

September 3, 2020

ANNUAL TAX INCREMENT DISTRICT REPORT FOR:

City of Sun Prairie, WI

Tax Incremental District No. 9



Prepared by:

Ehlers
N21W23350 Ridgeview
Parkway West, Suite 100
Waukesha, WI 53188

BUILDING COMMUNITIES. IT'S WHAT WE DO.

Annual Tax Increment District Report

City of Sun Prairie, Wisconsin Tax Incremental District No. 9

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. 9 (“District”) was created on March 28, 2007 as a mixed use TID to facilitate development of a 24-hour health care facility within the City (SSM Health Emergency Center). A subsequent amendment approved August 20, 2013 added territory to the District to allow for further mixed-use development near USH 151 and S. Grand Avenue to include Cabela’s, Marcus Theatres and portions of the Prairie Lakes retail area. The TID has an expenditure period that ends on March 28, 2022 and a mandatory termination date of March 28, 2027.

Background Data:	Base Value	\$12,294,900
	Incremental Value (as of January 1, 2020)	\$85,205,100
	Year End Fund Balance (2019)	(\$464,291)
	Projected Closure (based on current cash flow*)	2026

* 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: New construction projects completed in 2019 included a multi-tenant commercial building housing TJ Maxx, Home Goods and 5 Below. Sugar River Pizza will complete construction and open in 2020. The City expects additional development to occur in the near future. Significant remaining project costs include expansion of the Grand & Hoepker intersection expected to occur in 2022.

**Joint Review Board
Action:**

Resolution acknowledging filing of Annual TID Report and compliance with annual meeting requirements.

Attachments:

- TID Boundary Map
- TID Cash Flow Projection (Detail)
- State Submittal (DOR Form PE-300)





City of Sun Prairie, WI

Tax Incremental District No. 9 Development Assumptions

Construction Year	Actual ¹	Other Development ²		Annual Total
2007	193,600			193,600
2008	(250,600)			(250,600)
2009	(879,000)			(879,000)
2010	666,700			666,700
2011	(1,751,100)			(1,751,100)
2012	508,300			508,300
2013	2,818,500			2,818,500
2014	20,262,600			20,262,600
2015	17,977,500			17,977,500
2016	4,504,700			4,504,700
2017	11,322,500			11,322,500
2018	23,753,200			23,753,200
2019	6,078,200			6,078,200
2020		10,000,000		10,000,000
2021		5,000,000		5,000,000
2022				0
2023				0
2024				0
2025				0
TOTALS	85,205,100	15,000,000	0	100,205,100

NOTES:

¹Annual change in incremental value as certified by the Wisconsin Department of Revenue.

²Assumptions as to 2020 and 2021 valuation changes provided by City staff. Includes Sugar River Pizza and multi-tenant building (TJ Maxx, Home Goods, Five Below).

City of Sun Prairie, WI

Tax Incremental District No. 9 Tax Increment Projection Worksheet

Type of District	Mixed Use
Anticipated Creation Date	3/27/2007
Valuation Date	Jan. 1, 2007
Maximum Life (In Years)	20
Expenditure Period (In Years)	15
Revenue Periods/Final Rev Year	19 2027
End of Expenditure Period	3/27/2022
Latest Termination Date	3/27/2027
Eligible for Extension/No. of Years	Yes 3
Eligible Recipient District	No

Actual Base Value	12,294,900
Pre-Amendment Base Value (Actual)	NA
Property Appreciation Factor	0.00%
Current Tax Rate (Per \$1,000 EV)	\$24.06
Tax Rate Adjustment Factor (Next 2 Years)	0.00%
Tax Rate Adjustment Factor (Following 2 Years)	0.00%
Tax Rate Adjustment Factor (Thereafter)	0.00%

Discount Rate 1 for NPV Calculation	5.00%
Discount Rate 2 for NPV Calculation	7.00%

Apply Inflation
Factor to Base?



Net Present Value Calculation

	Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate ¹	Tax Increment	Cumulative @ 5.00%	Cumulative @ 7.00%
1	2007	193,600	2008		193,600	2009	21.75	4,211	3,638	3,437
2	2008	(250,600)	2009		-57,000	2010	22.72	0	3,638	3,437
3	2009	(879,000)	2010		-936,000	2011	24.36	0	3,638	3,437
4	2010	666,700	2011		-269,300	2012	25.31	0	3,638	3,437
5	2011	(1,751,100)	2012		-2,020,400	2013	25.31	0	3,638	3,437
6	2012	508,300	2013		-1,512,100	2014	26.53	0	3,638	3,437
7	2013	2,818,500	2014		1,306,400	2015	25.34	33,110	24,980	21,447
8	2014	20,262,600	2015		21,569,000	2016	25.10	541,294	357,288	296,613
9	2015	17,977,500	2016		39,546,500	2017	24.54	970,519	924,730	757,700
10	2016	4,504,700	2017		44,051,200	2018	24.00	1,057,068	1,513,345	1,227,051
11	2017	11,322,500	2018		55,373,700	2019	23.40	1,295,818	2,200,545	1,764,769
12	2018	23,753,200	2019		79,126,900	2020	24.06	1,903,463	3,161,923	2,502,965
13	2019	6,078,200	2020		85,205,100	2021	24.06	2,049,679	4,147,854	3,245,863
14	2020	10,000,000	2021	0	95,205,100	2022	24.06	2,290,237	5,197,038	4,021,645
15	2021	5,000,000	2022	0	100,205,100	2023	24.06	2,410,516	6,248,738	4,784,753
16	2022	0	2023	0	100,205,100	2024	24.06	2,410,516	7,250,357	5,497,937
17	2023	0	2024	0	100,205,100	2025	24.06	2,410,516	8,204,280	6,164,465
18	2024	0	2025	0	100,205,100	2026	24.06	2,410,516	9,112,778	6,787,388
19	2025	0	2026	0	100,205,100	2027	24.06	2,410,516	9,978,014	7,369,559
		100,205,100		0						

Future Value of Increment 22,197,978

NOTES:

¹Tax rate shown for 2020 and preceding years is actual per DOR Form PC-202 (Tax Increment Collection Worksheet).

City of Sun Prairie, WI

Tax Incremental District No. 9
Cash Flow Pro Forma



Year	Revenues						Expenditures						Fund Balance		Debt Principal & Advances			Year
	Tax Increments	Intergov Revenue	Debt Proceeds	Interest, Misc. & Other	Land Sales	Total Revenues	General Obligation Debt Pymts ¹	Debt Issuance Costs	Project Costs	Existing Incentive Payments	Transfer to Other Funds	Total Expenditures	Annual	Cumulative ¹	Advances Due to Other Funds	Debt Principal Outstanding	Total	
2015	33,110	4,755				37,865	186,470		5,036	138,000	43,217	372,723	(334,859)	(1,117,597)	1,198,459	5,890,000	7,088,459	2015
2016	541,294	5,938				547,232	221,775		6,750	62,385	23,854	314,764	232,468	(885,129)	960,122	5,830,000	6,790,122	2016
2017	970,519	31,189		96	300,000	1,301,804	394,725		20,576	603,000	41,146	1,059,447	242,357	(642,772)	686,901	5,595,000	6,281,901	2017
2018	1,057,068	31,648		837		1,089,553	485,438		222,885	453,000	0	1,161,323	(71,769)	(714,542)	714,542	5,265,000	5,979,542	2018
2019	1,295,818	38,039	4,155,000	3,079		5,491,936	657,763	55,737	13,993	4,493,600	20,592	5,241,685	250,251	(464,291)	466,633	8,990,000	9,456,633	2019
2020	1,903,463	69,415				1,972,878	1,249,125		17,382	412,000		1,678,507	294,371	(169,920)	172,262	7,995,000	8,167,262	2020
2021	2,049,679	31,189				2,080,868	1,357,639		120,382	1,150,000		2,628,021	(547,153)	(717,073)	719,415	6,865,000	7,584,415	2021
2022	2,290,237	31,189	1,456,000			3,777,426	1,500,691		1,361,382		8,692	2,870,765	906,661	189,588	0	7,016,000	7,016,000	2022
2023	2,410,516	31,189				2,441,705	1,609,886		10,382		110,700	1,730,968	710,737	900,324	0	5,626,000	5,626,000	2023
2024	2,410,516	31,189				2,441,705	1,609,860		10,382			1,620,242	821,463	1,721,787	0	4,471,000	4,471,000	2024
2025	2,410,516	31,189				2,441,705	1,473,983		10,382			1,484,365	957,341	2,679,128	0	3,416,000	3,416,000	2025
2026	2,410,516	31,189				2,441,705	1,477,076		10,382			1,487,458	954,247	3,633,375	0	2,321,000	2,321,000	2026
2027	2,410,516	31,189				2,441,705	1,483,200		20,382			1,503,582	938,123	4,571,498	0	1,186,000	1,186,000	2027
Total	22,193,767	399,307	5,611,000	4,012	300,000	28,508,086	13,707,631	55,737	1,830,296	7,311,985	248,201	23,153,850	5,354,236					

Projected TID Closure

NOTES:
¹Includes estimated debt service for \$1,456,000 to be financed in 2022 to pay 25% of the cost of the design and expansion of the Grand & Hoepker intersection.
²Fund balance shown for 2019 and preceding years is actual per City's audited financial statements.

Form PE-300	TID Annual Report	2019 WI Dept of Revenue
----------------	--------------------------	-----------------------------------

Section 1 - Municipality and TID					
Co-muni code 13282	Municipality SUN PRAIRIE		County DANE	Due date July 1, 2020	Report type ORIGINAL
TID number 009	TID type 6	TID name TID 09	Creation date 03/28/2007	Mandatory termination date 03/28/2027	Expected termination date 12/31/2025

Section 2 - Beginning Balance	Amount
TID fund balance at beginning of year	\$-714,543

Section 3 - Revenue	Amount
Tax increment	\$1,295,818
Investment income	\$3,079
Debt proceeds	\$4,155,000
Special assessments	\$0
Exempt computer aid	\$32,414
Sale of property	\$0
Allocation from another TID	
Developer guarantees name	
Transfer from other funds source	
Other grants sources	
Other revenue sources	
Source PPT Aid	\$5,625
Total Revenue (deposits)	\$5,491,936

Form PE-300	TID Annual Report	2019 WI Dept of Revenue
------------------------	--------------------------	-----------------------------------

Section 4 - Expenditures	Amount
Capital expenditures	\$20,592
Administration	\$13,842
Professional services	\$0
Interest and fiscal charges	\$227,763
DOR fees	\$150
Discount on long-term debt	\$0
Debt issuance costs	\$55,737
Principal on long-term debt	\$430,000
Environmental costs	\$0
Real property assembly costs	\$0
Allocation to another TID	
Developer grants name	
Developer name Iowa Machine Shed- Hilton Garden Inn	\$4,100,000
Developer name Cabela's Wholesale	\$93,600
Developer name Prairie Development Ltd.	\$300,000
Transfer to other funds source	
Other expenditures source	
Total Expenditures	\$5,241,684

Section 5 - Ending Balance	Amount
TID fund balance at end of year	\$-464,291
Future costs	\$14,798,947
Future revenue	\$15,630,419
Surplus or deficit	\$367,181

Section 6 - Preparer/Contact Information	
Preparer name Kristin Vander Kooi	Preparer title Finance Director
Preparer email kvanderkooi@cityofsunprairie.com	Preparer phone (608) 825-1173
Contact name Kristin Vander Kooi	Contact title Finance Director
Contact email kvanderkooi@cityofsunprairie.com	Contact phone (608) 825-1173

Form PE-300	TID Annual Report	2019 WI Dept of Revenue
------------------------	--------------------------	-----------------------------------

Submission Information	
Co-muni code	13282
TID number	009
Submission date	06-30-2020 04:13 PM
Confirmation	TIDAR20190394O1593551605118
Submission type	ORIGINAL