

**City of Oconomowoc**  
**JOINT REVIEW BOARD**

Tax Incremental Financing District #4 – Downtown Redevelopment Area  
Tax Incremental Financing District #5 – W. WI Avenue Redevelopment Area  
Tax Incremental Financing District #6 – St. Paul/E. WI Ave Redevelopment Area

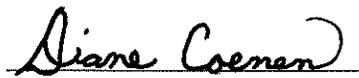
**Thursday, July 11, 2019 @ 2:00 pm**

**Waukesha County Administration Center**  
**515 W. Moreland Blvd, Room 155/159**

**NOTICE:** If a person with a disability requires the meeting be accessible or materials at the meeting be in an accessible format, call Diane Coenen, City Clerk, at least 48 hours prior to the meeting at 262-569-2186, or TDD at 262-569-3272 to request adequate accommodations.

**Agenda:**

1. Call meeting to order
2. Introductions
3. Discuss/Act on Selection of Chairperson
4. Approve Minutes from July 24, 2018 meeting
5. Review/Act on Annual Report of Oconomowoc TIF Districts 4, 5 & 6
6. Discuss Future Potential Districts
7. Any other Business
8. Adjourn

  
\_\_\_\_\_  
Diane Coenen, City Clerk

Notice is hereby given that a majority of the Common Council and Plan Commission may be present at the above-noticed meeting to gather information about a subject over which they have decision-making responsibility.

This constitutes a meeting of the Common Council pursuant to State ex rel. Badke v. Greendale Village board, 173 Wis.2d 553, 494 N.W. 2d 408 (1993) and must be noticed as such, although the Common Council will not take any formal action at this meeting.

City of Oconomowoc Joint Review Board Meeting Minutes – July 24, 2018

Chairman Tessmann called the Joint Review Board meeting to order at 3:35 pm.

Members Present: Ritt, Tessmann, Nold, Sheridan and Cummings  
Others Present: Kitsembel, Duffy, Sullivan and Dehnert

2. Review Annual Report – TIF #4: Duffy explained the project area for TIF #4 contains the entire downtown district from Concord to Sheldon Road. The TIF was created in 2003, and all projects are complete except for the south parking lot behind Wisconsin Avenue which will be done in 2019. The status of TIF 4 funds were reviewed and the TIF, which was scheduled to close in 2030, is expected to close in 2026. Duffy gave the highlights of projects completed in 2017, including the north parking lot, and gave an overview of the south parking lot project. Sullivan added the members were provided with a copy of the finance report prior to the meeting. Members suggested using some funds to promote the south parking lot when that project is complete.

3. Review Annual Report – TIF #5: Duffy explained the project area of this TIF is a section of W. Wisconsin Avenue and North Main Street. This is a Pay-Go TIF and limited funds for administrative costs have been expended to date. The base value was established in 2017, and Duffy gave detail on the two projects, Eagles Landing and Parc on Lac Labelle, which are currently being built on the site. He also gave background on the project proposed for the Mann Building located on the NW corner of Wisconsin and Main which will add increment to the TIF as it develops. Sullivan gave an overview of the financial status of the TIF, which has grown \$6M over the last year.

4. Review Annual Report – TIF #6: Duffy explained the project area of this TIF is located on E. Wisconsin Avenue and St. Paul Street across from City Hall. This TIF includes the Fowler Lake Village which is being constructed on the corner of St. Paul and Pleasant Street. Duffy noted the restaurant has been sold, 80% of the stores are pre-leased and 60% of the units are pre-sold. This is a Pay-Go TIF and just like the other TIF limited funds for administrative costs have been expended to date. Sullivan said there is a small amount of increment (\$1.1M) since development of the TIF has just begun. The TIF is scheduled to close in 12 years.

5. Any Other Business: **Nold inquired what the ratio is for City borrowing with 3 active TIF's currently going. Sullivan explained that cities are allowed to borrow up to 12% of their equalized ratio. Board members cautioned City staff to be careful with future borrowing even though the current downtown TIF's are good.**

**Cummings explained the board should approve the financial reports of the TIF's by a motion.** Motion by Cummings to approve the TIF reviews as presented; second by Riff. Motion carried 5-0.

Motion by Nold to adjourn the Joint Review Board; second by Cummings. Motion carried 5-0. The meeting adjourned at 3:55 pm.

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Chris Dehnert, Deputy City Clerk

**ANNUAL REPORT OF**  
**TAX INCREMENTAL FINANCING (TIF) DISTRICT NO. 4**

**CITY OF OCONOMOWOC**

**DECEMBER 31, 2018**

**CITY OF OCONOMOWOC  
TAX INCREMENTAL DISTRICT NO. 4**

**HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,  
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS**

For The Year Ended December 31, 2018  
And From Date Of Creation Through December 31, 2018

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b><u>PROJECT COSTS</u></b>		
Capital expenditures	\$ 75,329	\$ 8,813,297
Administration	150	1,023,493
Interest and fiscal charges	35,219	763,182
Debt discounts and issuance costs	-	54,890
Capitalized interest	-	558,889
	110,698	11,213,751
Total Costs	110,698	11,213,751
 <b><u>PROJECT REVENUES</u></b>		
Tax increments	346,029	3,031,325
Intergovernmental	16,805	147,072
Interest	12,121	127,706
Subsidy from TIF District #3	-	6,633,949
Premium on long-term debt	-	69,890
Miscellaneous revenues	9	3,713
	374,964	10,013,655
Total Revenues	374,964	10,013,655
 <b>NET COSTS RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2018</b>		 <b><u><u>\$ (1,200,096)</u></u></b>

**CITY OF OCONOMOWOC  
TAX INCREMENTAL DISTRICT NO. 4**

**HISTORICAL SUMMARY OF SOURCES, USES AND STATUS OF FUNDS**

For The Year Ended December 31, 2018  
And From Date Of Creation Through December 31, 2018

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b><u>SOURCES OF FUNDS</u></b>		
Tax increments	\$ 346,029	\$ 3,031,325
Intergovernmental	16,805	147,072
Interest	12,121	127,706
Subsidy from TIF District #3	-	6,633,949
Miscellaneous revenues	9	3,713
Proceeds from long-term debt	-	5,000,000
Premium on long-term debt	-	69,890
	374,964	15,013,655
Total Sources	374,964	15,013,655
 <b><u>USES OF FUNDS</u></b>		
Capital expenditures	75,329	8,813,297
Administration	150	1,023,493
Interest and fiscal charges	35,219	763,182
Debt discounts and issuance costs	-	54,890
Capitalized interest	-	558,889
Principal on long-term debt	-	5,000,000
	110,698	16,213,751
Total Uses	110,698	16,213,751
 <b>BEGINNING FUND BALANCE (DEFICIT)</b>	 <b>(1,464,362)</b>	 <b>-</b>
<b>ENDING FUND BALANCE (DEFICIT)</b>	<b>\$ (1,200,096)</b>	<b>\$ (1,200,096)</b>

**CITY OF OCONOMOWOC  
TAX INCREMENTAL DISTRICT NO. 4**

**DETAILED SUMMARY OF PROJECT COSTS**

From Date Of Creation Through December 31, 2018

	<u>Actual</u>	<u>Project Plan Estimate</u>
Capital Expenditures:		
Waterfront Improvements	\$ -	\$ 1,450,000
City Share for Wisconsin Avenue Reconstruction	488,658	488,659
ROW Acquisition for Wisconsin Ave. (incl. relocation)	2,720,775	2,720,775
Wisconsin Avenue Reconstruction - Engineering	250,037	249,775
Streetscape Improvements	191,151	191,151
Parking Lot Reconstruction	562,501	625,000
Property Assembly	3,477,724	3,456,469
Misc Building Demolition	465,616	718,719
Site Improvement Loans and Grants	656,835	100,000
Contingency	-	106,750
Administration	1,023,493	1,054,290
Debt discount and issuance costs	54,890	110,890
Capitalized interest	558,889	558,889
	558,889	558,889
<b>TOTAL PROJECT COSTS</b>	<b>\$ 10,450,569</b>	<b>\$ 11,831,367</b>

**CITY OF OCONOMOWOC  
TAX INCREMENTAL DISTRICT NO. 4**

**NOTES TO ANNUAL REPORT**

December 31, 2018

**NOTE 1 - TIF District Information**

The City of Oconomowoc Tax Incremental District No. 4 (the "District") was 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 district. The tax on the increased value is called a tax increment.

Project costs may not be incurred longer than five years prior to the termination date of the district. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or maximum life based on the resolution date and type of TID, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the municipality.

	<u>Creation Date<sup>1</sup></u>	<u>Last Date to Incur Project Costs</u>	<u>Final Dissolution Date</u>
District #4	September 2, 2003	September 2, 2025	September 2, 2030

**PLAN AMENDMENT**

<u>Amendment</u>	<u>Adoption Date</u>	<u>Last Date to Incur Project Costs</u>
1	October 5, 2006	September 2, 2025
2	A plan amendment to adjust the boundaries of TID #4 was approved on September 5, 2012.	
3	A plan amendment for TIF #3 & TIF #4 was approved on January 7, 2013. The purpose of the amendment was to allow TIF #3 to become a donor TIF and allocate excess increments to TIF #4.	

**NOTE 2 - Long-Term Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Notes and bonds borrowed to finance District expenditures will be retired by tax increments accumulated by the debt service fund. If those revenues are not sufficient, payments will be made by future tax levies.

	<u>Original Amount Borrowed</u>	<u>Repaid</u>	<u>Balance 12/31/18</u>
\$5,000,000 bond anticipation note with interest at 4.0%. Issue date of December 15, 2006, with a maturity date of October 1, 2009. Notes were refinanced September 15, 2009.	\$ 5,000,000	\$ 5,000,000	\$ -

1 Per section 66.1105 (4) of the Wisconsin Statutes District #4 was officially created as of January 1, 2003. However, for purposes of determining eligible expenditure periods, section 66.1105 (6) of the statutes uses the creation resolution adoption date.

2 District #4 was officially amended as of January 1, 2006. However, the amendment was adopted by Common Council on September 19, 2006 and Joint Review Board on October 5, 2006.

**CITY OF OCONOMOWOC  
TAX INCREMENTAL DISTRICT NO. 4**

**NOTES TO ANNUAL REPORT**

December 31, 2018

<b><u>NOTE 2 - Long-Term Debt (cont.)</u></b>	<u>Original Amount Borrowed</u>	<u>Repaid</u>	<u>Balance 12/31/18</u>
<p>\$5,000,000 refunding bond anticipation note with interest at 1.75%. Issue date of September 15, 2009, with a maturity date of December 1, 2011. Notes were refinanced November 15, 2011.</p>	\$ 5,000,000	\$ 5,000,000	\$ -
<p>\$4,985,000 refunding general obligation promissory note with interest at 2.0%. Issue date of November 15, 2011, with a maturity date of October 1, 2016. Notes were paid in full on October 1, 2014.</p>	4,985,000	4,985,000	-

**ANNUAL REPORT OF**  
**TAX INCREMENTAL FINANCING (TIF) DISTRICT NO. 5**

**CITY OF OCONOMOWOC**

**DECEMBER 31, 2018**

**CITY OF OCONOMOWOC  
TAX INCREMENTAL DISTRICT NO. 5**

**HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,  
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS**

For The Year Ended December 31, 2018  
And From Date Of Creation Through December 31, 2018

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b><u>PROJECT COSTS</u></b>		
Capital expenditures	\$ -	\$ -
Administration	25,865	75,360
Interest and fiscal charges	-	-
Debt discounts and issuance costs	-	-
Capitalized interest	-	-
	25,865	75,360
Total Costs	25,865	75,360
 <b><u>PROJECT REVENUES</u></b>		
Tax increments	-	-
Intergovernmental	-	-
Interest	-	-
Subsidy from TIF District #3	-	-
Premium on long-term debt	-	-
Miscellaneous revenues	1	1
	1	1
Total Revenues	1	1
<b>NET COSTS RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2018</b>		<b><u><u>\$ (75,359)</u></u></b>

**CITY OF OCONOMOWOC  
TAX INCREMENTAL DISTRICT NO. 5**

**HISTORICAL SUMMARY OF SOURCES, USES AND STATUS OF FUNDS**

For The Year Ended December 31, 2018  
And From Date Of Creation Through December 31, 2018

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b><u>SOURCES OF FUNDS</u></b>		
Tax increments	\$ -	\$ -
Intergovernmental	-	-
Interest	-	-
Subsidy from TIF District #3	-	-
Miscellaneous revenues	1	1
Proceeds from long-term debt	-	-
Premium on long-term debt	-	-
	-	-
Total Sources	1	1
 <b><u>USES OF FUNDS</u></b>		
Capital expenditures	-	-
Administration	25,865	75,360
Interest and fiscal charges	-	-
Debt discounts and issuance costs	-	-
Capitalized interest	-	-
Principal on long-term debt	-	-
	-	-
Total Uses	25,865	75,360
<b>BEGINNING FUND BALANCE (DEFICIT)</b>	(49,495)	-
<b>ENDING FUND BALANCE (DEFICIT)</b>	\$ (75,359)	\$ (75,359)

**CITY OF OCONOMOWOC  
TAX INCREMENTAL DISTRICT NO. 5**

**DETAILED SUMMARY OF PROJECT COSTS**

From Date Of Creation Through December 31, 2018

	<u>Actual</u>	<u>Project Plan Estimate</u>
Capital Expenditures:		
Façade Improvements	\$ -	\$ 500,000
Parking and Water Access Improvements	-	1,500,000
Street Improvement & Streetscape	-	175,000
Pedestrian Amenities	-	200,000
Other Eligible Projects	-	100,000
Development Incentives	-	3,000,000
Administration	<u>75,360</u>	<u>560,000</u>
<b>TOTAL PROJECT COSTS</b>	<b><u><u>75,360</u></u></b>	<b><u><u>6,035,000</u></u></b>

**CITY OF OCONOMOWOC  
TAX INCREMENTAL DISTRICT NO. 5**

**NOTES TO ANNUAL REPORT**

December 31, 2018

**NOTE 1 - TIF District Information**

The City of Oconomowoc Tax Incremental District No. 5 (the "District") was 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 district. The tax on the increased value is called a tax increment.

Project costs may not be incurred longer than five years prior to the termination date of the district. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or maximum life based on the resolution date and type of TID, whichever occurs first. 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 #5	May 25, 2017	May 25, 2039	May 25, 2045

**ANNUAL REPORT OF**  
**TAX INCREMENTAL FINANCING (TIF) DISTRICT NO. 6**

**CITY OF OCONOMOWOC**

**DECEMBER 31, 2018**

**CITY OF OCONOMOWOC  
TAX INCREMENTAL DISTRICT NO. 6**

**HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,  
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS**

For The Year Ended December 31, 2018  
And From Date Of Creation Through December 31, 2018

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b><u>PROJECT COSTS</u></b>		
Capital expenditures	\$ 575,711	\$ 575,711
Administration	92,132	115,525
Interest and fiscal charges	371	371
Debt discounts and issuance costs	-	-
Capitalized interest	-	-
	<hr/>	<hr/>
Total Costs	668,214	691,607
	<hr/>	<hr/>
<b><u>PROJECT REVENUES</u></b>		
Tax increments	-	-
Intergovernmental	-	-
Interest	-	-
Subsidy from TIF District #3	-	-
Premium on long-term debt	-	-
Miscellaneous revenues	2	2
	<hr/>	<hr/>
Total Revenues	2	2
	<hr/>	<hr/>
<b>NET COSTS RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2018</b>		<b><u><u>\$ (691,605)</u></u></b>

**CITY OF OCONOMOWOC  
TAX INCREMENTAL DISTRICT NO. 6**

**HISTORICAL SUMMARY OF SOURCES, USES AND STATUS OF FUNDS**

For The Year Ended December 31, 2018  
And From Date Of Creation Through December 31, 2018

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b><u>SOURCES OF FUNDS</u></b>		
Tax increments	\$ -	\$ -
Intergovernmental	-	-
Interest	-	-
Subsidy from TIF District #3	-	-
Miscellaneous revenues	2	2
Proceeds from long-term debt	-	-
Premium on long-term debt	-	-
	<hr/>	<hr/>
Total Sources	2	2
	<hr/>	<hr/>
<b><u>USES OF FUNDS</u></b>		
Capital expenditures	575,711	575,711
Administration	92,132	115,525
Interest and fiscal charges	371	371
Debt discounts and issuance costs	-	-
Capitalized interest	-	-
Principal on long-term debt	-	-
	<hr/>	<hr/>
Total Uses	668,214	691,607
	<hr/>	<hr/>
<b>BEGINNING FUND BALANCE (DEFICIT)</b>	<u>(23,393)</u>	<u>-</u>
<b>ENDING FUND BALANCE (DEFICIT)</b>	<u>\$ (691,605)</u>	<u>\$ (691,605)</u>

**CITY OF OCONOMOWOC  
TAX INCREMENTAL DISTRICT NO. 6**

**DETAILED SUMMARY OF PROJECT COSTS**

From Date Of Creation Through December 31, 2018

	<u>Actual</u>	<u>Project Plan Estimate</u>
Capital Expenditures:		
Property Acquisition	\$ -	\$ 1,500,000
Environmental Remediation	-	1,500,000
Parking	-	700,000
Fowler Lake Shoreline Improvements	-	250,000
Streetscaping	-	50,000
Infrastructure: Water, Sewer, Electric	239,627	300,000
Infrastructure: Streets	117,375	550,000
Developer Incentive	218,709	4,250,000
Economic Dev. Fund Loans	-	500,000
Administration	115,525	880,000
	115,525	880,000
<b>TOTAL PROJECT COSTS</b>	<b>\$ 691,236</b>	<b>\$ 10,480,000</b>

**CITY OF OCONOMOWOC  
TAX INCREMENTAL DISTRICT NO. 6**

**NOTES TO ANNUAL REPORT**

December 31, 2018

**NOTE 1 - TIF District Information**

The City of Oconomowoc Tax Incremental District No. 6 (the "District") was 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 district. The tax on the increased value is called a tax increment.

Project costs may not be incurred longer than five years prior to the termination date of the district. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or maximum life based on the resolution date and type of TID, whichever occurs first. 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 #6	May 25, 2017	May 25, 2039	May 25, 2045

**PLAN AMENDMENT**

<u>Amendment</u>	<u>Adoption Date</u>	<u>Last Date to Incur Project Costs</u>
1	September 1, 2017	May 25, 2039