

PLAN COMMISSION RESOLUTION NO. 1-2016

RESOLUTION APPROVING A PROJECT PLAN AMENDMENT
FOR TAX INCREMENTAL DISTRICT NO. 5
CITY OF MENASHA, WISCONSIN

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. 5 (the “District”) was created by the City on September 9, 1998 as an industrial use 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, such amendment will allow for the District to share surplus increments with Tax Incremental District No. 3 under the provisions of Wisconsin Statutes Section 66.1105(6)(f); 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 18, 2016 held a public hearing concerning the proposed amendment to the Project Plan, providing interested parties a reasonable opportunity to express their views thereon.

NOW, THEREFORE, BE IT RESOLVED by the Plan Commission of the City of Menasha that:

1. The boundaries of Tax Incremental District No. 5 remain unchanged due to this amendment.

2. It approves and adopts the amended Project Plan for the District, and recommends its approval to the Common Council.
3. Amendment of the Project Plan of the District promotes orderly development in the City.

Passed and approved this ____ day of _____, _____.

Plan Commission Chair

Secretary of the Plan Commission



MEMORANDUM

To: Plan Commission

From: David Buck, CDD

Date: October 10, 2016

RE: **Project Plan Amendment for Tax Incremental District (TID) No. 5**

The Community Development Department requests approval of Project Plan and Allocation Amendment to transfer positive tax increment from a financially capable TID (Donor) to an existing blighted area TID that has a lower than expected fund balance (Recipient). Attached to this staff report is the TID No. 5 Project Plan Amendment document.

State Statutes allow cities to amend Tax Increment Districts (TID) in numerous ways including reallocation of tax increment from one district (donor) to another (recipient). At this time, the City is proposing to amend the project plan of TID No. 5 to act as a donor district to allocate positive tax increment in the estimated amount of \$732,500 to TID No. 3 as a recipient district in order to make the TID No. 3 financially solvent and provide necessary increment for its closure in December, 2016.

TID No. 5 was created as an industrial use district on September 9, 1998. Since then, the project plan has been amended four times with this amendment being the fifth. Two of the four amendments were territory amendments and the other two amendments were allocation and project plan amendments.

TID No. 5 is a successful TID that has satisfied its existing debt service and project cost obligations. The exhibits included in the TID No. 5 Project Plan Amendment document demonstrate that TID No. 5 has sufficient increment to pay for its project costs and has a surplus with which to allocate increment to TID No. 3.

The Community Development Department asks that the Plan Commission approve Plan Commission Resolution 1-2016 recommending approval of the proposed project plan and allocation amendment for Tax Increment District No. 5.

September 28, 2016

Tax Incremental District #5
Project Plan Amendment #5

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 #5 ("TID #5" or "Donor District") as an industrial use district on September 9, 1998. Since then, the project plan for Tax Increment District #5 has been amended four times with this amendment being the fifth. Two of the four amendments were territory amendments and the other two amendments were allocation and project plan amendments. This amendment seeks to change the project plan but will not affect territory in TID #5 and therefore will not be counted against the maximum of four allowable territorial amendments. A map of the current TID #5 boundaries is included on the following page.

It is recognized that TID #5 has positive surplus funds due to a higher than expected increment resulting from its creation. Tax Increment District #3 ("TID #3" or "Recipient District") is an existing blighted area TID that has a lower than expected fund balance. Currently, TID #3 is expected to terminate by 12/05/2016 without recovering its project costs. Therefore this amendment seeks to share funds in the estimated amount of \$732,500 in the form of a one-time payment from TID #5 to TID #3 in order to make the Recipient District financially solvent.

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

This amendment provides the authority for the Donor District to allocate surplus increments with the Recipient District. No other additional Project Costs are involved, and the statement of kind, number and location of proposed public works and other projects as documented in the original Project Plan and subsequent Project Plan Amendments remains in effect.

Detailed List of Project Costs

The proposed improvements consist of an estimated allocation from TID #5 to TID #3 in the amount of \$732,500 in order to facilitate the successful closure of TID #3 (see page 5).

4. The allocation of positive tax increments from a donor district to one or more recipient districts cannot be made unless the donor district has first satisfied all of its current-year debt service and project cost obligations.

Tax Increment District #5, the positive tax increments to be allocated, and Tax Increment District #3 have the same overlying taxing jurisdictions. The recipient district was created with the finding that not less than 50 percent, by area, of real property within the district is blighted or in need of rehabilitation.

The donor district has satisfied its current-year debt service and project cost obligations. The exhibits on the following page demonstrate that Tax Increment District #5 has sufficient increment to pay for its project costs and has a surplus with which to allocate increment to Tax Increment District #3.

Projected Cash Flow Prior to Transfer to Recipient District

TAX INCREMENTAL FINANCING DISTRICT #5 - Fund 457

9/21/2016

TAX YEAR / COLLECTION YEAR	TAX INCREMENT	TIF (TAX) RATE	TIF AMOUNT	EXEMPT COMPUTER AID	OTHER REVENUES	DEBT SERVICE	OTHER EXPENSES	Donor TO OTHER TID's (#7 & #8)	ADVANCE TO TID #10	DONOR TO TID #13	POTENTIAL DONOR TO TID #3	NEW BORROWING	END OF YEAR FUND BALANCE	REMAINING LIABILITIES
2003/2004													\$1,006,547	
2004/2005			\$98,177	\$2,876	\$156,958	\$263,180	\$1,295,075					\$1,300,000	\$1,006,303	
2005/2006			\$154,948	\$4,071	\$442,206	\$1,054,867	\$105,352					\$0	\$447,309	
2006/2007			\$135,756	\$7,864	\$565,965	\$703,153	\$0					\$0	\$453,741	
2007/2008			\$263,713	\$6,755	\$123,658	\$1,310,245	\$1,225					\$765,000	\$301,400	
2008/2009			\$290,472	\$161,558	\$659,337	\$648,876	\$414,597						\$349,294	
2009/2010			\$256,913	\$162,040	\$89,576	\$390,801	\$20,973						\$446,050	
2010/2011			\$272,424	\$163,588	\$184,855	\$420,017	\$5,524		\$250,000				\$391,375	
2011/2012	\$10,510,200	\$27.198	\$285,855	\$178,891	\$164,286	\$1,537,069	\$26,867		(\$29,000)			\$1,170,000	\$655,471	
2012/2013	\$10,360,000	\$27.877	\$288,809	\$263,953	\$1,171,958	\$235,591	\$10,146						\$2,134,454	
2013/2014	\$10,510,800	\$28.207	\$296,480	\$296,124	\$608	\$1,415,855	\$13,463	\$109,710					\$1,188,638	
2014/2015	\$11,441,200	\$28.056	\$320,998	\$457,071	\$0	\$265,500	\$12,228	\$18,048		\$750,000			\$920,931	\$1,780,918
2015/2016	\$11,797,700	\$27.976	\$330,058	\$584,678		\$271,902	\$10,653	\$24,748	(\$221,000)				\$1,749,364	\$1,484,268
2016/2017	\$11,797,700	\$27.976	\$330,058			\$276,719	\$150	\$143,173					\$1,659,380	\$1,064,376
2017/2018	\$11,797,700	\$27.976	\$330,058			\$169,094	\$150	\$264,000					\$1,556,194	\$631,282
2018/2019	\$11,797,700	\$27.976	\$330,058			\$169,094	\$150	\$114,500					\$1,602,508	\$347,688
2019/2020	\$11,797,700	\$27.976	\$330,058			\$169,094	\$150	\$9,500					\$1,753,823	\$169,094
2020/2021	\$11,797,700	\$27.976	\$330,058			\$169,094	\$150						\$1,914,637	\$0

Notes:

Includes end of year G.O. debt outstanding plus remaining planned transfers to TIDs 7 and 8.

Projected Cash Flow Following Transfer to Recipient District

TAX INCREMENTAL FINANCING DISTRICT #5 - Fund 457

9/21/2016

TAX YEAR / COLLECTION YEAR	TAX INCREMENT	TIF (TAX) RATE	TIF AMOUNT	EXEMPT COMPUTER AID	OTHER REVENUES	DEBT SERVICE	OTHER EXPENSES	Donor TO OTHER TID's (#7 & #8)	ADVANCE TO TID #10	DONOR TO TID #13	POTENTIAL DONOR TO TID #3	NEW BORROWING	END OF YEAR FUND BALANCE	REMAINING LIABILITIES
2003/2004													\$1,006,547	
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2005/2006			\$154,948	\$4,071	\$442,206	\$1,054,867	\$105,352					\$0	\$447,309	
2006/2007			\$135,756	\$7,864	\$565,965	\$703,153	\$0					\$0	\$453,741	
2007/2008			\$263,713	\$6,755	\$123,658	\$1,310,245	\$1,225					\$765,000	\$301,400	
2008/2009			\$290,472	\$161,558	\$659,337	\$648,876	\$414,597						\$349,294	
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2011/2012	\$10,510,200	\$27.198	\$285,855	\$178,891	\$164,286	\$1,537,069	\$26,867		(\$29,000)			\$1,170,000	\$655,471	
2012/2013	\$10,360,000	\$27.877	\$288,809	\$263,953	\$1,171,958	\$235,591	\$10,146						\$2,134,454	
2013/2014	\$10,510,800	\$28.207	\$296,480	\$296,124	\$608	\$1,415,855	\$13,463	\$109,710					\$1,188,638	
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2015/2016	\$11,797,700	\$27.976	\$330,058	\$584,678		\$271,902	\$10,653	\$24,748	(\$221,000)		\$732,500		\$1,016,864	\$1,484,268
2016/2017	\$11,797,700	\$27.976	\$330,058			\$276,719	\$150	\$143,173					\$926,880	\$1,064,376
2017/2018	\$11,797,700	\$27.976	\$330,058			\$169,094	\$150	\$264,000					\$823,694	\$631,282
2018/2019	\$11,797,700	\$27.976	\$330,058			\$169,094	\$150	\$114,500					\$870,008	\$347,688
2019/2020	\$11,797,700	\$27.976	\$330,058			\$169,094	\$150	\$9,500					\$1,021,323	\$169,094
2020/2021	\$11,797,700	\$27.976	\$330,058			\$169,094	\$150						\$1,182,137	\$0

Notes:

Includes end of year G.O. debt outstanding plus remaining planned transfers to TIDs 7 and 8.

Map Showing Proposed Improvements and Uses

There will not be any changes to the Tax Increment District #5 boundaries or to the existing uses and conditions within Tax Increment District #5 as a result of this Project Plan Amendment. Please refer to the original Project Plan and its subsequent Project Plan Amendments for maps detailing the proposed improvements and property within Tax Increment District #5.

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 Tax Increment District #5. 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 #5 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 Tax Increment District #5. 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 #5 Project Plan or its subsequent Amendments 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 #5 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 style with a large, stylized initial "P".

Attorney Pamela Captain
City of Menasha