

June 12, 2018

Annual Tax Increment District Report – TID No. 8

City of Sun Prairie, Wisconsin



Prepared by:

Todd Taves, CIPMA
Senior Municipal Advisor/
Principal

Dawn Gunderson Schiel, CIPMA,
CPFO
Senior Municipal Advisor/
Vice-President

Annual Tax Increment District Report

City of Sun Prairie, Wisconsin
Tax Increment District No. 8

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. 8 ("District") was created on December 27, 2001 as a blighted area TID. A subsequent amendment approved on August 3, 2004 added additional territory to the District. The TID has an expenditure period that ends on December 27, 2023, and has a mandatory termination date of December 27, 2028.

Financial Data:	Base Value	\$22,279,000
	Incremental Value	\$78,239,500
	Year End Fund Balance	(\$1,184,642)
	Projected Closure (based on current cash flow*)	2024

* 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: Project costs incurred by the City within this District have facilitated implementation of the City's Downtown Revitalization Plan. Notable activity occurring within this District in 2017 and 2018 includes:

- Full Mile Beer Company & Kitchen and the Lofts at 132 (132 Market Street) broke ground in 2017. The facility will be a brew pub and full restaurant, with a second floor consisting of event space. The project is expected to open in late summer or early fall of 2018. A \$50,000 development incentive was provided in return for a guaranteed minimum assessed value of \$2,300,000.
- 242 W. Main St. was acquired by a new owner in 2017 who is converting the space from retail to offices as part of a significant remodeling project expected to be completed in Summer of 2018. No TIF assistance was provided.



- 228 E. Main St. was occupied by a tasting room, and significantly remodeled. No TIF assistance was provided.
- 126 N. Bristol St. had a 40-unit apartment project proposed in 2017, which is still being evaluated and negotiated with the developer.
- 114 W. Main St. is being remodeled from a single-family home to a bed and breakfast facility, and is due to be completed by July 1, 2018.
- 239 E. Main St. is in the process of being sold to a new owner, who will convert the space from a restaurant to a nano-brewery and restaurant in 2018.
- 137 S. Bristol St. has been occupied by a workout training facility.

Construction completed within the District in 2017 and expected to be completed in 2018 will generate sufficient tax increment to recover all project costs by 2024 based on current projections.

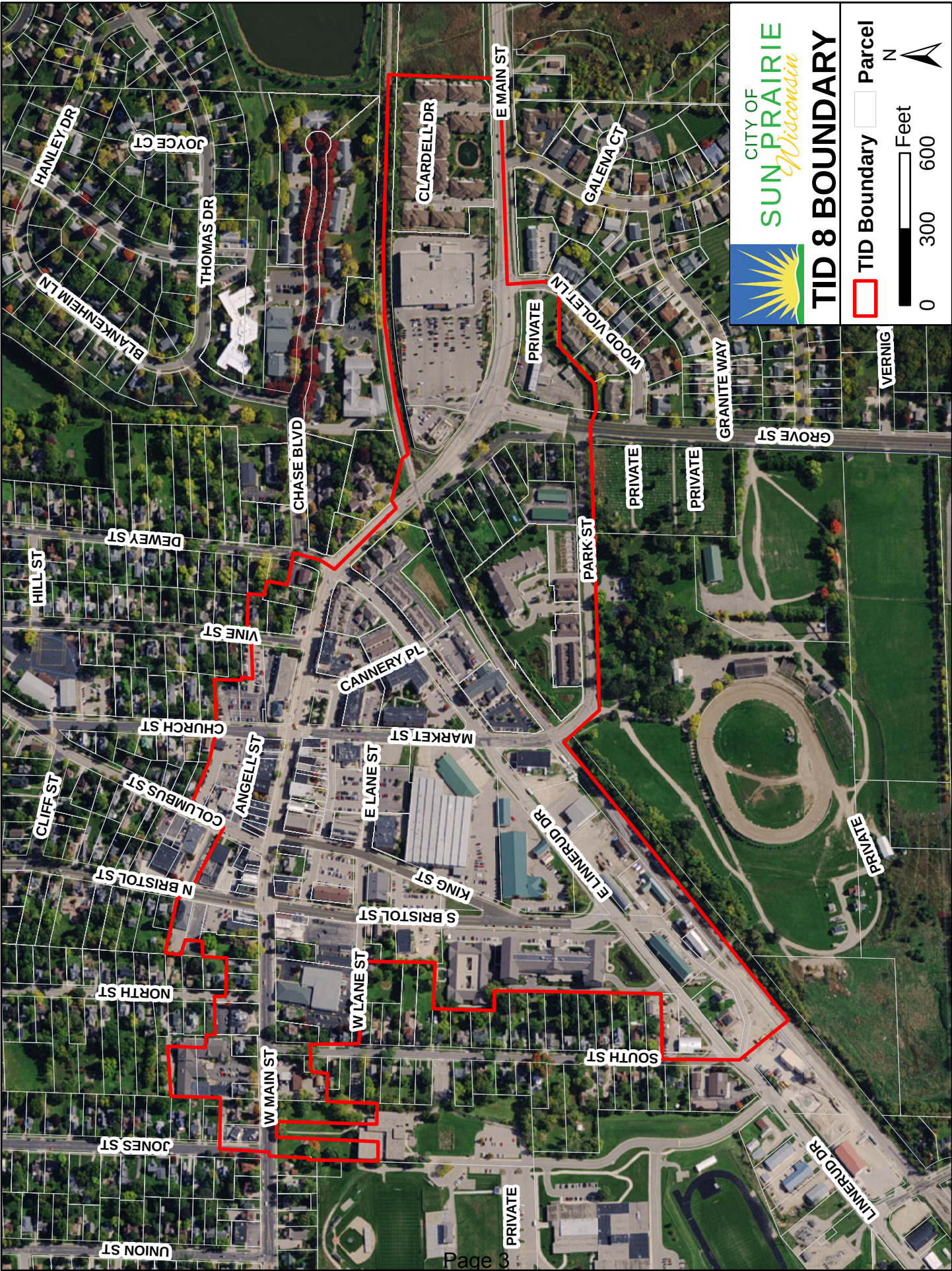
**Joint Review Board
Action:**

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

Attachments:

- TID Boundary Map
- TID Cash Flow Projection (Detail)
- State Submittal





TID 8 BOUNDARY

 TID Boundary  Parcel

 Feet
0 300 600

 N



City of Sun Prairie, WI

Tax Increment District No. 8 Development Assumptions



Construction Year	Actual ¹	Estimated Change in Value			Annual Total
2002	329,300				329,300
2003	3,901,700				3,901,700
2004	17,337,600				17,337,600
2005	7,779,600				7,779,600
2006	15,437,700				15,437,700
2007	12,349,900				12,349,900
2008	(933,700)				(933,700)
2009	2,286,000				2,286,000
2010	(3,066,500)				(3,066,500)
2011	(1,037,300)				(1,037,300)
2012	10,857,600				10,857,600
2013	(149,600)				(149,600)
2014	871,300				871,300
2015	5,669,500				5,669,500
2016	6,606,400				6,606,400
2017		2,500,000			2,500,000
2018		2,300,000			2,300,000
2019					0
2020					0
2021					0
2022					0
2023					0
2024					0
2025					0
2026					0
2027					0
TOTALS	78,239,500	4,800,000	0	0	83,039,500

NOTES:

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

City of Sun Prairie, WI

Tax Increment Projection Worksheet



Apply Inflation Factor to Base?



22,279,000
NA
0.00%
\$24.00
0.00%
0.00%

Actual Base Value
Pre-Amendment Base Value (Actual)
Property Appreciation Factor
Current Tax Rate (Per \$1,000 EV)
Tax Rate Adjustment Factor (Next 2 Years)
Tax Rate Adjustment Factor (Following 2 Years)
Tax Rate Adjustment Factor (Thereafter)

Discount Rate 1 for NPV Calculation
Discount Rate 2 for NPV Calculation

Net Present Value Calculation

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment
1 2002	329,300	2003		329,300	2004	23.66	7,790
2 2003	3,901,700	2004		4,231,000	2005	21.60	91,408
3 2004	17,337,600	2005		21,568,600	2006	21.64	466,762
4 2005	7,779,600	2006		29,348,200	2007	21.15	620,744
5 2006	15,437,700	2007		44,785,900	2008	21.28	952,847
6 2007	12,349,900	2008		57,135,800	2009	21.75	1,242,639
7 2008	(933,700)	2009		56,202,100	2010	22.70	1,275,698
8 2009	2,286,000	2010		58,488,100	2011	24.36	1,424,668
9 2010	(3,066,500)	2011		55,421,600	2012	25.31	1,402,460
10 2011	(1,037,300)	2012		54,384,300	2013	26.03	1,415,688
11 2012	10,857,600	2013		65,241,900	2014	26.53	1,730,725
12 2013	(149,600)	2014		65,092,300	2015	25.34	1,649,714
13 2014	871,300	2015		65,963,600	2016	25.10	1,655,417
14 2015	5,669,500	2016		71,633,100	2017	24.54	1,757,962
15 2016	6,606,400	2017		78,239,500	2018	24.00	1,877,463
16 2017	2,500,000	2018	0	80,739,500	2019	24.00	1,937,454
17 2018	2,300,000	2019	0	83,039,500	2020	24.00	1,992,645
18 2019	0	2020	0	83,039,500	2021	24.00	1,992,645
19 2020	0	2021	0	83,039,500	2022	24.00	1,992,645
20 2021	0	2022	0	83,039,500	2023	24.00	1,992,645
21 2022	0	2023	0	83,039,500	2024	24.00	1,992,645
22 2023	0	2024	0	83,039,500	2025	24.00	1,992,645
23 2024	0	2025	0	83,039,500	2026	24.00	1,992,645
24 2025	0	2026	0	83,039,500	2027	24.00	1,992,645
25 2026	0	2027	0	83,039,500	2028	24.00	1,992,645
26 2027	0	2028	0	83,039,500	2029	24.00	1,992,645
83,039,500							39,435,893

ACTUAL PROJECTED





Year	Revenues								Expenditures							Fund Balance		Debt Principal & Advances			Year
	Tax Increments	Investment Earnings	Intergov Revenue	Public Charges	Debt Proceeds	Debt Service Reserve Applied ¹	Misc Revenue	Total Revenues	Total LRB Debt Service	G.O. Debt Service	Incentive Payments	Deposit to Adv Rfdg Escrow	Transfers Out	Project Costs	Total Expenditures	Annual	Cumulative ²	Advances Due to Other Funds	Debt Principal Outstanding	Total	
2015	1,649,714	0	23,253	15,545	1,460,041		83	1,688,595	1,423,529	122,464	112,735	931,287	2,912	20,797	1,682,437	6,157	(1,080,269)	1,079,581	9,290,000	10,369,581	2015
2016	1,655,417	0	93,100				20,315	3,228,873	1,467,973	123,430	111,955			640,244	3,274,888	(46,014)	(1,126,283)	1,125,520	12,820,000	13,945,520	2016
2017	1,757,962	16	33,274	28,079			3,148	1,822,479	1,514,978	171,695	133,739		3,937	56,490	1,880,838	(58,359)	(1,184,642)	1,195,306	11,365,000	12,560,306	2017
2018	1,877,463	45	22,000				14,100	1,913,608	1,529,378	169,084	342,436			60,210	2,101,107	(187,499)	(1,372,141)	1,382,805	9,885,000	11,267,805	2018
2019	1,937,454	900	22,000				14,140	1,974,494	1,535,203	223,050	163,666			53,140	1,975,058	(564)	(1,372,705)	1,383,369	8,325,000	9,708,369	2019
2020	1,992,645	0	22,000				14,100	2,028,745	1,537,393	207,500	213,666			36,410	1,994,968	33,777	(1,338,928)	1,349,592	6,755,000	8,104,592	2020
2021	1,992,645	0	22,000				14,100	2,028,745	1,535,153	211,950	163,666			33,410	1,944,178	84,567	(1,254,360)	1,265,025	5,155,000	6,420,025	2021
2022	1,992,645	0	22,000				14,100	2,028,745	1,539,068	216,100	163,666			30,410	1,949,243	79,502	(1,174,858)	1,185,522	3,515,000	4,700,522	2022
2023	1,992,645	0	22,000				14,100	2,028,745	1,544,548	210,100	163,666			29,410	1,947,723	81,022	(1,093,836)	1,104,500	1,840,000	2,944,500	2023
2024	1,992,645	0	22,000				14,100	3,584,433	1,551,360	210,050	163,666			29,410	1,954,486	1,629,948	536,112	0	120,000	120,000	2024
2025	1,992,645	0	22,000		1,555,688		14,100	2,028,745		62,100	163,666			29,410	255,176	1,773,570	2,309,682	0	60,000	60,000	2025
2026	1,992,645	0	22,000				14,100	2,028,745		60,600					60,600	1,968,145	4,277,828	0	0	0	2026
2027	1,992,645	0	22,000				14,100	2,028,745							0	2,028,745	6,306,573	0	0	0	2027
2028	1,992,645	0	22,000				14,100	2,028,745							0	2,028,745	8,335,319	0	0	0	2028
2029	1,992,645	0	22,000				14,100	2,028,745							0	2,028,745	10,364,064	0	0	0	2029
Total	28,804,465	961	413,627	43,624	1,460,041	1,555,688	192,786	32,471,192	15,178,579	1,988,123	1,896,524	931,287	6,849	1,019,341	21,020,702	11,450,490					

Projected TID Closure

NOTES:
¹CDA Lease Revenue Bonds secured by a pledge of tax incremental revenue from the District have an associated debt service reserve fund of \$1,555,688 reported as restricted cash in the CDA Fund. These funds are available to make the final debt service payment.
²Fund balance shown for year ending 2015 and 2016 per City audited financial statements. Fund balance for year ending 2017 per draft compiled financial statements and DOR Form PE-300.

Form PE-300	TID Annual Report	2017 WI Dept of Revenue
------------------------	--------------------------	-----------------------------------

Municipality/TID					
Co-muni code 13282	Municipality SUN PRAIRIE		County DANE	Due date 07-02-2018	Report type ORIGINAL
TID number 008	TID type 2	TID name N/A	Creation date 12-27-2001	Mandatory termination date 12-27-2028	Expected termination date N/A

Section 1 : Beginning Balance	
TID fund balance at beginning of fiscal year	\$-1,126,283

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 source amount
WEDC Brownfield Grant	\$9,884
Subtotal other grant source amount	\$9,884
Other revenue sources	Other revenue source amount
Refuse Charges	\$28,079
Subtotal other revenue source amount	\$28,079
Tax increment	\$1,757,962
Investment income	\$16
Debt proceeds	\$0
Special assessments	
Exempt computer aid	\$23,390
Miscellaneous revenue	\$3,148
Sale of property	
Total Revenue (deposits)	\$1,822,479

Form PE-300	TID Annual Report		2017 WI Dept of Revenue
Section 3. Expenditures			
Developer grant name		Developer grant amount	
SP REAL ESTATE LLC		\$133,739	
Subtotal developer grant amount		\$133,739	
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 source		Transfer to other fund amount	
Administrative Costs		\$3,937	
Subtotal transfer to other fund amount		\$3,937	
Other expenditure source		Other expenditure source amount	
Refuse Charges		\$19,613	
Tax Refunds		\$3,056	
Subtotal other expenditures source amount		\$22,669	
Capital expenditures		\$3,595	
Administration		\$16,883	
Professional services		\$13,193	
Interest and fiscal charges		\$231,672	
DOR fees		\$150	
Discount on long-term debt			
Debt issuance costs			
Principal on long-term debt		\$1,455,000	
Environmental costs			
Real property assembly costs			
Total Expenditures		\$1,880,838	
Section 4. Ending Balance			
TID fund balance at end of fiscal year		\$-1,184,642	
Future costs		\$14,338,809	
Future revenue		\$24,179,161	
Surplus or deficit		\$8,655,710	

Form PE-300	TID Annual Report	2017 WI Dept of Revenue
----------------	--------------------------	-----------------------------------

Contact Information

Contact name Connie M DeKemper	Contact title Director of Administrative Services
Contact email cdekemper@cityofsunprairie.com	Contact phone (608) 825-1192