

**CITY OF LA CROSSE,
WISCONSIN**

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

DECEMBER 31, 2021

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, 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, 2021, and from the date of creation through December 31, 2021, for the City of La Crosse Tax Incremental Financing Districts No. 6, 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
May 10, 2022

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 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, 2021
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2021

	DISTRICT NO. 6	
	DOWNTOWN	
	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>		
Tax increments	\$ 1,728,914	\$ 28,978,169
Exempt computer aids	50,903	1,346,970
Grants	-	441,015
Economic development proceeds	-	-
Sale of land, other sources	-	237,347
Loan repayment	-	-
Proceeds from long-term debt	-	33,692,804
Interest income	3,379	9,461
Transfer from other TIF's	-	18,413,128
TOTAL SOURCES	1,783,196	83,118,894
<u>USES OF FUNDS</u>		
Capital and administrative expenditures	4,482	36,896,621
Principal and interest on long-term debt	696,610	43,651,697
Interest on advances	-	138,075
Final distribution	1,728,914	1,728,914
Transfer to other TIF's	-	703,587
TOTAL USES	2,430,006	83,118,894
NET (USES)	(646,810)	-
BEGINNING FUND BALANCE	646,810	-
ENDING FUND BALANCE	\$ -	\$ -
<u>FUTURE TIF REQUIREMENTS</u>		
Unpaid debt principal and interest		\$ -
Less receivables/plus payables		-
Less cash (on hand)		-
BALANCE NEEDED TO CLOSE TIF		\$ -

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 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, 2021
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2021

	<u>DISTRICT NO. 10</u>		<u>DISTRICT NO. 11</u>	
	<u>PARK PLAZA (OLD HOLIDAY INN)</u>		<u>DOWNTOWN (GATEWAY/LHI)</u>	
		FROM DATE		FROM DATE
	<u>YEAR ENDED</u>	<u>OF CREATION</u>	<u>YEAR ENDED</u>	<u>OF CREATION</u>
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 248,546	\$ 757,788	\$ 4,059,977	\$ 34,630,543
Payment from other government	-	688,807	-	-
Exempt computer aids	4,956	95,322	495,845	5,066,505
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	-	-	40,226	699,910
Proceeds from long-term debt	-	240,750	-	37,061,983
Interest income	590	846	38,095	59,989
Transfer from other funds	-	-	-	400,608
TOTAL SOURCES	<u>254,092</u>	<u>1,810,319</u>	<u>4,634,143</u>	<u>86,180,953</u>
<u>USES OF FUNDS</u>				
Capital and administrative expenditures	335,970	1,845,157	1,126,078	56,407,143
Developer guarantees	-	-	1,133,308	1,756,053
Principal and interest on long-term debt	6,000	183,629	1,418,438	25,417,268
Interest on advances	120	28,341	1,183	893,509
TOTAL USES	<u>342,090</u>	<u>2,057,127</u>	<u>3,679,007</u>	<u>84,473,973</u>
NET (USES) SOURCES	(87,998)	(246,808)	955,136	1,706,980
BEGINNING FUND (DEFICIT) BALANCE	<u>(158,810)</u>	<u>-</u>	<u>751,844</u>	<u>-</u>
ENDING FUND (DEFICIT) BALANCE	<u>\$ (246,808)</u>	<u>\$ (246,808)</u>	<u>\$ 1,706,980</u>	<u>\$ 1,706,980</u>
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ 2,901		\$ 18,488,173
Advances outstanding		202,364		2,000,000
Interest on advances		838		10,650
Estimated payable				
Developer's agreement		-		4,120,000
Intergovernmental agreement		826,989		-
Less receivables/plus payables		44,444		459,840
Less cash (on hand)		<u>-</u>		<u>(4,166,820)</u>
BALANCE NEEDED TO CLOSE TIF		<u>\$ 1,077,536</u>		<u>\$ 20,911,843</u>

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 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, 2021
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2021

	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	\$ 542,019	\$ 8,023,599	\$ 2,973,445	\$ 13,468,535
Exempt computer aids	9,488	123,135	208,099	1,749,557
Grants	-	42,640	-	375,000
Economic development proceeds	-	-	-	128
DNR loan	-	-	-	216,657
Sale of land, other sources	-	42,200	22,645	335,315
Judgment/liquidated damages	-	-	-	200,000
Loan repayments	-	-	-	51,250
Proceeds from long-term debt	-	7,355,928	4,235,000	8,586,767
Interest income	2,965	5,271	43,045	52,261
Transfer from other funds	-	748,500	2,036	2,036
TOTAL SOURCES	554,472	16,341,273	7,484,270	25,037,506
<u>USES OF FUNDS</u>				
Capital and administrative expenditures	81,272	9,476,320	804,710	10,838,396
Developer guarantees	-	-	-	150,000
Principal and interest on long-term debt	471,013	7,012,673	-	5,495,470
Interest on advances	127	32,743	-	46,157
Transfer to other TIF's	-	-	514,149	514,149
TOTAL USES	552,412	16,521,736	1,318,859	17,044,172
NET SOURCES (USES)	2,060	(180,463)	6,165,411	7,993,334
BEGINNING FUND (DEFICIT) BALANCE	(182,523)	-	1,827,923	-
ENDING FUND (DEFICIT) BALANCE	\$ (180,463)	\$ (180,463)	\$ 7,993,334	\$ 7,993,334
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ 4,514,672		\$ 4,651,164
Advances outstanding		214,115		-
Interest on advances		10,472		-
Estimated payable		-		250,000
Developer's agreement		-		13,686
Less receivables/plus payables		14,423		13,686
Less cash (on hand)		(48,075)		(8,007,020)
BALANCE NEEDED TO CLOSE TIF		\$ 4,705,607		\$ (3,092,170)

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 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, 2021
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2021

	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	\$ 1,440,486	\$ 14,384,505	\$ 884,858	\$ 4,810,784
Exempt computer aids	733,821	11,596,832	77,240	472,622
Grants	8,462	1,238,367	-	-
Proceeds from the entity	305,345	3,376,628	-	272,935
Sale of land, other sources	40,211	405,689	295	295
Judgments/settlements	-	-	-	4,670
Loan repayments	-	-	20,316	20,316
Proceeds from long-term debt	-	1,185,993	-	-
Transfer from other funds	-	5,000	-	-
Interest income	35,031	68,465	1,870	2,700
TOTAL SOURCES	<u>2,563,356</u>	<u>32,261,479</u>	<u>984,579</u>	<u>5,584,322</u>
<u>USES OF FUNDS</u>				
Capital and administrative expenditures	3,307,174	17,829,482	719,120	4,419,463
Developer guarantees	1,034,144	9,703,226	254,675	1,267,639
Principal and interest on long-term debt	-	450,823	-	-
Interest on advances	-	8,781	-	24
TOTAL USES	<u>4,341,318</u>	<u>27,992,312</u>	<u>973,795</u>	<u>5,687,126</u>
NET (USES) SOURCES	(1,777,962)	4,269,167	10,784	(102,804)
BEGINNING FUND BALANCE (DEFICIT)	<u>6,047,129</u>	<u>-</u>	<u>(113,588)</u>	<u>-</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ 4,269,167</u>	<u>\$ 4,269,167</u>	<u>\$ (102,804)</u>	<u>\$ (102,804)</u>
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ 25,823		\$ -
Estimated payable				
Developer's agreement		6,690,000		4,400,000
Less receivables/plus payables		91,114		102,804
Less cash (on hand)		<u>(4,360,281)</u>		<u>-</u>
BALANCE NEEDED TO CLOSE TIF		<u>\$ 2,446,656</u>		<u>\$ 4,502,804</u>

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 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, 2021
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2021

	<u>DISTRICT NO. 16</u>		<u>DISTRICT NO. 17</u>	
	<u>TRANE PLANT 6</u>		<u>DOWNTOWN NORTH</u>	
	<u>YEAR ENDED</u>	<u>FROM DATE OF CREATION</u>	<u>YEAR ENDED</u>	<u>FROM DATE OF CREATION</u>
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 262,065	\$ 807,948	\$ 1,833,602	\$ 5,763,162
Proceeds from other government	-	-	-	1,003,448
Exempt computer aids	2,102	12,989	17,393	85,897
Grants	-	-	-	2,722
Proceeds from the entity	803,739	803,739	-	-
Economic development proceeds	-	30,000	-	-
Sale of land, other sources	-	-	72,207	72,207
Proceeds from long-term debt	-	1,736,875	-	16,190,000
Interest income	<u>2,286</u>	<u>2,776</u>	<u>11,177</u>	<u>17,317</u>
TOTAL SOURCES	<u>1,070,192</u>	<u>3,394,327</u>	<u>1,934,379</u>	<u>23,134,753</u>
<u>USES OF FUNDS</u>				
Capital and administrative expenditures	327,999	2,668,658	420,665	16,814,133
Principal and interest on long-term debt	-	-	1,198,468	5,423,788
Interest on advances	-	<u>25,917</u>	-	<u>428</u>
TOTAL USES	<u>327,999</u>	<u>2,694,575</u>	<u>1,619,133</u>	<u>22,238,349</u>
NET SOURCES	742,193	699,752	315,246	896,404
BEGINNING FUND (DEFICIT) BALANCE	<u>(42,441)</u>	-	<u>581,158</u>	-
ENDING FUND BALANCE	<u>\$ 699,752</u>	<u>\$ 699,752</u>	<u>\$ 896,404</u>	<u>\$ 896,404</u>
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ -		\$ 12,098,328
Estimated payable				
Developer's agreement		-		625,000
Less receivables/plus payables		87,312		89,676
Less cash (on hand)		<u>(787,064)</u>		<u>(986,080)</u>
BALANCE NEEDED TO CLOSE TIF		<u>\$ (699,752)</u>		<u>\$ 11,826,924</u>

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 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, 2021
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2021

	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	\$ -	\$ -	\$ -	\$ -
Transfer from other TIF's	514,149	514,149	-	-
Transfer from other funds	-	-	10,000	10,000
Interest income	557	557	1	1
TOTAL SOURCES	514,706	514,706	10,001	10,001
<u>USES OF FUNDS</u>				
Capital and administrative expenditures	110,533	119,942	451	9,860
NET SOURCES	404,173	394,764	9,550	141
BEGINNING FUND (DEFICIT)	(9,409)	-	(9,409)	-
ENDING FUND BALANCE	\$ 394,764	\$ 394,764	\$ 141	\$ 141
<u>FUTURE TIF REQUIREMENTS</u>				
Less receivables/plus payables		\$ 89,845		\$ -
Less cash (on hand)		(484,609)		(141)
BALANCE NEEDED TO CLOSE TIF		\$ (394,764)		\$ (141)

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 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, 2021
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2021

	DISTRICT NO. 20	
	BRIDGEVIEW PLAZA	
	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>		
Tax increments	\$ -	\$ -
Transfer from other funds	10,000	10,000
Interest income	1	1
TOTAL SOURCES	10,001	10,001
<u>USES OF FUNDS</u>		
Capital and administrative expenditures	451	9,860
NET SOURCES	9,550	141
BEGINNING FUND (DEFICIT)	(9,409)	-
ENDING FUND BALANCE	\$ 141	\$ 141
 <u>FUTURE TIF REQUIREMENTS</u>		
Less receivables/plus payables		\$ -
Less cash (on hand)		(141)
BALANCE NEEDED TO CLOSE TIF		\$ (141)

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 6, 10, 11,
12, 13, 14, 15, 16, 17, 18, 19, AND 20
NOTES TO REPORT
DECEMBER 31, 2021

1. TIF District Information

The Tax Incremental Financing Districts No. 6, 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, 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. 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. 6 was terminated by Council resolution on February 11, 2021. The District received 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, 10, 11,
12, 13, 14, 15, 16, 17, 18, 19, AND 20
NOTES TO REPORT - Continued
DECEMBER 31, 2021

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 2021, TIF 13 transferred \$514,149 to TIF 18.

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”.