



June 4, 2019

Annual Tax Increment District Report – TID No. 8

City of Sun Prairie, Wisconsin



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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	\$84,530,100
	Est. Year End Fund Balance (2018)	(\$1,386,912)
	Projected Closure (based on current cash flow*)	2025

* 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: The District was created to facilitate 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 Loft at 132 (132 Market Street) was completed in 2018. The first floor is occupied by Full Mile Kitchen and Beer Company (micro-brewery and full-service restaurant). The Loft (event venue space) occupies the second and third floors.
- The District continues to recover from the 2018 natural gas explosion. The City has contracted with the Lakota Group to complete a redevelopment and visioning plan for the impacted area. The plan is expected to be completed by the end of 2019.

- Several businesses relocated following the explosion, but Downtown vacancy rates remain very low.
- A Historic Preservation District was created in 2018 for the 100-200 Blocks of Main Street. This will allow the designated properties to qualify for historic preservation tax credits.
- The City is conducting a formal Downtown parking study in 2019.

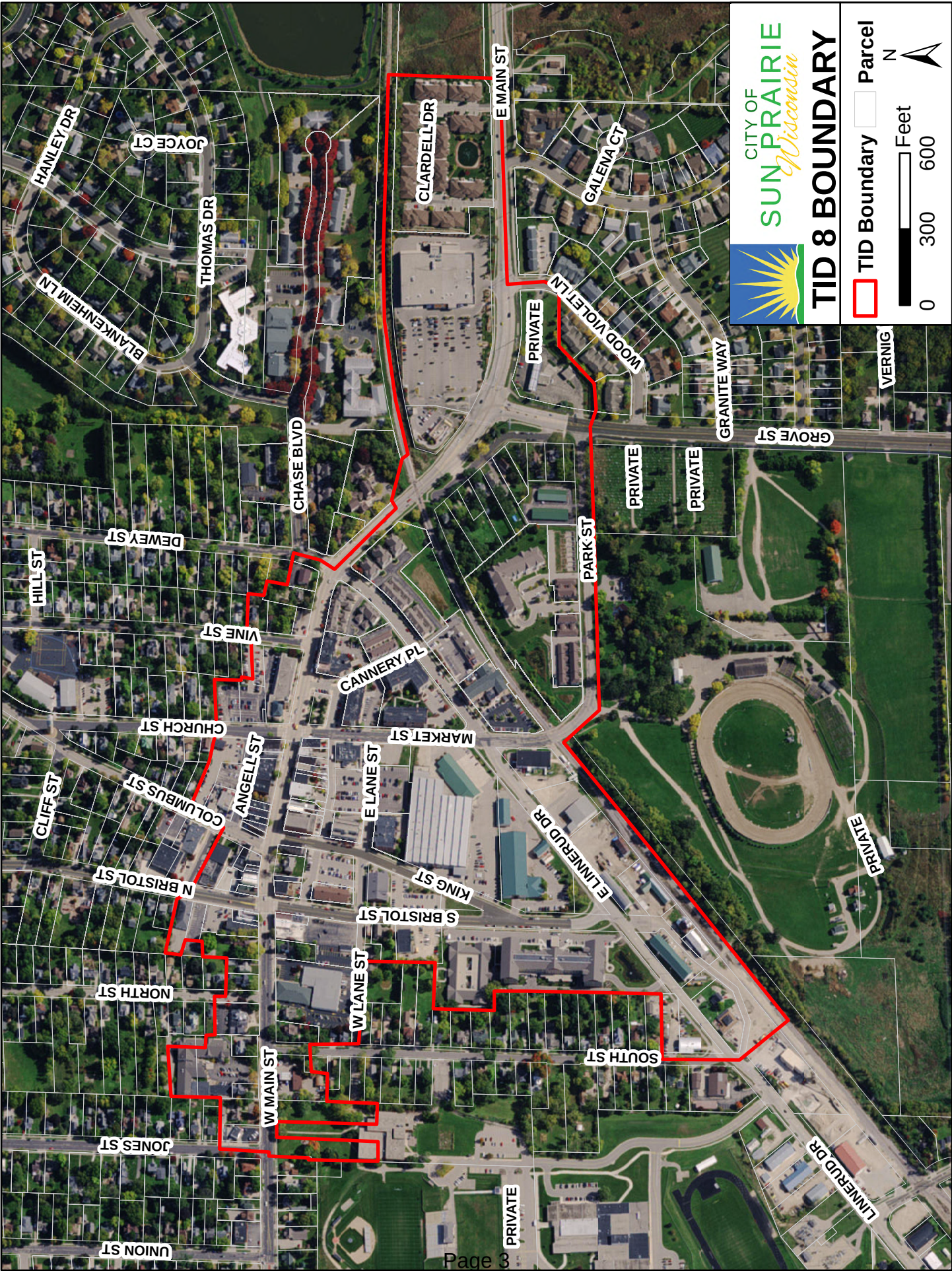
Construction and economic appreciation increased values by \$6,290,600 in 2017, however, values are expected to decrease by more than \$3 million as of January 1, 2019 due to the destruction of buildings impacted by the 2018 gas explosion. The City also purchased Mroczek Motors in 2019 which will place that parcel in tax-exempt status first impacting January 1, 2020 value. The District's current value of \$84,530,100 is projected to decrease to \$81,257,000 in 2021 because of these changes. This will postpone the projected closure of the District by a year, until 2025.

**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

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City of Sun Prairie, WI

Tax Increment District No. 8 Development Assumptions²

Construction Year	Actual ¹	Loss in Value Due to Explosion	City Acquired Land (Tax- Exempt)	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	6,290,600			6,290,600
2018		(3,148,100)		(3,148,100)
2019			(125,000)	(125,000)
2020				0
2021				0
2022				0
2023				0
2024				0
2025				0
2026				0
2027				0
TOTALS	84,530,100	(3,148,100)	(125,000)	81,257,000

NOTES:

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

²Assumptions as to 2018 and 2019 valuation changes provided by City staff.

City of Sun Prairie, WI

Tax Increment Projection Worksheet



Apply Inflation Factor to Base?



22,279,000
NA
0.00%
\$23.40
0.00%
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

5.00%
7.00%

Net Present Value Calculation

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate*	Tax Increment	Cumulative @ 5.00%	Cumulative @ 7.00%
1 2002	329,300	2003		329,300	2004	23.66	7,790	6,730	6,359
2 2003	3,901,700	2004		4,231,000	2005	21.60	91,408	81,931	76,094
3 2004	17,337,600	2005		21,568,600	2006	21.64	466,762	447,651	408,889
4 2005	7,775,600	2006		29,348,200	2007	21.15	620,744	910,860	822,517
5 2006	15,437,700	2007		44,785,900	2008	21.28	952,847	1,588,030	1,415,902
6 2007	12,349,900	2008		57,135,800	2009	21.75	1,242,639	2,429,097	2,139,129
7 2008	(933,700)	2009		56,202,100	2010	22.70	1,275,698	3,251,424	2,833,024
8 2009	2,286,000	2010		58,488,100	2011	24.36	1,424,668	4,126,046	3,557,253
9 2010	(3,066,500)	2011		55,421,600	2012	25.31	1,402,460	4,946,035	4,223,552
10 2011	(1,037,300)	2012		54,384,300	2013	26.03	1,415,688	5,734,343	4,852,134
11 2012	10,857,600	2013		65,241,900	2014	26.53	1,730,725	6,652,184	5,570,323
12 2013	(149,600)	2014		65,092,300	2015	25.34	1,649,714	7,485,401	6,210,111
13 2014	871,300	2015		65,963,600	2016	25.10	1,655,417	8,281,685	6,810,110
14 2015	5,669,500	2016		71,633,100	2017	24.54	1,757,962	9,087,028	7,405,593
15 2016	6,606,400	2017		78,239,500	2018	24.00	1,877,463	9,906,159	7,999,950
16 2017	6,290,600	2018		84,530,100	2019	23.40	1,978,116	10,728,107	8,585,203
17 2018	(3,148,100)	2019	0	81,382,000	2020	23.40	1,904,447	11,481,761	9,111,798
18 2019	(125,000)	2020	0	81,257,000	2021	23.40	1,901,521	12,198,425	9,603,187
19 2020	0	2021	0	81,257,000	2022	23.40	1,901,521	12,880,961	10,062,430
20 2021	0	2022	0	81,257,000	2023	23.40	1,901,521	13,530,996	10,491,628
21 2022	0	2023	0	81,257,000	2024	23.40	1,901,521	14,150,077	10,892,748
22 2023	0	2024	0	81,257,000	2025	23.40	1,901,521	14,739,678	11,267,627
23 2024	0	2025	0	81,257,000	2026	23.40	1,901,521	15,301,202	11,617,980
24 2025	0	2026	0	81,257,000	2027	23.40	1,901,521	15,835,988	11,945,414
25 2026	0	2027	0	81,257,000	2028	23.40	1,901,521	16,345,307	12,251,426
26 2027	0	2028	0	81,257,000	2029	23.40	1,901,521	16,830,373	12,537,419
81,257,000									
0									
Future Value of Increment							38,568,240		

NOTES:

*Tax rate shown for 2019 and preceding years is actual per DOR Form PC-202 (Tax Increment Collection Worksheet).

City of Sun Prairie, WI

Tax Increment District No. 8
Cash Flow Pro Forma



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	Project Costs	Façade Grants	Total Expenditures	Annual	Cumulative ²	Advances Due to Other Funds	Debt Principal Outstanding	Total	
2015	1,649,714	0	23,253	15,545			83	1,688,595	1,423,529	122,464	112,735	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		1,460,041		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	56,490		1,880,838	(58,359)	(1,184,642)	1,195,306	11,365,000	12,560,306	2017
2018	1,877,463	1,431	23,734				16,855	1,919,483	1,529,378	167,213	385,725	39,438		2,121,753	(202,270)	(1,386,912)	1,391,191	9,885,000	11,276,191	2018
2019	1,978,116	1,000	22,000				14,668	2,015,784	1,535,203	223,050	222,078	112,977	10,000	2,103,308	(87,523)	(1,474,435)	1,478,714	8,325,000	9,803,714	2019
2020	1,904,447	0	22,000				14,500	1,940,947	1,537,393	207,500	172,100	26,620	10,000	1,953,613	(12,666)	(1,487,101)	1,491,380	6,755,000	8,246,380	2020
2021	1,901,521	0	22,000				14,500	1,938,021	1,535,153	211,950	172,100	23,620	10,000	1,952,823	(14,801)	(1,501,902)	1,506,181	5,155,000	6,661,181	2021
2022	1,901,521	0	22,000				14,500	1,938,021	1,539,068	216,100	172,100	20,620	10,000	1,957,888	(19,866)	(1,521,768)	1,526,047	3,515,000	5,041,047	2022
2023	1,901,521	0	22,000				14,500	1,938,021	1,544,548	210,100	172,100	19,620	10,000	1,956,368	(18,346)	(1,540,114)	1,544,394	1,840,000	3,384,394	2023
2024	1,901,521	0	22,000			1,555,688	14,500	3,493,709	1,551,360	210,050	172,100	19,620		1,953,130	1,540,580	465	0	120,000	120,000	2024
2025	1,901,521	0	22,000				14,500	1,938,021		62,100	172,100	29,620		263,820	1,674,202	1,674,667	0	60,000	60,000	2025
2026	1,901,521	0	22,000				14,500	1,938,021		60,600				60,600	1,877,421	3,552,088	0	0	0	2026
2027	1,901,521	0	22,000				14,500	1,938,021						0	1,938,021	5,490,110	0	0	0	2027
2028	1,901,521	0	22,000				14,500	1,938,021						0	1,938,021	7,428,131	0	0	0	2028
2029	1,901,521	0	22,000				14,500	1,938,021						0	1,938,021	9,366,153	0	0	0	2029
Total	27,936,812	2,447	415,361	43,624	1,460,041	1,555,688	200,069	31,614,042	15,178,579	1,986,251	1,998,831	1,009,666	50,000	21,161,463	10,452,578					

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 2017 and preceding years is actual per City's audited financial statements. Balance shown for 2018 per draft Compiled Financial Statements.

Form PE-300	TID Annual Report	2018 WI Dept of Revenue
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Municipality/TID					
Co-muni code 13282	Municipality SUN PRAIRIE		County DANE	Due date 07-01-2019	Report type ORIGINAL
TID number 008	TID type 2	TID name TID 08	Creation date 12-27-2001	Mandatory termination date 12-27-2028	Expected termination date 12-31-2025

Section 1 : Beginning Balance	
TID fund balance at beginning of fiscal year	\$-1,184,642

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 amount
Subtotal other grant source amount	\$0
Other revenue sources	Other revenue amount
Misc Charges	\$16,855
Subtotal other revenue source amount	\$16,855
Tax increment	\$1,877,463
Investment income	\$1,429
Debt proceeds	\$0
Special assessments	\$0
Exempt computer aid	\$23,734
Sale of property	\$0
Total Revenue (deposits)	\$1,919,481

Form PE-300	TID Annual Report	2018 WI Dept of Revenue
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Section 3. Expenditures	
Developer grant name	Developer grant amount
SP REAL ESTATE LLC	\$163,666
132 MARKET STREET CO.	\$222,059
Subtotal developer grant amount	\$385,725
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 name	Transfer to other fund amount
Subtotal transfer to other fund amount	\$0
Other expenditure name	Other expenditure amount
Subtotal other expenditures amount	\$0
Capital expenditures	
Administration	\$31,837
Professional services	\$14,375
Interest and fiscal charges	\$209,666
DOR fees	\$150
Discount on long-term debt	\$0
Debt issuance costs	\$0
Principal on long-term debt	\$1,480,000
Environmental costs	\$0
Real property assembly costs	\$0
Total Expenditures	\$2,121,753

Section 4. Ending Balance	
TID fund balance at end of fiscal year	\$-1,386,914
Future costs	\$12,140,946
Future revenue	\$13,646,080
Surplus or deficit	\$118,220

Form PE-300	TID Annual Report	2018 WI Dept of Revenue
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Preparer/Contact Information	
Preparer name Kristin L. Vander Kooi	Preparer title Accounting Manager
Preparer email kvanderkooi@cityofsunprairie.com	Preparer phone (608) 825-1192
Contact name Kristin L. Vander Kooi	Contact title Accounting Manager
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Submission Information	
You successfully submitted your form. Save and/or print a copy for your records.	
Co-muni code	13282
TID number	008
Recording time	05-03-2019 12:14 PM
Confirmation	TIDAR201813282O1556668886412
Submission type	ORIGINAL