



## LEGAL DEPARTMENT

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

### 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 – already 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.

- Reverse TIF Payment:

Phase III: 99% to Developer:	\$424,520.62
1% to City:	\$ 4,288.09



Riverside Center Development Agreements – Phases I, II, & III  
Annual Development Agreement Compliance – Tax Year 2020

- Tax Guarantee:

1. Phase I: \$11.4 million as of tax year 2007 (2020 improvements \$12,632,600)
2. Phase II: \$8 million as of tax year 2009 (2020 improvements \$13,721,100)
3. Phase III: \$18 million as of tax year 2012 (2020 improvements \$16,743,800)

- Deficiency PILOT owed to City:

Phase III: \$32,171.28

- Net amount to be paid to Developer: \$392,349.34

- Jobs: Maintain 2,000 jobs for ten years starting on December 31, 2016 for all three sites. Annual job certification due June 15<sup>th</sup>. No certification received to date.

**CALCULATION:**

Guarantee	\$18,000,000.00	2020 Value	\$16,743,800.00
2020 value	<u>- 16,743,800.00</u>	x mill rate	<u>.02561</u>
Deficit:	\$ 1,256,200.00	Increment.:	\$ 428,808.71
X mill rate	<u>.02561</u>	99% to Developer:	\$424,520.62
Deficiency:	\$ 32,171.28	1% to City:	\$ 4,288.09
\$ 424,520.62 (increment)			
<u>- 32,171.28 (deficiency)</u>			

**\$392,349.34 Payment due to Developer**

**RECOMMENDATION:**

- Must receive annual job certification before issuing payment.

