



PLANNING AND DEVELOPMENT

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December 13, 2018

Memo

To: Economic Development Commission, Common Council

From: Andrea Schnick, Economic Development Planner

RE: Closure of TID 9, Resolution #18-1616

Summary of TID 9

TID 9, International Business Park, is located north of I-90, and is the most North West part of the city. It was created on June 10, 1999 to provide infrastructure for the International Business Park and has created over \$19,889,800 in value increment. The maximum, allowable termination date of this TID is 6/10/2022. TID 9 is the only district that is in the Onalaska School District.

TID 9 will satisfy all expenditure requirements in the fiscal year 2018 or, if necessary, will set aside the remaining funds at the beginning of 2019 (outstanding engineering contract), and there are no balances payable to other City funds. TID 9 is beyond its expenditure period, so no more project costs may be incurred.

Impact on taxing jurisdictions

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

Total value increment of \$19,889,800 will be returned to the City's general tax base for taxes payable 2020. The City, La Crosse County and Western Technical College will each be afforded a (modest) percentage increase in the respective allowable levies for taxes payable in 2020. The impact for the School District of Onalaska will be a shift in revenue from the receipt of State aids to District levy authority.

Significant TID projects

The City implemented park and walking trail amenities, streetscaping and sidewalks along Berlin Drive and Luoyang Avenue, and tree plantings along various trails. The trails will connect to the city of Onalaska trails, and eventually to the La Crosse River Valley Marsh trails and the La Crosse River State Trail, providing an amenity to the businesses and employees as well as connections from La Crosse to Onalaska. 11 businesses operate in the International Business Park, encompassing 42.25 acres. Seven lots are now available for development on 12.53 acres. Werner Electric was the most recent builder in 2018, relocating their business from La Crescent. The City has completed a stormwater management project for the site which will make it easier for individual lot purchasers to comply with new stormwater regulations. The City recently purchased a 24+ acre shovel-ready

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industrial site adjacent which will be added to the business park by the end of 2018 and completed the development of a frontage road and utilities serving this land and installed new industrial park signage.

Why close TIDs early?

The creation of a new TID or an addition of territory to existing TIDs is constrained by the “12% Test”; the combination of existing value increment in active TIDs plus the proposed base value of a new TID area or the addition of territory to an existing TID may not exceed 12% of the City’s total equalized value. Currently, the total value increment in all existing TIDs is \$471,627,600, which is equal to 12.16% of the City’s total equalized value. Reducing the total value increment by \$19,889,800 will bring this down to 11.65%. This will allow for the City to expand current TID boundaries or create new TIDs in the future.

The City will also be afforded the ability to increase its 2019 allowable levy by a percentage equal to the 2018 certified value increment of TID 9 divided by the 2019 TID-out value of the City, which percentage is then multiplied by 50%. This percent increase in the unadjusted levy of the City estimated using current valuations would be roughly 0.292%.

Staff Recommendation

Staff recommends terminating TID 9 at this time.