

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

Tuesday July 24, 2018 @ 3:30 p.m.

City Hall – Conference Rm #3

Notice: If a person with a disability requires that the meeting be accessible or that materials at the meeting be in an accessible format, call the City Clerk's office at least 48 hours in advance to request adequate accommodations. Tel: 569-2186

Agenda:

1. Call meeting to order
2. Review Annual Report: TIF #4
3. Review Annual Report: TIF #5
4. Review Annual Report: TIF #6
5. Any other Business
6. 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.

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

CITY OF OCONOMOWOC

DECEMBER 31, 2017

**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, 2017
And From Date Of Creation Through December 31, 2017

	<u>Year Ended</u>	<u>From Date of Creation</u>
<u>PROJECT COSTS</u>		
Capital expenditures	\$ 1,115,006	\$ 8,737,968
Administration	3,608	1,023,343
Interest and fiscal charges	28,656	727,963
Debt discounts and issuance costs	-	54,890
Capitalized interest	-	558,889
	1,147,270	11,103,053
Total Costs	1,147,270	11,103,053
 <u>PROJECT REVENUES</u>		
Tax increments	339,012	2,685,296
Intergovernmental	16,562	130,267
Interest	15	115,585
Subsidy from TIF District #3	-	6,633,949
Premium on long-term debt	-	69,890
Miscellaneous revenues	2,736	3,704
	358,325	9,638,691
Total Revenues	358,325	9,638,691
 NET COSTS RECOVERABLE THROUGH TAX INCREMENTS -		 <u>\$ (1,464,362)</u>

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

HISTORICAL SUMMARY OF SOURCES, USES AND STATUS OF FUNDS

For The Year Ended December 31, 2017
And From Date Of Creation Through December 31, 2017

	<u>Year Ended</u>	<u>From Date of Creation</u>
<u>SOURCES OF FUNDS</u>		
Tax increments	\$ 339,012	\$ 2,685,296
Intergovernmental	16,562	130,267
Interest	15	115,585
Subsidy from TIF District #3	-	6,633,949
Miscellaneous revenues	2,736	3,704
Proceeds from long-term debt	-	5,000,000
Premium on long-term debt	-	69,890
	358,325	14,638,691
Total Sources	358,325	14,638,691
 <u>USES OF FUNDS</u>		
Capital expenditures	1,115,006	8,737,968
Administration	3,608	1,023,343
Interest and fiscal charges	28,656	727,963
Debt discounts and issuance costs	-	54,890
Capitalized interest	-	558,889
Principal on long-term debt	-	5,000,000
	1,147,270	16,103,053
Total Uses	1,147,270	16,103,053
 BEGINNING FUND BALANCE (DEFICIT)	 (675,417)	 -
 ENDING FUND BALANCE (DEFICIT)	 \$ (1,464,362)	 \$ (1,464,362)

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

DETAILED SUMMARY OF PROJECT COSTS

From Date Of Creation Through December 31, 2017

	<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
Relocation Expense	-	-
Site Improvement Loans and Grants	581,506	100,000
Rehabilitation & Revitalization Loans & Grants	-	-
Marketing	-	-
Contingency	-	106,750
Administration	1,023,343	1,054,290
Debt discount and issuance costs	54,890	110,890
Capitalized interest	558,889	558,889
	558,889	558,889
TOTAL PROJECT COSTS	\$ 10,375,090	\$ 11,831,367

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

NOTES TO ANNUAL REPORT

December 31, 2017

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 ¹</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 12/31/17</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	\$0

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, 2017

<u>NOTE 2 - Long-Term Debt (cont.)</u>	<u>Original Amount Borrowed</u>	<u>Repaid</u>	<u>Balance 12/31/17</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	\$0
<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	\$0

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

CITY OF OCONOMOWOC

DECEMBER 31, 2017

**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, 2017
And From Date Of Creation Through December 31, 2017

	<u>Year Ended</u>	<u>From Date of Creation</u>
<u>PROJECT COSTS</u>		
Capital expenditures		
Administration	49,495	49,495
Interest and fiscal charges		
Debt discounts and issuance costs		
Capitalized interest		
	<hr/>	<hr/>
Total Costs	<hr/> 49,495 <hr/>	<hr/> 49,495 <hr/>
 <u>PROJECT REVENUES</u>		
Tax increments		
Intergovernmental		
Interest		
Subsidy from TIF District #3		
Premium on long-term debt		
Miscellaneous revenues		
	<hr/>	<hr/>
Total Revenues	<hr/> - <hr/>	<hr/> - <hr/>
 NET COSTS RECOVERABLE THROUGH TAX INCREMENTS -		 <u><u>\$ (49,495)</u></u>

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

HISTORICAL SUMMARY OF SOURCES, USES AND STATUS OF FUNDS

For The Year Ended December 31, 2017
And From Date Of Creation Through December 31, 2017

	<u>Year Ended</u>	<u>From Date of Creation</u>
<u>SOURCES OF FUNDS</u>		
Tax increments	\$ -	\$ -
Intergovernmental	-	-
Interest	-	-
Subsidy from TIF District #3	-	-
Miscellaneous revenues	-	-
Proceeds from long-term debt	-	-
Premium on long-term debt	-	-
	0	0
Total Sources	0	0
 <u>USES OF FUNDS</u>		
Capital expenditures	-	-
Administration	49,495	49,495
Interest and fiscal charges	-	-
Debt discounts and issuance costs	-	-
Capitalized interest	-	-
Principal on long-term debt	-	-
	49,495	49,495
Total Uses	49,495	49,495
 BEGINNING FUND BALANCE (DEFICIT)	-	-
ENDING FUND BALANCE (DEFICIT)	\$ (49,495)	\$ (49,495)

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

DETAILED SUMMARY OF PROJECT COSTS

From Date Of Creation Through December 31, 2017

	<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	49,495	560,000
Debt discount and issuance costs	-	-
Capitalized interest	-	-
	<hr/>	<hr/>
TOTAL PROJECT COSTS	\$ 49,495	\$ 6,035,000
	<hr/> <hr/>	<hr/> <hr/>

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

NOTES TO ANNUAL REPORT

December 31, 2017

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 ¹</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, 2017

**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, 2017
And From Date Of Creation Through December 31, 2017

	<u>Year Ended</u>	<u>From Date of Creation</u>
<u>PROJECT COSTS</u>		
Capital expenditures		
Administration	23,393	23,393
Interest and fiscal charges		
Debt discounts and issuance costs	-	
Capitalized interest	-	
	<hr/>	<hr/>
Total Costs	23,393	23,393
	<hr/>	<hr/>
 <u>PROJECT REVENUES</u>		
Tax increments		
Intergovernmental		
Interest		
Subsidy from TIF District #3		
Premium on long-term debt		
Miscellaneous revenues		
	<hr/>	<hr/>
Total Revenues	-	-
	<hr/>	<hr/>
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS -		<u><u>\$ (23,393)</u></u>

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

HISTORICAL SUMMARY OF SOURCES, USES AND STATUS OF FUNDS

For The Year Ended December 31, 2017
And From Date Of Creation Through December 31, 2017

	<u>Year Ended</u>	<u>From Date of Creation</u>
<u>SOURCES OF FUNDS</u>		
Tax increments	\$ -	\$ -
Intergovernmental	-	-
Interest	-	-
Subsidy from TIF District #3	-	-
Miscellaneous revenues	-	-
Proceeds from long-term debt	-	-
Premium on long-term debt	-	-
	0	0
Total Sources	0	0
 <u>USES OF FUNDS</u>		
Capital expenditures	-	-
Administration	23,393	23,393
Interest and fiscal charges	-	-
Debt discounts and issuance costs	-	-
Capitalized interest	-	-
Principal on long-term debt	-	-
	23,393	23,393
Total Uses	23,393	23,393
 BEGINNING FUND BALANCE (DEFICIT)	-	-
 ENDING FUND BALANCE (DEFICIT)	\$ (23,393)	\$ (23,393)

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

DETAILED SUMMARY OF PROJECT COSTS

From Date Of Creation Through December 31, 2017

	<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		300,000
Infrastructure: Streets		550,000
Developer Incentive		4,250,000
Economiv Dev. Fund Loans		500,000
Administration	23,393	880,000
Debt discount and issuance costs		
Capitalized interest		
	<hr/>	<hr/>
TOTAL PROJECT COSTS	\$ 23,393	\$ 10,480,000
	<hr/> <hr/>	<hr/> <hr/>

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

NOTES TO ANNUAL REPORT

December 31, 2017

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 ¹</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