



December 2, 2019

# Project Plan for the Project Plan Amendment of Tax Incremental District No. 14 And To Allow the Sharing of Increment With Tax Incremental District No. 12

## CITY OF LA CROSSE, WISCONSIN

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|---|----------------------------------|
| Organizational Joint Review Board Meeting Held:       | Scheduled for: December 2, 2019  |
| Public Hearing Held:                                  | Scheduled for: December 2, 2019  |
| Consideration for Adoption by Plan Commission:        | Scheduled for: December 2, 2019  |
| Consideration for Adoption by Common Council:         | Scheduled for: December 12, 2019 |
| Consideration for Approval by the Joint Review Board: | Scheduled for: TBD               |

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# SECTION 1: Executive Summary

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## Description of District

### Type of District, Size and Location

Tax Incremental District (“TID”) No. 14 (The “TID” or “Donor District” or “District”) is an existing mixed-use district, created by a resolution of the City of La Crosse (“City”) Common Council adopted on August 24, 2006 (the “Creation Resolution”).

### Type of District, Size and Location

Tax Incremental District (“TID”) No. 12 (The “Recipient District”) is an existing blighted area district, created by a resolution of the Common Council adopted on July 14, 2005.

## Amendments

The Donor District was previously amended in 2017, whereby a resolution was adopted to add additional territory to the District, and to amend the list of projects to be undertaken. This amendment was the first of four territory amendments permitted for this District.

The Donor District was previously amended in 2012, whereby a resolution was adopted to amend the list of projects to be undertaken.

## Purposes of this Amendment

Allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as allowed under Wisconsin Statutes Section.66.1105(2)(f)1.n., specifically housing replacement and rehabilitation, including acquisition and relocation expenses associated with the same. The City has included the anticipated eligible expenses in the original and amended Project Plan for the District and now seeks to expand the scope of these projects to an area within ½ mile of the District’s boundaries.

The proposed additional and updated projects costs may include but are not limited to: various public improvements and cash grants to owners, lessees or developers of land located within the District (development incentives), and professional and organizational services, administrative costs, and finance costs.

The practice of developing and/or redeveloping parks and open spaces has become a catalyst for neighborhood revitalization of the City’s neighborhoods and communities. Park improvements are important aspect of the City’s blight elimination/mitigation efforts and provide for community assets that lead to vibrant, livable areas throughout the City. As an historic city with an identity closely linked to the Mississippi river, improvements to harbors and landings are inherently tied to the City’s economic viability. The City has identified Carrol, Houska, Green Island, and the 7<sup>th</sup> Street Boat Landing as important community assets requiring improvements and redevelopment within its five-year capital planning efforts. Importantly and inextricably linked to the City’s continuing strides towards blight elimination and remediation, Carrol and Houska Parks sit on a closed landfill on Isle La Plume. These park improvements enhance the livability of these areas and increase their attractiveness as community centers for residents and visitors.

Additionally, this amendment will allow for the Donor District to share surplus increments with the Recipient District under the provisions of Wisconsin Statutes Section 66.1105(6)(f)2. The Riverside North area is the site of a major redevelopment project that is expected to unfold in the near future. TID

12 does not presently generate sufficient increment to bear the totality of anticipated costs of the City's redevelopment efforts. Furthermore, any value increment expected from this redevelopment will only be realized in the future, presenting a mismatch between current need and available resources. The sharing of increment by various TID's, including TID 14, will allow the City to fully realize its vision for redevelopment and mitigate risks to the City's financial profile.

### **Estimated Total Project Expenditures.**

The current Project Plan provides for estimated total project cost expenditures of \$41,465,605. This proposed amendment would provide for additional estimated expenditures of \$2,700,000 for a revised total of \$44,165,605.

Specific details as to the types, locations and cost estimates are found in Sections 7, 8 and 9 of this plan. It is anticipated that the remaining and additional projects will be completed during the remainder of the expenditure period. The additional projects are expected to be financed with annual cash outlays; however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of total project financing is located in Section 10 of this plan. The expenditure period of this District terminates in 2021.

The additional project costs are located both in the current boundary & outside of, but within ½ mile of the current boundary of the District and within the City.

The additional project costs to be incurred under this amendment also include the sharing of surplus increment with the Recipient District. It is expected that the Donor District will generate approximately \$3,300,000 in increment that can be shared with the Recipient District during the eligible sharing period.

### **Economic Development**

The City expects that existing value and tax increment will be sufficient to support the additional project costs, including the sharing of increment with the Recipient District. No new development is projected to occur as a result of this amendment. Furthermore, property outside the boundary of the TID may improve in value as a result of expenditures within ½ mile of the TID boundaries, which increases in value will not accrue to the District's captured value increment.

Authorizing the Donor District to share increments with the Recipient District will provide additional resources needed to assist the Recipient District in accomplishing the economic development goals set forth in its Project Plan. Without this assistance, it is unlikely this will happen, or will happen within the timeframe, or at the levels projected. The application of the Donor District's surplus increment, as permitted by Wisconsin Statutes, promotes the overall economic development of the City to the benefit of all overlapping taxing jurisdictions.

### **Expected Termination of District**

The Donor District has a maximum statutory life of 20 years, and must close not later than August 24, 2026, resulting in a final collection of increment in budget year 2027. Pre-amendment cash flow projections indicate that the entire available life of the District will be required to retire current and projected District liabilities. Based on the Economic Feasibility Study located in Section 10 of this Plan, amendment of the District would not result in a shift in the projected District closure year of 2026.

## Summary of Findings

As required by Wisconsin Statutes Section.66.1105, and as documented in this Project Plan Amendment and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” amendment of the Donor District’s Project Plan, the remaining (re)development projected to occur in the District and the Recipient District: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City .** In making this determination, the City has considered the following information:
  - The additional expenditures contemplated by the plan amendment are necessary to fully achieve the original goals of the District Project Plan, including creation of new tax base and other economic benefits. The City expects that without the amendment, the full development as projected will be less likely to occur.
  - The additional expenditures are associated with projects that were unanticipated at the time of District creation but have now been determined necessary to enable the District to fully implement its Project Plan.
  - Current and projected tax increment collections for the Recipient District will be insufficient to pay for project costs already incurred and/or the additional projects that need to be completed in that District to achieve the objectives of its Project Plan.
  - In order to cover the increased expenses, in Recipient District and to meet its goals, it is likely that revenue sharing from the Donor District will be necessary. Therefore, the City expects that “but for” this revenue sharing, the planned development in the Recipient District will not be fully realized.
  - **That “but for” amendment of the Donor District’s Project Plan, the economic development objectives of the District and the Recipient District’s Project Plan will not be achieved.** In evaluating the appropriateness of the proposed amendment, the Joint Review Board must consider “whether the development expected in the tax incremental district would occur without the use of tax incremental financing,” customarily referred to as the “but for” test. Since one of the primary purposes of this amendment is to allow for the sharing of the Donor District’s increment with the Recipient District, this test cannot be applied in the conventional way. The Joint Review Board has previously concluded, in the case of both the Donor District and the Recipient District, that the “but for” test was met. As demonstrated in the Economic Feasibility section of this Project Plan Amendment, the Recipient District is not likely to recover its Project Costs without the receipt of shared increment from the Donor District. This would create a significant financial burden for City taxpayers, and since all taxing jurisdictions will ultimately share in the benefit of the redevelopment projects and increased tax base, it is appropriate for all taxing jurisdictions to continue to share in the costs to implement them. Accordingly, the City finds that it is reasonable to conclude the “but for” test continues to be satisfied. *Finding Required by Wisconsin Statutes Section 66.1105(4m)(c)1.a.*
2. **The economic benefits of amending the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered the following information:

- As demonstrated in the Economic Feasibility Section of this Project Plan amendment, the tax increments projected to be collected are more than sufficient to pay for the remaining proposed project costs. On this basis alone, the finding is supported.
  - Approval of the ability to share increment with the Recipient District is necessary to enable that District to fully realize the economic benefits projected in its Project Plan. Since the Donor District is generating sufficient increment to pay for its project costs, and has surplus increment available to pay for some of the project costs of the Recipient District, the economic benefits that have already been generated are more than sufficient to compensate for the cost of improvements in the Donor and Recipient Districts.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
- Given that it is not likely that the District will achieve all of the objectives of its Project Plan or in the same manner without the continued use of tax incremental financing (see finding # 1), and since the District is expected to generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the City reasonably concludes that the overall additional benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the Project Plan is not amended.
  - Given that it is likely that the Recipient District will not achieve all of the objectives of its Project Plan or in the same manner without the ability to share in the surplus increments of the Donor District (see finding # 1), and since the District is expected to generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the City reasonably concludes that the overall additional benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the Project Plan is not amended.  
*Finding Required by Wisconsin Statutes Section 66.1105(4m)(c)1.c.*
4. The boundaries of the District are not being amended. At the time of creation, and any subsequent additions of territory, not less than 50%, by area, of the real property within the District, as amended, is a blighted area within the meaning of Wisconsin Statutes Section 66.1105(2)(ae)1.
5. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution and in any subsequent resolutions amending the boundaries of the District, the District remains declared a blighted area district based on the identification and classification of the property included within the District.
6. The Project Costs of the District relate directly to promoting the elimination of blight consistent with the purpose for which the District was created.
7. The improvements of such area are likely to enhance significantly the value of substantially all of the other real property in the District.
8. The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District’s maximum expenditure period, pursuant to Wisconsin Statutes Section 66.1105(5)(b).

9. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

## SECTION 2: Type and General Description of District

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The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on August 24, 2006 by resolution of the Common Council. The District's valuation date, for purposes of establishing base value, was January 1, 2006.

The existing District is a "Mixed Use District" based upon a finding that at least 50%, by area, of the real property within the District was suitable for a combination of industrial, commercial and residential uses within the meaning of Wisconsin Statutes Section 66.1105(2)(cm). Since this amendment does not add any territory to the District, the District remains in compliance with this provision. The District also remains in compliance with the prohibition that no more than 35% of the area of the District be allocated for newly-platted residential development.

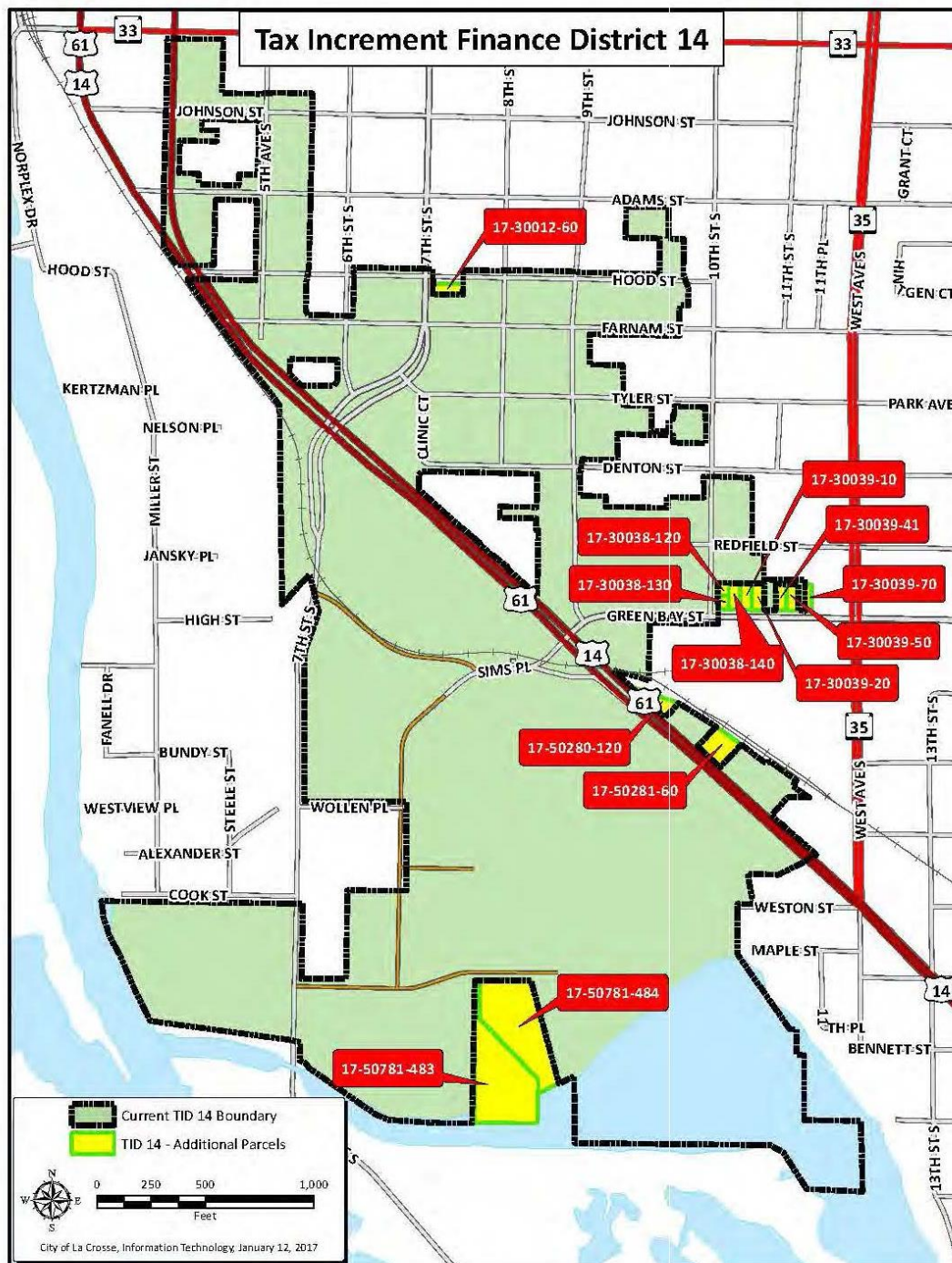
Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a City to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the Donor District have been amended once prior to this Amendment. Since this amendment does not involve the addition or subtraction of territory from the District, it is not counted against the number of available boundary amendments.

This Project Plan Amendment supplements and does not supersede or replace any component of the original Project Plan, or any component of previously adopted Project Plan Amendments, unless specifically stated. All components of the original Project Plan, and its previously adopted Project Plan Amendments, remain in effect.

A map depicting the current boundaries of the District is found in Section 3 of this Plan. Based upon the findings stated above, the original findings stated in the Creation Resolution, and the findings contained in any subsequent resolution adding territory to the District, the District remains a mixed-use district based on the identification and classification of the property included within the District.

# SECTION 3: Maps of Current Districts Boundary

TID 14 MAP FROM 2017 BOUNDARY AMENDMENT



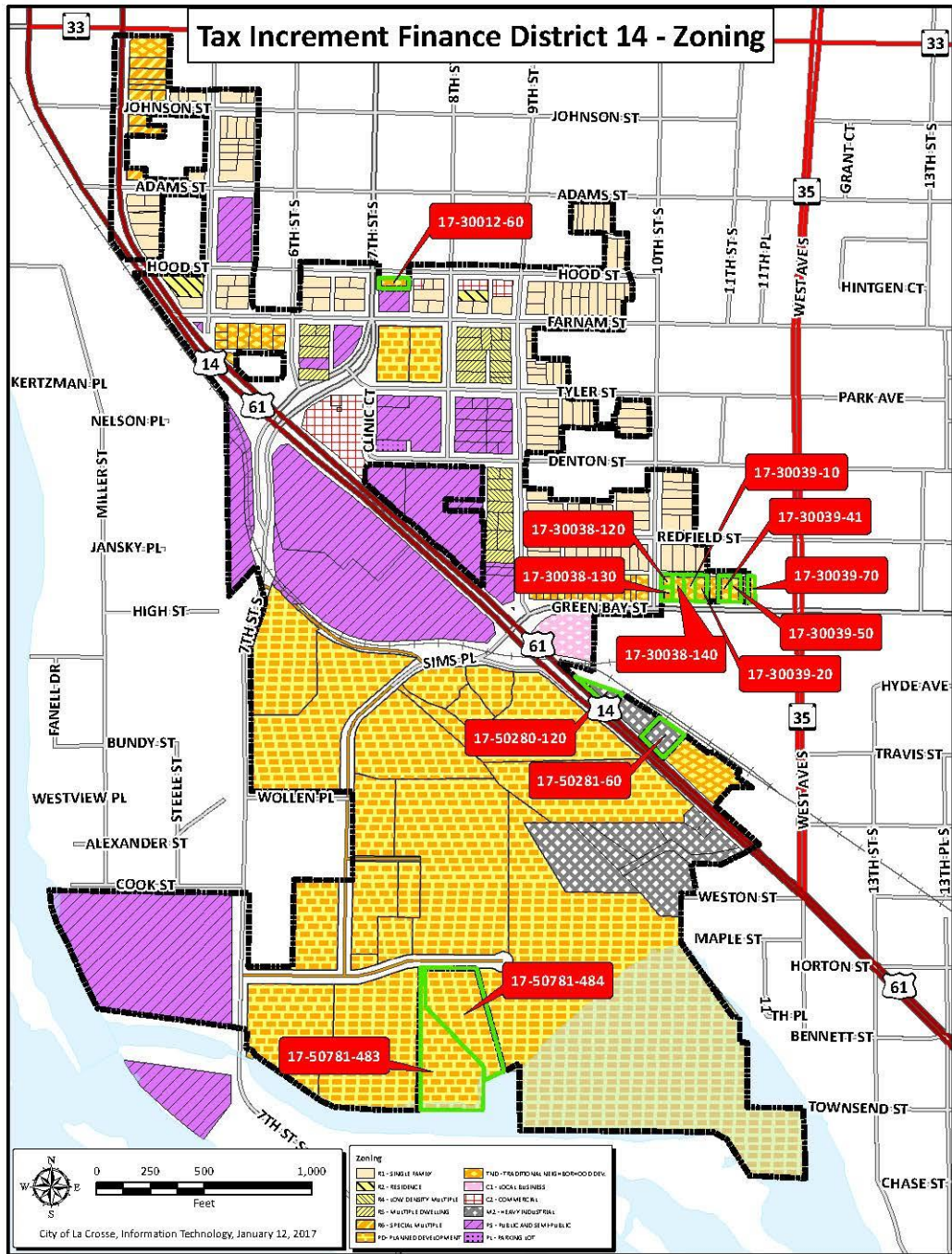


TID 12 MAP FROM 2010 BOUNDARY AMENDMENT



# SECTION 4: Map Showing Existing Uses and Conditions

There will be no change to District boundaries, nor any changes to the existing uses and conditions within the District as a result of this amendment.



## SECTION 5: Equalized Value Test

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No additional territory will be added to the District. Demonstration of compliance with the equalized value test is not required for this Amendment.

## SECTION 6: Statement of Kind, Number and Location of Proposed Public Works and Other Projects

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The proposed additional and updated projects costs within the Donor District may also include but are not limited to: various public improvements and cash grants to owners, lessees or developers of land located within the District (development incentives), professional and organizational services, administrative costs, and finance costs. Some of these project costs will occur within ½ mile of the District's boundaries.

This amendment additionally provides the authority for the Donor District to allocate surplus increments with the Recipient District.

The following is a summary list of public works and other TIF-eligible projects that the City has implemented, or intended to implement based on the original project Plan, and includes the modifications detailed above. Any costs directly or indirectly related to the public works and other projects are considered "Project Costs" and are eligible to be paid with tax increment revenues of the District.

### Property, Right-of-Way and Easement Acquisition

#### Property Acquisition for Development and/or Redevelopment

In order to promote and facilitate development and/or redevelopment the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for development and/or redevelopment. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development and/or redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in Wisconsin Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

#### Property Acquisition for Conservancy

In order to promote the objectives of this Plan, the City intends to acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife, maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

## Acquisition of Rights-of-Way

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

## Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

## Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

## Site Preparation Activities

### Environmental Audits and Remediation

There have been no known environmental studies performed within the District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediations are eligible Project Costs.

### Demolition

In order to make sites suitable for development and/or redevelopment, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

### Site Grading

Land within the District may require grading to make it suitable for development and/or redevelopment, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

## Utilities

### Sanitary Sewer System Improvements

There are inadequate sanitary sewer facilities serving areas of the District. To allow development and/or redevelopment to occur, the City may construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs. The

improvements to the wastewater treatment facilities, although not within the ½ mile radius, are an eligible project cost under Section 66.1105(2)(f)1 k.

### **Water System Improvements**

There are inadequate water distribution facilities serving areas of the District. To allow development and/or redevelopment to occur, the City may construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

### **Stormwater Management System Improvements**

Development and/or redevelopment within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the City may construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

### **Electric Service**

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

### **Gas Service**

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.

### **Communications Infrastructure**

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

## Streets and Streetscape

### Street Improvements

There are inadequate street improvements serving areas of the District. To allow development and/or redevelopment to occur, the City may need to construct and/or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

### Streetscaping and Landscaping

In order to attract development and/or redevelopment consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

## RDA Type Activities

### Contribution to Redevelopment Authority (RDA)

As provided for in Wisconsin Statutes Sections 66.1105(2)(f)1.h and 66.1333(13), the City may provide funds to its RDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the RDA for this purpose are eligible Project Costs.

### Revolving Loan/Grant Program

To encourage private redevelopment consistent with the objectives of this Plan, the City, through its RDA, may provide loans and/or matching grants to eligible property owners in the District. Loan and/or matching grant recipients will be required to sign an agreement specifying the nature of the property improvements to be made. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the RDA in the program manual. Any funds returned to the RDA from the repayment of loans made are not considered revenues to the District and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving loan fund and will continue to be used for the program purposes stated above. Any funds provided to the RDA for purposes of implementing this program are considered eligible Project Costs.

## Miscellaneous

### Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

## Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The City intends to make the following project cost expenditures outside but within ½ mile of the District:

- *housing replacement and rehabilitation, including acquisition and relocation expenses associated with the same*

## Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, amendment, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

## Administrative Costs

The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees in connection with the implementation of the Plan.

## Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

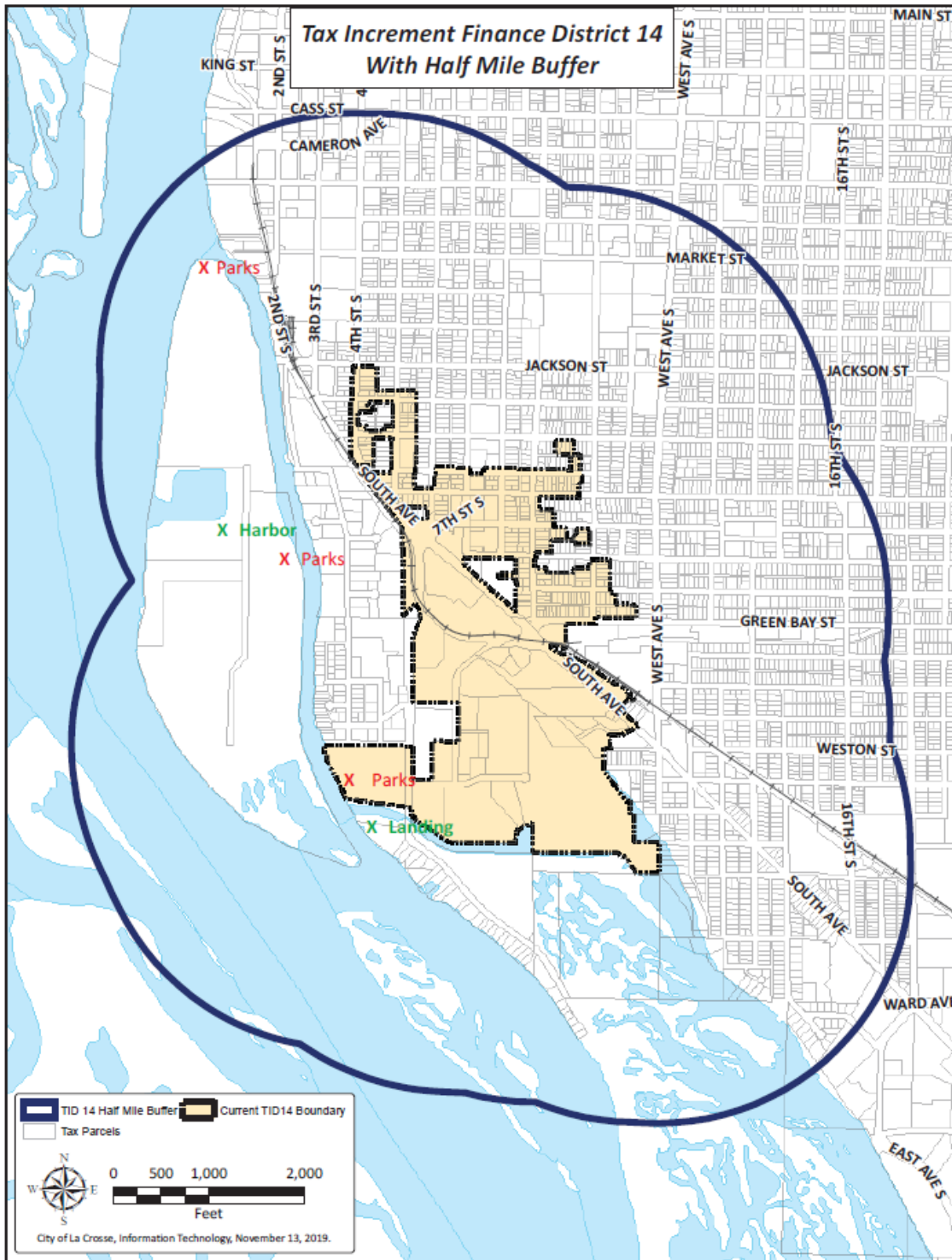
With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, site preparation, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages, and other expenses are included as Project Costs.

In the event any of the public works project expenditures are not reimbursable out of the special tax increment finance fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan Amendment.

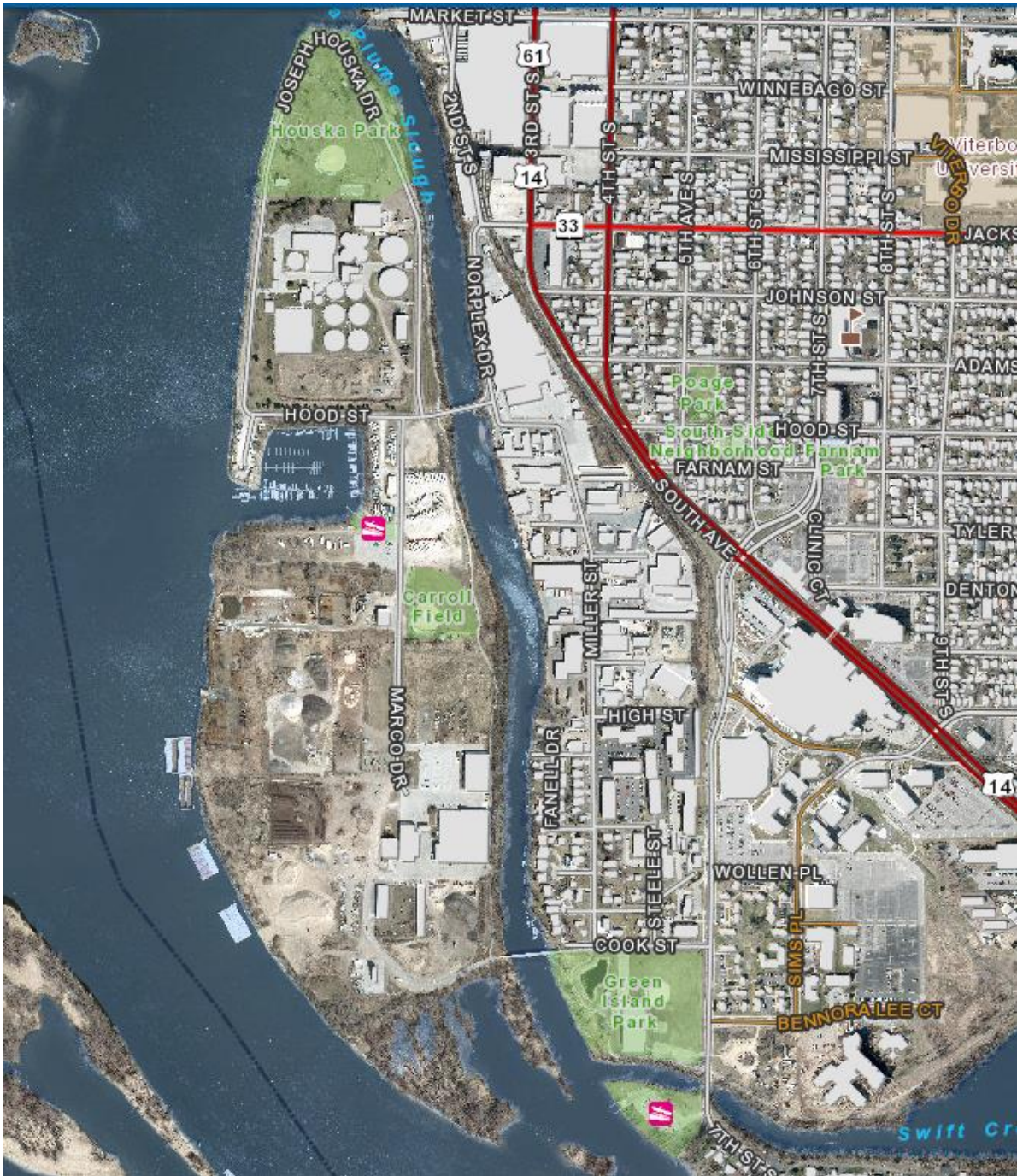
**The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.**

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and listed in this Plan or the original Project Plan. To the extent the costs benefit the City outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received by the City in connection with the implementation of this Plan.

# SECTION 7: Maps Showing Proposed Improvements and Uses







## SECTION 8: Detailed List of Additional Project Costs

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This Section contains information relative to the additional projects and expenditures that the City anticipates it will undertake within the District and ½ mile from its boundaries during the remainder of the expenditure period.

This amendment also provides the authority for the Donor District to allocate surplus increments with the Recipient District. The statement of kind, number and location of proposed public works and other projects as documented in the Original and/or Amended Project Plan documents remain in effect.

All costs are based on 2019 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2019 and the time of construction. The City also reserves the right to increase certain Project Costs to the extent others are reduced or not implemented without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

**This Plan is not meant to be a budget, nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Common Council, without further amending this Plan.**

### Proposed TIF Project Cost Estimates

| City of La Crosse, Wisconsin |                      |   |                  |
|------------------------------|----------------------|---|------------------|
| Tax Increment District # 14  |                      |   |                  |
| Estimated Project List       |                      |   |                  |
| Project ID                   | Project Name/Type    | Through<br>2021   | Total (Note 1)   |
| 1                            | Park Improvements    | 1,950,000   | 1,950,000        |
| 2                            | Harbors and Landings | 750,000   | 750,000          |
| Total Projects               |                      | <u>2,700,000</u>  | <u>2,700,000</u> |
| Notes:                       |                      |   |                  |
| Note 1                       |                      | Project costs are estimates and are subject to modification |                  |

## SECTION 9: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

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This amendment modifies the specific projects and expenditures that the City anticipates it will undertake within the District during the remainder of the expenditure period.

The information and exhibits contained within this Section demonstrate that the District, as proposed to be amended, will remain economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the remaining projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the remaining projects in one or more phases and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to incur is included.

This Project Plan Amendment also allows the Donor District to allocate positive tax increments to the Recipient District. The authority for this Amendment is Wisconsin Statutes Section 66.1105 which provides for the allocation of increments providing that the following are true:

- The Donor District, the positive tax increments of which are to be allocated, and the Recipient District have the same overlying taxing jurisdictions.
- The allocation of tax increments is approved by the Joint Review Board.
- The Donor District is able to demonstrate, based on the positive tax increments that are currently generated, that it has sufficient revenues to pay for all Project Costs that have been incurred under the Project Plan for that District and sufficient surplus revenues to pay for some of the eligible costs of the Recipient District.
- The Recipient District was created upon a finding that not less than 50 percent, by area, of the real property within the District is blighted.

The Exhibits following this section demonstrate that the Donor District is generating sufficient tax increments to pay for its Project Costs, and that surplus increments remain that can be allocated to pay some of the Project Costs of the Recipient District. Accordingly, the statutory criteria under which this amendment can be approved are met.

## Available Financing Methods

Implementation of this Plan may require that the City issue debt obligations to provide direct or indirect financing for the Projects to be undertaken. The City presently anticipates funding the additional project costs from available cash resources of the District during the remainder of the expenditure period. The following is a list of the types of obligations the City may choose to utilize.

### General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of projects included within this Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN).

### Bonds Issued to Developers (“Pay as You Go” Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and therefore do not count against the City’s statutory borrowing capacity.

### Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City, or as a Lease Revenue Bond by its Redevelopment Authority (RDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City’s statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

### Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of its various utility systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible Project Costs in an equal amount.

### Special Assessment “B” Bonds

The City has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City’s statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

## Plan Implementation

As stated in the original project plan, projects identified will provide the necessary anticipated governmental services and/or development incentives to the remaining district. The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements, if any. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement these agreements might include levying of special assessments against benefited properties.

The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.

**If financing as outlined in this Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.**

## Development Assumptions

The City does not anticipate new development as a result of this project plan amendment.

# Increment Revenue Projections

## Tax Increment District No. 14 (Gundersen Lutheran) Tax Increment Projection Worksheet

|                                     |              |  |            |
|-------------------------------------|--------------|--|------------|
| Type of District                    | Mixed Use    | Actual Base Value                              | 57,869,800 |
| Actual Creation Date                | 8/24/2006    | Pre-Amendment Base Value (Actual)              | N/A        |
| Valuation Date                      | Jan. 1, 2006 | Property Appreciation Factor                   | 0.00%      |
| Maximum Life (In Years)             | 20           | Current Tax Rate (Per \$1,000 EV)              | \$26.26    |
| Expenditure Period (In Years)       | 15           | Tax Rate Adjustment Factor (Next 2 Years)      | 0.00%      |
| Revenue Periods/Final Rev Year      | 20   2027    | Tax Rate Adjustment Factor (Following 2 Years) | 0.00%      |
| End of Expenditure Period           | 8/24/2021    | Tax Rate Adjustment Factor (Thereafter)        | 0.00%      |
| Latest Termination Date             | 8/24/2026    | 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 | 2017              | 0           | 2018           | 0                   | 60,478,300          | 2019                      | 26.26    | 1,588,263     |
| 2 | 2018              | 0           | 2019           | 0                   | 59,162,800          | 2020                      | 26.26    | 1,553,715     |
| 3 | 2019              | 0           | 2020           | 0                   | 59,162,800          | 2021                      | 26.26    | 1,553,715     |
| 4 | 2020              | 0           | 2021           | 0                   | 59,162,800          | 2022                      | 26.26    | 1,553,715     |
| 5 | 2021              | 0           | 2022           | 0                   | 59,162,800          | 2023                      | 26.26    | 1,553,715     |
| 6 | 2022              | 0           | 2023           | 0                   | 59,162,800          | 2024                      | 26.26    | 1,553,715     |
| 7 | 2023              | 0           | 2024           | 0                   | 59,162,800          | 2025                      | 26.26    | 1,553,715     |
| 8 | 2024              | 0           | 2025           | 0                   | 59,162,800          | 2026                      | 26.26    | 1,553,715     |
| 9 | 2025              | 0           | 2026           | 0                   | 59,162,800          | 2027                      | 26.26    | 1,553,715     |
|   |                   | 0           |                |                     | 0                   | Future Value of Increment |          | 14,017,985    |

# Cash Flow

**Tax Increment District No. 14 (Gundersen Lutheran)  
Cash Flow Pro Forma**

**As of Dec. 31, 2018:**

|   |                        |
|---|------------------------|
| Cash and Investments:                     | <b>\$5,273,846 (A)</b> |
| Future Debt Service Requirements:         | <b>\$575,000 (B)</b>   |
| Advances from Other Funds (General Fund): | <b>\$0 (C)</b>         |
| Reinvestment Contribution Fund Balance:   | <b>\$470,673 (D)</b>   |

| Year         | Revenues          |                      |                      |               |                    | Expenditures           |                       |                        |                  |                                  |              |                    | Balances           |                |                         | Reinvestment Contribution  |             |                            | Year |
|--------------|-------------------|----------------------|----------------------|---------------|--------------------|------------------------|-----------------------|------------------------|------------------|----------------------------------|--------------|--------------------|--------------------|----------------|-------------------------|----------------------------|-------------|----------------------------|------|
|              | Tax Increments    | Exempt Computer Aids | Minimum Tax Pymments | Other Revenue | Total Revenues (E) | Debt Service Transfers | DA Payments Gundersen | DA Payments 2219 Lofts | Other Exp.       | Reinvested Contrib. Expenses (F) | Admin        | Total Expenses (G) | Annual (F) (E - G) | Cumulative (H) | Future Debt Service (I) | Reinvest. Contrib. (J = F) | Outlays (K) | Ending Balance (D + J - K) |      |
| 2019         | 1,588,263         | 180,000              | 347,000              | 45,797        | <b>2,161,060</b>   | 25,823                 | 1,204,458             | 13,999                 | 2,156,552        | 250,000                          | 500          | <b>3,651,332</b>   | (1,490,272)        | 3,783,574      | 549,177                 | 250,000                    | 0           | 720,673                    | 2019 |
| 2020         | 1,553,715         | 162,000              |                      |               | <b>1,715,715</b>   | 68,647                 | 1,204,458             | 14,093                 | 1,350,000        | 250,000                          | 500          | <b>2,887,698</b>   | (1,171,983)        | 2,611,591      | 480,530                 | 250,000                    | 0           | 970,673                    | 2020 |
| 2021         | 1,553,715         | 145,800              |                      |               | <b>1,699,515</b>   | 68,647                 | 1,204,458             | 14,198                 | 1,350,000        | 250,000                          | 500          | <b>2,887,803</b>   | (1,188,288)        | 1,423,303      | 411,883                 | 250,000                    | 0           | 1,220,673                  | 2021 |
| 2022         | 1,553,715         | 131,220              |                      |               | <b>1,684,935</b>   | 68,647                 | 1,204,458             | 14,305                 |                  | 250,000                          | 500          | <b>1,537,910</b>   | 147,025            | 1,570,328      | 343,236                 | 250,000                    | 0           | 1,470,673                  | 2022 |
| 2023         | 1,553,715         | 118,098              |                      |               | <b>1,671,813</b>   | 68,647                 | 1,204,458             | 14,412                 |                  | 250,000                          | 500          | <b>1,538,017</b>   | 133,796            | 1,704,124      | 274,589                 | 250,000                    | 0           | 1,720,673                  | 2023 |
| 2024         | 1,553,715         | 106,288              |                      |               | <b>1,660,003</b>   | 68,647                 | 1,204,458             | 14,520                 |                  | 250,000                          | 500          | <b>1,538,125</b>   | 121,878            | 1,826,003      | 205,941                 | 250,000                    | 0           | 1,970,673                  | 2024 |
| 2025         | 1,553,715         | 95,659               |                      |               | <b>1,649,375</b>   | 68,647                 | 1,204,458             | 14,629                 |                  | 250,000                          | 500          | <b>1,538,234</b>   | 111,141            | 1,937,143      | 137,294                 | 250,000                    | 0           | 2,220,673                  | 2025 |
| 2026         | 1,553,715         | 86,093               |                      |               | <b>1,639,809</b>   | 68,647                 | 1,204,458             | 14,739                 |                  | 250,000                          | 500          | <b>1,538,344</b>   | 101,465            | 2,038,608      | 68,647                  | 250,000                    | 0           | 2,470,673                  | 2026 |
| 2027         | 1,553,715         | 77,484               |                      |               | <b>1,631,199</b>   | 68,647                 |                       | 14,850                 |                  | 250,000                          | 500          | <b>333,997</b>     | 1,297,202          | 3,335,810      | 0                       | 250,000                    | 0           | 2,720,673                  | 2027 |
| <b>Total</b> | <b>14,017,985</b> | <b>1,102,643</b>     | <b>347,000</b>       | <b>45,797</b> | <b>15,513,425</b>  | <b>1,536,060</b>       | <b>9,635,664</b>      | <b>129,745</b>         | <b>4,856,552</b> | <b>2,250,000</b>                 | <b>4,500</b> | <b>18,412,521</b>  |                    |                |                         |                            |             |                            |      |

**Final Balance (G - C): 3,335,810**

**NOTES:**

- Cumulative Balance includes existing Cash and Investments plus annual excess cash flow
- Debt Service Transfers reduce Future Debt Service Requirements
- Exempt computer aids estimated - reduced by 10% annually
- GL Development Agreement "Contribution" payments and "Reinvestment Contribution" payments are estimated
- Reinvestment Contribution balance is to be spent on specific projects during remainder of TID expenditure period

- Available cash and annual surplus balances are available for sharing with the Recipient District upon adoption of the amendment by the City Council and approval by the Joint Review Board*

## Cash Flow – TID 12

**Tax Increment District No. 12 (Three Rivers Plaza)  
Cash Flow Pro Forma**

**As of Dec. 31, 2018:**

Cash and Investments: **\$429,080 (A)**  
 Future Debt Service Requirements: **\$7,028,391 (B)**  
 Advances from Other Funds (General Fund): **\$246,196 (C)**

| Year         | Revenues         |                      |               | Total Revenues (D) | Expenditures           |            |              | Total Expenses (E) | Balances           |                |                         | Year |
|--------------|------------------|----------------------|---------------|--------------------|------------------------|------------|--------------|--------------------|--------------------|----------------|-------------------------|------|
|              | Tax Increments   | Exempt Computer Aids | Other Revenue |                    | Debt Service Transfers | Other Exp. | Admin        |                    | Annual (F) (D - E) | Cumulative (G) | Future Debt Service (H) |      |
| 2019         | 620,383          | 0                    |               | 620,383            | 600,000                |            | 500          | 600,500            | 19,883             | 448,963        | 6,428,391               | 2019 |
| 2020         | 536,965          | 0                    |               | 536,965            | 600,000                |            | 500          | 600,500            | (63,535)           | 385,428        | 5,828,391               | 2020 |
| 2021         | 536,965          | 0                    |               | 536,965            | 400,000                |            | 500          | 400,500            | 136,465            | 521,893        | 5,428,391               | 2021 |
| 2022         | 536,965          | 0                    |               | 536,965            | 485,000                |            | 500          | 485,500            | 51,465             | 573,357        | 4,943,391               | 2022 |
| 2023         | 536,965          | 0                    |               | 536,965            | 485,000                |            | 500          | 485,500            | 51,465             | 624,822        | 4,458,391               | 2023 |
| 2024         | 536,965          | 0                    |               | 536,965            | 485,000                |            | 500          | 485,500            | 51,465             | 676,287        | 3,973,391               | 2024 |
| 2025         | 536,965          | 0                    |               | 536,965            | 600,000                |            | 500          | 600,500            | (63,535)           | 612,752        | 3,373,391               | 2025 |
| 2026         | 536,965          | 0                    |               | 536,965            | 600,000                |            | 500          | 600,500            | (63,535)           | 549,217        | 2,773,391               | 2026 |
| 2027         | 536,965          | 0                    |               | 536,965            | 600,000                |            | 500          | 600,500            | (63,535)           | 485,682        | 2,173,391               | 2027 |
| 2028         | 536,965          | 0                    |               | 536,965            | 620,000                |            | 500          | 620,500            | (83,535)           | 402,147        | 1,553,391               | 2028 |
| 2029         | 536,965          | 0                    |               | 536,965            | 525,000                |            | 500          | 525,500            | 11,465             | 413,612        | 1,028,391               | 2029 |
| 2030         | 536,965          | 0                    |               | 536,965            | 185,685                |            | 500          | 186,185            | 350,780            | 764,392        | 842,706                 | 2030 |
| 2031         | 536,965          | 0                    |               | 536,965            | 280,902                |            | 500          | 281,402            | 255,563            | 1,019,955      | 561,804                 | 2031 |
| 2032         | 536,965          | 0                    |               | 536,965            | 280,902                |            | 500          | 281,402            | 255,563            | 1,275,518      | 280,902                 | 2032 |
| 2033         | 536,965          | 0                    |               | 536,965            | 280,902                |            | 500          | 281,402            | 255,563            | 1,531,081      | 0                       | 2033 |
| <b>Total</b> | <b>8,137,892</b> | <b>0</b>             | <b>0</b>      | <b>8,137,892</b>   | <b>7,028,391</b>       | <b>0</b>   | <b>7,500</b> | <b>7,035,891</b>   |                    |                |                         |      |

**Final Balance (G - C): 1,284,885**

**NOTES:**

- Cumulative Balance includes existing Cash and Investments plus annual excess cash flow
- Debt Service Transfers reduce Future Debt Service Requirements

*The anticipated costs of redevelopment in TID 12 greatly exceed the current and projected available resources of this district. The City is amending TIDs 7, 11, 13, 14, 15, 16 & 17 to allow for sharing of surplus tax increment with TID 12 to support redevelopment efforts and mitigate potential financial risks to the City.*



## SECTION 10: Annexed Property

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No territory will be added or subtracted from the District as a result of this amendment.

## SECTION 11: Proposed Zoning Ordinance Changes

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The City does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Project Plan amendment.

## SECTION 12: Proposed Changes in Master Plan, Map, Building Codes and City of La Crosse Ordinances

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It is expected that this Plan will be complementary to the City 's Master Plan. There are no proposed changes to the Master Plan, map, building codes or other City ordinances for the implementation of this Plan.

## SECTION 13: Relocation

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It is anticipated there may be a need to relocate persons or businesses in conjunction with this Plan. In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the City will follow applicable Wisconsin Statutes chapter 32.

## SECTION 14: Orderly Development and/or Redevelopment of the City of La Crosse

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This Project Plan Amendment will have no impact on the viability of the original District Project Plan as it relates to the orderly development and/or redevelopment of the City .

## SECTION 15: List of Estimated Non-Project Costs

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Non-Project Costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with tax incremental finance funds.

### Examples would include:

A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.

A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.

Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

The City does not expect to incur any non-project costs in the implementation of this Project Plan.

SECTION 16:  
Opinion of Attorney for the City of La Crosse Advising  
Whether the Plan is Complete and Complies with  
Wisconsin Statutes 66.1105

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November 15, 2019

**SAMPLE**

Mayor Tim Kabat  
City of La Crosse  
400 La Crosse Street  
La Crosse, Wisconsin 54601

**RE: City of La Crosse, Wisconsin Tax Incremental District No. 14 Amendment**

Dear Mayor:

As City Attorney for the City of La Crosse, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

Attorney Stephen Matty  
City of La Crosse