

June 12, 2018

Annual Tax Increment District Report – TID No. 9

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. 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. A subsequent amendment approved August 20, 2013 added additional territory to the District. The TID has an expenditure period that ends on March 28, 2022, and has a mandatory termination date of March 28, 2027.

Financial Data:	Base Value	\$12,294,900
	Incremental Value	\$44,051,200
	Year End Fund Balance	(\$642,772)
	Projected Closure (based on current cash flow)	2027

Notes: Originally created to facilitate development of a 24-hour health care facility within the City (SSM Health Emergency Center), the District was subsequently expanded to allow for further mixed-use development near USH 151 and S. Grand Avenue to include Cabelas, Marcus Theatres and portions of the Prairie Lakes retail area. Notable activity occurring within this District in 2017 and 2018 includes:

- Hotel will complete construction and open in 2018.
- Approval of a new building in Prairie Lakes for Topsy Cow which is under construction and should be open by Fall 2018.
- Approval of a new multi-tenant building in Prairie Lakes which will begin construction in 2018.
- Existing buildings continue to add tenants at a steady pace.



- A new standalone restaurant space in Prairie Lakes is being proposed in 2018.
- No significant interest in the City-owned parcels south of 151.

Construction completed within the District in 2017 and expected to be completed in 2018, along with an additional \$5 million in construction value expected to occur by the end of 2020, will generate sufficient tax increment to recover all project costs by the end of the District's maximum life in 2027 based on current projections.

**Joint Review Board
Action:**

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

Attachments:

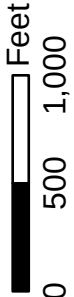
- TID Boundary Map
- TID Cash Flow Projection (Detail)
- State Submittal





TID 9 BOUNDARY

 TID Boundary  Parcel

 Feet
0 500 1,000

 N



City of Sun Prairie, WI

Tax Increment District No. 9 Development Assumptions



EHLERS
LEADERS IN PUBLIC FINANCE

Construction Year	Actual ¹	Estimated Change in Value	HOA Related Add'l Dev.		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		9,500,000			9,500,000
2018		9,000,000			9,000,000
2019					0
2020			5,000,000		5,000,000
2021					0
2022					0
2023					0
2024					0
2025					0
TOTALS	44,051,200	18,500,000	5,000,000	0	67,551,200

NOTES:

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

City of Sun Prairie, WI

Tax Increment Projection Worksheet Tax Increment Projection Worksheet

Apply Inflation
Factor to Base?



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	10,803,400
Pre-Amendment Base Value (Actual)	NA
Property Appreciation Factor	0.00%
Current Tax Rate (Per \$1,000 EV)	\$24.00
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%

Net Present Value Calculation

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment
1 2007	193,600	2008		193,600	2009	21.75	4,211
2 2008	(250,600)	2009		-57,000	2010	22.72	0
3 2009	(879,000)	2010		-936,000	2011	24.36	0
4 2010	666,700	2011		-269,300	2012	25.31	0
5 2011	(1,751,100)	2012		-2,020,400	2013	25.31	0
6 2012	508,300	2013		-1,512,100	2014	26.53	0
7 2013	2,818,500	2014		1,306,400	2015	25.34	33,110
8 2014	20,262,600	2015		21,569,000	2016	25.10	541,294
9 2015	17,977,500	2016		39,546,500	2017	24.54	970,519
10 2016	4,504,700	2017		44,051,200	2018	24.00	1,057,068
11 2017	9,500,000	2018	0	53,551,200	2019	24.00	1,285,034
12 2018	9,000,000	2019	0	62,551,200	2020	24.00	1,501,001
13 2019	0	2020	0	62,551,200	2021	24.00	1,501,001
14 2020	5,000,000	2021	0	67,551,200	2022	24.00	1,620,983
15 2021	0	2022	0	67,551,200	2023	24.00	1,620,983
16 2022	0	2023	0	67,551,200	2024	24.00	1,620,983
17 2023	0	2024	0	67,551,200	2025	24.00	1,620,983
18 2024	0	2025	0	67,551,200	2026	24.00	1,620,983
19 2025	0	2026	0	67,551,200	2027	24.00	1,620,983
67,551,200							16,619,133

67,551,200

Future Value of Increment

16,619,133



Tax Increment District No. 9
Cash Flow Pro Forma

Year	Revenues						Expenditures							Fund Balance		Debt Principal & Advances			Year
	Tax Increments	Intergov Revenue	Debt Proceeds	Misc Income	Land Sales	Total Revenues	General Obligation Debt Pymts	Proposed Txbl Bond (2019) ¹	Debt Issuance Costs	Project Costs	Existing Incentive Payments	Transfer to Other Funds	Total Expenditures	Annual	Cumulative ²	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	9,795,000	10,481,901	2017
2018	1,057,068	31,189				1,088,257	485,438			23,539	479,000		987,977	100,281	(542,491)	586,620	9,465,000	10,051,620	2018
2019	1,285,034	31,189	4,200,000			5,516,223	578,450	77,865	100,500	305,497	4,400,000		5,462,312	53,911	(488,580)	532,710	9,035,000	9,567,710	2019
2020	1,501,001	31,189				1,532,190	663,450	598,290		17,539	412,000		1,691,279	(159,089)	(647,669)	691,798	8,040,000	8,731,798	2020
2021	1,501,001	31,189				1,532,190	774,909	602,009		14,539	300,000		1,691,457	(159,267)	(806,936)	851,065	6,905,000	7,756,065	2021
2022	1,620,983	31,189				1,652,172	916,491	603,798		11,539	850,000		2,381,828	(729,656)	(1,536,592)	1,580,721	5,595,000	7,175,721	2022
2023	1,620,983	31,189				1,652,172	696,644	603,561		10,539			1,310,744	341,428	(1,195,165)	1,239,294	4,470,000	5,709,294	2023
2024	1,620,983	31,189				1,652,172	697,298	601,573		10,539			1,309,409	342,763	(852,402)	896,531	3,310,000	4,206,531	2024
2025	1,620,983	31,189				1,652,172	563,468	598,158		10,539			1,172,164	480,008	(372,394)	416,523	2,250,000	2,666,523	2025
2026	1,620,983	31,189				1,652,172	565,216	598,168		10,539			1,173,923	478,249	105,855	0	1,150,000	1,150,000	2026
2027	1,620,983	31,189				1,652,278	570,360	601,358		20,539			1,192,257	460,021	565,876	0	0	0	2027
Total	16,614,922	353,772	4,200,000	96	300,000	21,468,896	7,314,693	4,884,778	100,500	467,710	7,244,385	108,217	20,120,282	1,348,614					

Projected TID Closure

NOTES:
¹To pay the costs of the Phase I incentive for the Iowa Machine Shed (Hotel) project. Interest rates assumed are 3-21-2017 City of Greenfield (Aa2) taxable reoffering yields plus 1%.
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 009	TID type 6	TID name N/A	Creation date 03-28-2007	Mandatory termination date 03-28-2027	Expected termination date N/A

Section 1 : Beginning Balance	
TID fund balance at beginning of fiscal year	\$-885,129

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
Subtotal other grant source amount	\$0
Other revenue sources	Other revenue source amount
Subtotal other revenue source amount	\$0
Tax increment	\$970,519
Investment income	
Debt proceeds	
Special assessments	
Exempt computer aid	\$31,189
Miscellaneous revenue	\$96
Sale of property	\$300,000
Total Revenue (deposits)	\$1,301,804

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

Section 3. Expenditures	
Developer grant name	Developer grant amount
Marcus Theaters Corporation	\$75,000
Cabela's Wholesale	\$78,000
Prairie Development Ltd.	\$450,000
Subtotal developer grant amount	\$603,000
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
Subtotal transfer to other fund amount	\$0
Other expenditure source	Other expenditure source amount
Subtotal other expenditures source amount	\$0
Capital expenditures	\$35,182
Administration	\$22,377
Professional services	\$4,012
Interest and fiscal charges	\$159,725
DOR fees	\$150
Discount on long-term debt	
Debt issuance costs	
Principal on long-term debt	\$235,000
Environmental costs	
Real property assembly costs	
Total Expenditures	\$1,059,446

Section 4. Ending Balance	
TID fund balance at end of fiscal year	\$-642,771
Future costs	\$18,160,000
Future revenue	\$19,376,000
Surplus or deficit	\$573,229

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