

# CITY OF WAUKESHA

---

## TAX INCREMENTAL DISTRICT NO. 9 PROJECT PLAN AMENDMENT 1

---

PREPARED BY THE  
DEPARTMENT OF  
COMMUNITY DEVELOPMENT

---

JULY, 2016

TAX INCREMENTAL DISTRICT NO. 9  
PROJECT PLAN AMENDMENT I

---

HISTORY

Tax Incremental Finance District 9 was created in 1992 for the purposes of blight elimination. The main project in the district was the remediation of the former General Casting Foundry site and the construction of 62 single-family affordable homes and 6 duplex homes now known as Phoenix Heights. The subdivision development was successful and allowed for new affordable single family homes in the City and the remediation of an extremely contaminated site on Main St.

ALLOCATION OF POSITIVE INCREMENT

TID 9 is scheduled to close in 2017. It is generating tax increment in excess of that needed to meet its own obligations, and that surplus increment can be allocated to another TID pursuant to Wisconsin tax-increment financing law. Analysis conducted by the Department shows that TID 9's surplus increment, if allocated to TID 16, would be sufficient to allow TID 16 also to close in 2017, rather than in 2034, as currently scheduled. Closing TID 16 seventeen years earlier than scheduled is a very desirable outcome for the City, particularly since it will not delay the closing of TID 9.

The approximate amount of the allocation from TID 9 to TID 16 is \$270,000, based upon projections as of December 31, 2016. A cash flow pro-forma has been completed for TID 9, which shows that TID 9 will still close in 2017 after the allocation to TID 16.

DEPARTMENT FINDINGS OF FACT

The City does not expect that any "displaced persons" within the meaning of Section 32.19 of the Wisconsin Statutes will require relocation from either TID in connection with the amendment of the TID 9 Project Plan. If any such displacement occurs or relocation is required, it will be done according to Section 32.19 of the Wisconsin Statutes, the regulations issued thereunder, and any other applicable federal, state, or other laws, and the costs of any such displacement or relocation will be regarded as an eligible project cost hereunder.

The City does not anticipate that any changes in the City's zoning ordinances, land use plan, maps, building codes, or ordinances will be required or made in connection with the amendment of the TID 9 Project plan. The zoning and uses are consistent with the City's 2035 Land Use Plan. There will also be no boundary changes as part of this amendment. There has been no change to the original map showing existing uses, conditions and proposed improvements. There are no public improvements or additional financing proposed as part of this amendment.

The Project Plan amendment will serve a public purpose, in that it allows another district to close considerably sooner and return the full property value to the tax roll. All additional project costs described are eligible TIF costs. The benefits of this expanded Project Plan outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing districts.

This Project Plan amendment, based on these findings, is in the interest of the public.

AMENDMENT TO PROJECT PLAN

The amendment to the Project Plan for TID 9 consists of the addition of the following language to the Project Plan:

Positive increment realized by TID 9 in 2017, in excess of the expenses and obligations of TID 9 in 2017, shall be allocated to TID 16 and applied to TID 16's expenses and obligations.

<b>City of Waukesha</b>					
<b>Donor Strategy: TID 9 to TID 16</b>					
<b><u>Projected Fund Balance</u></b>					
			<b>TID 9</b>	<b>TID 16</b>	
Fund Balance 12/31/15			25,073	42,431	
2016 Projected Revenues (1)			270,628	2,312	
2016 Projected Expenditures			(231,246)	(12,805)	
Projected Fund Balance 12/31/16			64,455	31,938	
2017 Projected Revenues(1)			270,628	19,199	
2017 Projected Expenditures			(13,150)	(22,805)	
Transfer In/(Out)			(270,628)	270,628	
Projected Fund Balance Before Distributuion			51,305	298,960	
Fund Balance placed in Escrow to Pay Off Debt				(276,805)	
Approximate Final Distribution (2)			(51,305)	(22,155)	
Projected Fund Balance 12/31/17			-	-	
<b><u>Equalized 2015 TID Value</u></b>			<b>TID 9</b>	<b>TID 16</b>	
Per WDOR Equalized Value Table			14,432,300	36,545,700	
<b>Notes:</b>					
1) Tax Revenues are based on 2015 equalized values and Tax Rate, received in 2016.					
2) We could settle with other taxing jurisdictions based on best estimates of future costs or we could include a clause to redistribute after final costs are calculated.					
Consider additional costs for accounting, misc. debt related costs, etc.					
Consider: Private loans should be tracked (in SRF so that City collects on loans when triggers are met.)					
<b>Revised Debt Schedule</b>	<b>Principle</b>	<b>Interest</b>			
2018		9,620			
2019		9,620			
2020		9,620			
2021	35,000	9,620			
2022	35,000	8,325			
2023	40,000				
2024	40,000				
2025	40,000				
2026	40,000				
	230,000	46,805			
<b>Total Debt Obligations Remaining at 12/31/16</b>		276,805			
<b>Approx. amount to be placed in escrow until call date: 2022</b>					

<b>City of Waukesha TIF 9</b>		<b>DONOR STRATEGIES</b>		prepared by: dvandenbush	
Assumptions		<b>TIF # 9 Phoenix Heights</b>		Type: Blight Elimination	
2015 Tax Rate	21.812326			1994 TID Inception	
Inflation Rate	0.000000			2016 Final Year to Incur Costs	
Investment Rate	0.000000			2021 Maximum Legal Life (27 Years)	
				2025 Maximum Legal Life (31 Years with 4-year Extension)	

data appearing above underline does not necessarily follow a pattern/formula

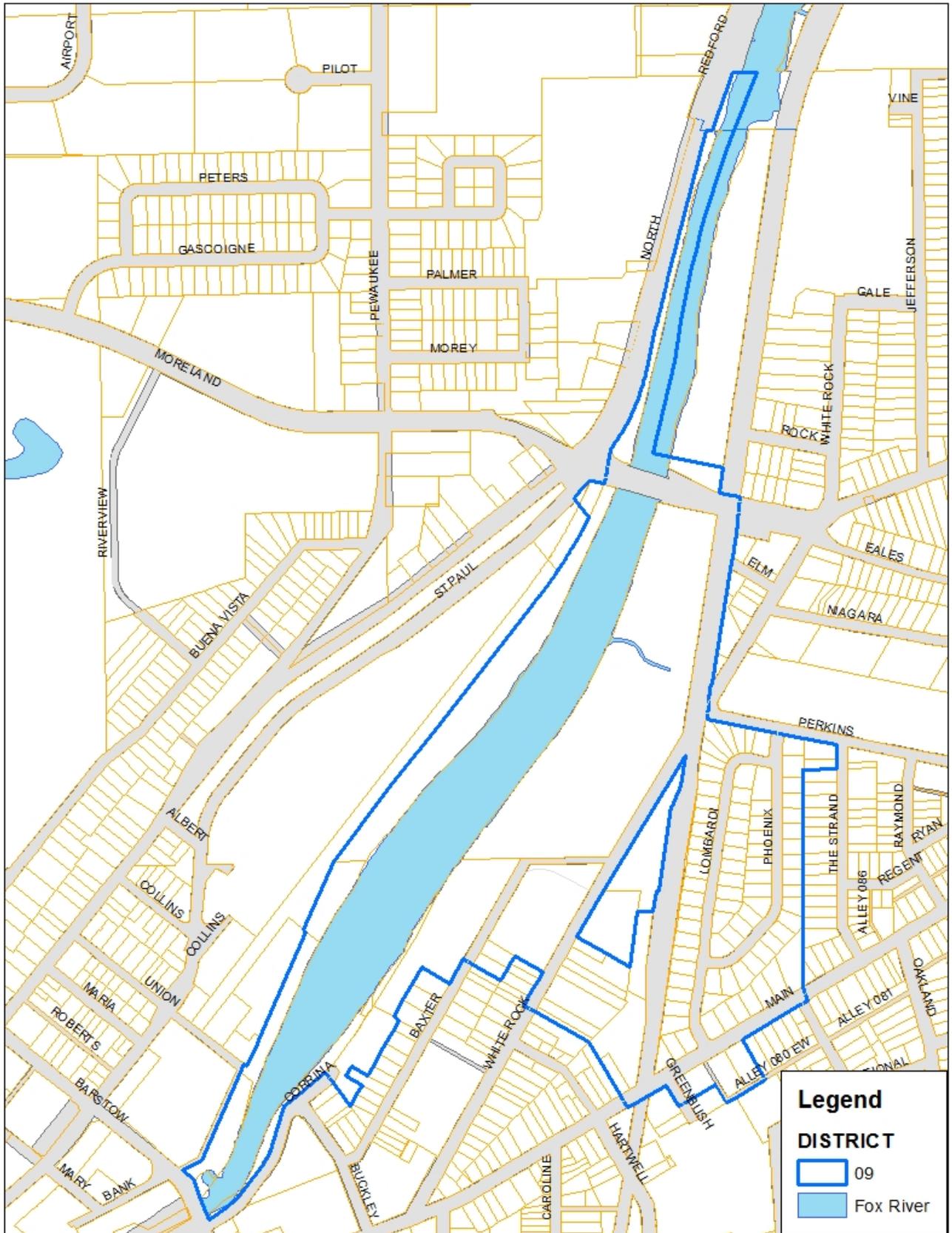
Fiscal Year	TIF District Valuation	Value of Exempt Computers	Inflation	Construct. Increment	TIF Increment Over Base	Tax Rate	Revenues				Expenditures				Other Net Bond Proceeds over Construction	TID Status Annual Cash Flow	Year End Cumulative Balance	Fiscal Year	
							Tax Revenue (2)	Exempt Computer Aid (5)	PILOT Revenues (1)	Other Revenues (1)	Total Revenues	Principle	Interest	Mgmt. Fees/ Accounting (3)					Other Expenditures
	Base Value																		
	\$2,025,300																		
	(January 1)	(December 31)																	
2014	14,461,200	300			12,435,900	21.78												2014	
2015	14,432,300	100			12,407,000	21.81	270,910	7	732	271,649	213,596	13,051	3,643	344	230,634		41,015	25,073	2015
2016	14,432,300	100			12,407,000	21.81	270,626	2		270,628	221,452	6,644	3,000	150	231,246		39,382	64,454	2016
2017	14,432,300	100			12,407,000	21.81	270,626	2		270,628	-	-	13,000	150	13,150		(64,454)	0	2017
2018	14,432,300	100			12,407,000	21.81													2018
2019	14,432,300	100			12,407,000	21.81													2019
2020	14,432,300	100			12,407,000	21.81													2020
2021	14,432,300	100			12,407,000	21.81					435,048	19,695							2021

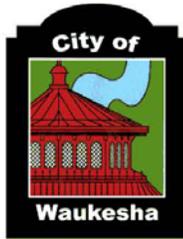
**Donor Strategy**

1 TIF 9 stays open 1 extra year & brings in Additional Increment of approximately \$270,628.  
 TIF 9 donates \$270,628 to TIF 16. TIF 16 would have enough funds to pay off its debt of \$230,000. [Debt callable in 2022 so funds could be held in escrow until payable.]  
 Both TIFs could close in 2017.  
 This strategy also saves annual interest and accounting fees.

To TIF 16	270,628
To OTJ	51,304
	321,932







## Office of the City Attorney

City Hall, Room 206  
201 Delafield Street  
Waukesha, Wisconsin 53188-3646  
Telephone (262) 524-3520  
Fax (262) 650-2569  
Email [attorneys@ci.waukesha.wi.us](mailto:attorneys@ci.waukesha.wi.us)

Brian E. Running  
City Attorney  
Miles W.B. Eastman  
Assistant City Attorney  
Julie M. Gay  
Assistant City Attorney  
Anne Marie Iselin  
Assistant City Attorney  
Donna Hyларides Whalen  
Assistant City Attorney

August 17, 2016

The Honorable Shawn N. Reilly  
Mayor and Plan Commission President  
201 Delafield Street  
Suite 203  
Waukesha, Wisconsin 53188-3646

Re: Amendment to Project Plan, Tax Incremental District 9

Dear Mayor Reilly:

This letter is to certify to the Plan Commission and Common Council that I have reviewed the proposed "Tax Incremental District No. 9 Project Plan Amendment," dated July, 2016, and the proposed "Resolution Approving and Adopting the Amendment of the Project Plan for Tax Incremental District 9," both prepared by the Department of Community Development, and that it is my opinion that the Plan Amendment and Resolution are complete and meet the requirements both for amending a project plan under Wis. Stats. §66.1105(4)(h)(1), and for allocating positive tax increments from a donor tax incremental district to a recipient district under Wis. Stats. §66.1105(6)(f).

Sincerely,

Brian E. Running  
City Attorney

