

**CITY OF LA CROSSE,
WISCONSIN**

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

DECEMBER 31, 2020

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, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20
La Crosse, Wisconsin

Management is responsible for the Historical Summary of Sources, Uses, and Status of Funds for the year ended December 31, 2020, and from the date of creation through December 31, 2020, for the City of La Crosse Tax Incremental Financing Districts No. 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, and 20. 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
July 1, 2021

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 10, 11,
12, 13, 14, 15, 16, 17, 18, 19, AND 20
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2020

	DISTRICT NO. 6		DISTRICT NO. 7	
	DOWNTOWN		AMTRAK	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 1,619,417	\$ 27,249,255	\$ 296,020	\$ 4,069,346
Exempt computer aids	50,903	1,296,067	3,867	73,617
Grants	-	441,015	-	985,445
Economic development proceeds	-	-	-	10,000
Sale of land, other sources	-	237,347	-	418,534
Loan repayment	-	-	2,932	10,999
Proceeds from long-term debt	-	33,692,804	-	2,724,981
Interest income	6,082	6,082	-	-
Transfer from other TIF's	-	18,413,128	-	-
TOTAL SOURCES	1,676,402	81,335,698	302,819	8,292,922
<u>USES OF FUNDS</u>				
Capital and administrative expenditures	8,143	36,892,139	65,446	4,464,601
Principal and interest on long-term debt	1,075,000	42,955,087	-	3,208,783
Interest on advances	-	138,075	-	6,471
Final distribution	-	-	613,067	613,067
Transfer to other TIF's	-	703,587	-	-
TOTAL USES	1,083,143	80,688,888	678,513	8,292,922
NET (USES) SOURCES	593,259	646,810	(375,694)	-
BEGINNING FUND BALANCE	53,551	-	375,694	-
ENDING FUND BALANCE	\$ 646,810	\$ 646,810	\$ -	\$ -
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ 646,810		\$ -
Less receivables/plus payables		-		382,110
Less cash (on hand)		(646,810)		(382,110)
BALANCE NEEDED TO CLOSE TIF		\$ -		\$ -

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 10, 11,
12, 13, 14, 15, 16, 17, 18, 19, AND 20 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2020

	DISTRICT NO. 10		DISTRICT NO. 11	
	PARK PLAZA (OLD HOLIDAY INN)		DOWNTOWN (GATEWAY/LHI)	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 170,133	\$ 509,242	\$ 3,781,743	\$ 30,570,566
Payment from other government	-	688,807	-	-
Exempt computer aids	4,956	90,366	495,845	4,570,660
Grants	-	-	-	5,432,773
Economic development proceeds	-	-	-	640
Sale of land, other sources	-	26,806	-	828,002
Judgement/liquidated damages	-	-	-	2,000,000
Loan repayments	-	-	505,833	659,684
Proceeds from long-term debt	-	240,750	-	37,061,983
Interest income	256	256	21,894	21,894
Transfer from other funds	-	-	22,101	400,608
TOTAL SOURCES	<u>175,345</u>	<u>1,556,227</u>	<u>4,827,416</u>	<u>81,546,810</u>
<u>USES OF FUNDS</u>				
Capital and administrative expenditures	209,554	1,509,187	769,215	55,281,065
Developer guarantees	-	-	351,595	622,745
Principal and interest on long-term debt	6,000	177,629	2,161,117	23,998,830
Interest on advances	1,002	28,221	11,880	892,326
TOTAL USES	<u>216,556</u>	<u>1,715,037</u>	<u>3,293,807</u>	<u>80,794,966</u>
NET (USES) SOURCES	(41,211)	(158,810)	1,533,609	751,844
BEGINNING FUND BALANCE (DEFICIT)	<u>(117,599)</u>	<u>-</u>	<u>(781,765)</u>	<u>-</u>
ENDING FUND BALANCE (DEFICIT)	\$ (158,810)	\$ (158,810)	\$ 751,844	\$ 751,844
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ 8,901		\$ 19,906,611
Advances outstanding		202,364		2,400,000
Interest on advances		8,013		118,800
Estimated payable				
Developer's agreement		-		5,330,000
Proceeds from other government		688,806		-
Less receivables/plus payables		-		25,512
Less cash (on hand)		<u>(43,554)</u>		<u>(3,177,356)</u>
BALANCE NEEDED TO CLOSE TIF		\$ 864,530		\$ 24,603,567

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 10, 11,
12, 13, 14, 15, 16, 17, 18, 19, AND 20 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2020

	DISTRICT NO. 12		DISTRICT NO. 13	
	THREE RIVERS PLAZA (FESTIVAL STRIP MALL/MOBILE OIL SITE)		KWIK TRIP	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 519,397	\$ 7,481,580	\$ 1,730,827	\$ 10,495,090
Exempt computer aids	9,488	113,647	208,099	1,541,458
Grants	-	42,640	-	375,000
Economic development proceeds	-	-	-	128
DNR loan	-	-	-	216,657
Sale of land, other sources	-	42,200	8,894	312,670
Judgment/liquidated damages	-	-	-	200,000
Loan repayments	-	-	1,250	51,250
Proceeds from long-term debt	-	7,355,928	-	4,351,767
Interest income	2,306	2,306	9,216	9,216
Transfer from other funds	-	748,500	-	-
TOTAL SOURCES	531,191	15,786,801	1,958,286	17,553,236
<u>USES OF FUNDS</u>				
Capital and administrative expenditures	50,117	9,395,048	751,775	10,033,686
Developer guarantees	-	-	-	150,000
Principal and interest on long-term debt	600,000	6,541,660	-	5,495,470
Interest on advances	1,060	32,616	2,567	46,157
TOTAL USES	651,177	15,969,324	754,342	15,725,313
NET SOURCES (USES)	(119,986)	(182,523)	1,203,944	1,827,923
BEGINNING FUND (DEFICIT) BALANCE	(62,537)	-	623,979	-
ENDING FUND (DEFICIT) BALANCE	\$ (182,523)	\$ (182,523)	\$ 1,827,923	\$ 1,827,923
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ 4,985,685		\$ 66,749
Advances outstanding		214,115		518,576
Interest on advances		10,599		10,268
Estimated payable				
Developer's agreement		-		250,000
Less receivables/plus payables		-		(72,689)
Less cash (on hand)		(31,592)		(2,273,810)
BALANCE NEEDED TO CLOSE TIF		\$ 5,178,807		\$ (1,500,906)

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 10, 11,
12, 13, 14, 15, 16, 17, 18, 19, AND 20 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2020

	DISTRICT NO. 14		DISTRICT NO. 15	
	GUNDERSEN		CHART/TRANE COMPANY	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 1,477,480	\$ 12,944,019	\$ 820,696	\$ 3,925,926
Exempt computer aids	733,821	10,863,011	77,240	395,382
Grants	1,229,905	1,229,905	-	-
Proceeds from the entity	299,845	3,071,283	-	272,935
Sale of land, other sources	59,427	365,478	-	-
Judgments/settlements	-	-	-	4,670
Loan repayments	-	-	179,416	179,416
Proceeds from long-term debt	-	1,185,993	-	-
Transfer from other funds	5,000	5,000	-	-
Interest income	19,777	33,434	830	830
TOTAL SOURCES	<u>3,825,255</u>	<u>29,698,123</u>	<u>1,078,182</u>	<u>4,779,159</u>
<u>USES OF FUNDS</u>				
Capital and administrative expenditures	2,825,855	14,522,308	2,258,596	3,700,343
Developer guarantees	-	8,669,082	274,076	1,012,964
Principal and interest on long-term debt	-	450,823	-	-
Interest on advances	-	8,781	-	24
TOTAL USES	<u>2,825,855</u>	<u>23,650,994</u>	<u>2,532,672</u>	<u>4,713,331</u>
NET SOURCES (USES)	999,400	6,047,129	(1,454,490)	65,828
BEGINNING FUND BALANCE	<u>5,047,729</u>	<u>-</u>	<u>1,520,318</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 6,047,129</u>	<u>\$ 6,047,129</u>	<u>\$ 65,828</u>	<u>\$ 65,828</u>
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ 25,823		\$ -
Estimated payable				
Developer's agreement		7,805,000		4,675,000
Less receivables/plus payables		(141,068)		(65,828)
Less cash (on hand)		(5,906,061)		-
BALANCE NEEDED TO CLOSE TIF		<u>\$ 1,783,694</u>		<u>\$ 4,609,172</u>

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 10, 11,
12, 13, 14, 15, 16, 17, 18, 19, AND 20 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2020

	DISTRICT NO. 16		DISTRICT NO. 17	
	TRANE PLANT 6		DOWNTOWN NORTH	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 169,231	\$ 545,883	\$ 1,582,741	\$ 3,929,560
Proceeds from other government	-	-	-	1,003,448
Exempt computer aids	2,102	10,887	17,393	68,504
Grants	-	-	-	2,722
Economic development proceeds	-	30,000	-	-
Proceeds from long-term debt	-	1,736,875	590,000	16,190,000
Interest income	490	490	6,140	6,140
TOTAL SOURCES	171,823	2,324,135	2,196,274	21,200,374
<u>USES OF FUNDS</u>				
Capital and administrative expenditures	82,856	2,340,659	98,852	16,393,468
Principal and interest on long-term debt	-	-	1,075,281	4,225,320
Interest on advances	639	25,917	-	428
TOTAL USES	83,495	2,366,576	1,174,133	20,619,216
NET (USES) SOURCES	88,328	(42,441)	1,022,141	581,158
BEGINNING FUND BALANCE (DEFICIT)	(130,769)	-	(440,983)	-
ENDING FUND BALANCE (DEFICIT)	\$ (42,441)	\$ (42,441)	\$ 581,158	\$ 581,158
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ -		\$12,667,360
Advances outstanding		129,161		-
Interest on advances		8,951		-
Estimated payable				
Developer's agreement		-		905,000
Less receivables/plus payables		-		8,480
Less cash (on hand)		(86,720)		(589,638)
BALANCE NEEDED TO CLOSE TIF		\$ 51,392		\$12,991,202

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 10, 11,
12, 13, 14, 15, 16, 17, 18, 19, AND 20 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2020

	DISTRICT NO. 18		DISTRICT NO. 19	
	RIVERPOINT DISTRICT		KMART	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ -	\$ -	\$ -	\$ -
<u>USES OF FUNDS</u>				
Capital and administrative expenditures	9,409	9,409	9,409	9,409
NET (USES) SOURCES	(9,409)	(9,409)	(9,409)	(9,409)
BEGINNING FUND BALANCE (DEFICIT)	-	-	-	-
ENDING FUND BALANCE (DEFICIT)	<u>\$ (9,409)</u>	<u>\$ (9,409)</u>	<u>\$ (9,409)</u>	<u>\$ (9,409)</u>
 <u>FUTURE TIF REQUIREMENTS</u>				
Less receivables/plus payables		\$ (9,409)		\$ (9,409)
BALANCE NEEDED TO CLOSE TIF		<u>\$ (9,409)</u>		<u>\$ (9,409)</u>

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 10, 11,
12, 13, 14, 15, 16, 17, 18, 19, AND 20 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2020

	DISTRICT NO. 20	
	BRIDGEVIEW PLAZA	
	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>		
Tax increments	\$ -	\$ -
<u>USES OF FUNDS</u>		
Capital and administrative expenditures	9,409	9,409
NET (USES)	(9,409)	(9,409)
BEGINNING FUND BALANCE	-	-
ENDING FUND (DEFICIT)	<u>\$ (9,409)</u>	<u>\$ (9,409)</u>
 <u>FUTURE TIF REQUIREMENTS</u>		
Less receivables/plus payables		\$ (9,409)
BALANCE NEEDED TO CLOSE TIF		<u>\$ (9,409)</u>

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 7, 10, 11,
12, 13, 14, 15, 16, 17, 18, 19, AND 20
NOTES TO REPORT
DECEMBER 31, 2020

1. TIF District Information

The Tax Incremental Financing Districts No. 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, and 20 (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, 12, 18, 19, and 20 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. 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. 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. 18	07/09/20	07/09/42	07/09/47
District No. 19	07/09/20	07/09/42	07/09/47
District No. 20	07/09/20	07/09/42	07/09/47

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

**District No. 6 was terminated by Council resolution on February 11, 2021. The District will receive a final increment in 2021.

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, 10, 11,
12, 13, 14, 15, 16, 17, 18, 19, AND 20
NOTES TO REPORT - Continued
DECEMBER 31, 2020

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 2020, 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”.