

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.

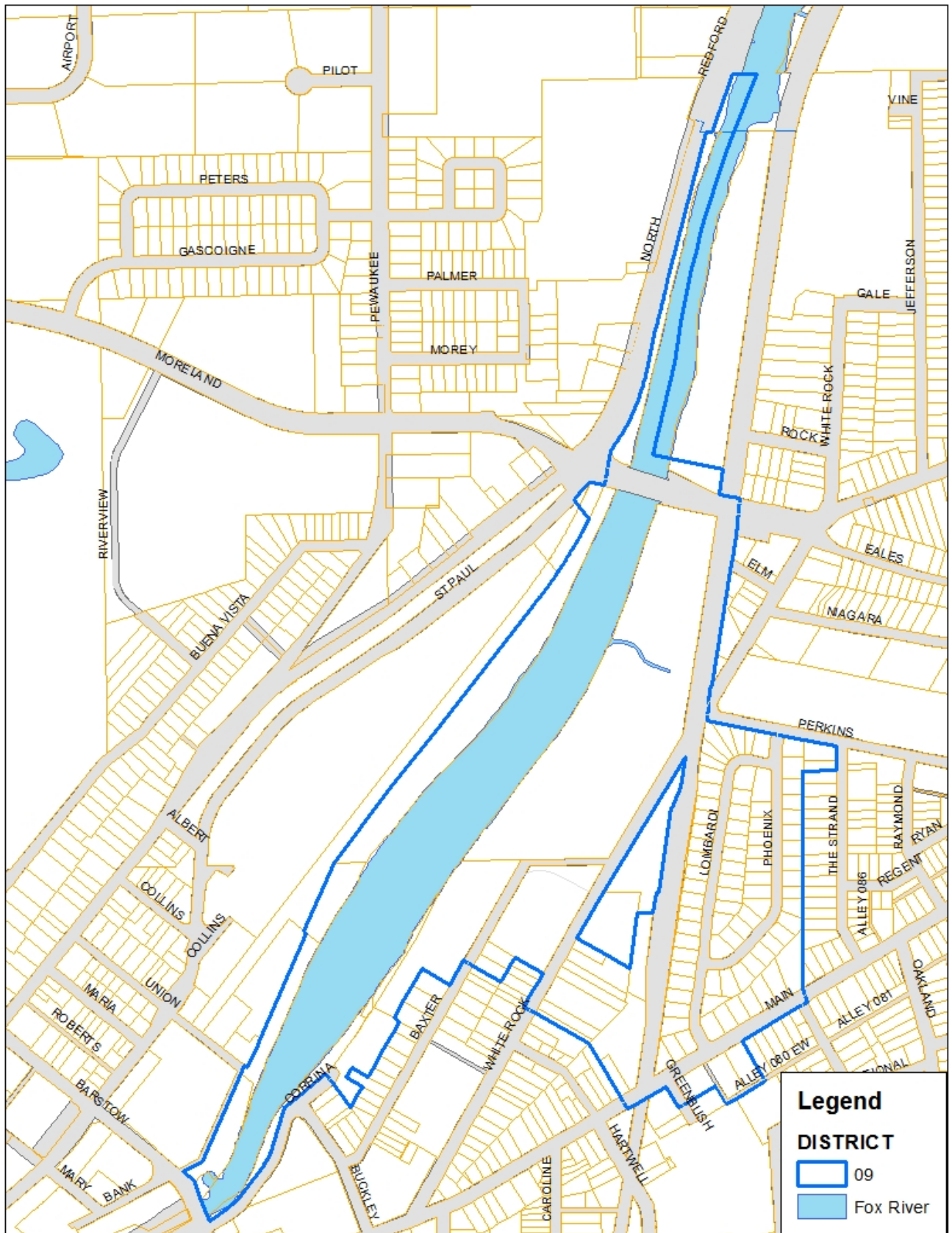
This Project Plan amendment, based on these findings, is in the interest of the public.

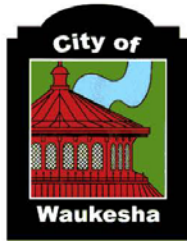
AMENDMENT TO PROJECT PLAN

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.

City of Waukesha			
Donor Strategy: TID 9 to TID 16			
<u>Projected Fund Balance</u>			
	TID 9	TID 16	
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 Distribution	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	-	-	
<u>Equalized 2015 TID Value</u>	TID 9	TID 16	
Per WDOR Equalized Value Table	14,432,300	36,545,700	
<u>Notes:</u>			
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.)			
Revised Debt Schedule	Principle	Interest	
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	
Total Debt Obligations Remaining at 12/31/16		276,805	
Approx. amount to be placed in escrow until call date: 2022			





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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

