



## MEMORANDUM

Date: November 7, 2016

To: Common Council

From: David Buck, CDD

RE: **Project Plan Amendment for Tax Incremental District (TID) No. 10**

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The Community Development Department requests approval of a Project Plan Amendment to provide the authority for Tax Increment District (TID) No. 10 to expend funds within a ½ mile radius of its boundaries to capitalize the City of Menasha Housing Rehabilitation Fund. TID No. 10 was created as a blighted area district in May, 2006. This is the first amendment to TID No. 10.

State Statutes allow cities to amend Tax Increment Districts (TID) in numerous ways including amending a district's project plan to include new project costs. At this time, the City is proposing to amend the project plan of TID No. 10 to specifically add to the Project Plan the authority for the District to expend funds within a ½ mile radius of its boundaries. The proposed project costs to be added to the Project Plan consist of the capitalization of monies into the City of Menasha Housing Rehabilitation Fund from TID No. 10 using increment above and beyond its project costs. The Housing Rehabilitation Funds are to be used in an annual rehabilitation program up to \$50,000 per year or as permitted from available increment for projects within a ½ mile radius of the TID No. 10 District Boundaries.

Since funds for the amended project will only be allocated if there is enough increment to pay off the existing project costs, this amendment is economically feasible. The exhibit table included in the TID No. 10 Project Plan Amendment document presents the current cash flow for TID No. 10 increment and indicates that there will be enough funds to pay off the project costs with an estimated positive balance realized before closure.

TID No. 10 Project Plan Amendment was brought before the Winnebago County Joint Review Board on October 18, 2016. The Menasha Plan Commission conducted a Public Hearing on the amendment request and adopted Resolution 2-2016: Project Plan Amendment #1 for Tax Incremental District #10 at their meeting on October 18, 2016. If approved by the Common Council, the Amendment will be brought back to the Winnebago County Joint Review Board on Wednesday, November 9, 2016 for approval.

Staff requests the Common Council adopt Resolution R-32-16 approving the proposed project plan amendment #1 for Tax Increment District No. 10.



RESOLUTION R- 32-2016

RESOLUTION APPROVING A PROJECT PLAN AMENDMENT  
FOR TAX INCREMENTAL DISTRICT NO. 10  
CITY OF MENASHA, WISCONSIN

Introduced by Ald. Benner on the Recommendation of the Plan Commission.

WHEREAS, the City of Menasha (the “City”) has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and

WHEREAS, Tax Incremental District No. 10 (the “District”) was created by the City on June 5, 2006 as a blighted area district; and

WHEREAS, the City now desires to amend the Project Plan of the District in accordance with the provision of Wisconsin Statutes Section 66.1105, (the “Tax Incremental Law”); and

WHEREAS, the purpose of the amendment is to allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as allowed under Wisconsin Statutes Section.66.1105(2)(f)1.n.; and

WHEREAS, an amended Project Plan for the District (the “Amendment”) has been prepared that includes:

- a. A statement listing of the kind, number, and location of all proposed public works or improvements within the District, or to the extent provided in Wisconsin Statutes Sections 66.1105(2)(f)(1.k and 66.1105(2)(f)1.n., outside of the District;
- b. An economic feasibility study;
- c. A list of estimated project costs;
- d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
- e. A map showing existing uses and conditions of real property in the District;
- f. A map showing proposed improvements and uses in the District;
- g. Proposed changes of zoning ordinances, master plan, map, building codes and City ordinances;
- h. A list of estimated non-project costs;
- i. A statement of the proposed plan for relocation of any persons to be displaced;
- j. A statement indicating how the amendment of the District promotes the orderly development of the City;
- k. An opinion of the City Attorney or of an attorney retained by the City advising that the plan is complete and complies with Wisconsin Statutes Section 66.1105(4)(f); and

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of Winnebago County, the Menasha Joint School District, and the Fox Valley Technical College District, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and



WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Plan Commission, on October 4, 2016 held a public hearing concerning the proposed amendment to the Project Plan, providing interested parties a reasonable opportunity to express their views thereon; and

WHEREAS, after said public hearing, the Plan Commission adopted the Project Plan, and recommended to the Common Council that it amend the Project Plan for the District.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Menasha that:

1. The boundaries of the District shall be named “Tax Incremental District No. 10, City of Menasha” and remain unchanged due to this amendment.
2. That this Project Plan Amendment shall become effective as of the date of adoption of this resolution provided that it is further approved by the Joint Review Board.
3. The Common Council finds and declares that:
  - a. Not less than 50%, by area, of real property within the District hereby created is a blighted area pursuant to Wisconsin Statutes Section 66.1105(2)(ae)1..
  - b. Based upon the findings, as stated in 3.a. above, and the original findings as stated in the resolution creating the District, the District remains declared as a blighted area district based on the identification and classification of the property included within the District.
  - c. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
  - d. The amount of retail business will not change as a result of this amendment.
  - e. The project costs of the District relate directly to eliminating blight in the area, consistent with the purpose for which the District was created.
  - f. The equalized value of the taxable property of the District plus the value increment of all existing districts does not exceed twelve percent of the total equalized value of taxable property within the City of Menasha.
4. The amended Project Plan for “Tax Incremental District No. 10, City of Menasha” is approved, and the City further finds the Plan is feasible and in conformity with the master plan of the City.



BE IT FURTHER RESOLVED THAT the City Clerk is hereby authorized and directed to notify the Wisconsin Department of Revenue, within 60 days of adoption of the amendment, that this amendment has taken place pursuant to the provisions of Wisconsin Statutes Section 66.1105(5)(cm).

BE IT FURTHER RESOLVED THAT pursuant to Section 66.1105(5)(f) of the Wisconsin Statutes that the City Assessor is hereby authorized and directed to make notations to the assessment roll under Wisconsin Statutes Section 70.45, and the City Clerk is hereby authorized and directed to make similar notations on the tax roll made under Wisconsin Statutes Section 70.65, pursuant to Wisconsin Statutes.

Passed and approved this \_\_\_\_ day of November, 2016.

Recommended by: _____
Motion/Second: _____
Vote: _____
Pass/Fail: _____
Requires:    __ Majority Vote __ 2/3 Vote

\_\_\_\_\_  
Donald Merkes, Mayor  
ATTEST:

\_\_\_\_\_  
Deborah A. Galeazzi, City Clerk

September 28, 2016

Tax Incremental District #10  
Project Plan Amendment #1

**CITY OF MENASHA, WISCONSIN**



Joint Review Board Meeting Held:	October 18, 2016
Public Hearing Held:	October 18, 2016
Adoption by Plan Commission:	October 18, 2016
Adoption by Common Council:	Scheduled for Consideration November 7, 2016
Approval by the Joint Review Board:	Scheduled for Consideration November 8, 2016

## **Introduction**

The City of Menasha ("City") created Tax Increment District #10 ("TID #10") as a blighted area district in May, 2006. This is the first amendment to TID #10. The amendment seeks to change the project plan but will not affect territory in TID #10. Therefore, it will not be counted against the maximum of four allowable territorial amendments. A map of the current TID#10 boundaries is included on the following page.

It is recognized that TID #10 has positive surplus funds due to a higher than expected increment resulting from its creation. Therefore, the project plan for TID #10 is proposed to provide an opportunity to use excess funds in TID #10 to capitalize the City of Menasha Housing Rehabilitation Fund. Such fund is to be used within a ½ mile radius of the TID #10 boundaries.

## **Statement of Kind, Number and Location of Proposed Public Works or Other Projects**

This amendment provides the authority for the District to expend funds within a ½ mile radius of its boundaries as described in the Detailed List of Project Costs. This cost category is specifically added to the Project Plan, and the statement of kind, number and location of proposed public works and other projects as documented in the original Project Plan otherwise remains in effect.

## **Detailed List of Project Costs**

The proposed improvements consist of the capitalization of monies into the City of Menasha Housing Rehabilitation Fund from TID #10 using increment above and beyond its project costs as granted under the authority of Wisconsin Statute 66.1105(2)(f)1.a and 66.1105(2)(f)1.L. The Housing Rehabilitation Funds are to be used in an annual rehabilitation program up to \$50,000 per year or as permitted from available future increment for projects within a ½ mile radius of the TID #10 District Boundaries under the authority provided by Wisconsin Statute 66.1105(2)(f)1.n.

## Map of Current District Boundaries



## Map Showing Existing Uses and Conditions

There will be neither changes to District boundaries nor any changes to the existing uses and conditions within the District as a result of this Amendment. Please refer to the original TID Project Plan for prior maps showing the existing uses and conditions of property.

## Economic Feasibility Study, Financing Methods and the Time When Costs or Monetary Obligations are to be Incurred

Since the funds will only be allocated if there is enough increment to pay off the project costs, this amendment is economically feasible. Presented on the following page is the current cash flow table for the TID #10 increment indicating that there will be enough funds to pay off the project costs.

# TAX INCREMENTAL FINANCING DISTRICT #10 - Fund 487

9/21/2016

TAX YEAR / COLLECTION YEAR	TAX INCREMENT	TIF (TAX) RATE	TIF AMOUNT	EXEMPT COMPUTER AID	OTHER REVENUES	DEBT SERVICE	OTHER EXPENSES	ADVANCE FROM TID #5	NEW BORROWING	END OF YEAR FUND BALANCE
2005/2006			\$0	\$0	\$0	\$7,436	\$366,214		\$375,000	\$1,350
2006/2007			\$0	\$0	\$0	\$23,563	\$3,139		\$0	(\$25,352)
2007/2008			\$59,449	\$12,581	\$0	\$34,111				\$12,567
2008/2009			\$82,516	\$10,562	\$0	\$34,110				\$71,535
2009/2010			\$72,996	\$10,554	\$0	\$34,110	\$5,506			\$115,469
2010/2011			\$70,538	\$9,345	\$0	\$409,110	\$30,480	\$250,000		\$5,762
2011/2012	\$1,512,100	\$27.198	\$41,126	\$4,945	\$0	\$9,391	\$12,616	(\$29,000)		\$827
2012/2013	\$2,263,800	\$27.877	\$63,109	\$11,072	\$0	\$0	\$7,563			\$67,444
2013/2014	\$1,397,500	\$28.207	\$39,420	\$28,933	\$0	\$0	\$3,305			\$132,492
2014/2015	\$1,743,100	\$28.056	\$48,905	\$20,557	\$250,000	\$0	\$281,119			\$170,835
2015/2016	\$2,438,200	\$27.976	\$68,212	\$14,450			\$36,483	(\$221,000)		(\$3,986)
2016/2017	\$2,710,100	\$27.976	\$75,819				\$55,983			\$15,850
2017/2018	\$2,588,600	\$27.976	\$72,420				\$30,983			\$57,287
2018/2019	\$2,588,600	\$27.976	\$72,420				\$30,983			\$98,724
2019/2020	\$2,588,600	\$27.976	\$72,420				\$430,983			(\$259,839)
2020/2021	\$2,588,600	\$27.976	\$72,420				\$30,983			(\$218,402)
2021/2022	\$2,588,600	\$27.976	\$72,420				\$30,983			(\$176,965)
2022/2023	\$2,588,600	\$27.976	\$72,420				\$30,983			(\$135,528)
2023/2024	\$2,588,600	\$27.976	\$72,420				\$30,983			(\$94,091)
2024/2025	\$2,588,600	\$27.976	\$72,420				\$30,983			(\$52,655)
2025/2026	\$2,588,600	\$27.976	\$72,420				\$30,983			(\$11,218)
2026/2027	\$2,588,600	\$27.976	\$72,420				\$30,983			\$30,219
2027/2028	\$2,588,600	\$27.976	\$72,420				\$30,983			\$71,656
2028/2029	\$2,588,600	\$27.976	\$72,420							\$144,076
2029/2030	\$2,588,600	\$27.976	\$72,420							\$216,496
2030/2031	\$2,588,600	\$27.976	\$72,420							\$288,916
2031/2032	\$2,588,600	\$27.976	\$72,420							\$361,336
2032/2033	\$2,588,600	\$27.976	\$72,420							\$433,756
2033/2034	\$2,588,600	\$27.976	\$72,420							\$506,176

## **Map Showing Proposed Improvements and Uses**

There will not be any changes to the TID #10 boundaries or to the existing uses and conditions within TID #10 as a result of this Project Plan Amendment. Please refer to the original Project Plan for maps detailing the proposed improvements and property within TID #10.

## **Proposed Changes to the Zoning Ordinance, Master Plan, Building Codes and City Ordinances**

No changes to the Zoning Ordinance or Master Plan are anticipated to be proposed to accommodate the amended TID #10. The development and improvements associated with this plan is consistent with City Zoning and the City's Master Plan.

## **Non-Project Costs**

Non-Project Costs are costs for projects to be undertaken within Tax Increment District #10 that will be paid from sources other than tax increments. The City of Menasha does not anticipate that there will be any Non-Project Costs associated with the adoption of this Project Plan Amendment.

## **Relocation of Persons or Businesses**

The City expects no persons or businesses to be displaced as a result of the implementation of the amended TID #10. If such displacement is necessary, then relocation procedures of Chapter 32 of the Wisconsin Statutes will be followed.

## **Orderly Development of the City of Menasha**

The viability of the original Tax Increment District #10 Project Plan as it relates to the orderly development of the City of Menasha will not be impacted by this Project Plan Amendment.

# **Opinion of the Attorney of the City of Menasha Advising Whether the Plan is Complete and Complies with Wisconsin Statutes 66.1105**

September 30, 2016

Mayor Donald Merkes  
City of Menasha  
140 Main Street  
Menasha, Wisconsin 54952

**RE: City of Menasha, Wisconsin Tax Incremental District #10 Amendment**

Dear Mayor:

As City Attorney for the City of Menasha, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

A handwritten signature in black ink that reads "Pamela Captain". The signature is written in a cursive, flowing style.

Attorney Pamela Captain  
City of Menasha