

**CITY OF LA CROSSE,  
WISCONSIN**

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

**DECEMBER 31, 2019**

**CITY OF LA CROSSE, WISCONSIN**

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## **INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

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

Management is responsible for the Historical Summary of Sources, Uses, and Status of Funds for the year ended December 31, 2019, and from the date of creation through December 31, 2019, for the City of La Crosse Tax Incremental Financing Districts No. 6, 7, 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 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 30, 2020

**CITY OF LA CROSSE, WISCONSIN**  
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 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, 2019  
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2019

	DISTRICT NO. 6 DOWNTOWN		DISTRICT NO. 7 AMTRAK	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<b><u>SOURCES OF FUNDS</u></b>				
Tax increments	\$ 1,710,862	\$ 25,629,838	\$ 291,678	\$ 3,773,326
Exempt computer aids	50,903	1,245,164	3,867	69,750
Grants	-	441,015	-	985,445
Economic development proceeds	-	-	-	10,000
Sale of land, other sources	-	237,347	43,000	418,534
Loan repayment	-	-	4,400	8,067
Proceeds from long-term debt	-	33,692,804	-	2,724,981
Transfer from other TIF's	-	<u>18,413,128</u>	-	-
TOTAL SOURCES	<u>1,761,765</u>	<u>79,659,296</u>	<u>342,945</u>	<u>7,990,103</u>
<b><u>USES OF FUNDS</u></b>				
Capital and administrative expenditures	8,229	36,883,996	451,907	4,399,155
Principal and interest on long-term debt	2,000,000	41,880,087	-	3,208,783
Interest on advances	-	138,075	-	6,471
Transfer to other TIF's	-	<u>703,587</u>	-	-
TOTAL USES	<u>2,008,229</u>	<u>79,605,745</u>	<u>451,907</u>	<u>7,614,409</u>
NET (USES) SOURCES	(246,464)	53,551	(108,962)	375,694
BEGINNING FUND BALANCE	<u>300,015</u>	<u>-</u>	<u>484,656</u>	<u>-</u>
<b>ENDING FUND BALANCE</b>	<b><u>\$ 53,551</u></b>	<b><u>\$ 53,551</u></b>	<b><u>\$ 375,694</u></b>	<b><u>\$ 375,694</u></b>
<b><u>FUTURE TIF REQUIREMENTS</u></b>				
Unpaid debt principal and interest		\$ 1,720,887		\$ -
Less cash (on hand)		<u>(53,551)</u>		<u>(375,694)</u>
<b>BALANCE NEEDED TO CLOSE TIF</b>		<b><u>\$ 1,667,336</u></b>		<b><u>\$ (375,694)</u></b>

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**CITY OF LA CROSSE, WISCONSIN**  
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 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, 2019  
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2019

	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	\$ 480,349	\$ 6,075,177	\$ 76,663	\$ 339,109
Proceeds from other government	-	724,555	-	-
Payment from other government	-	-	-	688,807
Exempt computer aids	18,054	108,311	4,956	85,410
Grants	-	225,000	-	-
Sale of land, other sources	-	1,982,999	-	26,806
Loan repayments	-	618,159	-	-
Proceeds from long-term debt	7,631	2,241,343	-	240,750
Transfer from other TIF's	-	67,943	-	-
TOTAL SOURCES	506,034	12,043,487	81,619	1,380,882
<b><u>USES OF FUNDS</u></b>				
Capital and administrative expenditures	640,645	8,718,720	3,585	1,299,633
Principal and interest on long-term debt	450,823	3,282,927	6,000	171,629
Interest on advances	-	41,840	4,511	27,219
TOTAL USES	1,091,468	12,043,487	14,096	1,498,481
NET (USES) SOURCES	(585,434)	-	67,523	(117,599)
BEGINNING FUND BALANCE (DEFICIT)	585,434	-	(185,122)	-
<b>ENDING FUND BALANCE (DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (117,599)</b>	<b>\$ (117,599)</b>
<b><u>FUTURE TIF REQUIREMENTS</u></b>				
Unpaid debt principal and interest		\$ -		\$ 114,901
Advances outstanding		-		202,364
Interest on advances		-		40,599
Estimated payable		-		-
Intergovernmental agreement		-		844,595
Proceeds from other government		-		688,806
Less cash (on hand)		-		(84,765)
<b>BALANCE NEEDED TO CLOSE TIF</b>		<b>\$ -</b>		<b>\$ 1,806,500</b>

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**CITY OF LA CROSSE, WISCONSIN**  
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 9, 10, 11,  
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HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2019

	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	\$ 4,027,333	\$ 26,788,823	\$ 620,383	\$ 6,962,183
Exempt computer aids	495,845	4,074,815	9,488	104,159
Grants	-	5,432,773	-	42,640
Economic development proceeds	-	640	-	-
Sale of land, other sources	21,000	828,002	-	42,200
Judgment/liquidated damages	-	2,000,000	-	-
Loan repayments	10,000	153,851	-	-
Proceeds from long-term debt	81,507	37,440,490	748,500	8,104,428
TOTAL SOURCES	4,635,685	76,719,394	1,378,371	15,255,610
<b><u>USES OF FUNDS</u></b>				
Capital and administrative expenditures	1,771,943	54,511,850	1,003,469	9,344,931
Incentives for reverse TIF	-	271,150	-	-
Principal and interest on long-term debt	2,051,041	21,837,713	600,000	5,941,660
Interest on advances	53,500	880,446	4,923	31,556
TOTAL USES	3,876,484	77,501,159	1,608,392	15,318,147
NET SOURCES (USES)	759,201	(781,765)	(230,021)	(62,537)
BEGINNING FUND (DEFICIT) BALANCE	(1,540,966)	-	167,484	-
<b>ENDING FUND (DEFICIT)</b>	<b>\$ (781,765)</b>	<b>\$ (781,765)</b>	<b>\$ (62,537)</b>	<b>\$ (62,537)</b>
<b><u>FUTURE TIF REQUIREMENTS</u></b>				
Unpaid debt principal and interest		\$ 23,310,963		\$ 6,576,891
Advances outstanding		2,400,000		214,115
Interest on advances		588,500		52,503
Estimated payable				
Developer's agreement		4,308,161		-
Less receivables/plus payables		315		8,190
Less cash (on hand)		(1,618,550)		(159,768)
<b>BALANCE NEEDED TO CLOSE TIF</b>		<b>\$ 28,989,389</b>		<b>\$ 6,691,931</b>

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**CITY OF LA CROSSE, WISCONSIN**  
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 9, 10, 11,  
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HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2019

	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	\$ 1,413,872	\$ 8,764,263	\$ 1,588,262	\$ 11,466,539
Exempt computer aids	208,099	1,333,359	733,821	10,129,190
Grants	-	375,000	-	-
Proceeds from the entity	-	-	332,439	2,771,438
Economic development proceeds	-	128	-	-
DNR loan	-	216,657	-	-
Sale of land, other sources	22,032	303,776	67,210	306,051
Judgments/settlements	-	200,000	-	-
Loan repayments	15,000	50,000	-	-
Proceeds from long-term debt	-	4,351,767	1,845	1,185,993
Interest income	-	-	3,234	13,657
<b>TOTAL SOURCES</b>	<b>1,659,003</b>	<b>15,594,950</b>	<b>2,726,811</b>	<b>25,872,868</b>
<b><u>USES OF FUNDS</u></b>				
Capital and administrative expenditures	1,317,978	9,281,911	1,633,220	11,696,453
Incentives for reverse TIF	-	150,000	1,133,513	8,669,082
Principal and interest on long-term debt	221,904	5,495,470	-	450,823
Interest on advances	12,161	43,590	-	8,781
<b>TOTAL USES</b>	<b>1,552,043</b>	<b>14,970,971</b>	<b>2,766,733</b>	<b>20,825,139</b>
<b>NET SOURCES (USES)</b>	106,960	623,979	(39,922)	5,047,729
BEGINNING FUND BALANCE	517,019	-	5,087,651	-
<b>ENDING FUND BALANCE</b>	<b>\$ 623,979</b>	<b>\$ 623,979</b>	<b>\$ 5,047,729</b>	<b>\$ 5,047,729</b>
<b><u>FUTURE TIF REQUIREMENTS</u></b>				
Unpaid debt principal and interest		\$ -		\$ 575,000
Advances outstanding		518,576		-
Interest on advances		57,800		-
Estimated payable				
Developer's agreement		1,025,000		11,987,943
Less receivables/plus payables		33,475		33,372
Less cash (on hand)		(1,176,030)		(5,081,101)
<b>BALANCE NEEDED TO CLOSE TIF</b>		<b>\$ 458,821</b>		<b>\$ 7,515,214</b>

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**CITY OF LA CROSSE, WISCONSIN**  
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 9, 10, 11,  
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HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2019

	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	\$ 780,687	\$ 3,105,230	\$ 179,299	\$ 376,652
Exempt computer aids	77,240	318,142	2,102	8,785
Proceeds from the entity	16,435	272,935	-	-
Economic development proceeds	-	-	-	30,000
Judgment/liquidated damages	-	4,670	-	-
Proceeds from long-term debt	-	-	-	1,736,875
TOTAL SOURCES	874,362	3,700,977	181,401	2,152,312
<b><u>USES OF FUNDS</u></b>				
Capital and administrative expenditures	1,025,746	1,441,747	281,035	2,257,803
Incentives for reverse TIF	249,939	738,888	-	-
Interest on advances	-	24	2,879	25,278
TOTAL USES	1,275,685	2,180,659	283,914	2,283,081
NET (USES) SOURCES	(401,323)	1,520,318	(102,513)	(130,769)
BEGINNING FUND BALANCE (DEFICIT)	1,921,641	-	(28,256)	-
<b>ENDING FUND BALANCE (DEFICIT)</b>	<b>\$ 1,520,318</b>	<b>\$ 1,520,318</b>	<b>\$ (130,769)</b>	<b>\$ (130,769)</b>
<b><u>FUTURE TIF REQUIREMENTS</u></b>				
Unpaid debt principal and interest		\$ -		\$ 759,827
Advances outstanding		-		129,161
Interest on advances		-		43,188
Outstanding DNR loan		-		50,000
Estimated payable				
Developer's agreement		6,261,112		-
Less receivables/plus payables		21,829		-
Less cash (on hand)		(1,542,147)		1,608
<b>BALANCE NEEDED TO CLOSE TIF</b>		<b>\$ 4,740,794</b>		<b>\$ 983,784</b>

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**CITY OF LA CROSSE, WISCONSIN**  
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 9, 10, 11,  
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HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2019

	DISTRICT NO. 17 DOWNTOWN NORTH	
	YEAR ENDED	FROM DATE OF CREATION
<b><u>SOURCES OF FUNDS</u></b>		
Tax increments	\$ 1,174,360	\$ 2,346,819
Proceeds from other government	-	1,003,448
Exempt computer aids	17,393	51,111
Other sources	2,722	2,722
Proceeds from long-term debt	-	15,600,000
TOTAL SOURCES	1,194,475	19,004,100
<b><u>USES OF FUNDS</u></b>		
Capital and administrative expenditures	607,507	16,294,616
Principal and interest on long-term debt	1,072,467	3,150,039
Interest on advances	-	428
TOTAL USES	1,679,974	19,445,083
NET (USES)	(485,499)	(440,983)
BEGINNING FUND BALANCE	44,516	-
<b>ENDING FUND (DEFICIT)</b>	<b>\$ (440,983)</b>	<b>\$ (440,983)</b>
<b><u>FUTURE TIF REQUIREMENTS</u></b>		
Unpaid debt principal and interest		\$ 19,291,599
Advances outstanding		595,621
Less receivables/plus payables		9,491
Less cash (on hand)		(164,129)
<b>BALANCE NEEDED TO CLOSE TIF</b>		<b>\$ 19,732,582</b>

**CITY OF LA CROSSE, WISCONSIN**  
**TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 9, 10, 11,**  
**12, 13, 14, 15, 16, AND 17**  
**NOTES TO REPORT**  
**DECEMBER 31, 2019**

**1. TIF District Information**

The Tax Incremental Financing Districts No. 6, 7, 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. 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. District No. 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. 6	04/14/94	04/14/16	04/14/21
District No. 7	08/14/97	08/14/19	08/14/24**
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. 9 was terminated by Council resolution on January 10, 2019. The Districts received a final increment in 2019.

\*\*District No. 7 was terminated by Council resolution on May 14, 2020. The District will receive a final increment in 2020.

**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. 6, 7, 9, 10, 11,  
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NOTES TO REPORT - Continued  
DECEMBER 31, 2019

**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 2019, there were no transfers made between districts.

**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”.