



LEGAL DEPARTMENT

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ANNUAL DEVELOPMENT AGREEMENT COMPLIANCE REVIEW TAX YEAR 2020 – PAID IN 2021

Gundersen Lutheran Development Agreement

- Parties: This agreement is between the City of La Crosse, Gundersen Clinic, Ltd., Gundersen Lutheran Administrative Services, Inc and Gundersen Lutheran Medical Center, Inc.
- Governing Body: Board of Public Works.

Project Definition:

Development and improvement of the Base Development Property and Additional Gundersen Campus Development in Excess of Base Development Property.

Essential Terms:

- Cash Grants:

\$21.4 Million or the actual tax increment from the Base Development Property and Additional Gundersen Campus Development in Excess of Base Development Property.
- Reverse TIF Payment:

\$1,014,039.85
- Annual PILOT (Section 2.5A) on Parking Ramp #2: \$291,866.92
- Tax Guarantee:

\$25,107,700 commencing tax year 2010 for Base Development Property. (2020 improvement value \$31,693,100)



- Jobs: 2,500 jobs for the duration of TID 14. Annual certification due June 15th. No certification received to date.
- Restaurant project to commence January 1, 2020 and substantially complete December 31, 2020. No construction has occurred.

CALCULATION:

PILOT for Parking Ramp #2:

2020 Value	\$11,396,600
X mill rate	<u>.02561</u>

\$ 291,866.92 owed to City

Base Development Property:

Improvement Value 2020:	\$ 31,693,100.00
X mill rate	<u>.02561</u>

\$ 811,660.29

Ramp #2:

Improvement Value 2020:	\$11,396,600
X mill rate	<u>.02561</u>

\$ 291,866.92

Hotel:

Improvement Value 2020:	\$ 3,493,200
X mill rate	<u>.02561</u>

\$ 89,460.85

Total: \$ 1,192,988.06

85% = \$ 1,014,039.85

15% = \$ 179,948.21

\$1,014,039.85 Payment due to Developer

RECOMMENDATION:

- Must receive annual job certification before issuing payment. Need to hire WIPFLI for job audit
- Collect PILOT owed to City before issuing payment.
- 4th Amendment to Development Agreement will likely be needed.

