

PROJECT PLAN AMENDMENT NO. ONE

TAX INCREMENTAL FINANCE DISTRICT NO. TEN



CITY OF LA CROSSE, WISCONSIN

MARCH 10, 2005

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**PREPARED BY THE
LA CROSSE CITY PLANNING DEPARTMENT**

**Recommended by the La Crosse City Plan Commission
February 7, 2005**

**Adopted by the Common Council
March 10, 2005**

**Adopted by Joint Review Board
March 14, 2005**

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**AMENDMENT NUMBER ONE
TO TAX INCREMENTAL FINANCE DISTRICT NUMBER TEN
CITY OF LA CROSSE, WISCONSIN**

SECTION I. INTRODUCTION

Wisconsin's Tax Incremental Law was created to help cities and villages rehabilitate blighted areas and improve or develop industrial sites. In creating Wisconsin's Tax Incremental Law, the State Legislature expressed its concern that cities and villages had neither the incentive nor the financial resources necessary to carry out projects that benefited not only the city or village, but all municipalities which share in the tax base.

The Tax Increment Law gives cities and villages the authority, under certain conditions, to designate a specific area within its boundaries as a Tax Incremental Finance District and requires them to prepare a plan to develop or redevelop the District. Cities or villages then may use all increased property taxes generated by the increased property value generated by such development or redevelopment to pay for eligible costs which they incur to improve the District. This law assumes that all governmental units which tax properties within the District will eventually benefit from the increased value which will be generated. In the meantime, because it is making the improvements, the municipality that created the District is allowed to retain the increased taxes generated during the existence of the District to pay for the costs of the public improvements.

State Statutes place certain limitations upon the creation of Tax Incremental Districts. Only whole parcels of property that are assessed for general property tax purposes and which are contiguous can be included within a District. In addition, at least fifty per cent (50%) of the real property in a District must meet at least one of the following criteria:

1. It is a blighted area;
2. It is an area in need of conservation or rehabilitation work; or
3. It is an area suitable for industrial sites and has been zoned for industrial use.

It also must be found that:

1. The improvement of the area is likely to enhance significantly the value of substantially all the other real property in the District;
2. The project costs relate directly to eliminating blight, directly serve to rehabilitate or conserve the area or directly serve to promote industrial development; and
3. The equalized value of taxable property of the District plus the value increment of all existing Districts does not exceed 12 percent of the total equalized value of taxable property within the City.

Before a Tax Incremental District is created, a Joint Review Board, which is comprised of representatives of the authorities having the power to levy taxes in the District and one public member, must approve the municipality's action relative to the creation of the District.

A Tax Incremental District shall terminate when the earlier of the following occurs:

1. That time when the City has received aggregate tax increments with respect to such District in an amount equal to the aggregate of all project costs under the Project Plan and any amendments to the Project Plan for such District.
2. Twenty-seven years after the District is created.
3. The local legislative body, by resolution, dissolves the District at which time the City shall become liable for all unpaid project costs actually incurred, except this paragraph does not make the City liable for any tax incremental bonds or notes issued.

SECTION II. LOCAL ACTION

Before a Tax Incremental District can be created, the City Plan Commission must hold a public hearing(s) on the proposed creation of a District and the proposed boundaries thereof and on the proposed Project Plan for the District. The public hearing on the creation of and the boundaries for the District may be held separately from or concurrent with a public hearing on the proposed Project Plan. After the public hearing(s), the City Plan Commission must submit the recommended Tax Incremental District boundaries and Project Plan to the local legislative body for action if it desires to create a District.

Before adopting such resolution, the local legislative body may amend both the proposed District boundaries and Project Plan.

State Statutes require that the City that seeks to create a Tax Incremental District convene a Joint Review Board (JRB) to review the proposal. The first meeting of the JRB must be held within fourteen (14) days after the Notice of the above-referenced hearing(s) is published. For Tax Incremental Districts proposed by the City of La Crosse, the membership of the Joint Review Board would consist of a representative chosen by the City of La Crosse, a representative chosen by La Crosse County, a representative chosen by the Western Wisconsin Technical College District, a representative chosen by the School District of La Crosse and one public member. The public member and the chairperson of the JRB must be selected by a majority vote of the other JRB members. It is the responsibility of the JRB to review the public record, planning documents and the resolution passed by the local legislative body creating the District or City Plan Commission, if applicable, and to either approve or not approve such resolution based on certain criteria by a majority vote after receiving the resolution.

The procedure for amending the Project Plan follows essentially the same procedure as the adoption of the original plan.

SECTION III. GENERAL DESCRIPTION OF TAX INCREMENTAL FINANCE DISTRICT NUMBER TEN

Tax Incremental Finance District Number Ten was created as the primary local financing tool for redeveloping the former Holiday Inn located on Barron Island in the City of La Crosse. Within the boundaries of this Tax Incremental Finance District is a site or sites suitable for business creation,

residential development and/or mixed uses. This original site was approximately six acres and the former Holiday Inn located there has since been demolished. A small portion of the site also included the Barron Island wastewater treatment plant which will become obsolete once new sanitary sewer and water service is provided to the District.

The vacant former Holiday Inn property was acquired by La Crosse County as a site to prepare for future redevelopment. La Crosse County has entered into an intergovernmental agreement with the City of La Crosse and the Redevelopment Authority for creating a Tax Incremental Finance District for the site. The project boundaries are described in the next section.

The proposed amendment adds adjacent properties to be included in the District, including the area currently occupied by the Company Store immediately south of the County-owned property; the area currently owned by People's Ice and Fuel, immediately north of the County property, which formerly was the location of American Marine and Skipperliner Industries; and the water-front strip of land also owned by People's Ice and Fuel. With the adoption of this Project Plan, the Common Council is enabled to make TID-eligible expenditures for redeveloping the entire area located on Barron Island west of Park Plaza Drive, as well as off-site if the expenditures are related to the Tax Incremental Finance District (e.g. sewer main crossing the Mississippi River, West Channel improvements, or a pedestrian trail/sidewalk connecting the area to Pettibone Park). As with all municipal expenditures, each expenditure will require specific action of the Common Council.

SECTION IV. AMENDED PROJECT BOUNDARY

The amended boundary for Tax Incremental Finance District Number Ten is delineated on Map 1A on Page 16 (all of the maps are located in the back of this report). It includes all of the property west of U.S. Highway 14/61 and east of the West Channel of the Mississippi River, north of the Pettibone RV property on Barron Island.

One purpose of this Project Plan Amendment is to add territory on the north, south, and west of the County-owned property in order to create a larger and more marketable redevelopment area. Section 66.1105 (4)(h)2., Wisconsin Statutes, provides that "the planning commission may adopt an amendment to a project plan under subd. 1 to modify the district's boundaries, not more than 4 times during the district's existence, by subtracting territory from the district in a way that does not remove contiguity from the district or by adding territory to the district that is contiguous to the district and that is served by public works or improvements that were created as part of the district's project plan."

Capacity to Create TIF Districts

At the time Tax Incremental Finance District Number Ten was created, the City had no capacity to create a new TIF. But because TIF District Number Ten was limited to publicly-owned land, there was no impact to the City's TIF capacity. In 2004 the State Legislature amended the Tax Incremental Financing Law to allow up to 12% of the total equalized value of taxable property within the City to be included within Tax Incremental Finance Districts. With the addition of new territory, the base value of Tax Incremental Finance District Number Ten will have to be recalculated

following the procedures found at Section 66.1105(5)(c) or Section 66.1105(5)(ce), Wisconsin, Statutes.

The City of La Crosse's 2004 total equalized value is \$2,395,630,000. The City can include up to twelve percent (12%) of the total equalized value of the community in existing and new tax incremental finance districts. 12% of the value in the City of La Crosse is \$287,475,600.

The chart below identifies the existing tax incremental districts with their present certified value. The Department of Revenue, in its yearly recertification of existing Districts effective September 1, 2004, has provided this information. The Department of Revenue will recertify the values in the existing tax incremental districts on or about September 1, 2005, which will then identify the new 2004 increment(s).

| | |
|--|------------------|
| Dec. 31, 2003, Total Equalized Value (including Tax Incremental Districts) | \$ 2,395,630,000 |
| Twelve percent (12%) of Total Equalized Value | \$ 287,475,600 |
| TIF Capacity (12% rule) 2004 | \$ 249,660,603 |
| TIF Capacity | \$ +37,814,997 |

| DISTRICT | WHEN CREATED | BASE VALUE | INCREMENT | TOTAL VALUE | % TOTAL VALUE |
|-----------|--------------|-------------|-------------|-------------|---------------|
| No. 1 | 05/01/78 | 12,613,200 | 48,473,900 | 61,087,100 | 2.55 |
| No. 2 | Retired | | | | 0 |
| No. 3 | Dissolved | | | | 0 |
| No. 4 | 08/18/87 | 0 | 31,523,600 | 31,523,600 | 1.32 |
| No. 5 | 03/12/92 | 894,800 | 7,641,700 | 8,536,500 | 0.36 |
| No. 6 | 04/14/94 | 33,884,800 | 34,672,300 | 68,557,100 | 2.86 |
| No. 7 | 08/14/97 | 9,705,000 | 3,590,800 | 13,295,800 | 0.56 |
| No. 8 | 07/10/97 | 3,689,000 | 2,396,900 | 6,085,900 | 0.25 |
| No. 9 | 06/22/99 | 1,442,900 | 7,836,600 | 9,279,500 | 0.39 |
| No. 10 | 06/24/03 | 0 | 0 | 0 | 0 |
| No. 11 | 10/14/04 | 69,505,303 | 0 | 69,505,303 | 2.90 |
| SUB-TOTAL | | 131,735,003 | 136,135,800 | 267,870,803 | 11.18 |
| Overlap | | 18,204,900 | | | |
| TOTAL | | 113,530,103 | 136,135,800 | 249,665,903 | 10.42 |

Source: Wisconsin Department of Revenue and City of La Crosse, 2004

The City should carefully monitor the growth within the existing TIF Districts as well as the capacity to create additional TIF Districts in order to allow the City to create additional TIF Districts as the need arises.

SECTION V. ECONOMIC FEASIBILITY STUDY

Purpose

The purpose of this study is to determine whether the project income expected to be generated from the tax increments expected by the development of land within the proposed District could finance the costs associated with the implementation of the Project Plan.

General Development Potential Description

The emphasis of this section is on the projection of new development and its corresponding increment value. These projections were prepared by the La Crosse City Planning staff. With the examination of the last few years of data on the actual creation of increment and with the recent adoption of the City Vision 2020 Downtown Master Plan, the projections of new tax base have been revised to reflect both new development and development opportunities reflected in the Master Plan.

The projections of tax increment revenues contained in this section are based on the potential development of certain buildings and/or sites to accommodate land uses consistent with the overall City Vision 2020 Downtown Master Plan. Projections of development within a three- to five-year period are based on the City's understanding of the general market conditions and feasibility within the Downtown La Crosse and surrounding area. Projections beyond the five-year period are more speculative of market conditions but do reflect the market conditions of similarly-sized communities which have aggressively implemented a comprehensive downtown revitalization plan. These projections are summarized in Table II found on Page 13.

The City is estimating that, over the first five years, the net increment would equal \$22,000,000. This District was created without specific developer agreements for the identified development projects. The area identified for new development increment will require the recruitment of developers after the City has created the TIF Project Plan and has the ability to fund activities needed to make a project feasible. It is expected that, prior to the City making project expenditures related to stimulating specific private-sector projects, individual developer agreements will be entered into as has been the City's past practice. Many of the expenditures are public works activities that are not developer/project specific. This TIF District Project Plan is comprehensive so that broader public works activities, not developer/project specific, can be achieved from surplus increments. In this Project Plan, surplus increments are defined as the maximum increments that can be generated over the life of the TIF District after the developer-project specific costs have been feasibly funded by the TIF District. The economic feasibility projections are based on the full utilization of the allowed tax increment collection period (27 years). It is necessary that surplus increments are reserved as a part of each private development project so that there are sufficient increments to feasibly fund public infrastructure improvements that are not specific to one development, but rather benefit the entire downtown area.

The economic feasibility analysis should be considered as a baseline projection that is annually monitored to ensure that projection targets are being met. The annual monitoring should attempt to ensure that a total increment value is being achieved rather than whether a specific identified project created those increments. Public borrowing and/or expenditures should be based on this annual review process. It is the intent of this Project Plan to maximize the potential of Tax Incremental Finance District Number Ten to accomplish the proposed public improvements identified in Table I found on Pages 11 and 12.

Table II and Map 3 summarize the development assumptions that are used in the economic feasibility analysis. These projections were originally prepared by the La Crosse City Planning staff and are based on preliminary market research that was analyzed during the preparation of the City Vision 2020 Downtown Master Plan. The City Planning Department updated Table II based on an analysis of recent development trends, known projects and availability and suitability of development sites. More detailed market studies and/or reliance upon developer agreements will be required if the City intends to borrow solely based on the projections in Table II. The City may choose to proceed with some TIF-project spending based on the expectation that spending for project activities is necessary to stimulate developer interest. That is a decision, however, that the City should make in an annual case-by-case risk assessment.

Projections in Table II include assumptions to the land use square footage that could be anticipated in identified redevelopment project areas. These assumptions of development should be viewed as minimum redevelopment targets when negotiating redevelopment agreements with private developers. Assumptions of the taxable value by type of use (i.e., residential or commercial) is based on a review of comparable real estate values occurring within the La Crosse trade area. In a few cases, the value of new development reflects a minimum value target to be negotiated within private developer agreements.

The assumptions of increment, projected in Table II, are not estimates of construction costs, but are factored to equate to the anticipated equalized value to which an annual mill rate will be applied. The actual construction values would be higher than those projected because those values include soft costs not necessarily assessed by the City. Table II does not include any projection of personal property value. This has been done because valuation of personal property can significantly fluctuate from year to year. It should be understood that by not including personal property in the increment projections, the City is being conservative and as part of this Project Plan Amendment, the City has, again, chosen not to project future personal property "increment" in order to keep increment estimates realistic and conservative. With the removal of computers as personal property from the tax roll, this strategy of not basing the creation of the TIF District on personal property has borne fruit. Real estate valuation can also significantly fluctuate from year to year. For that reason, there should be an annual review and evaluation of the stability of the increment value prior to making annual borrowing and/or spending decisions.

In compliance with the statutory requirements of tax incremental financing, a finding has been made that the private development activities projected would "not otherwise occur without the use of tax incremental financing." It must be understood that these projected private development increments will not naturally occur without the proactive implementation of this Project Plan. The implementers

of the Project Plan will need to be aggressive in stimulating the identified private development projects. The posture cannot be to expect that private developers will have financially feasible projects without implementation of the public improvement activities identified in this Plan.

Each of the development increments projected will require some form of public/private relationship. The general market conditions within Downtown La Crosse and the surrounding area, as they currently exist, are not capable of supporting the identified developments without such a partnership.

The economic feasibility analysis for Tax Incremental Finance District Number Ten is presented in Tables III and IV, found on Pages 14 and 15. Table III shows the projected tax increments from the District based on the development assumptions made in Table II. The original projections assumed that there would be \$310,000 of net value in 2004; \$1,240,000 of value in 2005; \$2,542,000 in 2006; \$868,000 in 2007; \$1,240,000 in 2008; and \$5,876,983 total net value in years 2009 and on. The revised figures show that there will be \$300,000 in development net value in 2004; \$500,000 in 2005; \$2,200,000 in 2006; \$11,000,000 in 2007; \$16,500,000 in 2008; and an estimated \$22,000,000 in 2009. This change is based on the increase in redevelopment area from the original District to the amended District. It is assumed that the maximum development increment in Tax Incremental Finance District Number Ten could potentially be \$50,132,898 in year 2030, based on a four percent annual inflation rate. Table III further estimates tax increments to be paid by the development assumptions on a yearly basis.

Table IV shows the proposed debt retirement schedule for the funds the City intends to use to pay for the improvements it is proposing to make and the annual tax increments and annual accumulative tax increment deficit/surplus expected to be generated by the proposed development assumptions from Table II. Table IV indicates that the tax increments that are expected to be generated by the proposed development assumptions would be sufficient to pay for the debt incurred by the year 2024, which is year 21 of the District.

The retirement of the District, taking into consideration the assumptions identified in Table II (Projected Development Assumptions) and Table I (Proposed Project Costs, Public Works & Improvements), is based on the property tax collection that was in place at the time of the Public Hearing held in January 2005.

The assumptions on when development will occur, or "the rate of absorption", is based on a review of market conditions that existed in 2005, as well as actual development that has taken place since the creation of the District. If the state or national economy takes a downswing, these projections on absorption will have to be modified. Part of the assumption is also based on the City and County's proactive hiring of a real estate economics firm to assist the City and County in marketing the County-owned property and surrounding properties. It is expected and recommended that the City Plan Commission and Common Council annually review the financial condition of Tax Incremental Finance District Number Ten. The economic feasibility analysis projects that Tax Incremental Finance District Number Ten is feasible, provided that the development assumptions are being achieved as a total estimated value of future development. The City should not spend at levels projected in Tables I and IV without either developer agreements that guarantee repayment of expenditures or without a "risk assessment" that defines the City's financial exposure that the

Common Council finds acceptable. The City should analyze the fiscal condition of Tax Incremental Finance District Number Ten on the basis of how well the development assumptions are being met. Decisions to continue spending annually should be based on the "state of the district".

SECTION VI. PROPOSED PROJECT COSTS, PUBLIC WORKS AND IMPROVEMENTS

This section of the Project Plan outlines the proposed public improvements within Tax Incremental Finance District Number Ten. The public works improvement activities are delineated on Table I (found on Page 11), which provides a listing of all District activities; and Map 1B, which shows the location of the proposed project costs, public works and improvements. The project costs are estimates only at this point in time. As development moves forward and specific project activities are undertaken, refinement in the scope of project activity as well as preparation of plans and specifications will further define project activity costs. Some public improvements may occur off-site but are necessary expenditures in terms of benefiting the TIF District. These off-site improvements may include a pedestrian trail/sidewalk from the District to Pettibone Park, a sewer main crossing the Mississippi River, and West Channel Mississippi River improvements.

Any economic incentives granted will be consistent with the TIF statutory requirements and must be approved on a case-by-case basis by the Common Council via a developer's agreement.

SECTION VII. FINANCING

Financing for the proposed project will be done primarily as General Obligation Bonds, revenue bonds, loans, and/or grants. The amount of borrowing or the strategy of financing is yet to be determined. The accounting for TIF District Number Ten will be done as a separate fund. The City will make its final decision on where and how to borrow funds on a case-by-case basis and with the advice of the City's financial consultant, Finance & Personnel Committee and Director of Finance. It is expected that the TIF borrowing may be done annually or on a project-specific basis. It is not anticipated that the total amount of project costs would ever be considered for one borrowing.

Tables III & IV, which were also referenced in the Economic Feasibility Study Section, give a summary of project costs, the proposed debt retirement schedule, expected project income and expected tax increments by year during the expected duration of the proposed tax incremental district. As can be seen in these tables, it is projected that all project costs ultimately will be paid for by tax increments and project income within the twenty-seven year statutory-required retirement period. The TIF Project Plan has been written to enable project costs to be completed in order to encourage new development and redevelopment within the District boundaries. An annual analysis should be made to strategize financing alternatives in consideration of potential shortfalls between tax increments collected and debt service required to pay the bonds. Excess tax increments will be available to cover potential shortfalls with repayment to the City prior to retirement of the TIF District. The City will, on a case-by-case basis and annually, review the proposed expenditures and decide the economic feasibility of the District prior to authorizing additional expenditures.

It is recommended that the City review potential funding sources and annually submit application(s) for the identified funding sources and to develop any special assessment formulas as part of a funding strategy as each specific project is implemented. Funding strategies will be recommended to the appropriate board or commission with final action to be taken by the Common Council. However, until the time that application is made, the availability of funding is not known. Consequently, the economic feasibility of the TIF Project Plan is based only on TIF funding.

The total scope of activities is estimated within the project cost estimates in Table I. Any non-tax revenues received will reduce the applicable TIF project expenditure which, in turn, will reduce the total amount of TIF project costs. This reduction will allow the Common Council more flexibility in determining the timeframe for other project expenditures.

SECTION VIII. EXISTING LAND USES AND CONDITIONS

Map 2, found on Page 18, has been provided to give a general description of the conditions within the area. Map 4 is a zoning map that generally describes the existing land uses within the District. These two maps should be used in combination when studying the Project Plan.

There are two criteria that should be highlighted in this section. The first is that the TIF District, in compliance with the statutes, does not have more than twenty-five percent (25%) of vacant land within the proposed TIF boundary. The second criterion is that more than fifty percent (50%) of the lands within the TIF boundary have been found to be economically and/or physically blighted. Primary blight criterion used in this Project Plan is economic blight. The purpose and intent of this TIF District is to reverse the tax base decline, physical blight and economically-declining conditions within the area.

SECTION IX. PROPOSED LAND USE

The land uses proposed in TIF District Number Ten are shown in the City Vision 2020 Downtown Master Plan. This Master Plan was a result of a one-year public planning effort to redefine land uses and economic relationships within the Downtown and surrounding area through a process of meetings and public hearings prior to its adoption. Tax Increment Finance District Number Ten is considered an implementation tool to achieve the land uses proposed in the Master Plan. In December 2004, the Master Plan was adopted by the City Council.

The proposed Tax Incremental Finance District will promote the orderly development of the City by helping to eliminate undesirable, blighted, under-utilized and inappropriate light industrial land uses and by making it financially feasible for the City to replace such uses with more appropriate uses as recommended by the Downtown Master Plan.

SECTION X. EXISTING AND PROPOSED ZONING

Map 5 shows the TIF District boundary overlaid onto an existing zoning map. The Light Industrial category indicated on the map is the existing zoning category in the City of La Crosse Zoning Ordinance.

The anticipated change is rezoning the area within TIF District Number Ten to a Planned Development District. This rezoning will be done to allow residential/mixed use project(s).

SECTION XI. BUILDING CODES AND CITY ORDINANCES

No changes are currently being anticipated in the City's Building Code or other City codes.

SECTION XII. RELOCATION

If acquisition occurs within the Tax Incremental Finance District Number Ten which may cause displacements due to implementation of these specific projects, the City will conform to the requirements as set forth by the Department of Commerce in the State of Wisconsin Relocation Laws. If federal funds are used in the relocation process, the federal relocation process will also be followed.

SECTION XIII. CITY ATTORNEY OPINION

I, Patrick J. Houlihan, City Attorney for the City of La Crosse, Wisconsin, do hereby state that I have reviewed the Amended Project Plan for Tax Incremental Finance District Number Ten, City of La Crosse, Wisconsin, dated March 10, 2005, and have found that it is complete and complies with Section 66.1105, Wisconsin Statutes.

Patrick J. Houlihan
City Attorney

TABLE I

**La Crosse TIF District #10 - Amendment One
Proposed Project Costs, Public Works and
Improvements**

| <u>Capital Costs for Development of the TIF:</u> | <u>Costs</u> | <u>YEAR</u> | | | | | | | <u>Totals</u> |
|---|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|
| | | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | |
| Property Acquisition (Holiday Inn) | \$820,000 | | \$820,000 | | | | | | |
| Property Acquisition (People's Ice and Fuel) | 725,000 | | | \$725,000 | | | | | |
| Property Acquisition (Company Store) | 2,000,000 | | | | | \$2,000,000 | | | |
| Personal Property Acquisition | 1,250,000 | | | 50,000 | 1,200,000 | | | | |
| Business replacement, moving expenses, search payment, business value, business re-establishment | 800,000 | | | | | 800,000 | | | |
| Building Asbestos Removal | 550,000 | \$350,000 | | 100,000 | 100,000 | | | | |
| Building Demolition (Holiday Inn) | 350,000 | 350,000 | | | | | | | |
| Building Demolition (People's Ice and Fuel) | 50,000 | | | 50,000 | | | | | |
| Building Demolition (Company Store) | 100,000 | | | | | 100,000 | | | |
| Site Improvements (grading, clearing, and grubbing) | 200,000 | | 100,000 | 25,000 | 75,000 | | | | |
| Site Improvements (clean fill) | 300,000 | | 100,000 | 50,000 | 150,000 | | | | |
| Environmental Remediation | 200,000 | | | | | 200,000 | | | |
| Sewer Main & Upgrade | 600,000 | | 600,000 | | | | | | |
| WWTP Demolition | 25,000 | | 25,000 | | | | | | |
| Water main & Upgrade | 600,000 | | 600,000 | | | | | | |
| Storm Water Management | 500,000 | | | 250,000 | 250,000 | | | | |
| Curb and gutter | \$250,000 | | | | | \$250,000 | | | |

| | | | | | | | | | |
|--|-----------|--------------------|------------------|------------------|------------------|------------------|----------------|----------------|---------------------|
| Streetscaping/ Sidewalks/Lights | 500,000 | | | | \$500,000 | | | | |
| Riverwalk Construction | 500,000 | | | | | 500,000 | | | |
| Signage/Wayfinding | 30,000 | | | | | 30,000 | | | |
| TID Loan for Building Construction | 500,000 | | 250,000 | | 250,000 | | | | |
| West Channel Improvements | 1,000,000 | | | | 1,000,000 | | | | |
| | | | | | | | | | \$11,850,000 |
| <u>Administrative Costs:</u> | | | | | | | | | |
| TID Administration (Finance, Legal, Engineering, Planning) | 100,000 | 10,000 | 25,000 | 25,000 | 25,000 | 15,000 | | | |
| | | | | | | | | | \$100,000 |
| <u>Organization Costs:</u> | | | | | | | | | |
| TID Planning (Staff Costs) | 2,000 | 1,000 | 1,000 | | | | | | |
| Relocation Services | 25,000 | | 15,000 | 10,000 | | | | | |
| Project Planning/RFP Preparation | 75,000 | 11,000 | 50,000 | 14,000 | | | | | |
| Appraisals | 30,000 | | 15,000 | 15,000 | | | | | |
| Environmental Site Assessments | 25,000 | | 15,000 | 10,000 | | | | | |
| Title Work | 20,000 | | 10,000 | 10,000 | | | | | |
| Alta Surveys | 15,000 | | 7,500 | 7,500 | | | | | |
| Joint Marketing with Developer | 30,000 | | 15,000 | 15,000 | | | | | |
| Engineering Design Services | 45,000 | | | 25,000 | 20,000 | | | | |
| | | | | | | | | | \$267,000 |
| <u>Financing Costs:</u> | | | | | | | | | |
| Interest costs of Money | 3,064,428 | 306,442 | 306,442 | 306,442 | 306,442 | 306,442 | 306,442 | 306,442 | |
| | | | | | | | | | \$3,064,428 |
| <u>Total Project Costs</u> | | \$1,028,442 | 2,954,942 | 1,687,942 | 6,976,442 | 1,101,442 | 306,442 | 306,442 | \$15,281,428 |
| | | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | |

TABLE II
La Crosse TIF District #10 - Amendment One
Projected Development Assumptions

| PROJECT | Net Value | Square Feet |
|------------------------------|---------------------|--------------------|
| Park Plaza property | \$8,000,000 | 200,000 |
| Company Store property | \$7,000,000 | 150,000 |
| People's Ice & Fuel property | \$7,000,000 | 150,000 |
| TOTAL VALUE INCREMENT | \$22,000,000 | 500,000 |

Source: City of La Crosse Planning Department, 2005

TABLE III
La Crosse TIF District #10 - Amendment One
Projected Tax Increments

| YEAR | BASE VALUE OF DISTRICT | NET PROJECTED VALUE (1) | MILL RATE (2) | ANNUAL PROJECTED TAX INCREMENT | CUMULATIVE TAX INCREMENT |
|------|------------------------|-------------------------|---------------|--------------------------------|--------------------------|
| 2004 | \$0 | \$300,000 | 0.02767000 | \$8,301 | \$8,301 |
| 2005 | \$2,045,700 | \$500,000 | 0.02955000 | \$14,775 | \$23,076 |
| 2006 | \$2,045,700 | \$2,200,000 | 0.02962388 | \$65,173 | \$88,249 |
| 2007 | \$2,045,700 | \$11,000,000 | 0.02969793 | \$326,677 | \$414,926 |
| 2008 | \$2,045,700 | \$16,500,000 | 0.02977218 | \$491,241 | \$906,167 |
| 2009 | \$2,045,700 | \$22,000,000 | 0.02984661 | \$656,625 | \$1,562,792 |
| 2010 | \$2,045,700 | \$22,880,000 | 0.02992123 | \$684,598 | \$2,247,390 |
| 2011 | \$2,045,700 | \$23,795,200 | 0.02999603 | \$713,762 | \$2,961,151 |
| 2012 | \$2,045,700 | \$24,747,008 | 0.03007102 | \$744,168 | \$3,705,319 |
| 2013 | \$2,045,700 | \$25,736,888 | 0.03014620 | \$775,869 | \$4,481,188 |
| 2014 | \$2,045,700 | \$26,766,364 | 0.03022156 | \$808,921 | \$5,290,110 |
| 2015 | \$2,045,700 | \$27,837,018 | 0.03029712 | \$843,381 | \$6,133,491 |
| 2016 | \$2,045,700 | \$28,950,499 | 0.03037286 | \$879,309 | \$7,012,801 |
| 2017 | \$2,045,700 | \$30,108,519 | 0.03044879 | \$916,768 | \$7,929,569 |
| 2018 | \$2,045,700 | \$31,312,860 | 0.03052491 | \$955,822 | \$8,885,391 |
| 2019 | \$2,045,700 | \$32,565,374 | 0.03060123 | \$996,540 | \$9,881,931 |
| 2020 | \$2,045,700 | \$33,867,989 | 0.03067773 | \$1,038,993 | \$10,920,924 |
| 2021 | \$2,045,700 | \$35,222,709 | 0.03075442 | \$1,083,254 | \$12,004,178 |
| 2022 | \$2,045,700 | \$36,631,617 | 0.03083131 | \$1,129,401 | \$13,133,579 |
| 2023 | \$2,045,700 | \$38,096,882 | 0.03090839 | \$1,177,513 | \$14,311,092 |
| 2024 | \$2,045,700 | \$39,620,757 | 0.03098566 | \$1,227,675 | \$15,538,768 |
| 2025 | \$2,045,700 | \$41,205,587 | 0.03106312 | \$1,279,974 | \$16,818,742 |
| 2026 | \$2,045,700 | \$42,853,811 | 0.03114078 | \$1,334,501 | \$18,153,243 |
| 2027 | \$2,045,700 | \$44,567,963 | 0.03121863 | \$1,391,351 | \$19,544,594 |
| 2028 | \$2,045,700 | \$46,350,682 | 0.03129668 | \$1,450,622 | \$20,995,216 |
| 2029 | \$2,045,700 | \$48,204,709 | 0.03137492 | \$1,512,419 | \$22,507,635 |
| 2030 | \$2,045,700 | \$50,132,898 | 0.03145336 | \$1,576,848 | \$24,084,483 |

(1) Assumes annual inflation = .04 after year 2009

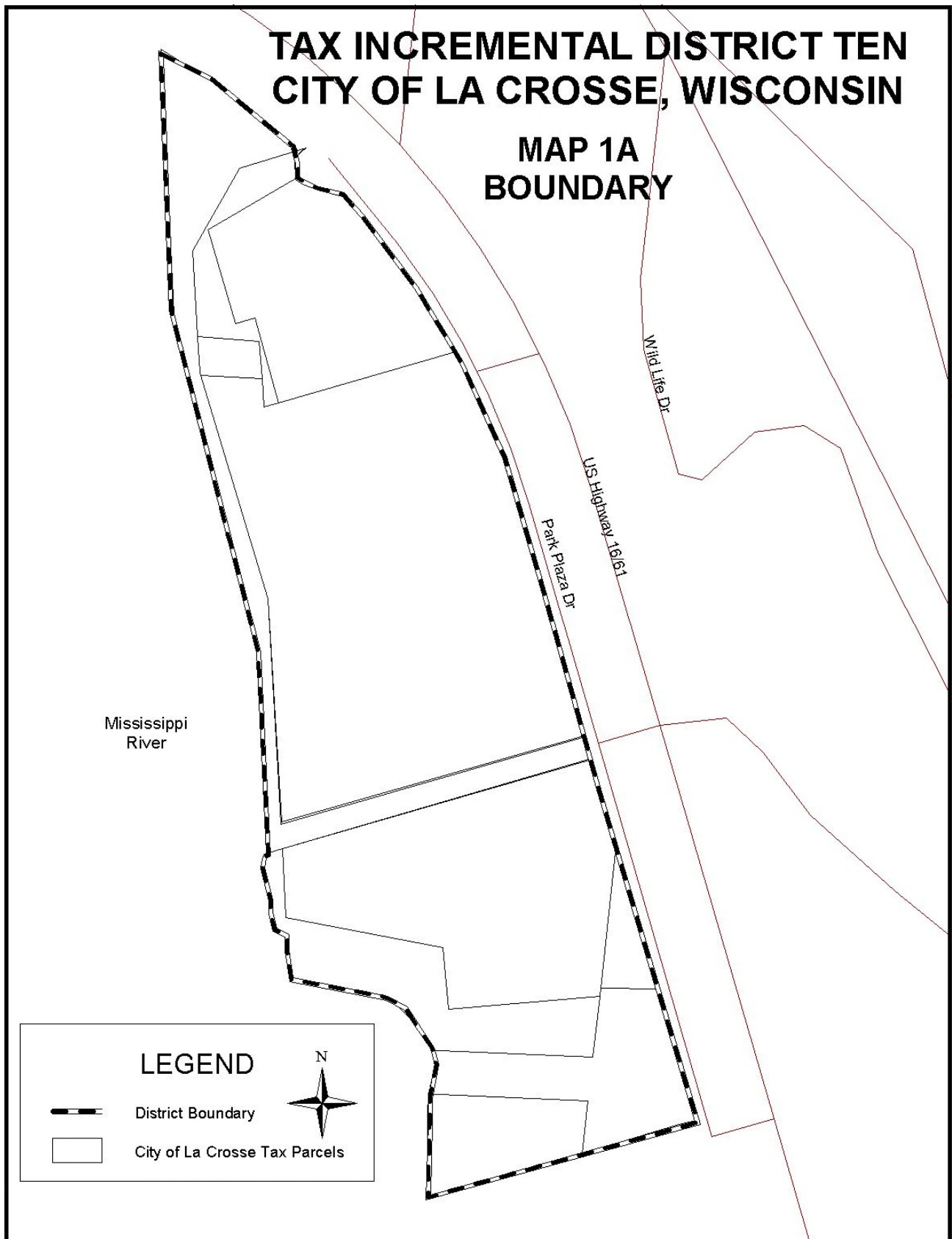
(2) Assumes annual inflation = .0025

TABLE IV
La Crosse TIF DISTRICT #10 - Amendment One
Proposed Debt Retirement Schedule

| YEAR | PROJECT COSTS | TOTAL EXPENSES (DEBT RETIREMENT) | TAX INCREMENTS | ACCUMULATIVE DEFICIT/SURPLUS |
|--------------|---------------------|----------------------------------|---------------------|------------------------------|
| 2004 | \$722,000 | \$1,468,143 | \$8,301 | (\$1,459,842) |
| 2005 | \$2,648,500 | \$1,468,143 | \$14,775 | (\$2,913,210) |
| 2006 | \$1,381,500 | \$1,468,143 | \$65,173 | (\$4,316,180) |
| 2007 | \$6,670,000 | \$1,468,143 | \$326,677 | (\$5,457,646) |
| 2008 | \$795,000 | \$1,468,143 | \$491,241 | (\$6,434,548) |
| 2009 | \$0 | \$1,468,143 | \$656,625 | (\$7,246,066) |
| 2010 | \$0 | \$1,468,143 | \$684,598 | (\$8,029,611) |
| 2011 | \$0 | \$1,468,143 | \$713,762 | (\$8,783,992) |
| 2012 | \$0 | \$1,468,143 | \$744,168 | (\$9,507,967) |
| 2013 | \$0 | \$1,468,143 | \$775,869 | (\$10,200,241) |
| 2014 | \$0 | \$0 | \$808,921 | (\$9,391,320) |
| 2015 | \$0 | \$0 | \$843,381 | (\$8,547,939) |
| 2016 | \$0 | \$0 | \$879,309 | (\$7,668,630) |
| 2017 | \$0 | \$0 | \$916,768 | (\$6,751,862) |
| 2018 | \$0 | \$0 | \$955,822 | (\$5,796,040) |
| 2019 | \$0 | \$0 | \$996,540 | (\$4,799,500) |
| 2020 | \$0 | \$0 | \$1,038,993 | (\$3,760,507) |
| 2021 | \$0 | \$0 | \$1,083,254 | (\$2,677,253) |
| 2022 | \$0 | \$0 | \$1,129,401 | (\$1,547,852) |
| 2023 | \$0 | \$0 | \$1,177,513 | (\$370,339) |
| 2024 | \$0 | \$0 | \$1,227,675 | \$857,336 |
| 2025 | \$0 | \$0 | \$1,279,974 | \$2,137,310 |
| 2026 | \$0 | \$0 | \$1,334,501 | \$3,471,911 |
| 2027 | \$0 | \$0 | \$1,391,351 | \$4,863,262 |
| 2028 | \$0 | \$0 | \$1,450,622 | \$6,313,884 |
| 2029 | \$0 | \$0 | \$1,512,419 | \$7,826,303 |
| 2030 | \$0 | \$0 | \$1,576,848 | \$9,403,151 |
| TOTAL | \$12,217,000 | \$14,681,430 | \$23,126,908 | |

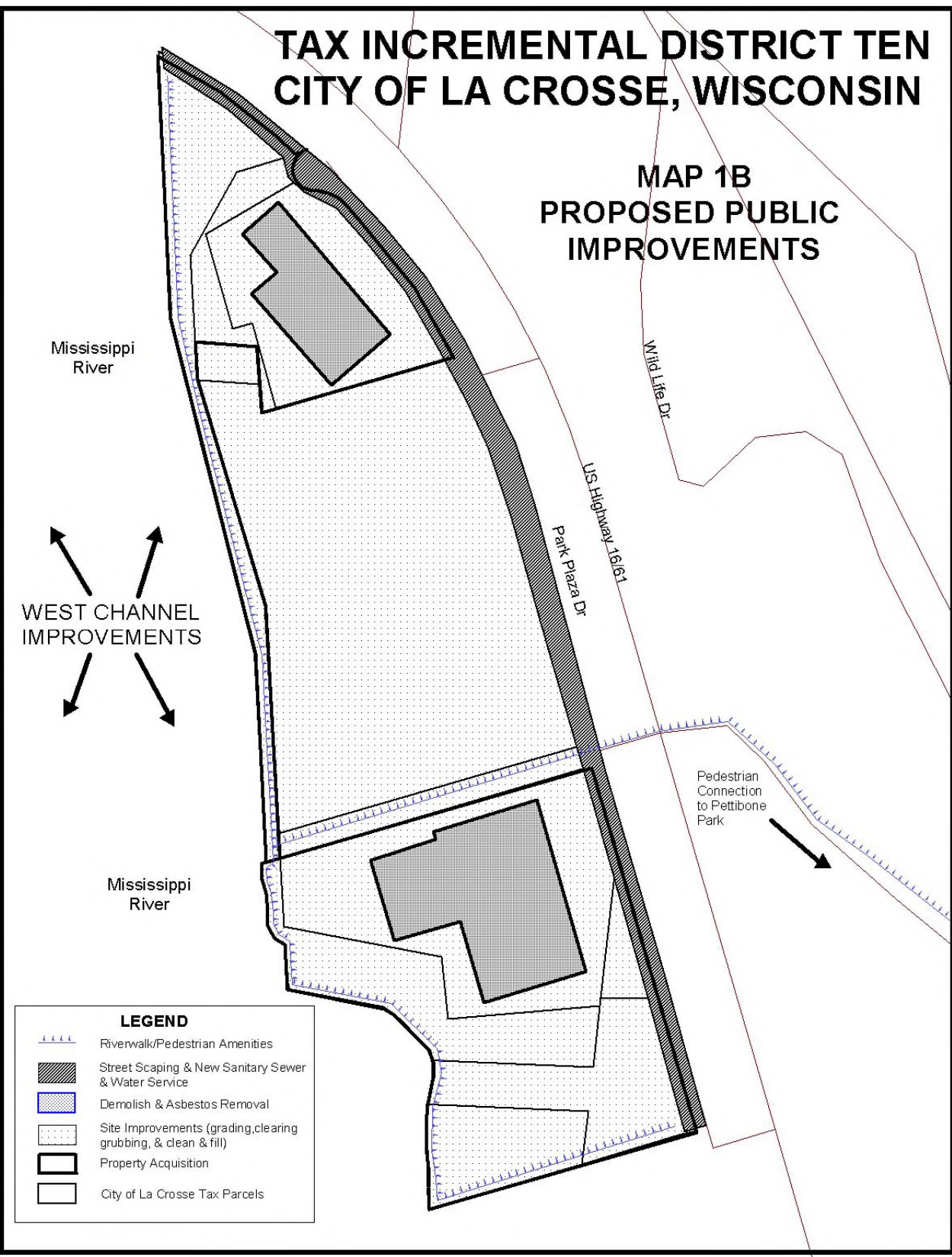
TAX INCREMENTAL DISTRICT TEN CITY OF LA CROSSE, WISCONSIN

MAP 1A BOUNDARY



TAX INCREMENTAL DISTRICT TEN CITY OF LA CROSSE, WISCONSIN

MAP 1B PROPOSED PUBLIC IMPROVEMENTS









Mississippi River

WEST CHANNEL IMPROVEMENTS

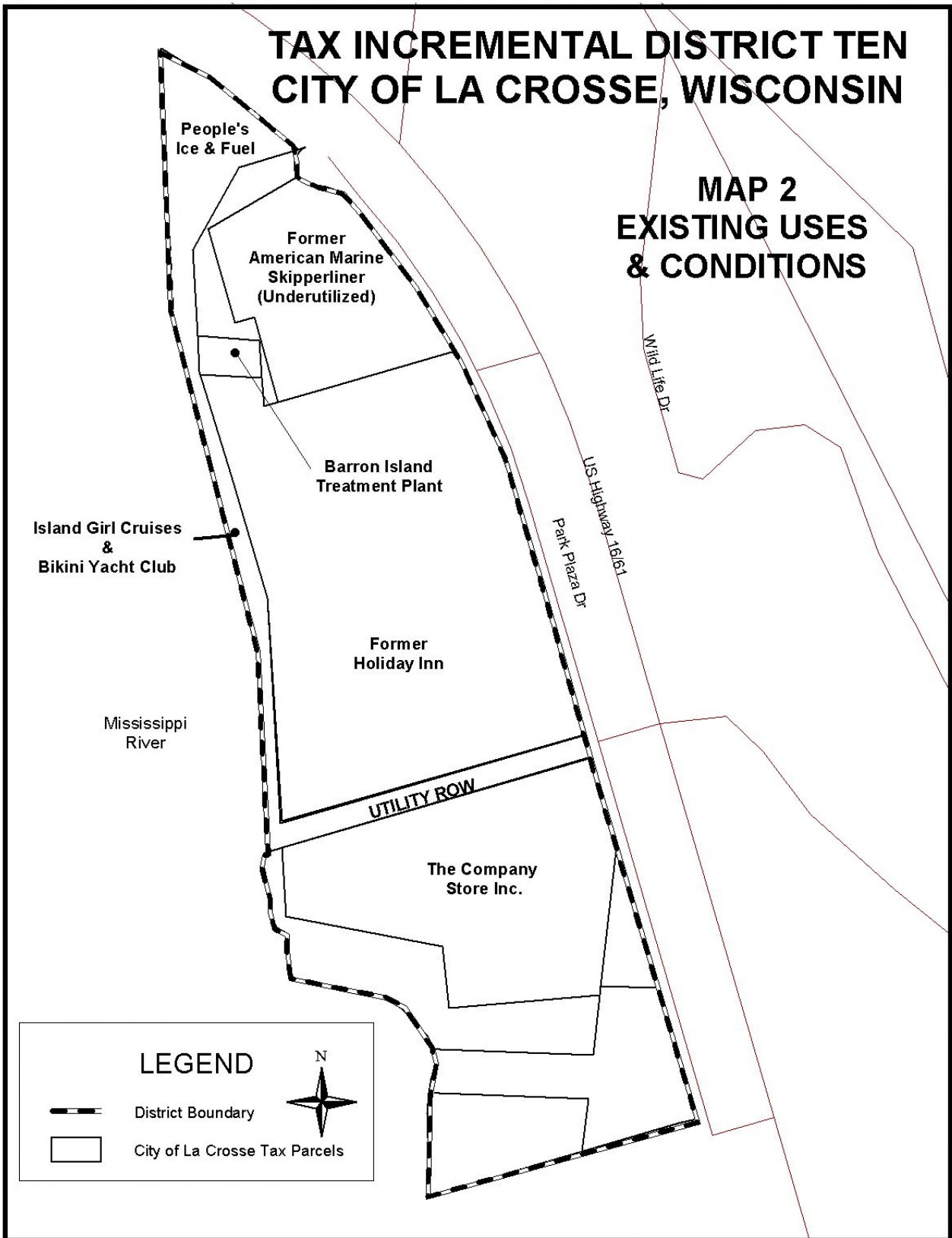
Mississippi River

Pedestrian Connection to Pettibone Park

| LEGEND | |
|---|---|
|  | Riverwalk/Pedestrian Amenities |
|  | Street Scaping & New Sanitary Sewer & Water Service |
|  | Demolish & Asbestos Removal |
|  | Site Improvements (grading, clearing, grubbing, & clean & fill) |
|  | Property Acquisition |
|  | City of La Crosse Tax Parcels |

TAX INCREMENTAL DISTRICT TEN CITY OF LA CROSSE, WISCONSIN

MAP 2 EXISTING USES & CONDITIONS






TAX INCREMENTAL DISTRICT TEN CITY OF LA CROSSE, WISCONSIN

MAP 3 PROPOSED LAND USE

Mississippi
River

Wild Life Dr
US Highway 161
Park Plaza Dr

LEGEND

-  District Boundary
-  Commercial, Residential and/or Mixed Use
-  City of La Crosse Tax Parcels



TAX INCREMENTAL DISTRICT TEN CITY OF LA CROSSE, WISCONSIN

MAP 4 EXISTING ZONING




Mississippi
River

Wild Life Dr

US Highway 161

Park Plaza Dr

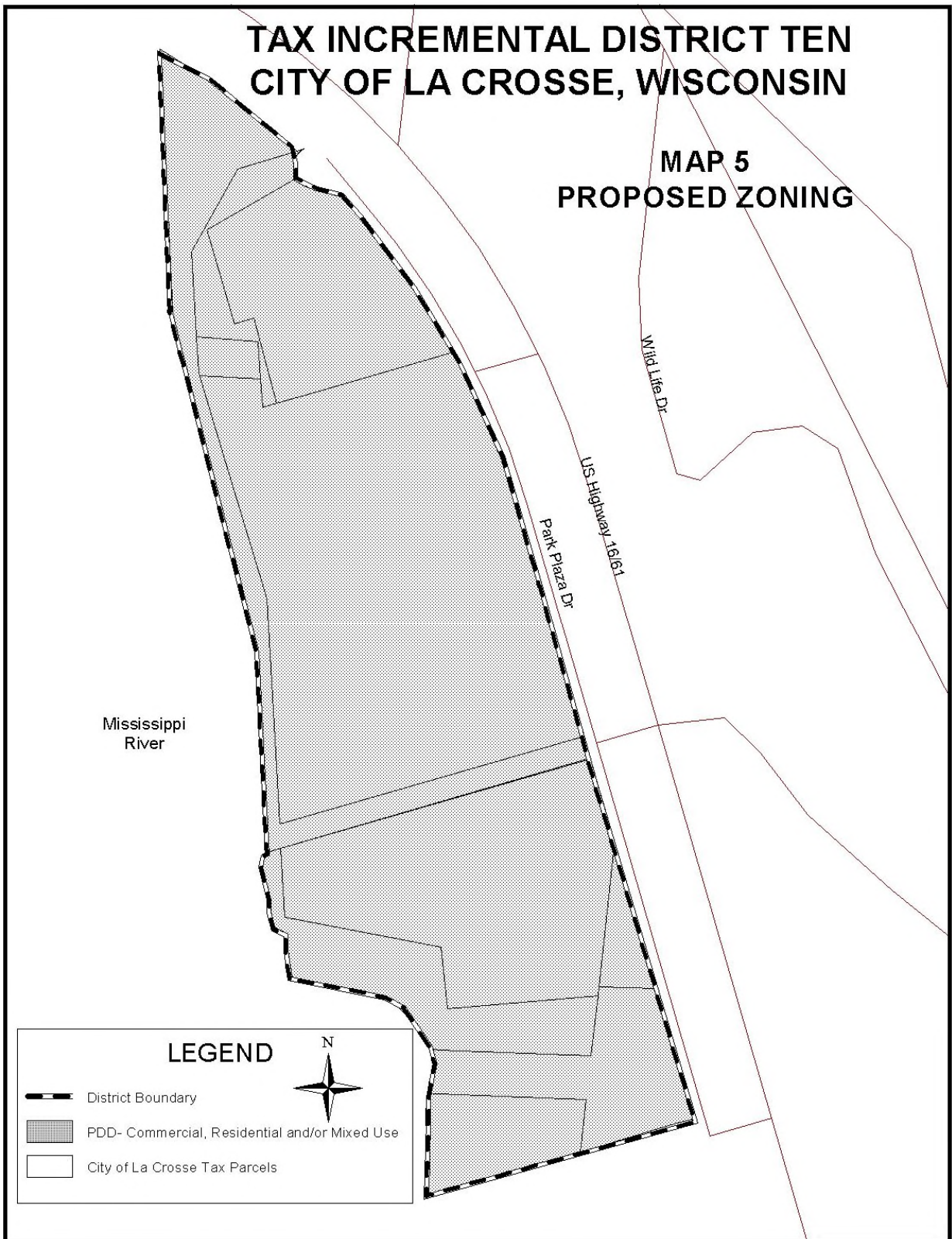
LEGEND

-  District Boundary
-  Light Industrial
-  City of La Crosse Tax Parcels



TAX INCREMENTAL DISTRICT TEN CITY OF LA CROSSE, WISCONSIN

MAP 5 PROPOSED ZONING



APPENDIX A LEGAL DESCRIPTION

The description of the proposed amended boundaries of Tax Incremental Finance District Number Ten, City of La Crosse, La Crosse County, Wisconsin, is more particularly described as follows:

Land to include all of the following parcels:

1. Hoeschler's Park Plaza Addition to the City of La Crosse.
2. Parcels with ID # 17-20246-10, 17-20273-10, 17-20273-20, and 17-20273-50 as recorded at County of La Crosse Register of Deeds in Volume 1003, Page 684 of records.
3. Parcel with ID # 17-20273-60 and described as follows:

That part of Government Lot 5 (being that part of the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ and that part of the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ lying between the Main Channel and the West Channel of the Mississippi River) and that part of Government Lot 6 (being that part of the NW $\frac{1}{4}$ of the NE $\frac{1}{4}$ and that part of the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ lying between the Main Channel and the West Channel of the Mississippi River) of Section 13, Township 104 North of Range 4 West, City of La Crosse, La Crosse County, Wisconsin, lying southwesterly of the Southwesterly right-of-way line of United States Highway 14-61, Southeasterly of the Southeasterly end of the West Channel bridge, and Westerly of a line described as follows: Commencing at the Northeasterly corner of Lot 1 of Hoeschler Park Plaza Addition to the City of La Crosse; thence South $72^{\circ}52'00''$ West along the Northerly line thereof 476.60 feet to a chiseled cross in concrete at the Northwesterly corner of said Lot 1; thence South $04^{\circ}13'00''$ East along said Westerly line and said Westerly line extended 112.55 feet to a 1-inch iron pipe at a point North $04^{\circ}13'00''$ West 14 feet from the water's edge, and the point of beginning of this line: Thence North $04^{\circ}13'00''$ West along said extended Westerly line and said Westerly line of Lot 1, a distance of 112.55 feet to said Northwesterly corner thereof; thence continuing along the Westerly line of said Hoeschler Park Plaza Addition, North $04^{\circ}13'00''$ West 371.3 feet, North $17^{\circ}43'$ West 350.0 feet; thence North $04^{\circ}13'$ West 179.5 feet; thence North $28^{\circ}17'$ East 140.0 feet; thence North $72^{\circ}07'40''$ East 102.58 feet to its intersection with the Southerly right-of-way line of an access road; thence Northwesterly to a bulkhead line and the point of termination of this line.

**APPENDIX B
PUBLIC HEARING NOTICE**

**NOTICE OF PUBLIC HEARING
ON PROPOSED AMENDMENT NUMBER ONE TO
TAX INCREMENTAL FINANCE DISTRICT NUMBER TEN,
CITY OF LA CROSSE, WISCONSIN**

The City of La Crosse Plan Commission will hold a public hearing on the proposed amendment to Tax Incremental Finance District Number **Ten**, City of La Crosse, Wisconsin at 4:00 PM on Monday, February 7, 2005, in the Fifth Floor Conference Room, City Hall, 400 La Crosse Street, La Crosse, Wisconsin. The purpose of the amendment is to revise the Project Plan by updating text, changing the boundary, thereby adding territory to the existing TIF District, in accordance with Section 66.1105(4)(h)2., and adding and deleting Project Costs as permitted under Section 66.1105(4)(h)1., Wisconsin Statutes. The cost of the new amendment is approximately \$12 million.

The description of the proposed amended boundaries of Tax Incremental Finance District Number Ten, City of La Crosse, La Crosse County, Wisconsin, is more particularly described as follows:

Land to include all of the following parcels:

4. Hoeschler's Park Plaza Addition to the City of La Crosse.
5. Parcels with ID # 17-20246-10, 17-20273-10, 17-20273-20, and 17-20273-50 as recorded at County of La Crosse Register of Deeds in Volume 1003, Page 684 of records.
6. Parcel with ID # 17-20273-60 and described as follows:

That part of Government Lot 5 (being that part of the SW ¼ of the NE ¼ and that part of the SE ¼ of the NW ¼ lying between the Main Channel and the West Channel of the Mississippi River) and that part of Government Lot 6 (being that part of the NW ¼ of the NE ¼ and that part of the NE ¼ of the NW ¼ lying between the Main Channel and the West Channel of the Mississippi River) of Section 13, Township 104 North of Range 4 West, City of La Crosse, La Crosse County, Wisconsin, lying southwesterly of the Southwesterly right-of-way line of United States Highway 14-61, Southeasterly of the Southeasterly end of the West Channel bridge, and Westerly of a line described as follows: Commencing at the Northeasterly corner of Lot 1 of Hoeschler Park Plaza Addition to the City of La Crosse; thence South 72°52'00" West along the Northerly line thereof 476.60 feet to a chiseled cross in concrete at the Northwesterly corner of said Lot 1; thence South 04°13'00" East along said Westerly line and said Westerly line extended 112.55 feet to a 1-inch iron pipe at a point North 04°13'00" West 14 feet from the water's edge, and the point of beginning of this line: Thence North 04°13'00" West along said extended Westerly line and said Westerly line of Lot 1, a distance of 112.55 feet to said Northwesterly corner thereof; thence continuing along the Westerly line of said Hoeschler Park Plaza Addition, North 04°13'00" West 371.3 feet, North 17°43' West 350.0 feet; thence North 04°13' West 179.5 feet; thence North 28°17' East 140.0 feet; thence North 72°07'40" East 102.58 feet to its intersection with the Southerly right-of-way line of an access road; thence Northwesterly to a bulkhead line and the point of termination of this line.

During the public hearing, all interested parties will be afforded an opportunity to express their views on the proposed Amendment Number One to Tax Incremental Finance District Number Ten. Persons desiring information on the proposed amendment should contact the City Planning

Department, City Hall, 400 La Crosse Street, La Crosse, Wisconsin 54601, between the hours of 8:30 AM and 5:00 PM or telephone: (608) 789-7512. The proposed amendment package will be available for review at the above-referenced address and will be provided upon request.

Lawrence J. Kirch
Secretary, City Plan Commission

Publish: La Crosse Tribune as Legal Notice, caption as 16 point.
January 21, 2005 and January 28, 2005
Bill: City Planning Department
Furnish Affidavit of Publication

APPENDIX C
PROOF OF PUBLICATION