

September 9, 2019

Annual Tax Increment District Report – TID No. 10

City of Fitchburg, Wisconsin



Prepared by:

Misty Dodge, CPA, CPFO
City Finance Director

Greg Johnson
Senior Municipal Advisor

David Ferris
Municipal Advisor

Annual Tax Increment District Report

City of Fitchburg, Wisconsin
Tax Increment District No. 10

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.10 (“District”) was created on November 24, 2015 as a Rehabilitation District. The District was amended in 2018 to add territory to the District and amend expenditures within the project plan.

The TID has an expenditure period that ends on November 24, 2038 and has a mandatory termination date of November 24, 2043. The final year of increment collection is 2044.

Background Data:	Base Value	\$42,872,500
	Incremental Value (as of 1/1/2019)	\$1,440,800
	Year End Fund Balance (as of 12/31/2019)	(\$78,884)
	Projected Closure (based on current cash flow*)	2040

* 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: Notable developments include Plesko senior housing development and UW Credit Union under construction.

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

- Attachments:**
- Development Assumptions
 - TID increment projection
 - TID Cash Flow Projection
 - City of Fitchburg financial report
 - PE-300 form

City of Fitchburg, Wisconsin

Tax Increment District #10

Development Assumptions

Construction Year		Actual	Projected Value under construction	Additional Value needed for cash flow	Annual Total	Construction Year	
1	2016				0	2016	1
2	2017				0	2017	2
3	2018	1,440,800			1,440,800	2018	3
4	2019		31,070,779		31,070,779	2019	4
5	2020				0	2020	5
6	2021			2,500,000	2,500,000	2021	6
7	2022			2,500,000	2,500,000	2022	7
8	2023			2,500,000	2,500,000	2023	8
9	2024			2,500,000	2,500,000	2024	9
10	2025				0	2025	10
11	2026				0	2026	11
12	2027				0	2027	12
13	2028				0	2028	13
14	2029				0	2029	14
15	2030				0	2030	15
16	2031				0	2031	16
17	2032				0	2032	17
18	2033				0	2033	18
19	2034				0	2034	19
20	2035				0	2035	20
21	2036				0	2036	21
22	2037				0	2037	22
23	2038				0	2038	23
24	2039				0	2039	24
25	2040				0	2040	25
26	2041				0	2041	26
27	2042				0	2042	27
Totals		<u>1,440,800</u>	<u>31,070,779</u>	<u>10,000,000</u>	<u>42,511,579</u>		

Notes:

City of Fitchburg, Wisconsin

Tax Increment District #10

Tax Increment Projection Worksheet

Type of District	Rehabilitation	Base Value	42,872,500	Apply to Base Value
District Creation Date	November 24, 2015	Appreciation Factor	1.50%	
Valuation Date	1-Jan 2016	Base Tax Rate	\$22.99	
Max Life (Years)	27	Rate Adjustment Factor	-0.50%	
Expenditure Period/Termination	23 11/24/2038	Tax Exempt Discount Rate	4.50%	
Revenue Periods/Final Year	27 2044	Taxable Discount Rate	6.00%	
Extension Eligibility/Years	Yes 3			
Recipient District	Yes			

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV	
								Calculation	Taxable NPV Calculation
1 2016	0	2017	0	0	2018	\$24.20	0	0	0
2 2017	0	2018	0	0	2019	\$22.99	0	0	0
3 2018	1,440,800	2019	0	1,440,800	2020	\$22.88	32,960	26,449	24,630
4 2019	31,070,779	2020	21,612	32,533,191	2021	\$22.76	740,515	595,087	546,663
5 2020	0	2021	487,998	33,021,189	2022	\$22.65	747,864	1,144,639	1,044,036
6 2021	2,500,000	2022	495,318	36,016,507	2023	\$22.53	811,624	1,715,360	1,553,258
7 2022	2,500,000	2023	540,248	39,056,754	2024	\$22.42	875,734	2,304,646	2,071,604
8 2023	2,500,000	2024	585,851	42,142,606	2025	\$22.31	940,201	2,910,067	2,596,607
9 2024	2,500,000	2025	632,139	45,274,745	2026	\$22.20	1,005,028	3,529,364	3,126,044
10 2025	0	2026	679,121	45,953,866	2027	\$22.09	1,015,003	4,127,875	3,630,469
11 2026	0	2027	689,308	46,643,174	2028	\$21.98	1,025,077	4,706,297	4,111,065
12 2027	0	2028	699,648	47,342,821	2029	\$21.87	1,035,251	5,265,305	4,568,958
13 2028	0	2029	710,142	48,052,964	2030	\$21.76	1,045,526	5,805,549	5,005,220
14 2029	0	2030	720,794	48,773,758	2031	\$21.65	1,055,903	6,327,661	5,420,872
15 2030	0	2031	731,606	49,505,365	2032	\$21.54	1,066,383	6,832,248	5,816,888
16 2031	0	2032	742,580	50,247,945	2033	\$21.43	1,076,967	7,319,899	6,194,197
17 2032	0	2033	753,719	51,001,664	2034	\$21.33	1,087,655	7,791,182	6,553,681
18 2033	0	2034	765,025	51,766,689	2035	\$21.22	1,098,450	8,246,646	6,896,183
19 2034	0	2035	776,500	52,543,190	2036	\$21.11	1,109,353	8,686,824	7,222,505
20 2035	0	2036	788,148	53,331,337	2037	\$21.01	1,120,363	9,112,226	7,533,412
21 2036	0	2037	799,970	54,131,307	2038	\$20.90	1,131,482	9,551,901	7,829,408
22 2037	0	2038	811,970	54,943,277	2039	\$20.80	1,142,712	10,000,106	8,111,065
23 2038	0	2039	824,149	55,767,426	2040	\$20.69	1,154,054	10,468,375	8,388,594
24 2039	0	2040	836,511	56,603,938	2041	\$20.59	1,165,508	11,000,175	8,666,183
25 2040	0	2041	849,059	57,452,997	2042	\$20.49	1,177,075	11,530,959	8,944,889
26 2041	0	2042	861,795	58,314,792	2043	\$20.39	1,188,758	11,893,163	9,222,505
27 2042	0	2043	874,722	59,189,514	2044	\$20.28	1,200,556	12,243,210	9,500,469
Totals	42,511,579		16,677,935		Future Value of Increment		25,050,003		

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, Wisconsin

Tax Increment District #10

Cash Flow Projection

Year	Projected Revenues				Expenditures										Balances			Year					
	Tax Increments	Interest Earnings/ (Cost)	Capitalized Interest	Total Revenue	Municipal Revenue Obligation (Plesko) \$3,044,176					G.O. Bonds, Series 2020 (Fish Hatchery) \$10,965,000					Total Expenditures	Annual	Cumulative		Principal Outstanding				
					Dated Date:	TBD	Total	Principal	Dated Date:	04/01/20	Interest and fiscal charges	Conservation and development	Admin Costs	Principal						Est. Rate	Interest		
2016		19		19											17,803	276		3,896	21,975	(21,956)	(21,956)		2016
2017		19		19											23,479	339			23,818	(23,799)	(45,755)		2017
2018	0	80		80											18,215	2,063	12,931		33,209	(33,129)	(78,884)	3,044,176	2018
2019	0			0												789		25,000	25,789	(25,789)	(104,673)	3,044,176	2019
2020	32,960			32,960					0	3,044,176						1,047		25,000	26,047	6,913	(97,760)	14,009,176	2020
2021	740,515		275,580	1,016,094	0	5.60%	0	0	0	3,044,176								25,000	300,580	715,515	617,755	14,009,176	2021
2022	747,864			747,864	73,448	5.60%	170,474	170,474	243,922	2,970,728								25,000	544,502	203,363	821,118	13,935,728	2022
2023	811,624			811,624	81,173	5.60%	166,361	166,361	247,534	2,889,555	250,000	1.91%	275,580					25,000	798,114	13,510	834,628	13,604,555	2023
2024	875,734			875,734	89,384	5.60%	161,815	161,815	251,199	2,800,171	300,000	1.94%	270,805					25,000	847,004	28,731	863,359	13,215,171	2024
2025	940,201			940,201	98,108	5.60%	156,810	156,810	254,918	2,702,062	350,000	1.96%	264,985					25,000	894,903	45,298	908,657	12,767,062	2025
2026	1,005,028			1,005,028	107,377	5.60%	151,315	151,315	258,692	2,594,686	425,000	2.01%	258,125					25,000	966,817	38,212	946,869	12,234,686	2026
2027	1,015,003			1,015,003	117,220	5.60%	145,302	145,302	262,522	2,477,466	500,000	2.11%	249,582					25,000	1,037,104	(22,101)	924,768	11,617,466	2027
2028	1,025,077			1,025,077	127,670	5.60%	138,738	138,738	266,408	2,349,796	525,000	2.18%	239,032					25,000	1,055,440	(30,363)	894,405	10,964,796	2028
2029	1,035,251			1,035,251	138,763	5.60%	131,589	131,589	270,352	2,211,033	545,000	2.26%	227,587					25,000	1,067,939	(32,688)	861,717	10,281,033	2029
2030	1,045,526			1,045,526	150,535	5.60%	123,818	123,818	274,353	2,060,498	570,000	2.35%	215,270					25,000	1,084,623	(39,097)	822,620	9,560,498	2030
2031	1,055,903			1,055,903	163,026	5.60%	115,388	115,388	278,414	1,897,472	590,000	2.44%	201,875					25,000	1,095,289	(39,386)	783,234	8,807,472	2031
2032	1,066,383			1,066,383	176,276	5.60%	106,258	106,258	282,534	1,721,196	625,000	2.52%	187,479					25,000	1,120,013	(53,630)	729,604	8,006,196	2032
2033	1,076,967			1,076,967	190,328	5.60%	96,387	96,387	286,715	1,530,868	650,000	2.58%	171,729					25,000	1,133,444	(56,477)	673,127	7,165,868	2033
2034	1,087,655			1,087,655	205,228	5.60%	85,729	85,729	290,957	1,325,639	675,000	2.62%	154,959					25,000	1,145,916	(58,261)	614,866	6,285,639	2034
2035	1,098,450			1,098,450	211,026	5.60%	74,236	74,236	285,262	1,114,613	720,000	2.66%	137,274					25,000	1,167,536	(69,086)	545,780	5,354,613	2035
2036	1,109,353			1,109,353	237,213	5.60%	62,418	62,418	299,631	877,401	740,000	2.70%	118,122					25,000	1,182,753	(73,400)	472,380	4,377,401	2036
2037	1,120,363			1,120,363	254,929	5.60%	49,134	49,134	304,063	622,472	775,000	2.74%	98,142					25,000	1,202,205	(81,842)	390,538	3,347,472	2037
2038	1,131,482			1,131,482	273,703	5.60%	34,858	34,858	308,561	348,770	810,000	2.78%	76,907					25,000	1,220,468	(88,986)	301,552	2,263,770	2038
2039	1,142,712			1,142,712	172,292	5.60%	19,531	19,531	191,823	176,478	950,000	2.82%	54,389					25,000	1,221,212	(78,500)	223,053	1,141,478	2039
2040	1,154,054			1,154,054	172,292	5.60%	9,883	9,883	182,175	4,186	965,000	2.86%	27,599					25,000	1,199,774	(45,720)	177,333	4,186	2040
2041	1,165,508			1,165,508	4,186	5.60%	234	234	4,420	(0)								4,420	1,161,087	1,338,420		(0)	2041
2042	1,177,075			1,177,075														0	1,177,075	2,515,496		(0)	2042
2043	1,188,758			1,188,758														0	1,188,758	3,704,253		(0)	2043
2044	1,200,556			1,200,556														0	1,200,556	4,904,810		(0)	2044
Total	25,050,003	118	275,580	25,325,701	3,044,176		2,000,279	2,000,279	5,044,455		10,965,000	3,780,598		59,497	4,514	12,931	553,896	20,420,891					Total

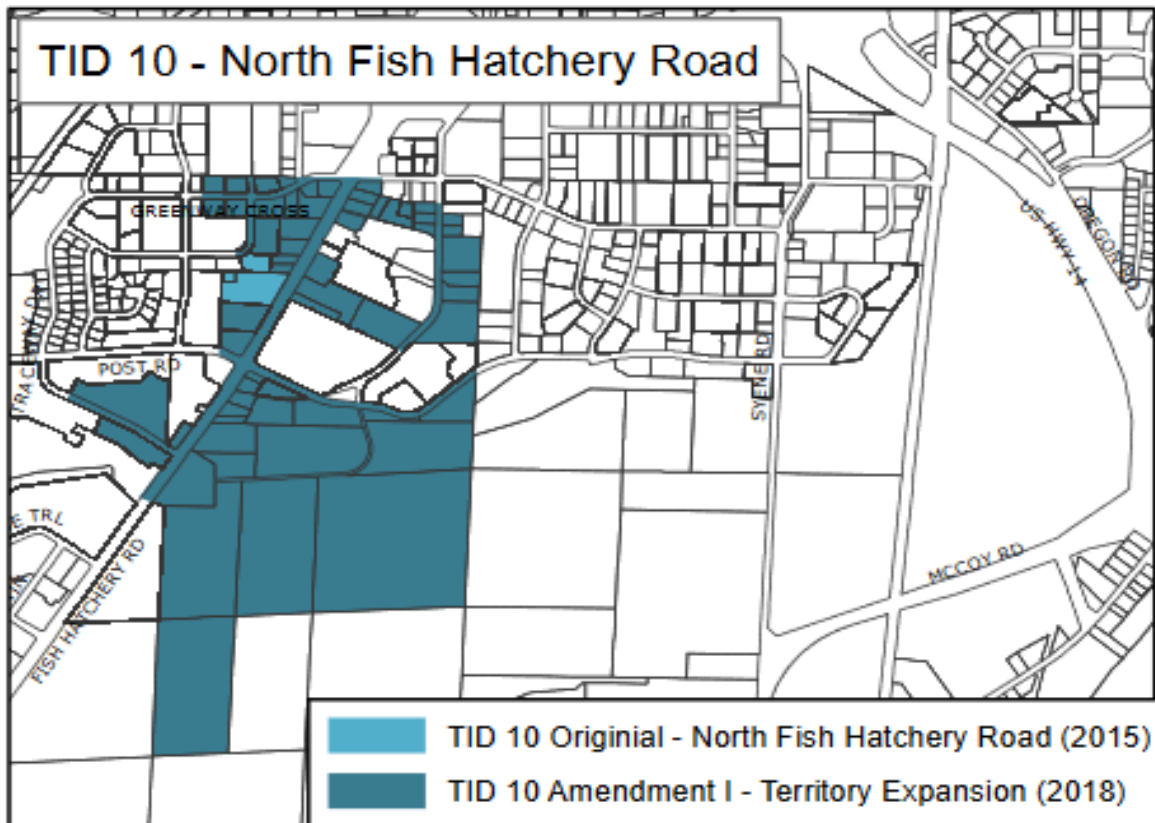
Notes: All interest rates are estimated. Interest on MRO / PAYGO Bonds is subject to negotiation with Developer. Principal amount of MRO will be reduced to assure adequate cash flow from developer project to fund payment of annual P & I on MRO. Timing of implementation of borrowing will vary to coincide with negotiated development agreements and increment available from said projects.

Projected TID Closure based on projects known to date

**ANNUAL REPORT OF
TAX INCREMENTAL FINANCING (TIF) DISTRICT NO. 10**

CITY OF FITCHBURG

December 31, 2018



**CITY OF FITCHBURG
December 31, 2018**

**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	\$ (21,947)	\$ -
Interest on advances	2,063	2,678
Administration expenditures	53,093	76,324
Debt issuance costs	-	-
Capitalized interest	-	-
Interest on long-term debt	-	-
	_____	_____
Total Costs	33,209	79,002
 <u>PROJECT REVENUES</u>		
Tax increments	-	-
Exempt computer aid	-	-
Investment income	80	118
Premium on debt issued	-	-
Miscellaneous	-	-
	_____	_____
Total Revenues	80	118
 <u>RECONCILIATION OF RECOVERABLE COSTS</u>		
G.O. debt		-
Less: Fund balance		78,884
NET COSTS RECOVERABLE/(RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2018		\$ 78,884

CITY OF FITCHBURG
December 31, 2018

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	\$ -	\$ -
Exempt computer aid	-	-
Investment income	80	118
Premium on debt issued	-	-
Miscellaneous revenues	-	-
Proceeds from long-term debt	-	-
	<hr/>	<hr/>
Total Sources	80	118
	<hr/>	<hr/>
<u>USES OF FUNDS</u>		
Capital expenditures	(21,947)	-
Interest on advances	2,063	2,678
Administration expenditures	53,093	76,324
Debt issuance costs	-	-
Capitalized interest	-	-
Interest on long-term debt	-	-
Principal on long-term debt	-	-
	<hr/>	<hr/>
Total Uses	33,209	79,002
	<hr/>	<hr/>
BEGINNING FUND BALANCE (DEFICIT)	<u>(45,755)</u>	<u>-</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ (78,884)</u>	<u>\$ (78,884)</u>

**CITY OF FITCHBURG
December 31, 2018**

DETAILED SUMMARY OF PROJECT COSTS

From The Date Of Creation Through December 31, 2018

	<u>Actual</u>	<u>Project Plan Estimate</u>
Capital Expenditures:		
1911 Pike Drive Purchase and Acquisition Costs	\$ -	\$ 1,450,000
Demolition of 1911 Pike Drive	-	125,000
Road Construction	-	1,235,000
Professional Fees	-	110,000
Site Preparation	-	60,000
Potential Additional Earthwork	-	100,000
Pike Drive Extension (East)	-	3,000,000
Fish Hatchery Road Reconstruction	-	13,318,952
Access Easement or Street	-	1,560,400
Traceway Drive Extension		3,341,000
1/2 mile - Fish Hatchery Road		2,000,000
Visioning for Corridor		100,000
Fish Hatchery Project Manager and Marketing		75,000
Redevelopment RFP		30,000
Development Incentives	-	28,100,000
SUBTOTAL PROJECT COSTS	-	54,605,352
Interest on advance	2,678	-
Administration expenditures	76,324	474,246
Debt issuance costs	-	-
Capitalized interest	-	1,374,900
Interest on MRO		2,044,163
Interest on long-term debt	-	11,919,176
Principal on long-term debt	-	25,255,000
TOTAL DISTRICT COSTS	\$ 79,002	\$ 95,672,837

**CITY OF FITCHBURG
December 31, 2018**

NOTES TO ANNUAL REPORT

December 31, 2018

NOTE 1 - TIF District Information

The City of Fitchburg Tax Incremental District No. 10 (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 #10	November 24, 2015	November 24, 2037	2043
<u>Plan Amendment</u> Amendment #1	July 24, 2018	November 24, 2037	2043

Form PE-300	TID Annual Report	2018 WI Dept of Revenue
------------------------	--------------------------	------------------------------------

Municipality/TID					
Co-muni code 13225	Municipality FITCHBURG	County DANE	Due date 07-01-2019	Report type ORIGINAL	
TID number 010	TID type 3	TID name Fish Hatchery Road Hotel Conference Center	Creation date 11-24-2015	Mandatory termination date 11-24-2043	Expected termination date N/A

Section 1 : Beginning Balance	
TID fund balance at beginning of fiscal year	\$-45,755

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
2017 expense billed to developer in 2018	\$21,947
Subtotal other revenue source amount	\$21,947
Tax increment	\$0
Investment income	\$80
Debt proceeds	
Special assessments	
Exempt computer aid	
Sale of property	
Total Revenue (deposits)	\$22,027

Section 3. Expenditures	
Developer grant name	Developer grant amount
Fitchburg Senior Housing, LP	\$0
Subtotal developer grant amount	\$0
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 Administration	\$301
Subtotal other expenditures amount	\$301
Capital expenditures	
Administration	\$12,931
Professional services	\$38,711
Interest and fiscal charges	\$2,063
DOR fees	\$1,150
Discount on long-term debt	
Debt issuance costs	
Principal on long-term debt	
Environmental costs	
Real property assembly costs	
Total Expenditures	\$55,156

Section 4. Ending Balance	
TID fund balance at end of fiscal year	-\$78,884
Future costs	\$70,458,835
Future revenue	\$87,487,304
Surplus or deficit	\$16,949,585

Form PE-300	TID Annual Report	2018 WI Dept of Revenue
------------------------	--------------------------	------------------------------------

Preparer/Contact Information	
Preparer name Misty Dodge	Preparer title Finance Director
Preparer email misty.dodge@fitchburgwi.gov	Preparer phone (608) 270-4252
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	010
Recording time	06-07-2019 03:18 PM
Confirmation	TIDAR201813225O1559938733590
Submission type	ORIGINAL