

**CITY OF LA CROSSE,  
WISCONSIN**

**REPORT ON TAX INCREMENTAL  
FINANCING (TIF) DISTRICTS**

**DECEMBER 31, 2018**

# CITY OF LA CROSSE, WISCONSIN

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## **INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

City of La Crosse, Wisconsin  
Tax Incremental Financing (TIF) Districts No. 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17  
La Crosse, Wisconsin

Management is responsible for the special-purpose Historical Summary of Sources, Uses, and Status of Funds for the year ended December 31, 2018, and from the date of creation through December 31, 2018, for the City of La Crosse Tax Incremental Financing Districts No. 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The special-purpose financial statements included in the accompanying prescribed form are intended to comply with the annual reporting requirements for tax incremental districts as required by Wisconsin State Statute 66.1105, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the City of La Crosse and is not intended to be and should not be used by anyone other than the specified party.

*Hawkins Ash CPAs, LLP*

La Crosse, Wisconsin  
June 26, 2019

**CITY OF LA CROSSE, WISCONSIN**  
**TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,**  
**12, 13, 14, 15, 16, AND 17**  
**HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2018**

	DISTRICT NO. 5		DISTRICT NO. 6	
	DOWNTOWN (MARRIOTT/ CENTRAL BUSINESS DISTRICT)		DOWNTOWN	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<b><u>SOURCES OF FUNDS</u></b>				
Tax increments	\$ 206,993	\$ 4,324,980	\$ 1,778,774	\$23,918,976
Exempt computer aids	7,557	106,736	49,700	1,194,261
Grants	-	-	-	441,015
Sale of land, other sources	-	21,713	-	237,347
Proceeds from long-term debt	-	1,292,611	-	33,692,804
Transfer from other TIF's	-	-	339,691	18,413,128
<b>TOTAL SOURCES</b>	<b>214,550</b>	<b>5,746,040</b>	<b>2,168,165</b>	<b>77,897,531</b>
<b><u>USES OF FUNDS</u></b>				
Capital expenditures	244	1,301,787	3,204	36,875,767
Principal and interest on long-term debt	7,000	1,666,266	2,000,000	39,880,087
Interest on advances	-	1	6,320	138,075
Transfer to other TIF's	207,306	2,777,986	-	703,587
<b>TOTAL USES</b>	<b>214,550</b>	<b>5,746,040</b>	<b>2,009,524</b>	<b>77,597,516</b>
<b>NET SOURCES</b>	-	-	158,641	300,015
<b>BEGINNING FUND BALANCE</b>	-	-	141,374	-
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300,015</b>	<b>\$ 300,015</b>
<b><u>FUTURE TIF REQUIREMENTS</u></b>				
Unpaid debt principal and interest		\$ -		\$ 3,720,887
Advances outstanding		-		336,343
Interest on advances		-		6,320
Less cash (on hand)		-		(636,358)
<b>BALANCE NEEDED TO CLOSE TIF</b>		<b>\$ -</b>		<b>\$ 3,427,192</b>

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**CITY OF LA CROSSE, WISCONSIN**  
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,  
12, 13, 14, 15, 16, AND 17 - Continued  
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2018

	DISTRICT NO. 7		DISTRICT NO. 8	
	AMTRAK		DURATECH	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 372,028	\$ 3,481,648	\$ 131,390	\$ 1,412,148
Exempt computer aids	3,776	65,883	4,392	19,464
Grants	-	985,445	-	89,284
Economic development proceeds	-	10,000	-	-
Sale of land, other sources	9,284	375,534	-	-
Loan repayment	3,667	3,667	-	-
Proceeds from long-term debt	-	2,724,981	-	351,093
<b>TOTAL SOURCES</b>	<b>388,755</b>	<b>7,647,158</b>	<b>135,782</b>	<b>1,871,989</b>
<u>USES OF FUNDS</u>				
Capital expenditures	386,302	3,947,248	3,397	362,207
Principal and interest on long-term debt	-	3,208,783	-	479,591
Interest on advances	107	6,471	-	99
Transfer to other TIF's	-	-	132,385	1,030,092
<b>TOTAL USES</b>	<b>386,409</b>	<b>7,162,502</b>	<b>135,782</b>	<b>1,871,989</b>
<b>NET SOURCES</b>	2,346	484,656	-	-
<b>BEGINNING FUND BALANCE</b>	482,310	-	-	-
<b>ENDING FUND BALANCE</b>	<b>\$ 484,656</b>	<b>\$ 484,656</b>	<b>\$ -</b>	<b>\$ -</b>
<u>FUTURE TIF REQUIREMENTS</u>				
Advances outstanding		\$ 5,698		\$ -
Interest on advances		428		-
Less receivables/plus payables		23,506		-
Less cash (on hand)		(513,860)		-
<b>BALANCE NEEDED TO CLOSE TIF</b>		<b>\$ (484,228)</b>		<b>\$ -</b>

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**CITY OF LA CROSSE, WISCONSIN**  
**TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,**  
**12, 13, 14, 15, 16, AND 17 - Continued**  
**HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2018**

	DISTRICT NO. 9		DISTRICT NO. 10	
	INT. BUSINESS PARK (HWY 16)		PARK PLAZA (OLD HOLIDAY INN)	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<b><u>SOURCES OF FUNDS</u></b>				
Tax increments	\$ 488,303	\$ 5,594,828	\$ 55,526	\$ 262,446
Proceeds from other government	136,476	724,555	-	-
Payment from other government	-	-	-	688,807
Exempt computer aids	17,628	90,257	4,839	80,454
Grants	-	225,000	-	-
Sale of land, other sources	-	1,982,999	-	26,806
Loan repayments	-	618,159	-	-
Proceeds from long-term debt	-	2,233,712	-	240,750
Transfer from other TIF's	-	67,943	-	-
TOTAL SOURCES	642,407	11,537,453	60,365	1,299,263
<b><u>USES OF FUNDS</u></b>				
Capital expenditures	1,045,141	8,078,075	3,297	1,296,048
Principal and interest on long-term debt	2,093	2,832,104	6,000	165,629
Interest on advances	26	41,840	5,477	22,708
TOTAL USES	1,047,260	10,952,019	14,774	1,484,385
NET (USES) SOURCES	(404,853)	585,434	45,591	(185,122)
BEGINNING FUND BALANCE (DEFICIT)	990,287	-	(230,713)	-
<b>ENDING FUND BALANCE (DEFICIT)</b>	<b>\$ 585,434</b>	<b>\$ 585,434</b>	<b>\$ (185,122)</b>	<b>\$ (185,122)</b>
<b><u>FUTURE TIF REQUIREMENTS</u></b>				
Unpaid debt principal and interest		\$ -		\$ 120,901
Advances outstanding		1,405		291,474
Interest on advances		53		54,773
Estimated payable				
Intergovernmental agreement		-		844,595
Proceeds from other government		-		688,806
Less cash (on hand)		(586,839)		(106,352)
<b>BALANCE NEEDED TO CLOSE TIF</b>		<b>\$ (585,381)</b>		<b>\$ 1,894,197</b>

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**CITY OF LA CROSSE, WISCONSIN**  
**TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,**  
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**HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2018**

	DISTRICT NO. 11		DISTRICT NO. 12	
	DOWNTOWN (GATEWAY/LHI)		THREE RIVERS PLAZA (FESTIVAL STRIP MALL/MOBILE OIL SITE)	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<b><u>SOURCES OF FUNDS</u></b>				
Tax increments	\$ 3,955,043	\$ 22,761,490	\$ 680,842	\$ 6,341,800
Exempt computer aids	484,129	3,578,970	9,263	94,671
Grants	-	5,432,773	-	42,640
Economic development proceeds	-	640	-	-
Sale of land, other sources	-	807,002	-	42,200
Judgment/liquidated damages	-	2,000,000	-	-
Loan repayments	9,167	143,851	-	-
Proceeds from long-term debt	3,000	37,358,983	242,706	7,355,928
TOTAL SOURCES	4,451,339	72,083,709	932,811	13,877,239
<b><u>USES OF FUNDS</u></b>				
Capital expenditures	1,689,130	52,739,907	134,441	8,341,462
Incentives for reverse TIF	-	271,150	-	-
Principal and interest on long-term debt	2,500,000	19,786,672	600,000	5,341,660
Interest on advances	89,317	826,946	6,688	26,633
TOTAL USES	4,278,447	73,624,675	741,129	13,709,755
NET SOURCES (USES)	172,892	(1,540,966)	191,682	167,484
BEGINNING FUND BALANCE (DEFICIT)	(1,713,858)	-	(24,198)	-
<b>ENDING FUND (DEFICIT) BALANCE</b>	<b>\$ (1,540,966)</b>	<b>\$ (1,540,966)</b>	<b>\$ 167,484</b>	<b>\$ 167,484</b>
<b><u>FUTURE TIF REQUIREMENTS</u></b>				
Unpaid debt principal and interest		\$ 25,280,497		\$ 7,028,391
Advances outstanding		3,319,674		246,196
Interest on advances		1,071,803		80,256
Estimated payable				
Developer's agreement		5,128,517		-
Less receivables/plus payables		-		15,400
Less cash (on hand)		(1,778,708)		(429,080)
<b>BALANCE NEEDED TO CLOSE TIF</b>		<b>\$ 33,021,783</b>		<b>\$ 6,941,163</b>

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**CITY OF LA CROSSE, WISCONSIN**  
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,  
12, 13, 14, 15, 16, AND 17 - Continued  
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2018

	DISTRICT NO. 13		DISTRICT NO. 14	
	KWIK TRIP		GUNDERSEN	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<b><u>SOURCES OF FUNDS</u></b>				
Tax increments	\$ 1,255,745	\$ 7,350,391	\$ 1,397,350	\$ 9,878,277
Exempt computer aids	203,182	1,125,260	716,482	9,395,369
Grants	-	375,000	-	-
Proceeds from the entity	-	-	366,365	2,438,999
Economic development proceeds	-	128	-	-
DNR loan	-	216,657	-	-
Sale of land, other sources	21,034	281,744	45,797	255,508
Judgments/settlements	-	200,000	-	-
Loan repayments	15,000	35,000	-	-
Proceeds from long-term debt	800	4,351,767	600,000	1,184,148
Interest income	-	-	3,297	10,423
<b>TOTAL SOURCES</b>	<b>1,495,761</b>	<b>13,935,947</b>	<b>3,129,291</b>	<b>23,162,724</b>
<b><u>USES OF FUNDS</u></b>				
Capital expenditures	292,849	7,963,933	2,156,552	10,063,233
Incentives for reverse TIF	-	150,000	1,149,569	7,535,569
Principal and interest on long-term debt	750,000	5,273,566	25,823	450,823
Interest on advances	12,589	31,429	-	8,781
<b>TOTAL USES</b>	<b>1,055,438</b>	<b>13,418,928</b>	<b>3,331,944</b>	<b>18,058,406</b>
<b>NET SOURCES (USES)</b>	440,323	517,019	(202,653)	5,104,318
BEGINNING FUND BALANCE	76,696	-	5,306,971	-
<b>ENDING FUND BALANCE</b>	<b>\$ 517,019</b>	<b>\$ 517,019</b>	<b>\$ 5,104,318</b>	<b>\$ 5,104,318</b>
<b><u>FUTURE TIF REQUIREMENTS</u></b>				
Unpaid debt principal and interest		\$ 206,307		\$ 575,000
Advances outstanding		669,902		-
Interest on advances		75,531		-
Estimated payable				
Developer's agreement		1,025,000		13,121,456
Less receivables/plus payables		(48,156)		169,528
Less cash (on hand)		(1,138,765)		(5,273,846)
<b>BALANCE NEEDED TO CLOSE TIF</b>		<b>\$ 789,819</b>		<b>\$ 8,592,138</b>

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**CITY OF LA CROSSE, WISCONSIN**  
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,  
12, 13, 14, 15, 16, AND 17 - Continued  
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2018

	DISTRICT NO. 15		DISTRICT NO. 16	
	CHART/TRANE COMPANY		TRANE PLANT 6	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<b><u>SOURCES OF FUNDS</u></b>				
Tax increments	\$ 787,667	\$ 2,324,543	\$ 140,408	\$ 197,353
Exempt computer aids	75,415	240,902	2,052	6,683
Proceeds from the entity	-	256,500	-	-
Economic development proceeds	-	-	-	30,000
Judgment/liquidated damages	-	4,670	-	-
Proceeds from long-term debt	-	-	-	1,736,875
TOTAL SOURCES	863,082	2,826,615	142,460	1,970,911
<b><u>USES OF FUNDS</u></b>				
Capital expenditures	153,563	416,001	61,403	1,976,768
Incentives for reverse TIF	137,226	488,949	-	-
Interest on advances	-	24	2,777	22,399
TOTAL USES	290,789	904,974	64,180	1,999,167
NET SOURCES (USES)	572,293	1,921,641	78,280	(28,256)
BEGINNING FUND BALANCE (DEFICIT)	1,349,348	-	(106,536)	-
<b>ENDING FUND BALANCE (DEFICIT)</b>	<b>\$ 1,921,641</b>	<b>\$ 1,921,641</b>	<b>\$ (28,256)</b>	<b>\$ (28,256)</b>
<b><u>FUTURE TIF REQUIREMENTS</u></b>				
Unpaid debt principal and interest		\$ -		\$ 759,827
Advances outstanding		-		147,752
Interest on advances		-		44,424
Outstanding DNR loan		-		50,000
Estimated payable				
Developer's agreement		6,511,051		100,000
Less receivables/plus payables		67,783		-
Less cash (on hand)		(1,989,424)		(119,496)
<b>BALANCE NEEDED TO CLOSE TIF</b>		<b>\$ 4,589,410</b>		<b>\$ 982,507</b>

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**CITY OF LA CROSSE, WISCONSIN**  
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,  
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HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2018

	DISTRICT NO. 17 DOWNTOWN NORTH	
	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>		
Tax increments	\$ 890,228	\$ 1,172,459
Proceeds from other government	-	1,003,448
Exempt computer aids	16,982	33,718
Proceeds from long-term debt	-	15,600,000
TOTAL SOURCES	907,210	17,809,625
<u>USES OF FUNDS</u>		
Capital expenditures	10,400	15,687,109
Transfer to utility fund	1,074,124	2,077,572
Interest on advances	213	428
TOTAL USES	1,084,737	17,765,109
NET (USES) SOURCES	(177,527)	44,516
BEGINNING FUND BALANCE	222,043	-
<b>ENDING FUND BALANCE</b>	<b>\$ 44,516</b>	<b>\$ 44,516</b>
<u>FUTURE TIF REQUIREMENTS</u>		
Unpaid debt principal and interest		\$ 20,364,066
Advances outstanding		11,351
Interest on advances		3,413
Less cash (on hand)		(55,867)
<b>BALANCE NEEDED TO CLOSE TIF</b>		<b>\$ 20,322,963</b>

**CITY OF LA CROSSE, WISCONSIN**  
**TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,**  
**12, 13, 14, 15, 16, AND 17**  
**NOTES TO REPORT**  
**DECEMBER 31, 2018**

**1. TIF District Information**

The Tax Incremental Financing Districts No. 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17 (the "District") were created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the Districts. The tax on the increased value is called a tax increment.

Districts No. 5, 6, 7, 10, 11, and 12 project costs may be incurred up to 22 years after the creation date of the Districts and collect tax increments for up to 27 years. Districts No. 8 and 9 costs may be incurred for up to 18 years and collect tax increments for up to 23 years. District No.13, 14, 15, 16, and 17 costs may be incurred for up to 15 years and collect tax increments for up to 20 years. Project costs uncollected at the dissolution date are absorbed by the municipality.

	<u>CREATION DATE</u>	<u>LAST DATE TO INCUR PROJECT COSTS</u>	<u>FINAL DISSOLUTION DATE</u>
District No. 5	03/12/92	03/12/14	06/08/17*
District No. 6	04/14/94	04/14/16	04/14/21
District No. 7	08/14/97	08/14/19	08/14/24
District No. 8	07/10/97	07/10/15	06/08/17*
District No. 9	06/10/99	06/10/17	01/10/19**
District No. 10	06/12/03	06/12/25	06/12/30
District No. 11	10/12/04	10/12/26	10/12/31
District No. 12	07/14/05	07/14/27	07/14/32
District No. 13	05/11/06	05/11/21	05/11/26
District No. 14	08/24/06	08/24/21	08/24/26
District No. 15	08/08/13	08/08/28	08/08/33
District No. 16	06/12/14	06/12/29	06/12/34
District No. 17	09/29/15	09/29/30	09/29/35

\*District No. 5 and 8 were terminated by Council resolution on June 8, 2017. The Districts received a final increment in 2018.

\*\*District No. 9 was terminated by Council resolution on January 10, 2019. The District will receive a final increment in 2019.

**2. Principal and Interest Due**

All general obligation notes payable are backed by the full faith and credit of the municipality. Notes borrowed to finance District expenditures will be retired by tax increments accumulated by the debt service fund. Future principal and interest payments are shown on the summary of sources, uses, and status of funds.

**CITY OF LA CROSSE, WISCONSIN**  
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,  
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NOTES TO REPORT - Continued  
DECEMBER 31, 2018

**3. Transfer of Tax Increments**

The Wisconsin Statutes were amended to permit the transfer of positive tax increments from a successful district to another district. The donor district must be able to demonstrate, based on the positive tax increments that are currently generated, that it has sufficient revenue to pay for all project costs that have been incurred under the project plan and sufficient surplus revenue to pay for some of the eligible costs of the recipient TIF district.

In accordance with Wisconsin State Statute 66.1105, paragraph 6, positive tax increments may be allocated from one TIF district to another if:

- ◆ The donor TIF district and the recipient TIF district have the same overlapping tax jurisdictions;
- ◆ The allocation of tax increments is approved by the joint review board;
- ◆ The donor TIF district has first satisfied all its current year debt service and project cost obligations;
- ◆ The project costs in the recipient TIF district are used to create, provide, or rehabilitate low-cost housing, or to remediate environmental contamination; or
- ◆ The recipient TIF district is a “blighted area” or an “area in need of rehabilitation” TIF district.

During 2018, Districts No. 5 and 8 transferred \$207,306 and \$132,385 to District No. 6, respectively.

**4. Joint Agreement**

District No. 10 is a joint agreement between the City and another government. Proceeds from the other government will be repaid if positive increments are available, and therefore, such proceeds are also reported as “Future TIF Requirements”.