

September 9, 2019

Annual Tax Increment District Report – TID No. 6

City of Fitchburg, Wisconsin



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Annual Tax Increment District Report

City of Fitchburg, Wisconsin
Tax Increment District No. 6

Purpose: State law requires municipalities with an active Tax Incremental District (TID) to electronically file an Annual Report for each TID by July 1 of each calendar year. This is a summary of that filing to be used at the annually required meeting of the standing Joint Review Board.

District Summary: Tax Increment District No.6 (“District”) was created on August 8, 2006 as a Mixed Use District. On August 27, 2013, the District was amended to further facilitate development and/or redevelopment within areas adjacent to the District, the City desires to amend its boundaries to add territory.

The TID has an expenditure period that ends on August 8, 2021 and has a mandatory termination date of August 8, 2026. The final year of increment collection is 2027.

Background Data:	Base Value	\$86,800,800
	Incremental Value (1/1/2019)	\$96,268,600
	2018 Year End Fund Balance	\$7,088,194
	Projected Closure (based on current cash flow*)	2021
	Closure with housing extension	2022

* The City expects to make additional projects costs through the end of the District’s expenditure period. The projected closure year identified is based on current cash flow projections only.

Notes:

- Staybridge Suites Hotel completed
- Benjamin investment building substantially completed

Joint Review Board Action: Resolution acknowledging filing of Annual TID Report and compliance with annual meeting requirements.

Attachments:

- TID increment projection
- TID Cash Flow Projection
- City of Fitchburg financial report
- PE-300 form

City of Fitchburg

Tax Increment District #6

Tax Increment Projection Worksheet

Type of District	Mixed Use	Base Value	86,800,800
District Creation Date	August 8, 2006	Appreciation Factor	1.50%
Valuation Date	Jan 1, 2006	Base Tax Rate	\$24.69
Max Life (Years)	20	Rate Adjustment Factor	-0.50%
Expenditure Period/Termination	15 8/8/2021	Tax Exempt Discount Rate	N/A
Revenue Periods/Final Year	20 2027	Taxable Discount Rate	N/A
Extension Eligibility/Years	Yes 6		
Eligible Recipient District	No		

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
12 2017		2018		86,806,200	2019	\$24.69	2,143,382
13 2018	9,462,400	2019		96,268,600	2020	\$24.57	2,365,139
14 2019	0	2020	1,444,029	97,712,629	2021	\$24.45	2,388,613
15 2020	0	2021	1,465,689	99,178,318	2022	\$24.32	2,412,320
16 2021	0	2022	1,487,675	100,665,993	2023	\$24.20	2,436,262
17 2022	0	2023	1,509,990	102,175,983	2024	\$24.08	2,460,442
18 2023	0	2024	1,532,640	103,708,623	2025	\$23.96	2,484,862
19 2024	0	2025	1,555,629	105,264,252	2026	\$23.84	2,509,524
20 2025	0	2026	1,578,964	106,843,216	2027	\$23.72	2,534,431
Totals	9,462,400		10,574,616		Future Value of Increment		21,734,973

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

City of Fitchburg

Tax Increment District #6

Cash Flow Projection 2018-2026

Year	Projected Revenues					Expenditures								Balances			Year			
	Tax Increments	Interest Earnings/ (Cost)	Exempt Computer Aid	Personal Property Aid Payment	Total Revenues	G.O. Bonds, 2015B \$3,995,000			Benjamin Investments PAYGO (Est.) \$1,035,802			Benjamin rent gurantee payments	Cash Capital Expenditures	Admin.	Total Expenditures	Annual		Cumulative	Principal Outstanding	
		1.00%				Dated Date: Principal	04/15/15 Rate	Interest	Dated Date: Principal	TBD Rate	Interest									
2018																				2018
2019	2,143,382	70,882	70,000	11,087	2,295,351	315,000	2.00%	62,250				174,782	2,000,000	15,000	2,567,032	(271,681)	7,088,194	4,310,900	2019	
2020	2,365,139	68,165	70,000		2,503,304	320,000	2.00%	55,900	125,000	5.00%	58,171	19,004	3,200,000	15,000	3,793,075	(1,289,771)	6,816,513	3,995,900	2020	
2021	2,388,613	55,267	70,000		2,513,880	330,000	2.00%	49,400	130,000	5.00%	51,796			15,000	576,196	1,937,684	7,464,426	3,090,900	2021	
2022	2,412,320	74,644	70,000		2,556,964	335,000	2.00%	42,750	135,000	5.00%	45,171			15,000	572,921	1,984,043	9,448,469	2,620,900	2022	
2023	2,436,262	94,485	70,000		2,600,747	340,000	2.00%	36,000	140,000	5.00%	38,296			15,000	569,296	2,031,451	11,479,919	2,140,900	2023	
2024	2,460,442	114,799	70,000		2,645,241	350,000	2.00%	29,100	145,000	5.00%	31,171			15,000	570,271	2,074,970	13,554,889	1,645,900	2024	
2025	2,484,862	135,549	70,000		2,690,411	355,000	2.00%	22,050	150,000	5.00%	23,796			15,000	565,846	2,124,565	15,679,454	1,140,900	2025	
2026	2,509,524	156,795	70,000		2,736,318	365,000	2.50%	13,938	155,000	5.00%	16,171			15,000	565,109	2,171,210	17,850,664	620,900	2026	
2027	2,534,431	178,507	70,000		2,782,938	375,000	2.50%	4,688	245,900	5.00%	6,148			15,000	646,736	2,136,202	19,986,866	0	2027	
Total	21,734,973	949,093	630,000	11,087	23,325,153	3,085,000		316,075	1,225,900		270,720	193,786	5,200,000	135,000	10,426,481				Total	

Notes:

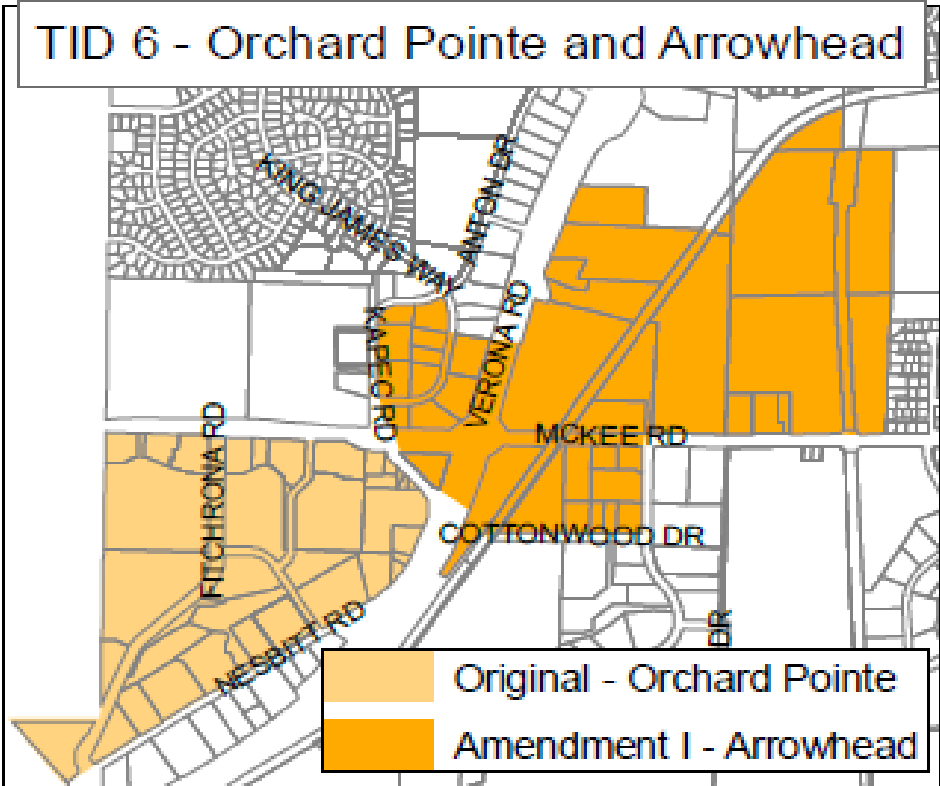
1. Capital expenditures are \$2,000,000 for Fitchrona/Nesbitt Roundabout and \$3,200,000 for McKee Road Reconstruction.

Projected TID Closure taking into account timing of Hy-Vee appeals

Projected TID Closure taking into account housing extension

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

December 31, 2018



**CITY OF FITCHBURG
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>
<u>PROJECT COSTS</u>		
Capital expenditures	\$ 331,356	\$ 10,906,328
Interest on advances	-	9,665
Administration expenditures	6,260	318,830
Debt issuance costs	-	-
Interest on long-term debt	68,500	185,413
	<u>406,116</u>	<u>11,420,236</u>
Total Costs		
 <u>PROJECT REVENUES</u>		
Tax increments	2,385,326	13,893,988
Intergovernmental aid	73,703	1,333,787
Investment income	126,252	195,070
Premium on debt issued	-	-
Miscellaneous	-	585
	<u>2,585,281</u>	<u>15,423,430</u>
Total Revenues		
 <u>RECONCILIATION OF RECOVERABLE COSTS</u>		
G.O. debt		3,085,000
Less: Fund balance		<u>(7,088,194)</u>
 NET COSTS RECOVERABLE/(RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2018		\$ (4,003,194)

**CITY OF FITCHBURG
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>
<u>SOURCES OF FUNDS</u>		
Tax increments	\$ 2,385,326	\$ 13,893,988
Exempt computer aid	73,703	1,333,787
Investment income	126,252	195,070
Premium on debt issued	-	-
Miscellaneous revenues	-	585
Proceeds from long-term debt	-	3,995,000
	<hr/>	<hr/>
Total Sources	2,585,281	19,418,430
	<hr/>	<hr/>
<u>USES OF FUNDS</u>		
Capital expenditures	331,356	10,906,328
Interest on advances	-	9,665
Administration expenditures	6,260	318,830
Debt issuance costs	-	-
Interest on long-term debt	68,500	185,413
Principal on long-term debt	310,000	910,000
	<hr/>	<hr/>
Total Uses	716,116	12,330,236
	<hr/>	<hr/>
BEGINNING FUND BALANCE (DEFICIT)	5,219,029	-
	<hr/>	<hr/>
ENDING FUND BALANCE (DEFICIT)	\$ 7,088,194	\$ 7,088,194
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**CITY OF FITCHBURG
TAX INCREMENTAL DISTRICT NO. 6**

DETAILED SUMMARY OF PROJECT COSTS

From The Date Of Creation Through December 31, 2018

	<u>Actual</u>	<u>Original Project Plan Estimate</u>
Capital Expenditures:		
Fitchrona Road	\$ 5,107,521	\$ 3,500,000
Bury Power Lines	-	1,200,000
Bus Plazas	42,940	60,000
Nesbitt Traffic Signal (a)	-	-
Contingency (a)	-	-
Avenue A/B (aka Spoke & Sprocket Roads)	5,318,119	4,900,000
Military Ridge Path Improvements	3,602	250,000
Certco Powerline Relocation	-	750,000
Expand McKee Road (Commerce Parkway to Badger Trail)	217,549	2,600,000
Nesbitt Road Roundabout	120,319	500,000
Nesbitt Road - Underground Power Line	-	170,000
Parking Assistance, Sustainability, Demolition, Relocation, Badger Trail, and Williamsburg Way extension	96,278	6,300,000
SUBTOTAL PROJECT COSTS	<u>\$10,906,328</u>	<u>\$20,230,000</u>
Interest on advance	9,665	-
Administration expenditures	318,830	188,175
Debt issuance costs	-	349,788
Interest on long-term debt	185,413	4,416,750
Principal on long-term debt	910,000	17,075,000
TOTAL DISTRICT COSTS	<u><u>\$12,330,236</u></u>	<u><u>\$42,259,713</u></u>

Note (a) - Project plan item was removed in amendment #1

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

NOTES TO ANNUAL REPORT

December 31, 2018

NOTE 1 - TIF District Information

The City of Fitchburg 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>Last Year to Collect Increment</u>
<u>Original Project Plan</u> District #6	August 8, 2006	August 8, 2021	2027
<u>Plan Amendment</u> Amendment #1	August 27, 2013	August 8, 2021	

NOTE 2 - Long-Term Debt

All general obligation bonds payable are backed by the full faith and credit of the municipality. 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>Title of Issue</u>	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rates</u>	<u>Original Amount Borrowed</u>	<u>Repaid</u>	<u>Balance 12/31/18</u>
2015B G.O. Bonds	4/14/2015	4/1/2027	2.00 - 2.50%	3,995,000	910,000	3,085,000
Totals				<u>\$ 3,995,000</u>	<u>\$ 910,000</u>	<u>\$ 3,085,000</u>

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

NOTES TO ANNUAL REPORT

December 31, 2018

NOTE 2 - Long-Term Debt (continued)

Aggregate maturities of all long-term debt related to the District are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2019	315,000	62,250	377,250
2020	320,000	55,900	375,900
2021	330,000	49,400	379,400
2022	335,000	42,750	377,750
2023	340,000	36,000	376,000
2024	350,000	29,100	379,100
2025	355,000	22,050	377,050
2026	365,000	13,938	378,938
2027	375,000	4,688	379,688
Totals	<u>3,085,000</u>	<u>316,075</u>	<u>3,401,075</u>

\$7,088,194 is now available in the District funds to service the debt shown.

Form PE-300	TID Annual Report	2018 WI Dept of Revenue
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Municipality/TID					
Co-muni code 13225	Municipality FITCHBURG		County DANE	Due date 07-01-2019	Report type ORIGINAL
TID number 006	TID type 6	TID name Orchard Pointe and Arrowhead	Creation date 08-08-2006	Mandatory termination date 08-08-2026	Expected termination date 08-08-2023

Section 1 : Beginning Balance	
TID fund balance at beginning of fiscal year	\$5,219,029

Section 2. Revenue	
Does this TID receive allocated funds from another TID?	No
Allocation from another TID	Allocation amount
N/A	\$0
Subtotal allocation from another TID amount	\$0
Developer guarantee name	Developer guarantee amount
Subtotal developer guarantee amount	\$0
Transfer from other fund source	Transfer from other fund amount
Subtotal transfer from other fund amount	\$0
Other grant sources	Other grant amount
Subtotal other grant source amount	\$0
Other revenue sources	Other revenue amount
Subtotal other revenue source amount	\$0
Tax increment	\$2,385,326
Investment income	\$126,252
Debt proceeds	\$0
Special assessments	\$0
Exempt computer aid	\$73,703
Sale of property	\$0
Total Revenue (deposits)	\$2,585,281

Section 3. Expenditures	
Developer grant name	Developer grant amount
Ryan Companies and Wingra Stone and Peterson	\$0
Benjamin Investments 2	\$96,278
Subtotal developer grant amount	\$96,278
Does this TID allocate funds to another TID?	No
Allocation to another TID	Allocation amount
N/A	\$0
Subtotal allocation to another TID	\$0
Transfer to other fund name	Transfer to other fund amount
Subtotal transfer to other fund amount	\$0
Other expenditure name	Other expenditure amount
Other Administrative Costs	\$101
Subtotal other expenditures amount	\$101
Capital expenditures	\$235,078
Administration	\$4,009
Professional services	\$2,000
Interest and fiscal charges	\$68,500
DOR fees	\$150
Discount on long-term debt	\$0
Debt issuance costs	\$0
Principal on long-term debt	\$310,000
Environmental costs	\$0
Real property assembly costs	\$0
Total Expenditures	\$716,116

Section 4. Ending Balance	
TID fund balance at end of fiscal year	\$7,088,194
Future costs	\$13,124,747
Future revenue	\$20,104,537
Surplus or deficit	\$14,067,984

Form PE-300	TID Annual Report	2018 WI Dept of Revenue
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Preparer/Contact Information	
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Contact name Misty Dodge	Contact title Finance Director
Contact email misty.dodge@fitchburgwi.gov	Contact phone (608) 270-4252

Submission Information	
You successfully submitted your form. Save and/or print a copy for your records.	
Co-muni code	13225
TID number	006
Recording time	05-30-2019 05:45 PM
Confirmation	TIDAR201813225O1559256338645
Submission type	ORIGINAL