

CITY OF MENASHA
TAX INCREMENTAL DISTRICT #1
PROJECT PLAN AMENDMENT #2

PROPOSED DRAFT
August, 2012

INTRODUCTION & PURPOSE

The City of Menasha is amending the project plan of Tax Incremental District #1 (TID #1) to designate TID #1 as “Distressed” pursuant to Section 66.1105(4e) of the Wisconsin Statutes. The current boundaries of TID #1 are illustrated in Map #1. The purpose of designating a TID as distressed is to provide mechanisms to City’s that allow for the recouping TID costs that would otherwise be unrecovered prior to the end of the life of the TID. This can be accomplished through the extension of the end date of the TID, and/or through utilizing of excess tax increment revenues from a donor TID.

TID #1 was created in 1986 as a tool to facilitate the redevelopment of Downtown Menasha, including the redevelopment and construction of the Harbor Place Commercial Office site. Without distressed status, TID #1 is set to dissolve as of December 31, 2012.

“DISTRESSED” DESIGNATION

TID #1 easily meets the criteria necessary to receive the “distressed” designation, which is met when “project costs incurred, with regard to the tax incremental district, exceed the amount of revenues from all sources that the city expects the district to generate to pay off such project costs during the life of the district,” as stated in Section 66.1105(4e)(a)(1). Table 1 illustrates that, as of December 31, 2011, \$370,512 in project costs remained that had not been recovered through TID increment. Given past trends for increment generated by the district, the City projects that by December 31, 2012 (the initial end date for TID #1), \$259,814 in unrecovered costs will remain.

Given the facts stated above, TID #1 shall be designated as a Distressed Tax Incremental District.

PROJECT COSTS & EXPENDITURES

This amendment includes no new project costs or expenditures. Section 66.1105(4e)(e) prevents any future amendments to the TID #1 project plan that add any new project costs.

ECONOMIC FEASIBILITY & RETIREMENT DATE

Section 66.1105(4e)(d)(2), Wisconsin Statutes, allow for “Distressed” TIDs to be extended up to 10 years. As illustrated in Table 2, it is projected that all remaining project costs will be recovered within 3 years, well within the maximum 10 year limit. TID #1 will be retired after all project costs are recovered. This is expected to happen in 2015.

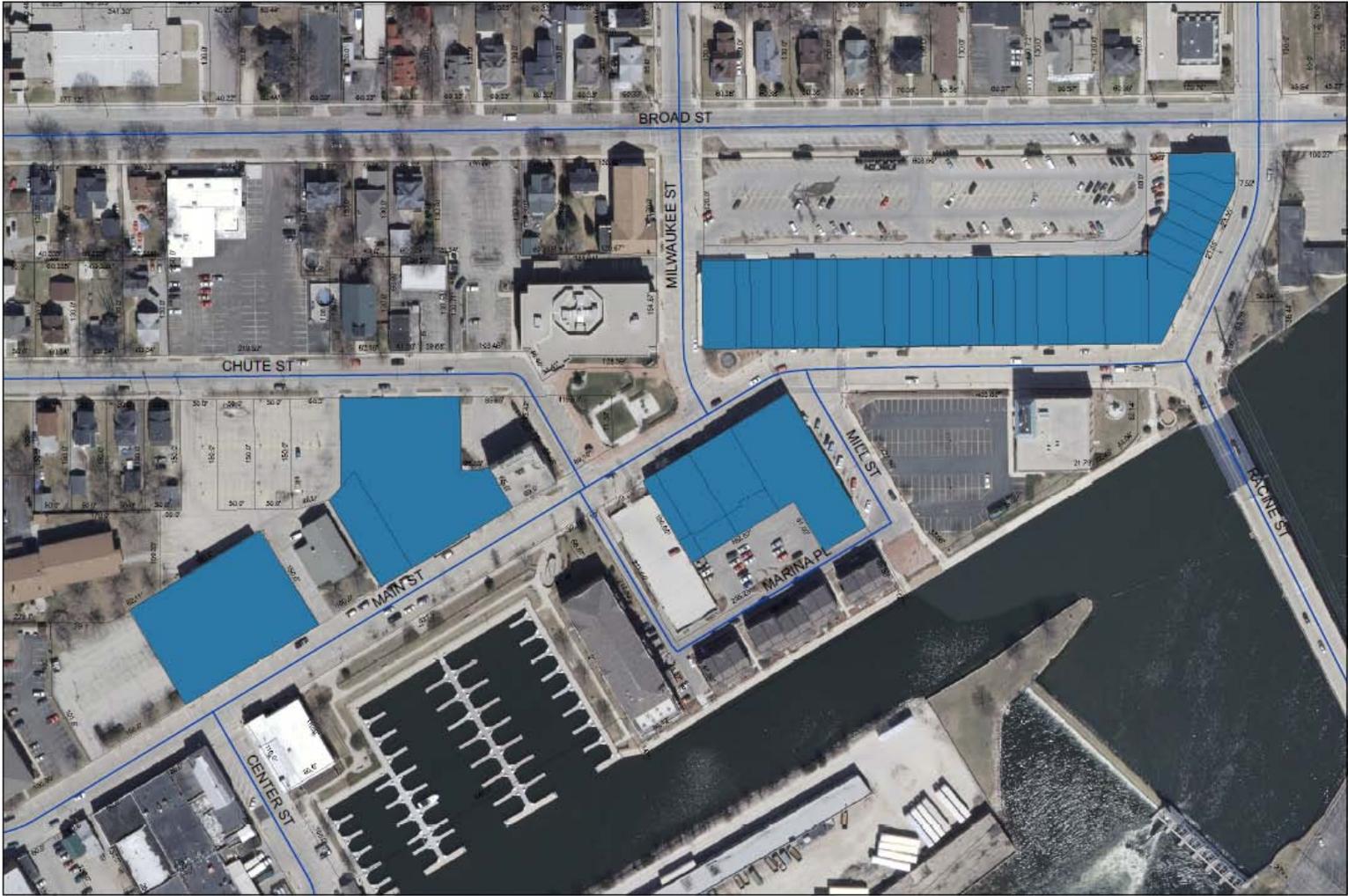
It is not anticipated that TID #1 will need to receive excess tax increments from a donor TID, although Wisconsin Statutes would allow for it if the City were to find it necessary. In that event, the donor TID could be extended to provide such increments.

PRIOR PLAN AMENDMENTS

Prior to this amendment, TID #1's Project Plan was amended once before in 1986. This date is prior to the October 1, 2009 cutoff as stipulated in 66.1105(4e)(5) of Wisconsin Statutes for eligibility as a "distressed" TID district.

CONFORMITY WITH THE MASTER PLAN

This TID Plan Amendment is in conformance with the City of Menasha's Year 2030 Comprehensive Plan. As this amendment does not add any project or project costs, no changes to the City's growth and development patterns will result from this TID amendment.



Map #1: Tax Increment District #1

 TID #1

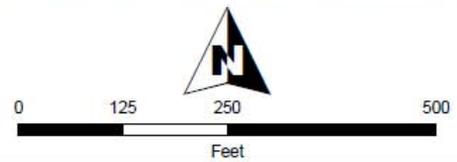


Table 1: Historic Financials for TID #1

Financial Information-T.I.F. DISTRICT # 1

Update: 08/01/2012

Compiled by: City Comptroller/Treasurer

	T.I.F. #1 FULL VALUE	T.I.F. #1 VALUE INCREMENT	T.I.F. #1 TAX INCREMENT	EQUALIZED TAX RATE
1986/1987	\$5,329,100			
1987/1988	5,915,400	\$586,300	\$17,499	\$29.846
1988/1989	9,394,200	4,065,100	127,937	31.472
1989/1990	9,762,100	4,433,000	145,815	32.893
1990/1991	10,450,300	5,121,200	166,461	32.504
1991/1992	11,026,100	5,697,000	190,201	33.386
1992/1993	11,027,000	5,697,900	197,465	34.656
1993/1994	11,224,600	5,895,500	200,965	34.088
1994/1995	11,061,900	5,732,800	186,963	32.613
1995/1996	11,370,700	6,041,600	184,849	30.596
1996/1997	12,723,600	7,394,500	205,099	27.737
1997/1998	15,512,900	10,183,800	275,155	27.019
1998/1999	14,658,600	9,329,500	252,797	27.097
1999/2000	12,754,200	7,425,100	197,127	26.549
2000/2001	13,051,700	7,722,600	208,359	26.980
2001/2002	13,209,800	7,880,700	216,178	27.431
2002/2003	13,480,700	8,151,600	218,111	26.757
2003/2004	12,099,600	6,770,500	176,674	26.095
2004/2005	12,174,400	6,845,300	176,252	25.748
2005/2006	12,015,400	6,686,300	168,839	25.251
2006/2007	11,861,300	6,532,200	165,757	25.375
2007/2008	12,042,300	6,713,200	163,716	24.387
2008/2009	12,162,100	6,833,000	169,884	24.862
2009/2010	12,160,100	6,831,000	177,134	25.931
2010/2011	9,216,800	3,887,700	103,801	26.700
2011/2012	9,359,200	4,030,100	109,610	27.198
TOTAL 1986-2012			<u>\$4,402,648</u>	

CITY OF MENASHA - DOWNTOWN REDEVELOPMENT
T.I.D. # 1
December 31, 2011

DESCRIPTION	CUMULATIVE ACTUAL @ DEC. 31, 2010	Y--T--D THROUGH DEC. 31, 2011 (UNAUDITED)	CUMULATIVE ACTUAL THRU 12/31/11 (UNAUDITED)
REVENUES:			
PROPERTY TAX INCREMENT	\$4,189,237	\$103,801	\$4,293,038
PAYMENTS IN LIEU	46,161	-	46,161
OTHER GRANTS & AIDS	536,452	630	537,082
DONATIONS	376,525	-	376,525
INTEREST INCOME/MISC	385,070	-	385,070
CAPITAL BORROWING	9,332,000	-	9,332,000
TOTAL REVENUES	\$14,865,445	\$104,431	\$14,969,876
EXPENDITURES:			
INFRASTRUCTURE	\$1,146,001	\$0	\$1,146,001
DIRECT DEVELOPMENT	2,128,836	-	2,128,836
DEBT SERVICE - PRINCIPAL	9,332,000	-	9,332,000
DEBT SERVICE - INTEREST	2,533,491	-	2,533,491
MISCELLANEOUS/SUNDRY	200,060	-	200,060
TOTAL EXPENDITURES	\$15,340,388	\$0	\$15,340,388
REVENUES Over EXPENDITURES	(\$474,943)	\$104,431	(\$370,512)

LONG TERM DEBT OUTSTANDING FOR THIS DISTRICT

ISSUE	ORIGINAL ISSUE	PD PRIOR 12/31/11
1986 CORP. PURPOSE BONDS	\$2,851,000	\$2,851,000
1989 PROMISSORY NOTES	3,111,000	3,111,000
1994 REFUNDING BONDS	3,370,000	3,370,000
TOTAL	\$9,332,000	\$9,332,000

Table 2: Projected Financials for TID #1 (2013-2022)

T.I.F # 1-HISTORY

Date: 08/03/2012

Prepared by: City Comptroller/Treasurer

<u>01/01 YEAR</u>	<u>01/01 TAX INC</u>	<u>OTHER REVENUES</u>	<u>PROJECT COSTS</u>	<u>CUMULATIVE BALANCE</u>
1985	\$0	\$0	\$0	\$0
1986	0	419,957	1,930,648	(1,510,691)
1987	0	73,904	865,706	(2,302,493)
1988	17,499	204,036	731,547	(2,812,505)
1989	127,937	38,740	318,724	(2,964,552)
1990	145,815	24,799	287,964	(3,081,902)
1991	166,460	13,279	211,067	(3,113,230)
1992	190,201	11,789	207,440	(3,118,680)
1993	197,465	9,701	206,533	(3,118,047)
1994	200,965	12,093	423,359	(3,328,348)
1995	186,963	11,228	122,730	(3,252,887)
1996	184,849	3,991	115,705	(3,179,752)
1997	205,100	6,097	107,806	(3,076,361)
1998	275,155	0	99,057	(2,900,263)
1999	252,797	0	89,552	(2,737,018)
2000	197,127	112,089	80,453	(2,508,255)
2001	208,359	128,111	67,995	(2,239,780)
2002	216,178	91,782	55,923	(1,987,743)
2003	218,111	46,613	42,871	(1,765,890)
2004	176,674	3,405	28,964	(1,614,775)
2005	176,252	119,798	14,344	(1,333,069)
2006	168,839	2,740	0	(1,161,490)
2007	165,757	2,774	0	(992,959)
2008	163,716	3,448	0	(825,795)
2009	169,884	2,740	0	(653,171)
2010	177,134	1,094	0	(474,943)
2011	103,801	630	0	(370,512)
2012	109,610	1,088	0	(259,814)
2013	109,610 E	1,088 E	0	(149,116)
2014	109,610 E	1,088 E	0	(38,418)
2015	109,610 E	1,088 E	0	72,280
2016	0	0	0	72,280
2017	0	0	0	72,280
2018	0	0	0	72,280
2019	0	0	0	72,280
2020	0	0	0	72,280
2021	0	0	0	72,280
2022	0	0	0	72,280
	\$4,731,478	\$1,349,190	\$6,008,388	

APPENDIX A: Common Council Resolution
Resolution R-__-12

A RESOLUTION ADOPTING AMENDMENT #2 TO THE PROJECT PLAN FOR
CITY OF MENASHA TAX INCREMENTAL DISTRICT #1 FOR THE PURPOSE OF DESIGNATING
TID #1 AS A DISTRESSED TAX INCREMENTAL DISTRICT

Introduced by Mayor Merkes.

WHEREAS, the City of Menasha is proposing to amend Tax Incremental District #1 (TID #1) for the purpose of designating TID #1 as a distressed Tax incremental District; and,

WHEREAS, there have been no amendments to TID #1's project plan after October 1, 2009; and,

WHEREAS, the statutory termination date for TID #1 is December 31, 2012; and,

WHEREAS, City of Menasha December 31, 2011 financial statements note net unreimbursed project costs for TID #1 in the amount of \$370,512 of which \$110,698 will be paid off with TID revenues on or before December 31, 2012; and,

WHEREAS, on December 31, 2012, a balance of \$259,814 of net unreimbursed project costs will be remaining; and,

WHEREAS, Section 66.1105(4e) of the Wisconsin Statutes provides the authority and procedure for designating a tax incremental district created before October 1, 2008 as a distressed or severely distressed district, subject to certain criteria, allowing an extension of the termination date; and,

WHEREAS, a public hearing has been held, after notices required by law, all pursuant to Wisconsin Statutes Section 66.1105(h), and Section 66.1105(4e)(b)(1),

NOW THEREFORE, BE IT RESOLVED, The City of Menasha, Wisconsin:

- 1) Finds and determines that the project costs incurred, with regard to Tax Incremental District #1, exceed the amount of revenues from all sources that the city expects the district to generate to pay off such project costs during the life of the district.
- 2) Designates Tax Incremental District #1 as a Distressed Tax Incremental District.
- 3) Accepts and adopts Amendment #2 to the Project Plan for TID #1.

BE IT FURTHER RESOLVED:

- 1) That amendment to the TID #1 project plan is feasible and in conformity with the master plan.
- 2) That January 1, 2012, be and is the date of amendment of TID #1 Project Plan Amendment #2.

Passed and approved this ____ day of August, 2012

Donald Merkes, Mayor

Deborah Galeazzi, City Clerk

APPENDIX B: Plan Commission Resolution
Plan Commission Resolution 3-2012

A RESOLUTION RELATING TO AMENDMENT #2 TO THE PROJECT PLAN FOR
CITY OF MENASHA TAX INCREMENTAL DISTRICT #1 FOR THE PURPOSE OF DESIGNATING
TID #1 AS A DISTRESSED TAX INCREMENTAL DISTRICT

WHEREAS, the City of Menasha is proposing to amend Tax Incremental District #1 (TID #1) for the purpose of designating TID #1 as a distressed Tax incremental District; and,

WHEREAS, there have been no amendments to TID #1's project plan after October 1, 2009; and,

WHEREAS, the statutory termination date for TID #1 is December 31, 2012; and,

WHEREAS, City of Menasha December 31, 2011 financial statements note net unreimbursed project costs for TID #1 in the amount of \$370,512 of which \$110,698 will be paid off with TID revenues on or before December 31, 2012; and,

WHEREAS, on December 31, 2012, a balance of \$259,814 of net unreimbursed project costs will be remaining; and,

WHEREAS, Section 66.1105(4e) of the Wisconsin Statutes provides the authority and procedure for designating a tax incremental district created before October 1, 2008 as a distressed or severely distressed district, subject to certain criteria, allowing an extension of the termination date; and,

WHEREAS, a public hearing has been held, after notices required by law, all pursuant to Wisconsin Statutes Section 66.1105(h),

NOW THEREFORE, BE IT RESOLVED, The City of Menasha Plan Commission:

- 4) Finds and determines that the project costs incurred, with regard to Tax Incremental District #1, exceed the amount of revenues from all sources that the city expects the district to generate to pay off such project costs during the life of the district.
- 5) Recommends that the Common Council designate Tax Incremental District #1 as a Distressed Tax Incremental District.
- 6) Recommends that the Common Council approve Amendment #2 to the Project Plan for TID #1.

BE IT FURTHER RESOLVED:

- 3) That amendment to the TID #1 project plan is feasible and in conformity with the master plan.

Adopted: _____

Don Merkes, Mayor

Attest: _____
Deborah A. Galeazzi, City Clerk

APPENDIX C: Attorney's Opinion

I have reviewed the Tax Increment District #1 Project Plan Amendment #2 P and the supporting documentation for compliance with Sec. 66.1105 Wis. Stats. The project plan amendment complies with statutory requirements, including those required to designate TID #1 as "Distressed" (Sec. 66.1105(4e)). I know of no valid legal objection to the procedures nor to the Common Council's consideration of the Tax Increment District #1 Project Plan Amendment #2.

Pamela Captain
City Attorney

CITY OF MENASHA
JOINT REVIEW BOARD – WINNEBAGO COUNTY
RESOLUTION 2-12
APPROVING PROJECT PLAN AMENDMENT #2 TO TAX INCREMENTAL DISTRICT #1

WHEREAS, on September 4, 2012 the City of Menasha Common Council adopted Resolution R-__12 Amending the Project Plan for Tax Incremental District #1 pursuant to Wisconsin Statute 66.1105(4) (h)(1); and,

WHEREAS, on August 6, 2012 the City of Menasha Common Council adopted Resolution R-31-12 designating TID #1 as a Distressed Tax Incremental District pursuant to Wisconsin Statute 66.1105(4e)(1); and,

WHEREAS, a certified copy of Resolution R-31-12 designating TID #1 as a Distressed Tax Incremental District, and a copy of the financial data that the legislative body used in the adoption process has been reviewed by the Joint Review Board.

NOW THEREFORE, BE IT RESOLVED, the City of Menasha Joint Review Board-Winnebago County:

1. Determines that the designation of TID #1 as a distressed district is likely to enhance the ability of the city to pay its project costs within the time the time specified in Wisconsin Statute 66.1105(4e)(5)(d).
2. Approves Resolution R-31-12 Designating TID # 1 a Distressed Tax Incremental District.
3. Approves Resolution R-__-12, Amendment #2 to the TID #1 Project Plan for the purpose of designating TID # 1 as a Distressed Tax Incremental District.

Adopted this __ day of September 2012.

Secretary
Joint Review Board