:</b>	December 12, 1986
<b>Maximum Term:</b>	2013 (27 years)
<b>Final Revenue Year:</b>	2014
<b>Expenditure Period Ends:</b>	December 12, 2008

### Amendments:

1. 2004 Allow for the sharing of increment with TID No. 6
2. 2007 Project plan amendment to add projects (Inland Printing Project)
3. 2013 Extend district one year to allow for expenditures related to housing improvements

<b>Total Project Budget:</b>	\$10,884,191 (not including sharing with TID 6 or housing expenses)
<b>Capital Expenditures as of 12/31/13:</b>	\$9,051,034

**Development Agreements:** Inland Printing

### Staff Summary

TID 4, commonly known as the Airport TID, was created to open approximately 94 acres for an industrial park, and to provide funding for the City of La Crosse Regional Airport. Approximately twenty five new businesses operate in this District. Several of the larger corporations include, the Company Store, McKesson pharmaceuticals, and Inland Printing.

In 2004 this successful district was amended to provide funding to TID 6, located in the City’s Central Business District. TID 4 was extended 1 year to use 75% of the annual increment for low income housing and 25% for market rate housing projects throughout the City. City investment in the District included the following: street improvements, water, sanitary and storm sewer, airport terminal construction and facility upgrades to the parking lots, lighting and landscaping.

## VALUE AND TAX INCREMENT PROJECTION – TID NO. 4

### Tax Increment District No. 4 (Airport) Tax Increment Projection Worksheet

<b>Type of District</b>	Ind (Pre 10-1-95)	<b>Actual Base Value</b>	0
<b>Actual Creation Date</b>	12/16/1986	<b>Pre-Amendment Base Value (Actual)</b>	N/A
<b>Valuation Date</b>	Jan. 1, 1987	<b>Property Appreciation Factor</b>	0.00%
<b>Maximum Life (In Years)</b>	27	<b>Current Tax Rate (Per \$1,000 EV)</b>	\$31.23
<b>Expenditure Period (In Years)</b>	22	<b>Tax Rate Adjustment Factor (Next 2 Years)</b>	0.00%
<b>Revenue Periods/Final Rev Year</b>	26   2014	<b>Tax Rate Adjustment Factor (Following 2 Years)</b>	0.00%
<b>End of Expenditure Period</b>	12/16/2008	<b>Tax Rate Adjustment Factor (Thereafter)</b>	0.00%
<b>Latest Termination Date</b>	12/16/2013	<b>Discount Rate 1 for NPV Calculation</b>	N/A
<b>Eligible for Extension/No. of Years</b>	No   0	<b>Discount Rate 2 for NPV Calculation</b>	N/A
<b>Eligible Recipient District</b>	Yes		

	<i>Construction Year</i>	<i>Value Added</i>	<i>Valuation Year</i>	<i>Inflation Increment</i>	<i>Valuation Increment</i>	<i>Revenue Year</i>	<i>Tax Rate</i>	<i>Tax Increment</i>
1	2011	0	2012	0	36,821,300	2013	29.98	1,103,919
2	2012	0	2013	0	36,801,600	2014	31.23	1,149,436
3	2013	0	2014	0	38,104,500	2015	31.23	1,190,129
		0			0			
							<b>Future Value of Increment</b>	<b>3,443,484</b>

## TID NO. 4 CASH FLOW PROJECTION

**Tax Increment District No. 4 (Airport)  
Cash Flow Pro Forma**

**As of Dec. 31, 2013:**

Cash and Investments:           **\$356,814 (A)**  
 Future Debt Service Requirements:   **\$162,168 (B)**  
 Advances from Other Funds (General Fund):   **\$199,241 (C)**

Year	Revenues					Expenditures								Balances				Year
	Tax Increments	Exempt Computer Aids	Minimum Tax Payments	Other Revenue	Total Revenues (D)	Debt Service Transfers	Transfer to TID 9	DA Payments	Allocation to TID 6	Other Exp.	Admin	Advance Repayment	Total Expenses (E)	Annual (F) (D - E)	Cumulative (G) (2013 = A)	Future Debt Service (2013 = B)	Advance(s) from Other Funds	
2013	1,103,919	57,718	0	4,199	1,165,836	123,554	433,742		620,176	194			1,177,666	(11,830)	356,814	162,168	199,241	2013
2014	1,149,436	50,126	0		1,199,562	162,168			1,198,885			199,241	1,560,294	(360,733)	(3,919)	0	3,919	2014
2015	1,190,129	45,113			1,235,243					1,100,000		3,919	1,103,919	131,324	127,405	0	(0)	2015
<b>Total</b>	<b>3,443,484</b>	<b>152,957</b>	<b>0</b>	<b>4,199</b>	<b>3,600,640</b>	<b>285,722</b>	<b>433,742</b>	<b>0</b>	<b>1,819,061</b>	<b>1,100,194</b>	<b>0</b>	<b>203,160</b>	<b>3,841,879</b>					

**NOTES:**

1. Transfer to TID 9 in 2013 was required to due to a misallocation of total TIF revenues in previous fiscal periods
2. Cumulative Balance includes existing Cash and Investments plus annual excess cash flow
3. Debt Service Transfers reduce Future Debt Service Requirements
4. TID 4 was amended to allow for an additional year of increment collection (FY 2015) to be expended only on qualified residential housing projects

## **TID 4 Recommendations**

- *None*

TID 4 is beyond its expenditure period, is projected to recover all costs, and can only be used for qualified housing expenditures through 2015. The value increment will be returned to the general tax rolls for taxes payable 2016. Any remaining balances will be distributed to all taxing jurisdictions on a proportional basis upon closure.

## Tax Incremental District No. 5

“Marriot / Central Business District”

<b>District Type:</b>	Blighted Area
<b>Created:</b>	March 12, 1992
<b>Maximum Term:</b>	2019 (27 years)
<b>Final Revenue Year:</b>	2019
<b>Expenditure Period Ends:</b>	March 12, 2014

### Amendments:

1. 1999 Project plan amendment to add projects
2. 2005 Project plan amendment to allow for sharing of increment with TID No. 6 (ends 2015 based on authorization)

<b>Total Project Budget:</b>	\$1,610,000 (not including sharing with TID 6)
<b>Capital Expenditures as of 12/31/13:</b>	\$1,293,062

**Development Agreements:** N/A

### Staff Summary

TID 5, known as the Marriott TID, was created to incentivize redevelopment along the Mississippi River waterfront and King Street. This TID is responsible for the creation of the Marriott Hotel, the River Crossing Square property, the relocation of Piggy’s Restaurant and building renovations. Also included in the redevelopment of this area were renovations to the City owned Pump House building.

Projects funded via this TIF include the following: reconstruction of Front Street, allowing increased acreage for Marriott development; installation of streetscaping including sidewalks bollards and street lighting, storm sewer; demolition of the west wing of the Pump House building and reconstruction of the west building wall; property acquisition and development. In 2005, this successful TID was amended to provide funding to TID 6, located in the City’s Central Business District.

This district is entirely overlaid by TID 11. Therefore, the increment value will not increase and future increases in value will accrue to TID 11.



## VALUE AND TAX INCREMENT PROJECTION – TID NO. 5

### Tax Increment District No. 5 (Marriot / Central Business District) Tax Increment Projection Worksheet

<b>Type of District</b>	Blighted Area	<b>Actual Base Value</b>	894,800
<b>Actual Creation Date</b>	3/12/1992	<b>Pre-Amendment Base Value (Actual)</b>	N/A
<b>Valuation Date</b>	Jan. 1, 1992	<b>Property Appreciation Factor</b>	0.00%
<b>Maximum Life (In Years)</b>	27	<b>Current Tax Rate (Per \$1,000 EV)</b>	\$31.23
<b>Expenditure Period (In Years)</b>	22	<b>Tax Rate Adjustment Factor (Next 2 Years)</b>	0.00%
<b>Revenue Periods/Final Rev Year</b>	26   2019	<b>Tax Rate Adjustment Factor (Following 2 Years)</b>	0.00%
<b>End of Expenditure Period</b>	3/12/2014	<b>Tax Rate Adjustment Factor (Thereafter)</b>	0.00%
<b>Latest Termination Date</b>	3/12/2019	<b>Discount Rate 1 for NPV Calculation</b>	N/A
<b>Eligible for Extension/No. of Years</b>	No   0	<b>Discount Rate 2 for NPV Calculation</b>	N/A
<b>Eligible Recipient District</b>	Yes		

	<i>Construction</i> Year	<i>Value</i> Added	<i>Valuation</i> Year	<i>Inflation</i> Increment	<i>Valuation</i> Increment	<i>Revenue</i> Year	<i>Tax</i> Rate	<i>Tax</i> Increment
1	2011	0	2012	0	7,664,500	2013	29.98	229,782
2	2012	0	2013	0	7,664,500	2014	31.23	239,388
3	2013	0	2014	0	7,664,500	2015	31.23	239,388
4	2014	0	2015	0	7,664,500	2016	31.23	239,388
5	2015	0	2016	0	7,664,500	2017	31.23	239,388
6	2016	0	2017	0	7,664,500	2018	31.23	239,388
7	2017	0	2018	0	7,664,500	2019	31.23	239,388
		0		0				
						<b>Future Value of Increment</b>		<b>1,666,108</b>

## TID NO. 5 CASH FLOW PROJECTION

**Tax Increment District No. 5 (Marriot / Central Business District)  
Cash Flow Pro Forma**

**As of Dec. 31, 2013:**

Cash and Investments: **\$11,053 (A)**  
 Future Debt Service Requirements: **\$83,976 (B)**  
 Advances from Other Funds (General Fund): **\$454 (C)**

Year	Revenues				Expenditures							Balances				Year
	Tax Increments	Exempt Computer Aids	Other Revenue	Total Revenues (D)	Debt Service Transfers	Transfer to TID 9	Allocation to TID 6	Other Exp.	Admin	Advance Repayment	Total Expenses (E)	Annual (F) (D - E)	Cumulative (G) (2013 = A)	Future Debt Service (2013 = B)	Advance(s) from Other Funds	
2013	229,782	12,877		242,659	28,421	97,383	132,403	150		0	258,357	(15,698)	11,053	83,976	454	2013
2014	239,388	12,403		251,791	12,403		249,578			450	262,431	(10,641)	412	71,573	4	2014
2015	239,388	11,163		250,550	12,853		230,000			0	242,853	7,697	8,110	58,720	4	2015
2016	239,388	10,046		249,434	29,617		215,000			0	244,617	4,817	12,927	29,103	4	2016
2017	239,388	9,042		248,429	8,000		240,000			0	248,000	429	13,356	21,103	4	2017
2018	239,388	8,138		247,525	7,000		240,000			0	247,000	525	13,881	14,103	4	2018
2019	239,388	7,324		246,711	14,103		240,000			4	254,107	(7,396)	6,486	0	0	2019
<b>Total</b>	<b>1,666,108</b>	<b>70,992</b>	<b>0</b>	<b>1,737,100</b>	<b>112,397</b>	<b>97,383</b>	<b>1,546,981</b>	<b>150</b>	<b>0</b>	<b>454</b>	<b>1,757,365</b>					

**NOTES:**

1. Transfer to TID 9 in 2013 was required to due to a misallocation of total TIF revenues in previous fiscal periods
2. Cumulative Balance includes existing Cash and Investments plus annual excess cash flow
3. Debt Service Transfers reduce Future Debt Service Requirements

## **TID 5 Recommendations - Ehlers**

- Amend TID 5 under separate statutory authority to allow the sharing period with TID 6 to extend to the end of TID 5 (2019, or four additional years)
- Potential donor to other, blighted-area TIDs
- Expenditure period has closed – if the district is not amended to revise/extend the sharing period with TID 6 and no other sharing arrangements are established, then debt and advance balances should be retired in 2015 and TID 5 should be closed prior to May 15<sup>th</sup>, 2015.

TID 5 is beyond its expenditure period, is projected to recover all costs. Any remaining balances will be distributed to all taxing jurisdictions on a proportional basis upon closure.

## **Staff Recommendations**

Amend TID 5 in 2014 to extend allocations to TID 6 for four more years.

## Tax Incremental District No. 6

“Downtown”

<b>District Type:</b>	Blighted Area
<b>Created:</b>	April 1, 1994
<b>Maximum Term:</b>	2021 (27 years)
<b>Final Revenue Year:</b>	2021
<b>Expenditure Period Ends:</b>	April 1, 2016

### Amendments:

1. 1999 Boundary and project plan amendment to add projects
2. 2006 Project plan amendment to add projects
3. 2010 Project plan amendment to add ½ mile projects

<b>Total Project Budget:</b>	Not directly identified in original or amended plans
<b>Capital Expenditures as of 12/31/13:</b>	\$34,445,704

**Development Agreements:** N/A

### Staff Summary

TID 6 was created as the primary local financing tool for implementing the City Vision 2000 Master Plan. This Plan was adopted by both the City Council and the La Crosse County Board. This comprehensive TIF was created to create tax base from projected private development to allow for public improvements in the District, primarily parking and streetscaping projects.

Major projects and improvements funded by the TID include: downtown streetscaping, expansion of the La Crosse River Recreational Trail, burying overhead utilities, expansion of the La Crosse Center and the Center Parking Ramp, and redeveloping the Market Square parking ramp (mixed-use housing and retail development), improvements to the Main Street pedestrian mall, Cass Street Bridge reconstruction, development of the Riverplace Apartments, Centurylink’s Midwest Regional Headquarters, the Holiday Inn, Radisson expansion, River Architects, the Doerflinger Building, La Crosse County campus improvements, Oktoberfest grounds and acquisition, demolition and remediation of Cargill and Luxco properties and the former Frank’s Liquor property.

This district is partially overlaid by TID 11 and receives shared increment from TIDs 4, 5 & 8.

## VALUE AND TAX INCREMENT PROJECTION – TID NO. 6

### Tax Increment District No. 6 (Downtown) Tax Increment Projection Worksheet

<b>Type of District</b>	Blighted Area	<b>Actual Base Value</b>	33,884,800
<b>Actual Creation Date</b>	4/14/1994	<b>Pre-Amendment Base Value (Actual)</b>	N/A
<b>Valuation Date</b>	Jan. 1, 1994	<b>Property Appreciation Factor</b>	0.00%
<b>Maximum Life (In Years)</b>	27	<b>Current Tax Rate (Per \$1,000 EV)</b>	\$31.23
<b>Expenditure Period (In Years)</b>	22	<b>Tax Rate Adjustment Factor (Next 2 Years)</b>	0.00%
<b>Revenue Periods/Final Rev Year</b>	26   2021	<b>Tax Rate Adjustment Factor (Following 2 Years)</b>	0.00%
<b>End of Expenditure Period</b>	4/14/2016	<b>Tax Rate Adjustment Factor (Thereafter)</b>	0.00%
<b>Latest Termination Date</b>	4/14/2021	<b>Discount Rate 1 for NPV Calculation</b>	N/A
<b>Eligible for Extension/No. of Years</b>	No   0	<b>Discount Rate 2 for NPV Calculation</b>	N/A
<b>Eligible Recipient District</b>	Yes		

	<i>Construction</i> Year	<i>Value</i> Added	<i>Valuation</i> Year	<i>Inflation</i> Increment	<i>Valuation</i> Increment	<i>Revenue</i> Year	<i>Tax</i> Rate	<i>Tax</i> Increment
1	2011	0	2012	0	46,380,600	2013	29.98	1,390,511
2	2012	0	2013	0	48,006,400	2014	31.23	1,499,398
3	2013	0	2014	0	52,067,800	2015	31.23	1,626,249
4	2014	0	2015	0	52,067,800	2016	31.23	1,626,249
5	2015	0	2016	0	52,067,800	2017	31.23	1,626,249
6	2016	0	2017	0	52,067,800	2018	31.23	1,626,249
7	2017	0	2018	0	52,067,800	2019	31.23	1,626,249
8	2018	0	2019	0	52,067,800	2020	31.23	1,626,249
9	2019	0	2020	0	52,067,800	2021	31.23	1,626,249

0

0

**Future Value of Increment** 14,273,655

## TID NO. 6 CASH FLOW PROJECTION

As of Dec. 31, 2013:

**Tax Increment District No. 6 (Downtown)**

Cash and Investments: **\$58,187 (A)**

**Cash Flow Pro Forma**

Future Debt Service Requirements: **\$11,919,212 (B)**

Advances from Other Funds (General Fund): **\$460,802 (C)**

Year	Revenues							Expenditures					Balances			Year
	Tax Increments	Exempt Computer Aid	Allocation from TID 4	Allocation from TID 5	Allocation from TID 8	Other Revenue	Total Revenues (D)	Debt Service Transfers	Transfer to TID 9	Other Exp.	Admin	Total Expenses (E)	Annual (F) (D - E)	Cumulative (G) (2013 = A)	Future Debt Service (2013 = B)	
2013	1,390,511	77,191	620,176	132,403	46,426		<b>2,266,707</b>	1,835,390	508,783	0		<b>2,344,173</b>	(77,466)	58,187	11,919,212	2013
2014	1,499,398	99,665	1,198,885	249,578	94,977		<b>3,142,504</b>	915,882		897,244		<b>1,813,126</b>	1,329,377	1,387,564	11,003,330	2014
2015	1,626,249	89,699		230,000	80,000		<b>2,025,948</b>	681,895				<b>681,895</b>	1,344,053	2,731,617	10,321,435	2015
2016	1,626,249	80,729		215,000	80,000		<b>2,001,978</b>	1,750,000				<b>1,750,000</b>	251,978	2,983,595	8,571,435	2016
2017	1,626,249	72,656		240,000	80,000		<b>2,018,905</b>	2,000,000				<b>2,000,000</b>	18,905	3,002,500	6,571,435	2017
2018	1,626,249	65,390		240,000	80,000		<b>2,011,640</b>	2,000,000				<b>2,000,000</b>	11,640	3,014,140	4,571,435	2018
2019	1,626,249	58,851		240,000	80,000		<b>2,005,101</b>	2,000,000				<b>2,000,000</b>	5,101	3,019,241	2,571,435	2019
2020	1,626,249	52,966			80,000		<b>1,759,215</b>	1,750,000				<b>1,750,000</b>	9,215	3,028,456	821,435	2020
2021	1,626,249	47,669			80,000		<b>1,753,919</b>	821,435				<b>821,435</b>	932,484	<b>3,960,940</b>	(0)	2021
<b>Total</b>	<b>14,273,655</b>	<b>1,021,682</b>	<b>1,819,061</b>	<b>1,546,981</b>	<b>701,403</b>	<b>0</b>	<b>19,230,260</b>	<b>13,754,602</b>	<b>508,783</b>	<b>897,244</b>	<b>0</b>	<b>15,160,629</b>				

**Final Balance (G - C): 3,500,138**

**NOTES:**

1. Transfer to TID 9 in 2013 was required to due to a misallocation of total TIF revenues in previous fiscal periods
2. Cumulative Balance includes existing Cash and Investments plus annual excess cash flow
3. Debt Service Transfers reduce Future Debt Service Requirements
4. TID 6 is an eligible recipient of positive tax increments from TIDs 4, 5 & 8

## **TID 6 Recommendations**

- Expenditure period ends April 14, 2016. Given the date, it is likely any additional, substantial expenditures will need to be commenced or completed in 2015.
- Eligible recipient of excess tax increments of other TIDs as a “Blighted Area” district
  - Amend TID 5 to extend sharing period
- If no additional project, then extending sharing arrangement or initiating additional sharing should not be undertaken and debt and advance balances should be retired more rapidly.

TID 6 is is projected to recover all costs. Any remaining balances will be distributed to all taxing jurisdictions on a proportional basis upon closure.

## Tax Incremental District No. 7

“Amtrak Depot”

<b>District Type:</b>	Blighted Area
<b>Created:</b>	August 14, 01997
<b>Maximum Term:</b>	2024 (27 years)
<b>Final Revenue Year:</b>	2025
<b>Expenditure Period Ends:</b>	August 14, 2019

### Amendments:

1. 1999 Boundary and project plan amendment to add projects

<b>Total Project Budget:</b>	\$4,527,032
<b>Capital Expenditures as of 12/31/13:</b>	\$2,771,952

**Development Agreements:** Fowler & Hammer, 2009

“Reverse TIF” incentives related to value increment or property payable in years 2012 – 2015 and not to exceed \$200,000 in total. Job creation incentives of \$40,000 for 15 additional FTEs at the site and a guarantee of value upon completion of \$1,000,000 no later than 2011.

### Staff Summary

TID 7 was created in 1997 to stimulate economic development and foster redevelopment in the neighborhood surrounding the Amtrak Depot. The City received federal funding for a portion of the historic renovation of the Depot and tax incremental financing was used to offset the remaining restoration costs. General contractor, Fowler & Hammer also added increment revenue by expanding their facility through the use of TIF. Other projects completed within this TID include, street reconstruction and storm water improvements as well as streetscaping.



## VALUE AND TAX INCREMENT PROJECTION – TID NO. 7

<b>Tax Increment District No. 7 (Amtrak Depot)</b>							
<b>Tax Increment Projection Worksheet</b>							
<b>Type of District</b>	Blighted Area			<b>Actual Base Value</b>	15,660,400		
<b>Actual Creation Date</b>	8/14/1997			<b>Pre-Amendment Base Value (Actual)</b>	N/A		
<b>Valuation Date</b>	Jan. 1, 1997			<b>Property Appreciation Factor</b>	0.00%		
<b>Maximum Life (In Years)</b>	27			<b>Current Tax Rate (Per \$1,000 EV)</b>	\$31.23		
<b>Expenditure Period (In Years)</b>	22			<b>Tax Rate Adjustment Factor (Next 2 Years)</b>	0.00%		
<b>Revenue Periods/Final Rev Year</b>	27   2025			<b>Tax Rate Adjustment Factor (Following 2 Years)</b>	0.00%		
<b>End of Expenditure Period</b>	8/14/2019			<b>Tax Rate Adjustment Factor (Thereafter)</b>	0.00%		
<b>Latest Termination Date</b>	8/14/2024			<b>Discount Rate 1 for NPV Calculation</b>	N/A		
<b>Eligible for Extension/No. of Years</b>	Yes   4			<b>Discount Rate 2 for NPV Calculation</b>	N/A		
<b>Eligible Recipient District</b>	Yes						

	<i>Construction Year</i>	<i>Value Added</i>	<i>Valuation Year</i>	<i>Inflation Increment</i>	<i>Valuation Increment</i>	<i>Revenue Year</i>	<i>Tax Rate</i>	<i>Tax Increment</i>
1	2011	0	2012	0	8,905,500	2013	29.98	266,991
2	2012	0	2013	0	9,029,500	2014	31.23	282,021
3	2013	0	2014	0	9,712,800	2015	31.23	303,363
4	2014	0	2015	0	9,712,800	2016	31.23	303,363
5	2015	0	2016	0	9,712,800	2017	31.23	303,363
6	2016	0	2017	0	9,712,800	2018	31.23	303,363
7	2017	0	2018	0	9,712,800	2019	31.23	303,363
8	2018	0	2019	0	9,712,800	2020	31.23	303,363
9	2019	0	2020	0	9,712,800	2021	31.23	303,363
10	2020	0	2021	0	9,712,800	2022	31.23	303,363
11	2021	0	2022	0	9,712,800	2023	31.23	303,363
12	2022	0	2023	0	9,712,800	2024	31.23	303,363
13	2023	0	2024	0	9,712,800	2025	31.23	303,363
		0			0			
<b>Future Value of Increment</b>							<b>3,886,003</b>	

## TID NO. 7 CASH FLOW PROJECTION

As of Dec. 31, 2013:

**Tax Increment District No. 7 (Amtrak Depot)**

**Cash and Investments: \$576,937 (A)**

**Cash Flow Pro Forma**

**Future Debt Service Requirements: \$514,504 (B)**

**Advances from Other Funds (General Fund): \$27,825 (C)**

Year	Revenues					Expenditures							Balances			Year
	Tax Increments	Exempt Computer Aids	Minimum Tax Payments	Other Revenue	Total Revenues (D)	Debt Service Transfers	Transfer to TID 9	DA Payments - Increment	DA Payments - Jobs	Other Exp.	Admin	Total Expenses (E)	Annual (F) (D - E)	Cumulative (G) (2013 = A)	Future Debt Service (2013 = B)	
2013	266,991	4,722			271,713	186,613	70,119			4,975		261,707	10,006	576,937	514,504	2013
2014	282,021	6,016			288,037	157,713			718			158,431	129,606	706,543	356,791	2014
2015	303,363	5,414			308,777	200,000						200,000	108,777	815,320	156,791	2015
2016	303,363	4,873			308,236	156,791						156,791	151,445	966,765	0	2016
2017	303,363	4,386			307,748							0	307,748	1,274,514	0	2017
2018	303,363	3,947			307,310							0	307,310	1,581,824	0	2018
2019	303,363	3,552			306,915							0	306,915	1,888,739	0	2019
2020	303,363	3,197			306,560							0	306,560	2,195,299	0	2020
2021	303,363	2,877			306,240							0	306,240	2,501,539	0	2021
2022	303,363	2,590			305,953							0	305,953	2,807,491	0	2022
2023	303,363	2,331			305,694							0	305,694	3,113,185	0	2023
2024	303,363	2,098			305,460							0	305,460	3,418,646	0	2024
2025	303,363	1,888			305,251							0	305,251	3,723,896	0	2025
<b>Total</b>	<b>3,886,003</b>	<b>47,891</b>	<b>0</b>	<b>0</b>	<b>3,933,894</b>	<b>701,117</b>	<b>70,119</b>	<b>0</b>	<b>718</b>	<b>4,975</b>	<b>0</b>	<b>776,929</b>				

**NOTES:**

1. Transfer to TID 9 in 2013 was required to due to a misallocation of total TIF revenues in previous fiscal periods
2. Cumulative Balance includes existing Cash and Investments plus annual excess cash flow
3. Debt Service Transfers reduce Future Debt Service Requirements

**Final Balance (G - C): 3,696,071**

## **TID 7 Recommendations - Ehlers**

- Expenditure period ends 2019. Remaining project costs should be reviewed and prioritization established
- Eligible recipient of excess tax increments of other TIDs as a “Blighted Area” district
- Review development agreement for payments related to “increment” – 2015 final payable year
- Could be amended to share excess increment with other eligible TIDs
- If no additional projects (including sharing) and DA payments are satisfied, then advance balances should be retired more rapidly.

TID 7 is projected to recover all costs. Any remaining balances will be distributed to all taxing jurisdictions on a proportional basis upon closure.

## **Staff Recommendations**

Project Plan amendment in 2014 to include additional projects.

## Tax Incremental District No. 8

“Interstate Industrial Park / Dura Tech”

<b>District Type:</b>	Industrial
<b>Created:</b>	July 10, 1997
<b>Maximum Term:</b>	2020 (23 years)
<b>Final Revenue Year:</b>	2021
<b>Expenditure Period Ends:</b>	July 10, 2015

### Amendments:

1. 1999 Project plan amendment to allow for the sharing of increment with TID No. 6

<b>Total Project Budget:</b>	\$1,025,000 (not including sharing with TID 6)
<b>Capital Expenditures as of 12/31/13:</b>	\$352,254

**Development Agreements:** N/A

### Staff Summary

TID 8, known as the DuraTech TID, was created to assist the DuraTech expansion, as well as development on one other vacant property. Reconstruction of major streets in this industrial area were funded partially through TIF funds.

This district has a limited boundary area and is not likely to generate substantial additional tax increment

## VALUE AND TAX INCREMENT PROJECTION – TID NO. 8

### Tax Increment District No. 8 (Interstate Industrial Park / Dura Tech) Tax Increment Projection Worksheet

<b>Type of District</b>	Ind (Pre 10-1-04)	<b>Actual Base Value</b>	3,689,000
<b>Actual Creation Date</b>	7/10/1997	<b>Pre-Amendment Base Value (Actual)</b>	N/A
<b>Valuation Date</b>	Jan. 1, 1997	<b>Property Appreciation Factor</b>	0.00%
<b>Maximum Life (In Years)</b>	23	<b>Current Tax Rate (Per \$1,000 EV)</b>	\$31.23
<b>Expenditure Period (In Years)</b>	18	<b>Tax Rate Adjustment Factor (Next 2 Years)</b>	0.00%
<b>Revenue Periods/Final Rev Year</b>	23   2021	<b>Tax Rate Adjustment Factor (Following 2 Years)</b>	0.00%
<b>End of Expenditure Period</b>	7/10/2015	<b>Tax Rate Adjustment Factor (Thereafter)</b>	0.00%
<b>Latest Termination Date</b>	7/10/2020	<b>Discount Rate 1 for NPV Calculation</b>	N/A
<b>Eligible for Extension/No. of Years</b>	No   0	<b>Discount Rate 2 for NPV Calculation</b>	N/A
<b>Eligible Recipient District</b>	No		

	<i>Construction</i> Year	<i>Value</i> Added	<i>Valuation</i> Year	<i>Inflation</i> Increment	<i>Valuation</i> Increment	<i>Revenue</i> Year	<i>Tax</i> Rate	<i>Tax</i> Increment
1	2011	0	2012	0	2,606,400	2013	29.98	78,141
2	2012	0	2013	0	2,390,900	2014	31.23	74,676
3	2013	0	2014	0	2,694,500	2015	31.23	84,158
4	2014	0	2015	0	2,694,500	2016	31.23	84,158
5	2015	0	2016	0	2,694,500	2017	31.23	84,158
6	2016	0	2017	0	2,694,500	2018	31.23	84,158
7	2017	0	2018	0	2,694,500	2019	31.23	84,158
8	2018	0	2019	0	2,694,500	2020	31.23	84,158
9	2019	0	2020	0	2,694,500	2021	31.23	84,158

0

0

**Future Value of Increment** 741,924

## TID NO. 8 CASH FLOW PROJECTION

As of Dec. 31, 2013:

**Tax Increment District No. 8 (Interstate Industrial Park / Dura Tech)**

**Cash and Investments: \$16,644 (A)**

**Cash Flow Pro Forma**

**Future Debt Service Requirements: \$0 (B)**

**Advances from Other Funds (General Fund): \$1,209 (C)**

Year	Revenues				Expenditures							Balances				Year
	Tax Increments	Exempt Computer Aids	Other Revenue	Total Revenues (D)	Debt Service Transfers	Transfer to TID 9	Allocation to TID 6	Other Exp.	Admin	Advance Repayment	Total Expenses (E)	Annual (F) (D - E)	Cumulative (G) (2013 = A)	Future Debt Service (2013 = B)	Advance(s) from Other Funds	
2013	78,141	3,631		81,772		31,715	46,426	150		0	78,291	3,481	16,644	0	1,209	2013
2014	74,676	5,266		79,942			94,977			1,197	96,174	(16,232)	412	0	12	2014
2015	84,158	4,739		88,898			80,000			0	80,000	8,898	9,310	0	12	2015
2016	84,158	4,265		88,424			80,000			0	80,000	8,424	17,733	0	12	2016
2017	84,158	3,839		87,997			80,000			0	80,000	7,997	25,730	0	12	2017
2018	84,158	3,455		87,613			80,000			0	80,000	7,613	33,343	0	12	2018
2019	84,158	3,110		87,268			80,000			0	80,000	7,268	40,611	0	12	2019
2020	84,158	2,799		86,957			80,000			0	80,000	6,957	47,568	0	12	2020
2021	84,158	2,519		86,677			80,000			12	80,012	6,665	54,233	0	0	2021
<b>Total</b>	<b>741,924</b>	<b>33,623</b>	<b>0</b>	<b>775,546</b>	<b>0</b>	<b>31,715</b>	<b>701,403</b>	<b>150</b>	<b>0</b>	<b>1,209</b>	<b>734,477</b>					

**NOTES:**

1. Transfer to TID 9 in 2013 was required to due to a misallocation of total TIF revenues in previous fiscal periods
2. Cumulative Balance includes existing Cash and Investments plus annual excess cash flow
3. Debt Service Transfers reduce Future Debt Service Requirements

## **TID 8 Recommendations - Ehlers**

- Expenditure period ends July 10, 2015. Remaining project costs should be reviewed and prioritization established.
- No debt obligations and minimal advance balance outstanding
- Could be amended to share excess increment with other eligible TIDs
- Should be viewed primarily as a revenue source for TID 6, as long as TID 6 remains open

TID 8 is projected to recover all costs. Any remaining balances will be distributed to all taxing jurisdictions on a proportional basis upon closure.

## **Staff Recommendations**

Continue to allocate positive tax increments to TID 6 through the un-extended, maximum life – no action needed.

## Tax Incremental District No. 9

“International Business Park”

<b>District Type:</b>	Industrial
<b>Created:</b>	June 10, 1999
<b>Maximum Term:</b>	2022 (23 years)
<b>Final Revenue Year:</b>	2023
<b>Expenditure Period Ends:</b>	June 10, 2017

### Amendments:

*None, to date*

<b>Total Project Budget:</b>	\$4,335,000
<b>Capital Expenditures as of 12/31/13:</b>	\$3,014,192

**Development Agreements:** N/A

### Staff Summary

TID 9, commonly known as the International Business Park TID, was created for the purpose of increasing the City’s stock of buildable industrial land. TIF dollars were used to provide infrastructure for the International Business Park, which was strategically located within view of I-90 and Highway 16. Infrastructure on this 53 acre site included streets, utilities and trails. Business expansion incentives were provided to Stansfield Vending and Advanced Fiber Products. Approximately 17 of 26 lots are built out, where businesses such as Creative Laminates, River States Trucking, and Martin Warehousing operate.

### Other

TID 9 is entirely within the boundaries of the Onalaska School District. No other TID in the City shares the same jurisdictional boundaries as this district. Therefore, TID 9 is ineligible to share increment with any other of the City’s TIDs.

This district received a substantial, one-time inflow from all other active TIDs due to misallocation of previous tax increments in prior years.



## VALUE AND TAX INCREMENT PROJECTION – TID NO. 9

### Tax Increment District No. 9 (International Business Park) Tax Increment Projection Worksheet

<b>Type of District</b>	Ind (Pre 10-1-04)	<b>Actual Base Value</b>	1,442,900
<b>Actual Creation Date</b>	6/10/1999	<b>Pre-Amendment Base Value (Actual)</b>	N/A
<b>Valuation Date</b>	Jan. 1, 1999	<b>Property Appreciation Factor</b>	0.00%
<b>Maximum Life (In Years)</b>	23	<b>Current Tax Rate (Per \$1,000 EV)</b>	\$28.02
<b>Expenditure Period (In Years)</b>	18	<b>Tax Rate Adjustment Factor (Next 2 Years)</b>	0.00%
<b>Revenue Periods/Final Rev Year</b>	23   2023	<b>Tax Rate Adjustment Factor (Following 2 Years)</b>	0.00%
<b>End of Expenditure Period</b>	6/10/2017	<b>Tax Rate Adjustment Factor (Thereafter)</b>	0.00%
<b>Latest Termination Date</b>	6/10/2022	<b>Discount Rate 1 for NPV Calculation</b>	N/A
<b>Eligible for Extension/No. of Years</b>	No   0	<b>Discount Rate 2 for NPV Calculation</b>	N/A
<b>Eligible Recipient District</b>	No		

	<i>Construction</i>	<i>Value</i>	<i>Valuation</i>	<i>Inflation</i>	<i>Valuation</i>	<i>Revenue</i>	<i>Tax</i>	<i>Tax</i>
	<i>Year</i>	<i>Added</i>	<i>Year</i>	<i>Increment</i>	<i>Increment</i>	<i>Year</i>	<i>Rate</i>	<i>Increment</i>
1	2011	0	2012	0	16,393,700	2013	27.45	450,032
2	2012	0	2013	0	17,325,800	2014	28.02	485,549
3	2013	0	2014	0	17,265,300	2015	28.02	483,853
4	2014	0	2015	0	17,265,300	2016	28.02	483,853
5	2015	0	2016	0	17,265,300	2017	28.02	483,853
6	2016	0	2017	0	17,265,300	2018	28.02	483,853
7	2017	0	2018	0	17,265,300	2019	28.02	483,853
8	2018	0	2019	0	17,265,300	2020	28.02	483,853
9	2019	0	2020	0	17,265,300	2021	28.02	483,853
10	2020	0	2021	0	17,265,300	2022	28.02	483,853
11	2021	0	2022	0	17,265,300	2023	28.02	483,853
		0		0				
						<b>Future Value of Increment</b>		<b>5,290,259</b>

## TID NO. 9 CASH FLOW PROJECTION

**As of Dec. 31, 2013:**

**Tax Increment District No. 9 (International Business Park)**

**Cash and Investments: \$3,257,087 (A)**

**Cash Flow Pro Forma**

**Future Debt Service Requirements: \$1,159,203 (B)**

**Advances from Other Funds (General Fund): \$636 (C)**

Year	Revenues					Expenditures				Balances			Year
	Tax Increments	Exempt Computer Aids	Transfer from All Other TIDs	Other Revenue	Total Revenues (D)	Debt Service Transfers	Other Exp.	Admin	Total Expenses (E)	Annual (F) (D - E)	Cumulative (G) (2013 = A)	Future Debt Service (2013 = B)	
2013	450,032	4,535	1,821,882		2,276,449	54,799	14,684		69,483	2,206,966	3,257,087	1,159,203	2013
2014	485,549	5,305			490,854	121,305	30,000		151,305	339,549	3,596,636	1,037,898	2014
2015	483,853	4,775			488,628	400,000			400,000	88,628	3,685,263	637,898	2015
2016	483,853	4,297			488,150	325,000			325,000	163,150	3,848,413	312,898	2016
2017	483,853	3,867			487,720	312,898			312,898	174,822	4,023,236	0	2017
2018	483,853	3,481			487,334	0			0	487,334	4,510,570	0	2018
2019	483,853	3,133			486,986	0			0	486,986	4,997,555	0	2019
2020	483,853	2,819			486,672	0			0	486,672	5,484,228	0	2020
2021	483,853	2,537			486,390	0			0	486,390	5,970,618	0	2021
2022	483,853	2,284			486,137	0			0	486,137	6,456,755	0	2022
2023	483,853	2,055			485,908	0			0	485,908	6,942,663	0	2023
<b>Total</b>	<b>5,290,259</b>	<b>39,088</b>	<b>1,821,882</b>	<b>0</b>	<b>7,151,228</b>	<b>1,214,002</b>	<b>44,684</b>		<b>1,258,686</b>	5,892,542			

**Final Balance (G - C): 6,942,027**

**NOTES:**

1. Transfer from all other TIDs in 2013 was required to due to a misallocation of total TIF revenues in previous fiscal periods
2. Cumulative Balance includes existing Cash and Investments plus annual excess cash flow
3. Debt Service Transfers reduce Future Debt Service Requirements

## **TID 9 Recommendations - Ehlers**

- Expenditure period ends June 10, 2017. Remaining project costs should be reviewed and prioritization established.
- Substantial cash balance available for expenditures. Utilization may require a project plan amendment, as current expenditures are approaching the established budget under the project plan.
- If no additional expenditures, then debt and advance balances should be more rapidly retired.
- NOT an eligible donor to the City's other TIDs due to incompatible overlying taxing jurisdictions (school districts).

TID 9 is projected to recover all costs. Any remaining balances will be distributed to all taxing jurisdictions on a proportional basis upon closure.

## **Staff Recommendations**

Project Plan amendment in 2014 to include additional projects.

## Tax Incremental District No. 10

“Park Plaza / Barron Field”

<b>District Type:</b>	Blighted Area
<b>Created:</b>	June 12, 2003
<b>Maximum Term:</b>	2030 (27 years)
<b>Final Revenue Year:</b>	2031
<b>Expenditure Period Ends:</b>	June 12, 2025

### Amendments:

1. 2005 Boundary and project plan amendment to add project costs

<b>Total Project Budget:</b>	\$18,411,428
<b>Capital Expenditures as of 12/31/13:</b>	\$1,286,420

**Development Agreements:** Intergovernmental agreement with La Crosse County

Joint development between City and County. Future tax increments are to be allocated to each jurisdiction based on actual development expenditures, to date, which shall be recalculated annually. The County’s portion shall be reduced by receipt of any land sale proceeds.

### Staff Summary

TID 10 is known as the Park Plaza TID. This TID is a joint venture between the City of La Crosse and La Crosse County as a means to redevelop the former Holiday Inn site (Park Plaza Area) on Barron Island. Funds were used to prepare the site for redevelopment. The former Holiday Inn and Bikini Yacht Club buildings were razed, and new storm water and sewer utilities were installed throughout the site. The City and County commissioned a redevelopment plan for the site that included 240 condominiums, a boutique hotel, marina store, restaurant, and site amenities including a riverwalk.

The TID was amended in 2005 to add adjacent properties including the Company Store site to the south and another adjacent property to the north. Other public improvement projects include sewer main crossing the Mississippi River, improvements to the Mississippi’s west channel, and a trail connecting to Pettibone Park. The County is currently working with a prospective developer and Water Place One, LLC has filed for a rezoning for 47 units on 4.3 acres on the north end of Barron Island.

## VALUE AND TAX INCREMENT PROJECTION – TID NO. 10

<b>Tax Increment District No. 10 (Park Plaza / Barron Field)</b>							
<b>Tax Increment Projection Worksheet</b>							
Type of District	Blighted Area			Actual Base Value	2,540,100		
Actual Creation Date	6/12/2003			Pre-Amendment Base Value (Actual)	N/A		
Valuation Date	Jan. 1, 2003			Property Appreciation Factor	0.00%		
Maximum Life (In Years)	27			Current Tax Rate (Per \$1,000 EV)	\$31.23		
Expenditure Period (In Years)	22			Tax Rate Adjustment Factor (Next 2 Years)	0.00%		
Revenue Periods/Final Rev Year	27   2031			Tax Rate Adjustment Factor (Following 2 Years)	0.00%		
End of Expenditure Period	6/12/2025			Tax Rate Adjustment Factor (Thereafter)	0.00%		
Latest Termination Date	6/12/2030			Discount Rate 1 for NPV Calculation	N/A		
Eligible for Extension/No. of Years	Yes   4			Discount Rate 2 for NPV Calculation	N/A		
Eligible Recipient District	Yes						

	<i>Construction</i>	<i>Value</i>	<i>Valuation</i>	<i>Inflation</i>	<i>Valuation</i>	<i>Revenue</i>	<i>Tax</i>	<i>Tax</i>
	<i>Year</i>	<i>Added</i>	<i>Year</i>	<i>Increment</i>	<i>Increment</i>	<i>Year</i>	<i>Rate</i>	<i>Increment</i>
1	2011	0	2012	0	523,200	2013	29.98	15,686
2	2012	0	2013	0	446,100	2014	31.23	13,933
3	2013	0	2014	0	592,900	2015	31.23	18,518
4	2014	0	2015	0	592,900	2016	31.23	18,518
5	2015	0	2016	0	592,900	2017	31.23	18,518
6	2016	0	2017	0	592,900	2018	31.23	18,518
7	2017	0	2018	0	592,900	2019	31.23	18,518
8	2018	0	2019	0	592,900	2020	31.23	18,518
9	2019	0	2020	0	592,900	2021	31.23	18,518
10	2020	0	2021	0	592,900	2022	31.23	18,518
11	2021	0	2022	0	592,900	2023	31.23	18,518
12	2022	0	2023	0	592,900	2024	31.23	18,518
13	2023	0	2024	0	592,900	2025	31.23	18,518
14	2024	0	2025	0	592,900	2026	31.23	18,518
15	2025	0	2026	0	592,900	2027	31.23	18,518
16	2026	0	2027	0	592,900	2028	31.23	18,518
17	2027	0	2028	0	592,900	2029	31.23	18,518
18	2028	0	2029	0	592,900	2030	31.23	18,518
19	2029	0	2030	0	592,900	2031	31.23	18,518
		0		0				
						<b>Future Value of Increment</b>		344,429

## TID NO. 10 CASH FLOW PROJECTION

**As of Dec. 31, 2013:**

**Tax Increment District No. 10 (Park Plaza / Barron Field)**

**Cash and Investments: \$147,210 (A)**

**Cash Flow Pro Forma**

**Future Debt Service Requirements: \$286,530 (B)**

**Advances from Other Funds (General Fund): \$378,884 (C)**

Year	Revenues					Expenditures						Balances			Year
	Tax Increments	Exempt Computer Aids	Other Revenue	Other Revenue	Total Revenues (D)	Debt Service Transfers	Transfer to TID 9	Allocation to County	Other Exp.	Admin	Total Expenses (E)	Annual (F) (D - E)	Cumulative (G) (2013 = A)	Future Deb Service (2013 = B)	
								<b>71.27%</b>							
2013	15,686	4,746			20,432	0	3,480	0	150		3,630	16,802	164,012	286,530	2013
2014	13,933	5,244			19,177	41,629		13,667			55,296	(36,118)	127,893	244,901	2014
2015	18,518	4,720			23,238	6,000		16,561			22,561	677	128,570	238,901	2015
2016	18,518	4,248			22,766	6,000		16,224			22,224	541	129,112	232,901	2016
2017	18,518	3,823			22,341	6,000		15,922			21,922	419	129,531	226,901	2017
2018	18,518	3,441			21,959	6,000		15,649			21,649	310	129,841	220,901	2018
2019	18,518	3,097			21,615	6,000		15,404			21,404	211	130,052	214,901	2019
2020	18,518	2,787			21,305	6,000		15,183			21,183	122	130,173	208,901	2020
2021	18,518	2,508			21,026	5,500		14,985			20,485	542	130,715	203,401	2021
2022	18,518	2,257			20,776	5,500		14,806			20,306	470	131,184	197,901	2022
2023	18,518	2,032			20,550	5,500		14,645			20,145	405	131,589	192,401	2023
2024	18,518	1,828			20,347	5,500		14,500			20,000	346	131,935	186,901	2024
2025	18,518	1,646			20,164	5,500		14,370			19,870	294	132,229	181,401	2025
2026	18,518	1,481			19,999	5,500		14,253			19,753	247	132,476	175,901	2026
2027	18,518	1,333			19,851	5,500		14,147			19,647	204	132,680	170,401	2027
2028	18,518	1,200			19,718	5,500		14,052			19,552	166	132,845	164,901	2028
2029	18,518	1,080			19,598	5,500		13,967			19,467	131	132,977	159,401	2029
2030	18,518	972			19,490	5,500		13,890			19,390	100	133,077	153,901	2030
2031	18,518	875			19,393	153,901		13,821			167,722	(148,329)	(15,252)	0	2031
<b>Total</b>	<b>344,429</b>	<b>47,469</b>	<b>0</b>	<b>0</b>	<b>393,744</b>	<b>286,530</b>	<b>3,480</b>	<b>238,337</b>	<b>150</b>	<b>0</b>	<b>369,095</b>				

**Final Balance (G - C): (394,136)**

**NOTES:**

1. Transfer to TID 9 in 2013 was required to due to a misallocation of total TIF revenues in previous fiscal periods
2. Cumulative Balance includes existing Cash and Investments plus annual excess cash flow
3. Debt Service Transfers reduce Future Debt Service Requirements
4. City shall transfer an allocable share of revenues to La Crosse County as development partner, which percentage is (re)calculated annually based on actual expenditures

## **TID 10 Recommendations - Ehlers**

- Eligible recipient of excess tax increments of other TIDs as a “Blighted Area” district
- Substantial feasibility analysis should be undertaken prior to future expenditures or development projects by both the City and County

TID 10 is not currently projected to recover its project costs, although the projected shortfall is minimal. Additionally, there is substantial time for new development to occur.

## **Staff Recommendations**

Additional analysis prior to execution of Development Agreement or additional expenditures – no action needed.

## Tax Incremental District No. 11

“Gateway”

<b>District Type:</b>	Blighted Area
<b>Created:</b>	October 12, 2004
<b>Maximum Term:</b>	2031 (27 years)
<b>Final Revenue Year:</b>	2032
<b>Expenditure Period Ends:</b>	October 12, 2026

### Amendments:

1. 2005 Boundary and project plan amendment to add project costs
2. 2007 Project plan amendment to add project costs
3. 2009 Project plan amendment to add project costs

<b>Total Project Budget:</b>	\$85,948,949
<b>Capital Expenditures as of 12/31/13:</b>	\$73,724,690

**Development Agreements:** Riverside Center (amended and restated, 2010)

“Reverse TIF” incentives with varied incentive payments (based on allocable portion to City) from 2012 – 2026 not to exceed an aggregate amount of \$4,000,000. Plus, a lump sum amount of \$750,000 based on: substantial completion of the project, job creation and retention, and issuance of a certificate of occupancy.

### Staff Summary

TID 11, Known as the Gateway TID, was created to stimulate redevelopment in the area near the Mississippi River Bridge where US Highways 14/61 enter the southern part of downtown. Redevelopment projects include the Riverside Center I, II, and III office buildings that house Logistic Health, Kaplan, and SAP, and two restaurants. Other redevelopment projects include the expansion of the People’s Food Co-op, the extension of the riverwalk, upgrades to the riverside boat landing for excursion boats, a 300 car space addition to the Civic Center Parking ramp, and the \$1.5 million historic renovation of the Rodolf building at the corner of 3rd and Main Streets.

TIF was used in the construction of the \$32 million Transit Center, known as Grand River Station. This mixed-use project includes retail, on-premise parking, 20 market rate apartments (convertible to condominiums), 70 units of affordable housing and the rooftop garden. TIF funds were also used for land acquisition, demolition, cleanup, infrastructure and streetscaping.

This districts overlays all of TID 5 and a portion of TID 6.



## VALUE AND TAX INCREMENT PROJECTION – TID NO. 11

<b>Tax Increment District No. 11 (Gateway)</b>							
<b>Tax Increment Projection Worksheet</b>							
Type of District	Blighted Area			Actual Base Value	124,484,000		
Actual Creation Date	10/12/2004			Pre-Amendment Base Value (Actual)	N/A		
Valuation Date	Jan. 1, 2005			Property Appreciation Factor	0.00%		
Maximum Life (In Years)	27			Current Tax Rate (Per \$1,000 EV)	\$31.23		
Expenditure Period (In Years)	22			Tax Rate Adjustment Factor (Next 2 Years)	0.00%		
Revenue Periods/Final Rev Year	26	2032		Tax Rate Adjustment Factor (Following 2 Years)	0.00%		
End of Expenditure Period	10/12/2026			Tax Rate Adjustment Factor (Thereafter)	0.00%		
Latest Termination Date	10/12/2031			Discount Rate 1 for NPV Calculation	N/A		
Eligible for Extension/No. of Years	Yes	3		Discount Rate 2 for NPV Calculation	N/A		
Eligible Recipient District	Yes						

	Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment
1	2011	0	2012	0	63,334,400	2013	29.98	1,898,793
2	2012	0	2013	0	66,578,600	2014	31.23	2,079,470
3	2013	0	2014	0	75,477,400	2015	31.23	2,357,409
4	2014	0	2015	0	75,477,400	2016	31.23	2,357,409
5	2015	0	2016	0	75,477,400	2017	31.23	2,357,409
6	2016	0	2017	0	75,477,400	2018	31.23	2,357,409
7	2017	0	2018	0	75,477,400	2019	31.23	2,357,409
8	2018	0	2019	0	75,477,400	2020	31.23	2,357,409
9	2019	0	2020	0	75,477,400	2021	31.23	2,357,409
10	2020	0	2021	0	75,477,400	2022	31.23	2,357,409
11	2021	0	2022	0	75,477,400	2023	31.23	2,357,409
12	2022	0	2023	0	75,477,400	2024	31.23	2,357,409
13	2023	0	2024	0	75,477,400	2025	31.23	2,357,409
14	2024	0	2025	0	75,477,400	2026	31.23	2,357,409
15	2025	0	2026	0	75,477,400	2027	31.23	2,357,409
16	2026	0	2027	0	75,477,400	2028	31.23	2,357,409
17	2027	0	2028	0	75,477,400	2029	31.23	2,357,409
18	2028	0	2029	0	75,477,400	2030	31.23	2,357,409
19	2029	0	2030	0	75,477,400	2031	31.23	2,357,409
20	2030	0	2031	0	75,477,400	2032	31.23	2,357,409
		0		0				
						Future Value of Increment		46,411,616

## TID NO. 11 CASH FLOW PROJECTION

As of Dec. 31, 2013:

**Tax Increment District No. 11 (Gateway)**

Cash and Investments: **\$3,584,624 (A)**

**Cash Flow Pro Forma**

Future Debt Service Requirements: **\$36,118,614 (B)**

Advances from Other Funds (General Fund): **\$3,830,479 (C)**

Year	Revenues					Expenditures							Balances			Year
	Tax Increments	Minimum Tax Payments	Exempt Computer Aids	Other Revenue	Total Revenues (D)	Debt Service Transfers	Transfer to TID 9	DA Payments - Value	DA Payments - Lump Sum	Other Exp.	Admin	Total Expenses (E)	Annual (F) (D - E)	Cumulative (G) (2013 = A)	Future Debt Service (2013 = B)	
2013	1,898,793		267,039	22,681	2,188,513	1,784,949	324,730					2,109,679	78,834	3,584,624	36,118,614	2013
2014	2,079,470		462,990		2,542,460	2,362,990						2,362,990	179,470	3,764,094	33,755,624	2014
2015	2,357,409		416,691		2,774,100	2,460,000						2,460,000	314,100	4,078,193	31,295,624	2015
2016	2,357,409		375,022		2,732,430	2,500,000						2,500,000	232,430	4,310,623	28,795,624	2016
2017	2,357,409		337,520		2,694,928	2,500,000						2,500,000	194,928	4,505,552	26,295,624	2017
2018	2,357,409		303,768		2,661,176	2,500,000						2,500,000	161,176	4,666,728	23,795,624	2018
2019	2,357,409		273,391		2,630,799	2,051,041						2,051,041	579,758	5,246,486	21,744,583	2019
2020	2,357,409		246,052		2,603,460	2,311,117						2,311,117	292,343	5,538,830	19,433,466	2020
2021	2,357,409		221,447		2,578,855	1,418,438						1,418,438	1,160,417	6,699,247	18,015,028	2021
2022	2,357,409		199,302		2,556,711	1,912,062						1,912,062	644,649	7,343,895	16,102,966	2022
2023	2,357,409		179,372		2,536,780	1,919,101						1,919,101	617,679	7,961,575	14,183,865	2023
2024	2,357,409		161,435		2,518,843	1,802,006						1,802,006	716,837	8,678,412	12,381,859	2024
2025	2,357,409		145,291		2,502,700	2,250,838						2,250,838	251,862	8,930,274	10,131,021	2025
2026	2,357,409		130,762		2,488,171	2,400,895						2,400,895	87,276	9,017,549	7,730,126	2026
2027	2,357,409		117,686		2,475,094	2,438,929						2,438,929	36,165	9,053,715	5,291,197	2027
2028	2,357,409		105,917		2,463,326	2,460,000						2,460,000	3,326	9,057,040	2,831,197	2028
2029	2,357,409		95,326		2,452,734	2,369,500						2,369,500	83,234	9,140,274	461,697	2029
2030	2,357,409		85,793		2,443,201	461,697						461,697	1,981,504	11,121,779	0	2030
2031	2,357,409		77,214		2,434,622	0						0	2,434,622	13,556,401	0	2031
2032	2,357,409		69,492		2,426,901	0						0	2,426,901	15,983,302	0	2032
<b>Total</b>	<b>46,411,616</b>	<b>0</b>	<b>4,271,508</b>	<b>22,681</b>	<b>50,705,805</b>	<b>37,903,563</b>	<b>324,730</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38,228,293</b>				

**Final Balance (G - C): 12,152,823**

**NOTES:**

1. Transfer to TID 9 in 2013 was required to due to a misallocation of total TIF revenues in previous fiscal periods
2. Cumulative Balance includes existing Cash and Investments plus annual excess cash flow
3. Debt Service Transfers reduce Future Debt Service Requirements
4. Development agreement calls for distribution of 15% of Tax Increment for years 2012 - 2016 and 100%, thereafter in years 2017 - 2026, not to exceed \$4,000,000 in total
5. Development agreement calls for a lump-sum distribution of \$750,000 based on (1) substantial completion of the project, (2) creation of 1,500 jobs, and (3) issuance of a certificate of occupancy for the project

## **TID 11 Recommendations - Ehlers**

- Eligible recipient of excess tax increments of other TIDs as a “Blighted Area” district
- Need to have complete, in depth understanding of development agreement and future contingent payments, as well as possible timing of lump-sum payment.

TID 11 is currently projected to recover its project costs, although no developer payments are currently projected. Based on the current value, there is insufficient increment to recover all project costs and make the anticipated incentive payments in their entirety.

## **Staff Recommendations**

Further analysis of Development Agreement and contingent, future payments is required.

## Tax Incremental District No. 12

“Three Rivers Plaza”

<b>District Type:</b>	Blighted Area
<b>Created:</b>	July 14, 2005
<b>Maximum Term:</b>	2032 (27 years)
<b>Final Revenue Year:</b>	2033
<b>Expenditure Period Ends:</b>	July 14, 2027

### Amendments:

1. 2008 Boundary and project plan amendment to add project costs
2. 2010 Project plan amendment to add project costs

<b>Total Project Budget:</b>	\$21,358,632
<b>Capital Expenditures as of 12/31/13:</b>	\$7,793,687

**Development Agreements:** N/A

### Staff Summary

TID 12 is known as the Three Rivers Plaza TID. It was created to stimulate the redevelopment of a 20-acre site that once housed a mix of mini warehouses, a vacant used-car lot, a lumber yard building and several other under-utilized buildings. TIF was used to develop a 60,000 square-foot grocery store, 20,000 square-foot commercial center, 44 condominiums, a 30,000 square-foot office building, a Candlewood Suites Hotel, renovate the former Standard Oil building into an office building, and remove an aesthetically intrusive billboard. This significant redevelopment project also included raising the site out of the flood plain and provided a new level of flood protection.

The City completed a bicycle/pedestrian trail that connects the Lower North Side & Depot neighborhoods to this mixed use center. Other public improvements include, land acquisition, site cleanup/prep, demolition, street upgrades and streetscaping, as well as bike/pedestrian connections to existing networks. In 2010, the City amended the boundary to include waterfront property to the west. The 65 acre site was once home to an Exxon-Mobil oil tank farm and Patros Steel Supply.

In 2014, the City conducted a 7-day charrette planning process which resulted in a master redevelopment plan, now coined Riverside North, estimated to produce tens of millions of new increment value. Capital investments for the Riverside North site include land acquisition, site cleanup, demolition, utilities, multi-modal transportation infrastructure, and clean fill to bring the site out of the 100 year flood fringe.

## VALUE AND TAX INCREMENT PROJECTION – TID NO. 12

Tax Increment District No. 12 (Three Rivers Plaza) Tax Increment Projection Worksheet							
Type of District	Blighted Area			Actual Base Value	19,363,800		
Actual Creation Date	7/14/2005			Pre-Amendment Base Value (Actual)	N/A		
Valuation Date	Jan. 1, 2005			Property Appreciation Factor	0.00%		
Maximum Life (In Years)	27			Current Tax Rate (Per \$1,000 EV)	\$31.23		
Expenditure Period (In Years)	22			Tax Rate Adjustment Factor (Next 2 Years)	0.00%		
Revenue Periods/Final Rev Year	27	2033		Tax Rate Adjustment Factor (Following 2 Years)	0.00%		
End of Expenditure Period	7/14/2027			Tax Rate Adjustment Factor (Thereafter)	0.00%		
Latest Termination Date	7/14/2032			Discount Rate 1 for NPV Calculation	N/A		
Eligible for Extension/No. of Years	Yes	3		Discount Rate 2 for NPV Calculation	N/A		
Eligible Recipient District	Yes						

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	
1	2011	0	2012	0	19,408,300	2013	29.98	581,869
2	2012	0	2013	0	18,837,100	2014	31.23	588,345
3	2013	0	2014	0	19,855,100	2015	31.23	620,140
4	2014	0	2015	0	19,855,100	2016	31.23	620,140
5	2015	0	2016	0	19,855,100	2017	31.23	620,140
6	2016	0	2017	0	19,855,100	2018	31.23	620,140
7	2017	0	2018	0	19,855,100	2019	31.23	620,140
8	2018	0	2019	0	19,855,100	2020	31.23	620,140
9	2019	0	2020	0	19,855,100	2021	31.23	620,140
10	2020	0	2021	0	19,855,100	2022	31.23	620,140
11	2021	0	2022	0	19,855,100	2023	31.23	620,140
12	2022	0	2023	0	19,855,100	2024	31.23	620,140
13	2023	0	2024	0	19,855,100	2025	31.23	620,140
14	2024	0	2025	0	19,855,100	2026	31.23	620,140
15	2025	0	2026	0	19,855,100	2027	31.23	620,140
16	2026	0	2027	0	19,855,100	2028	31.23	620,140
17	2027	0	2028	0	19,855,100	2029	31.23	620,140
18	2028	0	2029	0	19,855,100	2030	31.23	620,140
19	2029	0	2030	0	19,855,100	2031	31.23	620,140
20	2030	0	2031	0	19,855,100	2032	31.23	620,140
21	2031	0	2032	0	19,855,100	2033	31.23	620,140
		0		0				
					Future Value of Increment			12,952,881

## TID NO. 12 CASH FLOW PROJECTION

**As of Dec. 31, 2013:**

**Tax Increment District No. 12 (Three Rivers Plaza)**

**Cash and Investments: \$280,176 (A)**

**Cash Flow Pro Forma**

**Future Debt Service Requirements: \$8,742,904 (B)**

**Advances from Other Funds (General Fund): \$287,709 (C)**

Year	Revenues				Expenditures					Balances			Year
	Tax Increments	Exempt Computer Aids	Other Revenue	Total Revenues (D)	Debt Service Transfers	Transfer to TID 9	Other Exp.	Admin	Total Expenses (E)	Annual (F) (D - E)	Cumulative (G) (2013 = A)	Future Debt Service (2013 = B)	
2013	581,869	10,988		592,857	483,173	128,311	84,802		696,286	(103,429)	280,176	8,742,904	2013
2014	588,345	10,341		598,686	495,431				495,431	103,255	383,431	8,247,473	2014
2015	620,140	9,307		629,447	495,341				495,341	134,106	517,537	7,752,132	2015
2016	620,140	8,376		628,517	550,000				550,000	78,517	596,054	7,202,132	2016
2017	620,140	7,539		627,679	600,000				600,000	27,679	623,733	6,602,132	2017
2018	620,140	6,785		626,925	600,000				600,000	26,925	650,658	6,002,132	2018
2019	620,140	6,106		626,247	600,000				600,000	26,247	676,904	5,402,132	2019
2020	620,140	5,496		625,636	600,000				600,000	25,636	702,540	4,802,132	2020
2021	620,140	4,946		625,086	400,000				400,000	225,086	927,627	4,402,132	2021
2022	620,140	4,451		624,592	485,000				485,000	139,592	1,067,219	3,917,132	2022
2023	620,140	4,006		624,147	485,000				485,000	139,147	1,206,365	3,432,132	2023
2024	620,140	3,606		623,746	485,000				485,000	138,746	1,345,111	2,947,132	2024
2025	620,140	3,245		623,385	600,000				600,000	23,385	1,368,497	2,347,132	2025
2026	620,140	2,921		623,061	600,000				600,000	23,061	1,391,558	1,747,132	2026
2027	620,140	2,629		622,769	600,000				600,000	22,769	1,414,327	1,147,132	2027
2028	620,140	2,366		622,506	620,000				620,000	2,506	1,416,833	527,132	2028
2029	620,140	2,129		622,269	525,000				525,000	97,269	1,514,102	2,132	2029
2030	620,140	1,916		622,057	2,132				2,132	619,925	2,134,027	0	2030
2031	620,140	1,725		621,865					0	621,865	2,755,892	0	2031
2032	620,140	1,552		621,692					0	621,692	3,377,584	0	2032
2033	620,140	1,397		621,537					0	621,537	3,999,121	0	2033
<b>Total</b>	<b>12,952,881</b>	<b>108,986</b>	<b>0</b>	<b>13,061,867</b>	<b>9,226,077</b>	<b>128,311</b>	<b>84,802</b>	<b>0</b>	<b>9,439,190</b>				

**Final Balance (G - C): 3,711,412**

**NOTES:**

1. Transfer to TID 9 in 2013 was required to due to a misallocation of total TIF revenues in previous fiscal periods
2. Cumulative Balance includes existing Cash and Investments plus annual excess cash flow
3. Debt Service Transfers reduce Future Debt Service Requirements

## **TID 12 Recommendations**

- Eligible recipient of excess tax increments of other TIDs as a “Blighted Area” district
- Can support additional project costs
- Can be amended to allow for sharing of excess increment with other eligible TIDs
- If no additional project costs and no sharing, then debt and advance balances should be more rapidly retired

TID 12 is projected to recover all costs. Any remaining balances will be distributed to all taxing jurisdictions on a proportional basis upon closure.

## Tax Incremental District No. 13

“Kwik Trip”

<b>District Type:</b>	Mixed Use
<b>Created:</b>	May 11, 2006
<b>Maximum Term:</b>	2026 (20 years)
<b>Final Revenue Year:</b>	2026
<b>Expenditure Period Ends:</b>	May 11, 2021

### Amendments:

1. 2009 Boundary and project plan amendment to add project costs
2. 2012 Boundary and project plan amendment to add project costs

<b>Total Project Budget:</b>	\$19,375,303
<b>Capital Expenditures as of 12/31/13:</b>	\$4,735,256

**Development Agreements:** Kwik Trip (two separate agreements)

City to acquire property and install public improvements in return for a guarantee of value for the completed Bakery project.

“Reverse TIF” with annual incentive payments not to exceed an aggregate amount of 10% of the full assessed value of the Dairy project, beginning in 2014 through the end of the TID (2026).

### Staff Summary

This TID was created for Kwik Trip to expand their commissary and add over 100 employees as well as to develop the Sunset Condominiums on the east side of Hwy 16. The district also includes a large tract of vacant land located along Hwy 16 north of the La Crosse River and south of Hwy 157. This particular site has been vacant for over 30 years due to no vehicular connectivity and floodplain issues. This site has since been connected to the Hwy 16 corridor, and in 2014, a developer has produced preliminary development plans.

Kwik Trip has continued to expand their campus, including a \$32 million dollar dairy facility, an alternative fueling station, a new bakery and bakery freezer, a warehouse, a quality assurance laboratory, and a clinic for their employees. TID funds have been used for property acquisition and remediation and road and infrastructure reconstructions within and around the Kwik Trip campus.



## VALUE AND TAX INCREMENT PROJECTION – TID NO. 13

<b>Tax Increment District No. 13 (Kwik Trip)</b>							
<b>Tax Increment Projection Worksheet</b>							
<b>Type of District</b>	Mixed Use			<b>Actual Base Value</b>	48,356,400		
<b>Actual Creation Date</b>	5/11/2006			<b>Pre-Amendment Base Value (Actual)</b>	N/A		
<b>Valuation Date</b>	Jan. 1, 2006			<b>Property Appreciation Factor</b>	0.00%		
<b>Maximum Life (In Years)</b>	20			<b>Current Tax Rate (Per \$1,000 EV)</b>	\$31.23		
<b>Expenditure Period (In Years)</b>	15			<b>Tax Rate Adjustment Factor (Next 2 Years)</b>	0.00%		
<b>Revenue Periods/Final Rev Year</b>	19	2026		<b>Tax Rate Adjustment Factor (Following 2 Years)</b>	0.00%		
<b>End of Expenditure Period</b>	5/11/2021			<b>Tax Rate Adjustment Factor (Thereafter)</b>	0.00%		
<b>Latest Termination Date</b>	5/11/2026			<b>Discount Rate 1 for NPV Calculation</b>	N/A		
<b>Eligible for Extension/No. of Years</b>	Yes	3		<b>Discount Rate 2 for NPV Calculation</b>	N/A		
<b>Eligible Recipient District</b>	No						

	<i>Construction Year</i>	<i>Value Added</i>	<i>Valuation Year</i>	<i>Inflation Increment</i>	<i>Valuation Increment</i>	<i>Revenue Year</i>	<i>Tax Rate</i>	<i>Tax Increment</i>
1	2011	0	2012	0	17,761,800	2013	29.98	532,507
2	2012	0	2013	0	24,649,400	2014	31.23	769,882
3	2013	0	2014	0	32,299,900	2015	31.23	1,008,833
4	2014	0	2015	0	32,299,900	2016	31.23	1,008,833
5	2015	0	2016	0	32,299,900	2017	31.23	1,008,833
6	2016	0	2017	0	32,299,900	2018	31.23	1,008,833
7	2017	0	2018	0	32,299,900	2019	31.23	1,008,833
8	2018	0	2019	0	32,299,900	2020	31.23	1,008,833
9	2019	0	2020	0	32,299,900	2021	31.23	1,008,833
10	2020	0	2021	0	32,299,900	2022	31.23	1,008,833
11	2021	0	2022	0	32,299,900	2023	31.23	1,008,833
12	2022	0	2023	0	32,299,900	2024	31.23	1,008,833
13	2023	0	2024	0	32,299,900	2025	31.23	1,008,833
14	2024	0	2025	0	32,299,900	2026	31.23	1,008,833
		0		0				
							<b>Future Value of Increment</b>	<b>13,408,380</b>

## TID NO. 13 CASH FLOW PROJECTION

**As of Dec. 31, 2013:**

**Tax Increment District No. 13 (Kwik Trip)**

**Cash and Investments: \$88,808 (A)**

**Cash Flow Pro Forma**

**Future Debt Service Requirements: \$2,577,067 (B)**

**Advances from Other Funds (General Fund): \$605,055 (C)**

Year	Revenues						Expenditures					Balances			Year	
	Tax Increments	Exempt Computer Aids	Minimum Tax Payments	Lease Payments	Other Revenue	Total Revenues (D)	Debt Service Transfers	Transfer to TID 9	DA Payments - Dairy	Other Exp.	Admin	Total Expenses (E)	Annual (F) (D - E)	Cumulative (G) (2013 = A)		Future Debt Service (2013 = B)
2013	532,507	19,313			1,667	553,487	499,010	58,815				557,825	(4,338)	88,808	2,577,067	2013
2014	769,882	178,576				948,458	448,576			302,000		750,576	197,882	286,690	3,044,549	2014
2015	1,008,833	160,718				1,169,551	448,576					448,576	720,975	1,007,665	2,595,973	2015
2016	1,008,833	144,647				1,153,479	500,000					500,000	653,479	1,661,144	2,095,973	2016
2017	1,008,833	130,182				1,139,014	1,000,000					1,000,000	139,014	1,800,159	1,095,973	2017
2018	1,008,833	117,164				1,125,996	1,000,000					1,000,000	125,996	1,926,155	95,973	2018
2019	1,008,833	105,447				1,114,280	95,973					95,973	1,018,307	2,944,462	(0)	2019
2020	1,008,833	94,903				1,103,735	0					0	1,103,735	4,048,197	(0)	2020
2021	1,008,833	85,412				1,094,245	0					0	1,094,245	5,142,442	(0)	2021
2022	1,008,833	76,871				1,085,704	0					0	1,085,704	6,228,146	(0)	2022
2023	1,008,833	69,184				1,078,017	0					0	1,078,017	7,306,162	(0)	2023
2024	1,008,833	62,266				1,071,098	0					0	1,071,098	8,377,260	(0)	2024
2025	1,008,833	56,039				1,064,872	0					0	1,064,872	9,442,132	(0)	2025
2026	1,008,833	50,435				1,059,268	0					0	1,059,268	10,501,400	(0)	2026
<b>Total</b>	<b>13,408,380</b>	<b>1,351,157</b>	<b>0</b>	<b>0</b>	<b>1,667</b>	<b>14,761,203</b>	<b>3,992,135</b>	<b>58,815</b>	<b>0</b>	<b>302,000</b>	<b>0</b>	<b>4,352,950</b>				

**Final Balance (G - C): 9,896,345**

**NOTES:**

1. Transfer to TID 9 in 2013 was required to due to a misallocation of total TIF revenues in previous fiscal periods
2. Cumulative Balance includes existing Cash and Investments plus annual excess cash flow
3. Debt Service Transfers reduce Future Debt Service Requirements
4. Development agreement with Kwik Trip calls for incentive payments, beginning 2014, based on tax increment of the project in an aggregate amount not to exceed 10% of the actual full assessed value of the property

## **TID 13 Recommendations**

- Can support additional project costs
- Can be amended to allow for sharing of excess increment with other eligible TIDs
- If no additional project costs and no sharing, then debt and advance balances should be more rapidly retired, but only after obligations under development agreements are better established (i.e. known values and cash flows)

TID 13 is projected to recover all costs. Any remaining balances will be distributed to all taxing jurisdictions on a proportional basis upon closure.

## Tax Incremental District No. 14

“Gundersen Lutheran”

**District Type:** Mixed Use  
**Created:** August 24, 2006  
**Maximum Term:** 2026 (20 years)  
**Final Revenue Year:** 2027  
**Expenditure Period Ends:** August 24, 2021

### Amendments:

1. 2012 Project plan amendment to add project costs

**Total Project Budget:** Not identified in original or amended plans  
**Capital Expenditures as of 12/31/13:** \$2,126,703

**Development Agreements:** Gunderson Lutheran

Complex financial arrangement based on establishment of “Base Development Value” and “Reverse TIF” incentives, as well as City retaining a portion of tax increment for attribution towards certain, enumerated projects to be completed in the project area. Tax increment received from areas not specifically identified in the development agreement are unencumbered and available for expenditure by the City.

### Staff Summary

Known as the Gundersen TID, this District includes the entire Gundersen Health System-La Crosse Campus, as well as a portion of the Powell-Poage-Hamilton Neighborhood. This TID funded the construction of a parking ramp and clinic improvements. In 2013, Gundersen completed a new psychiatric facility along with a new parking ramp, and in 2014 Gundersen opened a new six story comprehensive hospital. TIF funds also assisted with the redevelopment of the Gund Brewery Lofts.

Neighborhood revitalization was one of the primary goals of creating TID 14. Funds are allocated to purchase, demolish, and rebuild a number of homes in the district, and in 2013, the City and Gundersen entered into a Joint Neighborhood-Campus Plan aimed at revitalizing key corridor area and the surrounding neighborhood. Capital improvements include a major makeover of Poage Park (upcoming), the Green Island Ice Arena, Little Houska Park, the 7th Street Boat Landing, the Southside Neighborhood Center, the VIP Trail, and Bluff Slough/Swift Creek, alley pavings, improvements to a neighborhood tennis/basketball facility, as well as the creation of a Joint Community Development Corporation. Other public infrastructure improvements include four alley pavings, storm/sewer updates, and tree plantings.

## VALUE AND TAX INCREMENT PROJECTION – TID NO. 14

<b>Tax Increment District No. 14 (Gundersen Lutheran)</b>							
<b>Tax Increment Projection Worksheet</b>							
<b>Type of District</b>	Mixed Use			<b>Actual Base Value</b>	57,869,800		
<b>Actual Creation Date</b>	8/24/2006			<b>Pre-Amendment Base Value (Actual)</b>	N/A		
<b>Valuation Date</b>	Jan. 1, 2006			<b>Property Appreciation Factor</b>	0.00%		
<b>Maximum Life (In Years)</b>	20			<b>Current Tax Rate (Per \$1,000 EV)</b>	\$31.23		
<b>Expenditure Period (In Years)</b>	15			<b>Tax Rate Adjustment Factor (Next 2 Years)</b>	0.00%		
<b>Revenue Periods/Final Rev Year</b>	20   2027			<b>Tax Rate Adjustment Factor (Following 2 Years)</b>	0.00%		
<b>End of Expenditure Period</b>	8/24/2021			<b>Tax Rate Adjustment Factor (Thereafter)</b>	0.00%		
<b>Latest Termination Date</b>	8/24/2026			<b>Discount Rate 1 for NPV Calculation</b>	N/A		
<b>Eligible for Extension/No. of Years</b>	Yes   3			<b>Discount Rate 2 for NPV Calculation</b>	N/A		
<b>Eligible Recipient District</b>	No						

	<b>Construction Year</b>	<b>Value Added</b>	<b>Valuation Year</b>	<b>Inflation Increment</b>	<b>Valuation Increment</b>	<b>Revenue Year</b>	<b>Tax Rate</b>	<b>Tax Increment</b>
1	2011	0	2012	0	37,168,300	2013	29.98	1,114,322
2	2012	0	2013	0	8,438,000	2014	31.23	263,547
3	2013	0	2014	0	33,061,100	2015	31.23	1,032,607
4	2014	0	2015	0	33,061,100	2016	31.23	1,032,607
5	2015	0	2016	0	33,061,100	2017	31.23	1,032,607
6	2016	0	2017	0	33,061,100	2018	31.23	1,032,607
7	2017	0	2018	0	33,061,100	2019	31.23	1,032,607
8	2018	0	2019	0	33,061,100	2020	31.23	1,032,607
9	2019	0	2020	0	33,061,100	2021	31.23	1,032,607
10	2020	0	2021	0	33,061,100	2022	31.23	1,032,607
11	2021	0	2022	0	33,061,100	2023	31.23	1,032,607
12	2022	0	2023	0	33,061,100	2024	31.23	1,032,607
13	2023	0	2024	0	33,061,100	2025	31.23	1,032,607
14	2024	0	2025	0	33,061,100	2026	31.23	1,032,607
15	2025	0	2026	0	33,061,100	2027	31.23	1,032,607
		0		0				
						<b>Future Value of Increment</b>		<b>14,801,764</b>

## TID NO. 14 CASH FLOW PROJECTION

**As of Dec. 31, 2013:**

**Tax Increment District No. 14 (Gundersen Lutheran)**

Cash and Investments: **\$7,964,437 (A)**

**Cash Flow Pro Forma**

Future Debt Service Requirements: **\$424,276 (B)**

Advances from Other Funds (General Fund): **\$725,450 (C)**

Year	Revenues					Expenditures								Balances					Year
	Tax Increments	Exempt Computer Aids	Minimum Tax Pamyments	Other Revenue	Total Revenues (D)	Debt Service Transfers	Transfer to TID 9	DA Payments - Base	DA Payments #2	DA Payments #3	Other Exp. #1	Reinvested Contrib. Expenses	Admin	Total Expenses (E)	Annual (F) (D - E)	Cumulative (G) (2013 = A)	Future Debt Service (2013 = B)	Reinvest. Contrib.	
2013	1,114,322	1,052,826			2,167,148	0	164,804	1,089,000						1,253,804	913,344	7,964,437	424,276	729,872	2013
2014	263,547	1,452,037			1,715,584	0								0	1,715,584	9,680,021	424,276	729,872	2014
2015	1,032,607	1,306,833			2,339,441	0								0	2,339,441	12,019,461	424,276	729,872	2015
2016	1,032,607	1,176,150			2,208,757	0								0	2,208,757	14,228,219	424,276	729,872	2016
2017	1,032,607	1,058,535			2,091,142	400,000								400,000	1,691,142	15,919,361	24,276	729,872	2017
2018	1,032,607	952,681			1,985,289	24,276								24,276	1,961,013	17,880,374	0	729,872	2018
2019	1,032,607	857,413			1,890,021									0	1,890,021	19,770,394	0	729,872	2019
2020	1,032,607	771,672			1,804,279									0	1,804,279	21,574,674	0	729,872	2020
2021	1,032,607	694,505			1,727,112									0	1,727,112	23,301,786	0	729,872	2021
2022	1,032,607	625,054			1,657,662									0	1,657,662	24,959,448	0	729,872	2022
2023	1,032,607	562,549			1,595,156									0	1,595,156	26,554,604	0	729,872	2023
2024	1,032,607	506,294			1,538,901									0	1,538,901	28,093,505	0	729,872	2024
2025	1,032,607	455,665			1,488,272									0	1,488,272	29,581,777	0	729,872	2025
2026	1,032,607	410,098			1,442,705									0	1,442,705	31,024,483	0	729,872	2026
2027	1,032,607	369,088			1,401,696									0	1,401,696	32,426,178	0	729,872	2027
<b>Total</b>	<b>14,801,764</b>	<b>12,251,401</b>	<b>0</b>	<b>0</b>	<b>27,053,165</b>	<b>424,276</b>	<b>164,804</b>	<b>1,089,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,678,080</b>					

**NOTES:**

**Final Balance (G - C): 31,700,728**

1. Transfer to TID 9 in 2013 was required to due to a misallocation of total TIF revenues in previous fiscal periods
2. Cumulative Balance includes existing Cash and Investments plus annual excess cash flow
3. Debt Service Transfers reduce Future Debt Service Requirements

*Note: Cash flows do not include future payments under the development agreement. Ehlers and City staff are reviewing the agreement to establish a priority of cash flows and to identify specific valuation areas that affect the distribution of tax increment for the entire district and satisfaction of developer payments. These projections are for information only and should not be relied upon for planning purposes.*

## **TID 14 Recommendations**

*Planning, Finance, Legal and Ehlers are currently reviewing the development agreement and the DOR valuation correction in order to better construct the cash flow projection and understand future payments required under the development agreement. This will also result in identifying unencumbered cash available to the City. All projections should be considered draft at this time.*

## **Staff Recommendations**

Additional analysis of Development Agreement and future, contingent payments is required. Potential to update Project Plan to coincide with Neighborhood Plan.

## Tax Incremental District No. 15

“Chart / Trane”

<b>District Type:</b>	Mixed Use
<b>Created:</b>	August 8, 2013
<b>Maximum Term:</b>	2033 (20 years)
<b>Final Revenue Year:</b>	2034
<b>Expenditure Period Ends:</b>	August 8, 2028

### Amendments:

*None*

<b>Total Project Budget:</b>	\$12,902,000
<b>Capital Expenditures as of 12/31/13:</b>	\$1,212

**Development Agreements:** Chart & Trane

Chart – “Reverse TIF” with annual incentive payments of 85% of tax increment from project for periods 2015 – 2018 not to exceed an aggregate amount of \$1,500,000

Trane – “Reverse TIF” with annual incentive payments of 90% of actual tax increment from the project through maximum term of TID not to exceed an aggregate amount of \$5,500,000.

### Staff Summary

TID 15 was created to leverage funds for the Chart Chemical, Inc. industrial expansion, estimated to bring an additional \$15,000,000 in new assessment value and create 100 jobs. Trane/Ingersoll-Rand also has a developer’s agreement where the City will provide the company \$5.5M over the life of the TID and Trane will retrofit/modernize their plant to remain competitive with their HVAC products. The mixed-use District also includes nearby neighborhoods and commercial corridors along Mormon Coulee and Ward Avenue that are in need of revitalization.



## VALUE AND TAX INCREMENT PROJECTION – TID NO. 15

Tax Increment District No. 15 (Chart / Trane)							
Tax Increment Projection Worksheet							
Type of District	Mixed Use			Actual Base Value	N/A		
Actual Creation Date	8/8/2013			Pre-Amendment Base Value (Actual)	N/A		
Valuation Date	Jan. 1, 2013			Property Appreciation Factor	0.00%		
Maximum Life (In Years)	20			Current Tax Rate (Per \$1,000 EV)	\$31.23		
Expenditure Period (In Years)	15			Tax Rate Adjustment Factor (Next 2 Years)	0.00%		
Revenue Periods/Final Rev Year	20   2034			Tax Rate Adjustment Factor (Following 2 Years)	0.00%		
End of Expenditure Period	8/8/2028			Tax Rate Adjustment Factor (Thereafter)	0.00%		
Latest Termination Date	8/8/2033			Discount Rate 1 for NPV Calculation	N/A		
Eligible for Extension/No. of Years	Yes   3			Discount Rate 2 for NPV Calculation	N/A		
Eligible Recipient District	No						

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	
1	2013	15,000,000	2014	0	11,625,600	2015	29.98	348,541
2	2014	12,176,700	2015	0	23,802,300	2016	31.23	743,424
3	2015	0	2016	0	23,802,300	2017	31.23	743,424
4	2016	0	2017	0	23,802,300	2018	31.23	743,424
5	2017	0	2018	0	23,802,300	2019	31.23	743,424
6	2018	0	2019	0	23,802,300	2020	31.23	743,424
7	2019	0	2020	0	23,802,300	2021	31.23	743,424
8	2020	0	2021	0	23,802,300	2022	31.23	743,424
9	2021	0	2022	0	23,802,300	2023	31.23	743,424
10	2022	0	2023	0	23,802,300	2024	31.23	743,424
11	2023	0	2024	0	23,802,300	2025	31.23	743,424
12	2024	0	2025	0	23,802,300	2026	31.23	743,424
13	2025	0	2026	0	23,802,300	2027	31.23	743,424
14	2026	0	2027	0	23,802,300	2028	31.23	743,424
15	2027	0	2028	0	23,802,300	2029	31.23	743,424
16	2028	0	2029	0	23,802,300	2030	31.23	743,424
17	2029	0	2030	0	23,802,300	2031	31.23	743,424
18	2030	0	2031	0	23,802,300	2032	31.23	743,424
19	2031	0	2032	0	23,802,300	2033	31.23	743,424
20	2032	0	2033	0	23,802,300	2034	31.23	743,424
		27,176,700	0		Future Value of Increment			14,473,605

## TID NO. 15 CASH FLOW PROJECTION

**As of Dec. 31, 2013:**

**Tax Increment District No. 15 (Chart / Trane)**

**Cash and Investments: \$0 (A)**

**Cash Flow Pro Forma**

**Future Debt Service Requirements: \$0 (B)**

**Advances from Other Funds (General Fund): \$1,240 (C)**

Year	Revenues						Expenditures						Balances			Year
	Tax Increments	Exempt Computer Aids	Min. Tax Payment - Chart	Min. Tax Payment - Trane	Other Revenue	Total Revenues (D)	Debt Service Transfers	DA Payments - Chart	DA Payments - Trane	Other Exp. #1	Admin	Total Expenses (E)	Annual (F) (D - E)	Cumulative (G) (2013 = A)	Future Debt Service (2013 = B)	
2014	0					0						0	0	0	0	2014
2015	348,541					348,541		375,000				375,000	(26,459)	(26,459)	0	2015
2016	743,424					743,424		375,000	355,395			730,395	13,029	(13,430)	0	2016
2017	743,424					743,424		375,000	355,395			730,395	13,029	(401)	0	2017
2018	743,424					743,424		375,000	355,395			730,395	13,029	12,628	0	2018
2019	743,424					743,424			355,395			355,395	388,029	400,657	0	2019
2020	743,424					743,424			355,395			355,395	388,029	788,686	0	2020
2021	743,424					743,424			355,395			355,395	388,029	1,176,715	0	2021
2022	743,424					743,424			355,395			355,395	388,029	1,564,744	0	2022
2023	743,424					743,424			355,395			355,395	388,029	1,952,773	0	2023
2024	743,424					743,424			355,395			355,395	388,029	2,340,801	0	2024
2025	743,424					743,424			355,395			355,395	388,029	2,728,830	0	2025
2026	743,424					743,424			355,395			355,395	388,029	3,116,859	0	2026
2027	743,424					743,424			355,395			355,395	388,029	3,504,888	0	2027
2028	743,424					743,424			355,395			355,395	388,029	3,892,917	0	2028
2029	743,424					743,424			355,395			355,395	388,029	4,280,946	0	2029
2030	743,424					743,424			355,395			355,395	388,029	4,668,975	0	2030
2031	743,424					743,424			355,395			355,395	388,029	5,057,004	0	2031
2032	743,424					743,424			355,395			355,395	388,029	5,445,033	0	2032
2033	743,424					743,424			355,395			355,395	388,029	5,833,062	0	2033
2034	743,424					743,424			355,395			355,395	388,029	6,221,091	0	2034
<b>Total</b>	<b>14,473,605</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,473,605</b>	<b>0</b>	<b>1,500,000</b>	<b>6,752,514</b>	<b>0</b>	<b>0</b>	<b>8,252,514</b>				

**Final Balance (G - C): 6,219,851**

**NOTES:**

1. City development agreement with Chart calls for distribution of 85% of tax increment not to exceed a cumulative amount of \$1,500,000 - payments are estimated
2. City development agreement with Trane calls for distribution of 90% of tax increment not to exceed a cumulative amount of \$5,500,000 - payments are estimated
3. Debt Service Transfers reduce Future Debt Service Requirements

## **TID 15 Recommendations**

- Can support additional project costs
- Can be amended to allow for sharing of excess increment with other eligible TIDs
- If no additional project costs and no sharing, then debt and advance balances should be more rapidly retired, but only after obligations under development agreements are better established (i.e. known values and cash flows)

TID 15 is projected to recover all costs. Any remaining balances will be distributed to all taxing jurisdictions on a proportional basis upon closure.

## Tax Incremental District No. 16

**District Type:** Mixed Use  
**Created:** June 12, 2014  
**Maximum Term:** 2034 (20 years)  
**Final Revenue Year:** 2035  
**Expenditure Period Ends:** June 12, 2029

### Amendments:

*None*

**Total Project Budget:** \$13,033,890  
**Capital Expenditures as of 12/31/13:** N/A

**Development Agreements:** N/A

### Staff Summary

TID 16 was created to prepare the now vacant Trane Plant 6 site located at the corner of George Street and St. Andrew Street. The 12.4 acre site is zoned General Planned Development District and is slated for mixed-use development. The site has been cleared of all the buildings, and the contaminated soil and groundwater on the majority of the site has been remediated. A portion of the site is under consideration for a DNR Grant for remediation of rubble that contains petroleum and PAH contamination. Approximately 95,000 cubic yards of fill is required to elevate the site above the 100 year flood fringe.

The master developer is currently working with the City on a proposed 60 unit Low Income Housing Tax Credit development as well as a mix of other uses including a medical facility, retail, market rate residential, and a small business park. This TID will also include a small neighborhood section, located in the 100 year flood zone, to the west and the former La Crosse Footwear building (Rubber Mills) to the east.

## VALUE AND TAX INCREMENT PROJECTION – TID NO. 16

Tax Increment District No. 16 Tax Increment Projection Worksheet							
Type of District	Mixed Use			Actual Base Value	N/A		
Actual Creation Date	6/12/2014			Pre-Amendment Base Value (Actual)	N/A		
Valuation Date	Jan. 1, 2014			Property Appreciation Factor	0.00%		
Maximum Life (In Years)	20			Current Tax Rate (Per \$1,000 EV)	\$31.23		
Expenditure Period (In Years)	15			Tax Rate Adjustment Factor (Next 2 Years)	0.00%		
Revenue Periods/Final Rev Year	20   2035			Tax Rate Adjustment Factor (Following 2 Years)	0.00%		
End of Expenditure Period	6/12/2029			Tax Rate Adjustment Factor (Thereafter)	0.00%		
Latest Termination Date	6/12/2034			Discount Rate 1 for NPV Calculation	N/A		
Eligible for Extension/No. of Years	Yes   3			Discount Rate 2 for NPV Calculation	N/A		
Eligible Recipient District	No						

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	
1	2013	0	2014	0	0	2015	29.98	0
2	2014	0	2015	0	0	2016	31.23	0
3	2015	0	2016	0	0	2017	31.23	0
4	2016	0	2017	0	0	2018	31.23	0
5	2017	0	2018	0	0	2019	31.23	0
6	2018	0	2019	0	0	2020	31.23	0
7	2019	0	2020	0	0	2021	31.23	0
8	2020	0	2021	0	0	2022	31.23	0
9	2021	0	2022	0	0	2023	31.23	0
10	2022	0	2023	0	0	2024	31.23	0
11	2023	0	2024	0	0	2025	31.23	0
12	2024	0	2025	0	0	2026	31.23	0
13	2025	0	2026	0	0	2027	31.23	0
14	2026	0	2027	0	0	2028	31.23	0
15	2027	0	2028	0	0	2029	31.23	0
16	2028	0	2029	0	0	2030	31.23	0
17	2029	0	2030	0	0	2031	31.23	0
18	2030	0	2031	0	0	2032	31.23	0
19	2031	0	2032	0	0	2033	31.23	0
20	2032	0	2033	0	0	2034	31.23	0
21	2033	0	2034	0	0	2035	31.23	0
0		0		Future Value of Increment				0

## TID NO. 16 CASH FLOW PROJECTION

As of Dec. 31, 2013:

**Tax Increment District No. 16  
Cash Flow Pro Forma**

Cash and Investments:                 **\$0 (A)**  
 Future Debt Service Requirements:         **\$0 (B)**  
 Advances from Other Funds (General Fund):     **\$0 (C)**

Year	Revenues				Expenditures				Balances			Year
	Tax Increments	Exempt Computer Aids	Other Revenue	Total Revenues (D)	Debt Service Transfers	Other Exp. #1	Admin	Total Expenses (E)	Annual (F) (D - E)	Cumulative (G) (2013 = A)	Future Debt Service (2013 = B)	
2014	0			0				0	0	0	0	2014
2015	0			0				0	0	0	0	2015
2016	0			0				0	0	0	0	2016
2017	0			0				0	0	0	0	2017
2018	0			0				0	0	0	0	2018
2019	0			0				0	0	0	0	2019
2020	0			0				0	0	0	0	2020
2021	0			0				0	0	0	0	2021
2022	0			0				0	0	0	0	2022
2023	0			0				0	0	0	0	2023
2024	0			0				0	0	0	0	2024
2025	0			0				0	0	0	0	2025
2026	0			0				0	0	0	0	2026
2027	0			0				0	0	0	0	2027
2028	0			0				0	0	0	0	2028
2029	0			0				0	0	0	0	2029
2030	0			0				0	0	0	0	2030
2031	0			0				0	0	0	0	2031
2032	0			0				0	0	0	0	2032
2033	0			0				0	0	0	0	2033
2034	0			0				0	0	0	0	2034
2035	0			0				0	0	0	0	2035
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>				

NOTES:

**Final Balance (G - C):     0**

## **TID 16 Recommendations**

*None at this time*

## SECTION 3: Policy and Procedure Recommendations

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### Planning

The City's Planning Department is most closely connected to the various aspects of the City's Tax Incremental Districts. They have the most technical expertise in the area of tax increment financing and the administration of tax increment districts. The Planning Department prepares all of the original project plans and the amendments to existing plans. They also are tasked with the implementation of the project plans and lead the multi-year planning efforts. Below are a list of recommendations for the Planning Department:

1. Coordinate all efforts with respect to TID management and administration
2. Maintain cash flow forecasts in close consultation with Finance staff and disseminate to all depts. at least annually
3. Hold one or more planning sessions during the year with other departments to coordinate efforts and facilitate long-term planning
4. Provide recommendations with respect to capital budgeting requests in conjunction with Public Works/Engineering and Finance
5. Provide recommendations and forecasts to EDC and Council

### Finance

The City's Finance Department is responsible for the annual TID financial reporting and for coordinating the funding needs for the TIDs within the overall budgetary and debt policies of the City. The Finance Department also must allocate costs to the TIDs based on use of debt proceeds for TID projects and structure repayment schedules for the districts. Below is a list of recommendations for the Finance Department:

1. Transition to allocation of debt service to respective TIDs at time debt is issued
  - a. Allows TIDs to carry cost of debt from outset of transaction
  - b. Allows for a known expenditure, whereby multi-year forecasting can be accomplished
  - c. Allows for identification of when a TID can pre-pay debt/retire advances and potentially close early
  - d. Identifies what is available for sharing, projects (cash funding), advance repayment, etc.
  - e. Better match resources with outflows
2. Agree to use a generally known figure for future "debt revenues" that offset the City's tax levy for debt service
  - a. Similar reasons described above
3. Deliver annual TID financial report to Planning for updates and review cash flows on a consultative basis



## **Legal**

The City's legal department primary responsibility in regards to TIF is creation and administration of development agreements. Below is a list of recommendations for the Legal Department:

1. Meet with Planning and Finance to discuss required payments or potential breaches with respect to each outstanding agreement upon completion of calculations
2. Maintain inventory of status of developer agreements
3. Planning should update all cash flows with required payments, as well as anticipated future payments
4. Briefed on status of specific TIDs by Planning and Finance when entering into development agreement negotiations
5. Discuss provisions of agreements with Finance to ensure proper use of tax-exempt financing

## **Assessor**

Below is a list of recommendations for the City Assessor in regards to Tax Increment Financing:

1. Meet with Planning to discuss TID values at particular intervals:
  - a. After Board of Review and prior to submitting TID Assessment Report
  - b. Upon publication of preliminary TID values at beginning of August
2. Continue to work with Planning on estimating completed values of projects within TIDs in order to maintain most up-to-date cash flows and development projections.

## **Public Works/Engineering/Parks & Rec**

Below is a list of recommendations for the City's Public Works, Engineering, and Parks & Rec Departments in regards of Tax Increment Financing:

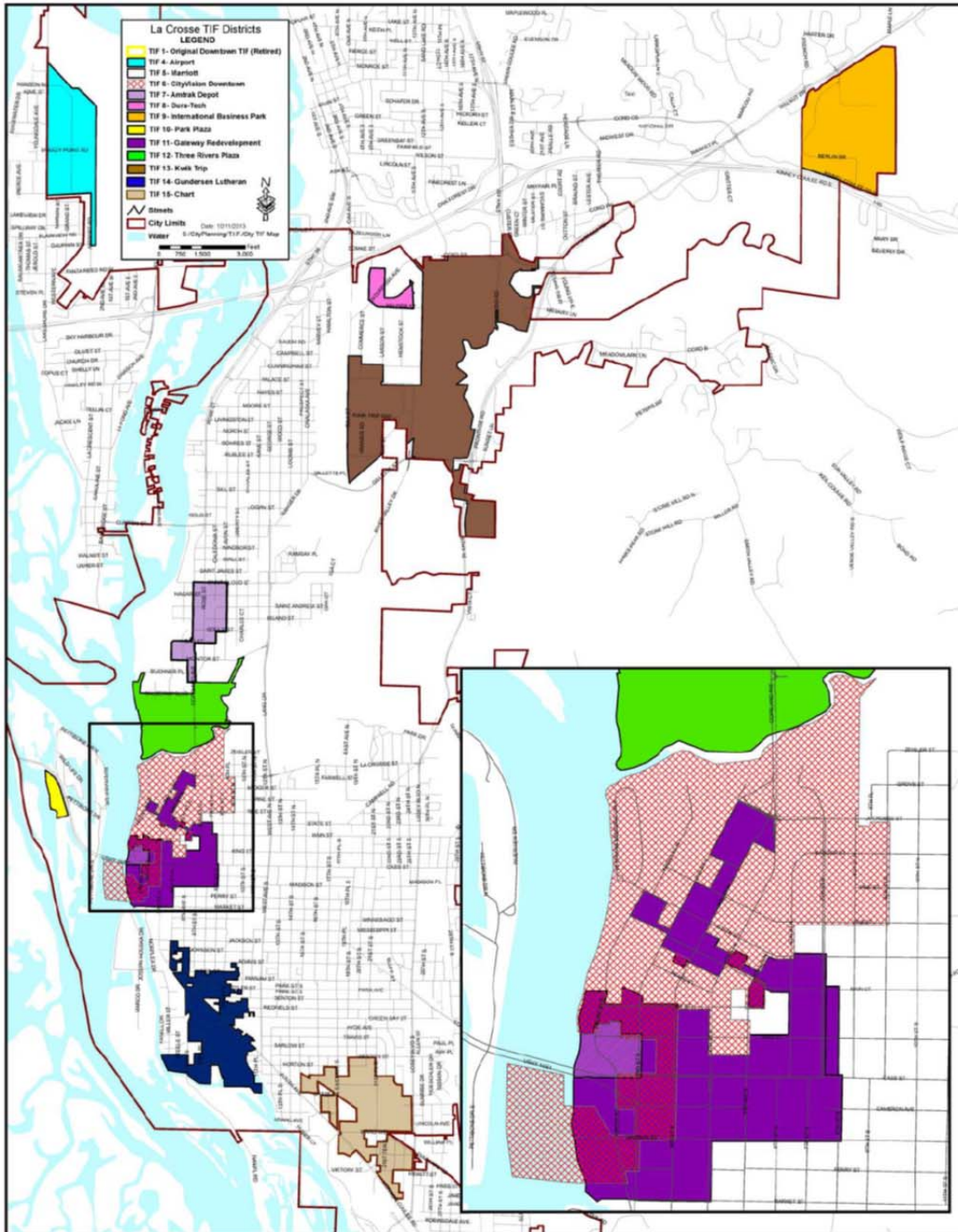
1. Coordinate capital planning efforts with Planning and Finance
  - a. Allows for prioritization of project expenditures within TIDs
  - b. Review cash flows for capital project feasibility with Planning and Finance
2. Avoid subsequent notification of TIF-eligible expenditures
3. Should serve to maximize TIF expenditures and allow for multi-year planning efforts

## **General Recommendations**

1. Capital Planning
  - a. TIF projects should be considered "self-supporting" and generally dissociated from limitations imposed by the current capital planning process
  - b. TIDs have dates certain within which to spend dollars on project costs
  - c. If project is feasible within context of existing/anticipated cash flow, then should be considered by Council for approval
  - d. Debt financing of projects needs to be considered in the context of the City's current debt metrics and rating(s)
  - e. Should maximize potential of TIDs to execute Project Plan
2. Allocate administrative costs to TIDs on an annual basis
3. Treat TIDs like the City's enterprise funds (i.e. a "development" utility)

- a. Long-term planning
  - b. Multi-department coordination
  - c. Prepare an annual budget based on planning that has occurred throughout the year
4. Assignment of single department to coordinate efforts should best serve the City as a whole
5. Provide EDC and Council summary TID report(s) at least annually
  - a. Council and EDC should understand financial condition of TIDs
  - b. llows both bodies to prioritize and make informed decisions
  - c. Demonstrates strong management
  - d. Will allow for better execution of TIDs when elected/appointed bodies are an integral part of the process
  - e. Recommend stand-alone work session to discuss “state of TIDs” and develop policy objectives

APPENDIX A:  
 City-wide Boundary Map of all TIDs (does not  
 include TID 16)



APPENDIX B:  
City Economic Development Ordinance

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*Incorporated by Reference*

## APPENDIX C: Calendar of Events for Managing TIDs – Important Dates

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April 15 – May 15	Tax Increment Certification submitted for each TID to receive a certified value increment for taxes payable in the subsequent year, along with annual fee per TID.
May 1	Annual report must be filed with each overlying taxing jurisdiction.
2 <sup>nd</sup> Monday in June	Assessor submits TID Assessment Report to DOR, which contains assessed value for all real and personal property in each TID.
August 1	Preliminary Equalized Values for TIDs available for review and potential dispute resolution with DOR. Values should be reviewed by all departments.
August 15	Final TID Values released, which can be used to prepare forecasted cash flows for the next fiscal year and re-calculate compliance with 12% test limitation.
October 31	TID creation and boundary amendment packets due to DOR for actions taken between October 1 of the subsequent year and September 30 of the current year. (DOR must be notified of all TID creations and amendments within 60 days of governing body approval)
By December 3	Tax Increment Worksheet is compiled by Finance staff and submit to DOR. The worksheet shows the apportioned levies by jurisdiction and the gross amount of tax increment to be collected by the local jurisdiction in the next fiscal year.

Each of these milestones present an opportunity for various departments to work together to administer the TIDs. For instance:

- Planning and Finance should communicate to the Clerk which TIDs should be certified/terminated each year prior to the May 15<sup>th</sup> deadline. Identification of which TIDs should remain open/closed will be determined based on the compiled financial forecasts.
- Finance staff will have prepared financial reports for the respective TIDs to be included in the annual report due to the other taxing jurisdictions prior to May 1. The report should be the basis for updating cash flow projections for each TID.
- The assessor's office should communicate assessed values and any material changes in assessed values to Finance staff, Planning, and the Legal department after filing of the TAR in June.
- Cash flow projections should be updated with the release of new TID values in August. Planning and Finance to review and provide updates to appropriate elected and/or appointed bodies.
- Prepare capital budgets in accordance with relevant financial projections for each TID. Consultation between Planning, Finance and Engineering.
- All cash flows should be updated with expected capital expenses for subsequent period, development agreement payments, and anticipated future expenses and a budget for each TID reviewed by the appropriate elected and/or appointed bodies.
- New tax rate and other information should be reflected in TID forecasts upon levy adoption.