



LEGAL DEPARTMENT

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ANNUAL DEVELOPMENT AGREEMENT COMPLIANCE REVIEW TAX YEAR 2024

Riverside Center Development Agreements – Phases I, II, III

- Parties: This agreement is between the City of La Crosse, Redevelopment Authority of the City of La Crosse, and LCN UHS La Crosse (WI), LLC.
- Governing Bodies: Redevelopment Authority and the Board of Public Works.

Project Definition:

Phase I: Office building and restaurant.

Phase II: Office building and also resulted in community theater.

Phase III: Seven story building, three stories of commercial space, four levels of parking and the first floor of parking can be converted to commercial space.

Essential Terms:

- Cash Grants:
 1. Phase I – not applicable
 2. Phase II – agreement completed
 3. Phase III - \$100% of tax increment for tax years 2016-2025. Maximum amount is \$5.1 million. City retains 1% for administrative and professional services costs.

Riverside Center Development Agreements – Phases I, II, & III
Annual Development Agreement Compliance – Tax Year 2024

- Reverse TIF Payment:

Calculation:

Value Increment: \$17,068,900
X mill rate .02108

\$359,812.41

Phase III: 99% to Developer:	\$356,214.29
1% to City:	\$ 3,598.12

- Tax Guarantee:

1. Phase I: \$11.4 million as of tax year 2007 (2024 improvements \$13,708,000)
2. Phase II: \$8 million as of tax year 2009 (2024 improvements \$14,244,600)
3. Phase III: \$18 million as of tax year 2012 (2024 improvements \$17,068,900)

- Deficiency PILOT owed to City:

$\$18,000,000 - \$17,068,900 = \$931,100 \times \text{mill rate } .02108 = \mathbf{\$19,627.59}$

- **Net amount due to Developer: $\$356,214.29 - \$19,627.59 = \$336,586.70$**

- Jobs: Originally maintain 2,000 jobs for ten years starting on December 31, 2016 for all three sites. After 2022 annual compliance review, new job guarantee number is 1,237. April 24, 2025 report indicates 1,373 jobs at last regular payroll period for 2024.

RECOMMENDATION:

- ECDC to determine if WIPFLI is needed for job audit. If not, disburse net payment.