



## **SPECIAL CITY COUNCIL MEETING - TIF WORKSHOP**

**SATURDAY, MARCH 14, 2015 – 8:30 AM**

**COUNCIL CHAMBERS, CITY HALL**

### **AGENDA**

1. Mayor Connors calls the meeting to order
2. Pledge of Allegiance
3. Roll Call
4. Comments from the public as allowed by Wis. Stats. §19.84(2), limited to items on this agenda, except for public hearing items. Comments will to be limited to 5 minutes.
5. Discussion and Recommendations on Project Plan Amendment for TID #4
6. Discussion on Procedure and Timeline for Closing TID #4
7. Adjournment

*Requests from persons with disabilities, who need assistance to participate in this meeting or hearing, should be made to the City Clerk's office in advance so the appropriate accommodations can be made.*

03/09/15 1:00pm

cc: Aldermen, Mayor, Administrator, Attorney, Department Heads, Media

City of Lake Geneva  
 Draft: March 9, 2014

City of Lake Geneva TID #4 Amendment Schedule	
DATE	ACTIVITY
March	Prepare draft project plan amendment, including: <ul style="list-style-type: none"> <li>- Finalize proposed projects and costs</li> <li>- Prepare related project plan text</li> <li>- Prepare map showing location of improvements</li> <li>- Prepare draft letters and notices</li> </ul>
3.25.15	<ul style="list-style-type: none"> <li>• Finalize public hearing draft of project plan</li> <li>• Finalize notices and mailing/publication requirements</li> </ul>
3.27.15	<ul style="list-style-type: none"> <li>• Send a copy of the public hearing notice by first class mail to the chief executive officer of all local governmental entities having the power to levy taxes on property located within the district (must be mailed prior to publication of the notice in the paper).</li> <li>• Transmit the Notice of Public Hearing to the local paper indicating the date of the public hearing (4/20) and the dates the notice is to be published (4/1 &amp; 4/8).</li> <li>• Transmit the Notice of the JRB Meeting to the local paper indicating the date of the meeting (4/14) and the date the notice is to be published (4/8).</li> </ul>
4.1.15	Publication of first Notice of Public Hearing on project plan amendment (1 week prior to second Notice of Public Hearing).
4.8.15	Publication of second Notice of Public Hearing (at least week prior to public hearing) and Notice for Joint Review Board meeting (at least 5 days prior to the meeting).
4.14.15 1:00 pm	Joint review board organizational meeting to select a chairperson and one member-at-large and informally present and discuss the draft plan.
4.20.15 7:00 pm	<ul style="list-style-type: none"> <li>• Plan Commission Public Hearing at which interested parties are afforded a reasonable opportunity to express their views on the proposed project plan.</li> <li>• Plan Commission adoption of resolution and submittal to City Council (within 14 days after hearing).</li> </ul>
4.24.15	Transmit the JRB meeting notice to local paper indicating the date of the meeting (5/5) and the date the notice is to be published (4/29).
4.24.15	Send electronic file of adopted project plan with appendices, reports and draft resolution to all JRB members.
4.27.15	City Council adoption of resolution approving project plan.
4.29.15	Publication of notice of Joint Review Board meeting (at least 5 days prior to meeting).
5.5.15	Joint Review Board adoption of a resolution approving the project plan and submittal to the City.
5.11.15	City Council adoption of resolution to close the TID.
5.12.15	TID termination notice sent to DOR.
5.15.15	City Attorney opinion on amendment due.
5.29.15	Submittal of adopted project plan amendment with all appendices and state form to the DOR.

# Getting the Most Out of Tax Increment Finance

■ BY JASON RITTENBERG, CDFA RESEARCH & RESOURCES COORDINATOR  
jrittenberg@cdfa.net

In the wake of an economic downturn, many cities are left with sites, projects, districts, or entire urban cores requiring redevelopment. A targeted tool, such as tax increment finance, can focus attention on a problematic area and catalyze development.

Tax increment finance (TIF) can be effective for addressing such problems, but this is not a given fact. The nation's newspapers are filled with stories about both successful and unsuccessful uses of TIF. Unfortunately, these articles rarely indicate (at least, not explicitly) what separates the good districts from the bad.

Much of the time, the separation between good and bad districts is caused by insufficient awareness or transparency. In other cases, the project needed additional support or planning on the financial side of the equation. The bottom line is that the successful operation of TIF requires attention to both project financing and best practices.

## What is Tax Increment Finance?

TIF is a development finance tool that captures the future value of an improved property to pay for the current costs of those improvements. This mechanism can be used to finance a number of costs, typically pertaining to public infrastructure, land acquisition, demolition, utilities, planning, and more.

The TIF process helps to further clarify the financing model. First, the TIF district's

geographic boundaries are established. Second, the initial value of all land within the district is assessed. Third, the current value of property (or other) tax revenue is established as a baseline and is frozen.

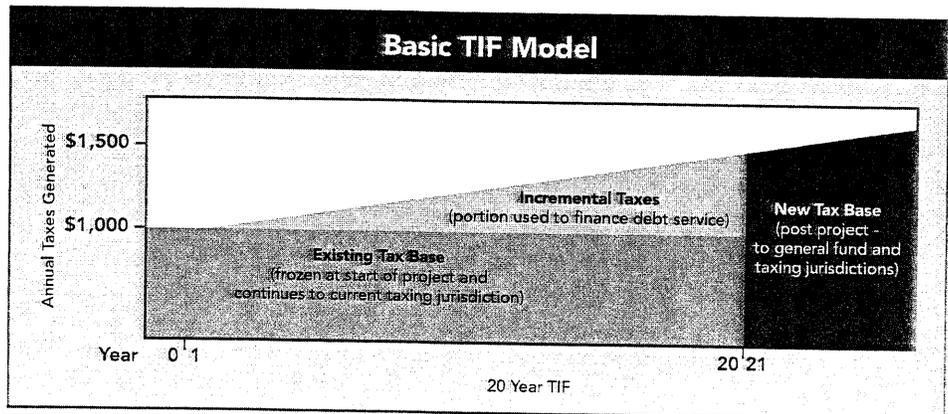
As development occurs and revenue from property taxes rise, this increase—or increment—above the baseline is used to pay debt service for the improvements made to the district. In this way, municipalities are able to build infrastructure and incentivize development without raising taxes.

The benefits of this model have made TIF a popular development finance tool, particularly for addressing blight and promoting district-oriented development. TIF is currently authorized in 49 states and the District of Columbia and is employed by cities of all sizes.

## Best Practices in Tax Increment Finance

Best practices are important to the use of any development finance tool, but this may be particularly true for tax increment finance. Once property (or other) taxes have been frozen and any TIF bonds have been issued, revenue collected from the TIF district has the potential to become a sore point among community stakeholders, including area residents, school districts, and others. Following best practices in creating and operating the TIF district can help ensure that the community remains committed to the project.

The first area of TIF best practices to consider is related to public policy and statutes. For example, a TIF project should be clearly eligible according to the state's authorizing statute. In most cases, the project should not be viable



From the CDFA *Tax Increment Finance Best Practices Reference Guide* © 2007. For illustrative purposes only.

“but for” any TIF assistance, in order to ensure appropriate use of tax revenue. The project should yield a positive net gain for the community.

The second area of TIF best practices is focused on the mechanics of the project. Identifying the experience and financial history of the developer is a crucial early step. The municipality and developer should determine up front when TIF funds will be needed and whether the project will require TIF bonds. In assessing the financial viability of the project, consideration should be given to whether the (re)development has a high likelihood of maintaining an enduring presence in the community.

The third—and often forgotten—area of TIF best practices is community support and buy-in. The municipality should make an effort to identify the project’s broader stakeholders, which include neighborhood groups, business leaders, school districts, and elected officials. A plan for communicating the importance of the project, as well as information on how the project will be financed, should be developed and executed.

By following the best practices recommended by CDFA and working openly with community stakeholders, a TIF district or project will position itself for success.

### Pairing TIF and Other Development Finance Tools

Unfortunately, a strict adherence to best practices does not always determine the financial viability of a project, and incremental finance alone may be insufficient or inappropriate for some or all of a project. This may be the case when some particular problem with the area—such as environmental damage or acute poverty—causes a project to have particularly high initial costs or long-term risk. In such a case, an additional development finance tool may be necessary to attract investors, complete a project, or lower the cost of the TIF bonds.

For example, consider a property that is considered blighted because of environmental damage caused by a previous owner. The high initial costs and risks of redeveloping this property

may make TIF bonds less than ideal for at least the first phase of redevelopment. Brownfield finance programs may finance the site’s cleanup costs to a sufficient level to make a later bond issuance on the property viable.

Brownfields programs, which are another form of targeted development finance tools, often pair well with TIF districts and projects. The U.S. Environmental Protection Agency offers several brownfields programs, including a tax incentive and assessment grants. State and local development agencies also frequently offer support for brownfields cleanup. Payment-in-lieu-of-taxes (PILOTs), tax abatements, and grants are common forms of financing.

#### CDFA’s Tax Increment Finance Resources

CDFA is the national leader in supporting TIF. Further information on any of the financing programs or recommended practices discussed in the article can be found in CDFA’s numerous TIF resources, including:

#### CDFA Reference Guides

*Tax Increment Finance Best Practices Reference Guide*  
*Advanced Tax Increment Finance Reference Guide*

#### Tax Increment Finance Resource Center

TIF State-by-State Map & Report  
Daily TIF Headlines

#### CDFA Training Institute

Intro Tax Increment Finance Course  
Advanced Tax Increment Finance Course

#### CDFA Tax Increment Finance Coalition Webcast Series

Visit [www.cdfa.net](http://www.cdfa.net) for more information.

Regardless of the financing type, brownfields programs help reduce the costs and risks of redeveloping properties blighted by environmental damage. Depending on the needs and wants of the community, the TIF district can be put in place before the cleanup or after. This decision will have a significant effect on the

district’s frozen value—and therefore on the district’s potential to generate TIF revenues. In either case, issuing TIF bonds after the cleanup risks have been borne out will likely result in a more favorable financing structure.

Other examples of TIF projects that may require additional financing are districts that encompass low-income census tracts. These projects may be considered particularly risky, as a financial analysis could well indicate that businesses will be reluctant to invest in such areas. In these cases, an investment tool, such as New Markets Tax Credits, could be paired with TIF redevelopment to make low-income areas attractive to a number of stakeholders, including investors, businesses, developers, and non-profits.

New Markets Tax Credits (NMTC) are designed to incentivize investment in businesses located in low-income census tracts. Receiving financing for a qualified project also requires working with a Community Development Entity that has received a tax credits allocation. A TIF district covering a blighted area may well meet NMTC requirements.

The benefit of the NMTC program for a TIF district is that the tax credits can provide an additional source of equity for a project that costs more than TIF bonds alone can bear. TIF revenues can be put towards the relative public costs of infrastructure, while developer and tax credit equity can go into the bricks and mortar development to be located within the district. These two programs may work particularly well in states that strictly limit the use of TIF revenue to infrastructure costs alone.

### Getting the Most out of TIF

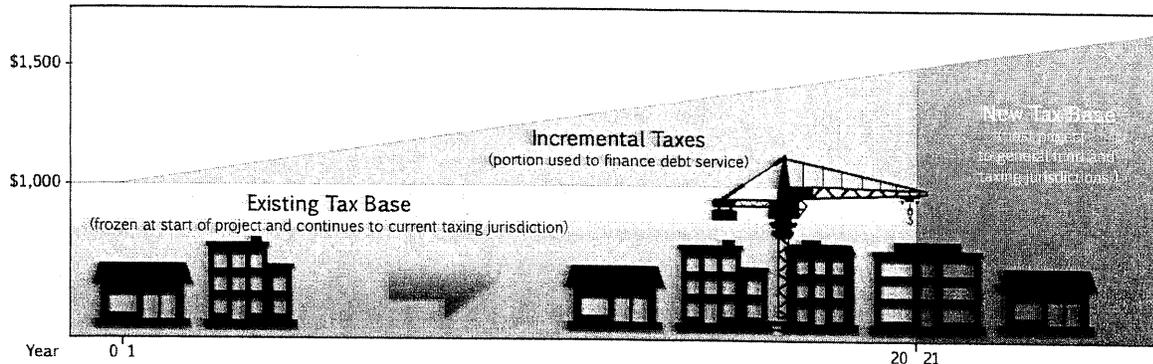
The bottom line is that TIF, although complicated and occasionally challenging, has much to offer communities and businesses looking to redevelop sites neglected or otherwise blighted by the recession. Economic development finance agencies should utilize TIF as part of their development finance toolbox and promote the benefits of this tool to their constituents. By following best practices and creatively pairing district revenue with other financing tools, TIF can effectively provide targeted redevelopment. ■

# HOW THE TOOL WORKS

## Tax Increment Finance

Tax Increment Finance (TIF) is a mechanism for capturing the future tax benefits of real estate improvements, in order to pay for the present cost of those improvements. TIF is generally used to channel funding toward improvements in distressed or underdeveloped areas where development would not otherwise occur, and is typically used to address blight, promote neighborhood stability and inspire district-oriented development.

The TIF process is relatively straightforward. In most cases, first set the TIF district's geographic boundaries, and then, second, establish the initial assessed value of the land in the district. An analysis of current tax revenue from property tax, sales tax, and other taxes should be conducted to benchmark the current tax level.



TIF uses the increased property or sales taxes (increment) generated by new development to finance costs related to the development, such as public infrastructure, land acquisition, demolition, and planning. The life of a district can be anywhere from 10-40 years, or enough time to pay back the costs or bonds issued to fund the improvements.

Bondholders are repaid from the incremental tax revenues as further value is added to the development, primarily by private developer partners.

The tax increment from a TIF district is created without raising taxes, and also without dipping into the base tax revenues present at the time of adoption. The increment thus becomes a repayment stream for debt used to finance some aspects of what is driving the increase.

### Building Community Buy-In for TIF

The successful use of TIF requires a thoughtful public policy framework that engages the public and alleviates potential concerns. The key elements of this public policy are:

- **Identifying Stakeholders and Partners**  
Groups that must be engaged as part of the TIF process include governmental jurisdictions, school districts, transportation authorities, police/fire departments, civic organizations, religious institutions, neighborhood groups, and business leaders.
- **Marketing to Constituencies**  
Successful communications plans for TIF projects include education about the tool, identification of benefits for stakeholders, and transparency for both the operation and financing of the TIF project or district.

### Model TIF Projects

#### Easton Town Center - Columbus, OH

This large mixed-use, retail, office and commercial development used TIF bonds to finance the construction of parking structures. The project uses a 30-year TIF with 100% of "non-school" revenues available for the project. This reduced the amount of funding available for the TIF by 66%, but helped gain public buy-in for the project.

#### Menomonee Valley Industrial Center - Milwaukee, WI

This \$16M TIF district financed infrastructure improvements and environmental upgrades necessary to create conditions for an \$80M private development plan.

#### Atlantic Station - Atlanta, GA

This project transformed a 138-acre site formerly holding an industrial fabrication facility into a mixed-use residential, retail, entertainment and office development. The project has used \$210M in tax-exempt TIF bond proceeds to finance environmental clean-up costs and infrastructure improvements.

#### City Market at O Street - Washington, DC

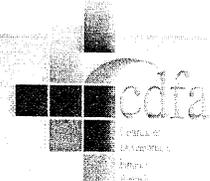
TIF financed the redevelopment of an underused market into a mixed-use development that includes a hotel, retail, condos and affordable senior housing. \$32M in net TIF bond proceeds contributed towards the total \$219M Phase One costs. The bonds will be repaid through real property tax increments generated from the City Market at O Street TIF Area.

### QUICK FACT

- 49 states, the District of Columbia,
- and the Virgin Islands have statutes
- authorizing the use of TIF.

### More Resources at [www.cdfa.net](http://www.cdfa.net)

- CDFA Tax Increment Finance Resource Center
- CDFA Intro Tax Increment Finance Course
- CDFA TIF Best Practices Reference Guide
- CDFA TIF State-By-State Map
- CDFA Advanced Tax Increment Finance Course
- CDFA Advanced TIF Reference Guide



# Tax Incremental Finance Overview

**Lake Geneva, Wisconsin  
July 30, 2012**

- **Susan Hoeft**
- **Scott Harrington**

# Types of TIDs

- **Industrial TID** – Land zoned industrial at time of TID creation must remain so for life of TID
- **Mixed use TID** - 35% newly platted residential limitation - must meet certain density/use requirements
- **Blighted TID** – May not contain more than 25% vacant land

# Types of TIDs

TYPE	SPENDING PERIOD	RETIREMENT PERIOD (prior to extensions)
Industrial	15 years	20 years
Mixed Use	15 years	20 years
Blighted/Conservation	22 years	27 years
Environmental Remediation	15 years	23 years
Distressed/Severely	See Section	See Section
Distressed	66.1105(4)(e)	66.1105(4)(e)
Town Tourism, Ag & Forestry	5 years	16 years

- NOTE: See DOR TID Criteria Matrix for specifics on existing and new TIDs

# Blighted Area Definition

## Structures

- Dilapidation/Deterioration
- Age/obsolescence
- Inadequate light/air/sanitation/open space
- High density/overcrowding
- Endanger life/property
- Detrimental to health/safety/welfare

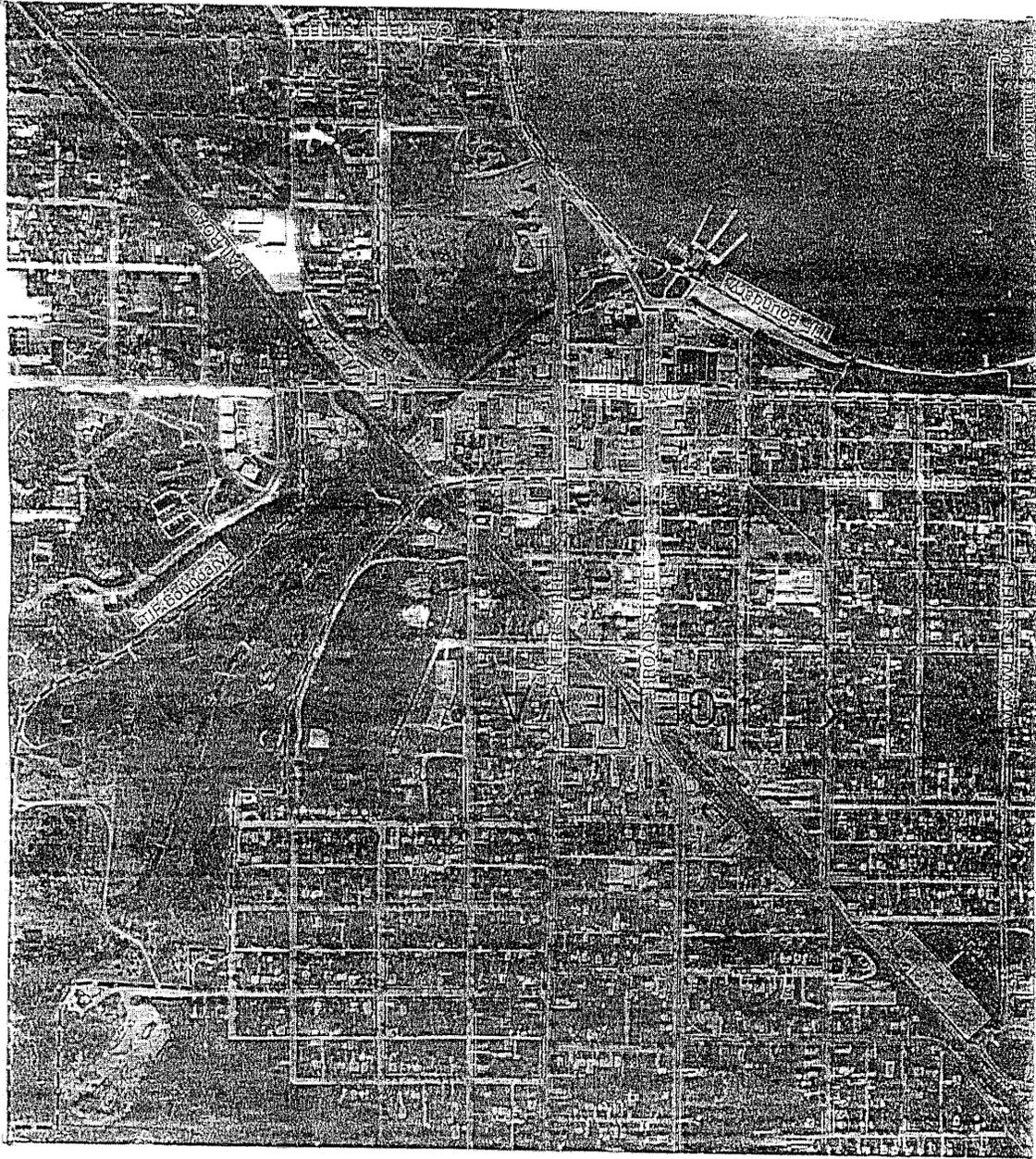
## Open Area

- Abandoned highway corridor
- Demolished buildings
- Obsolete platting/diversity of ownership
- Deterioration of structures/site improvements
- Impairs sound growth of the community



VANDEWALLE &  
ASSOCIATES INC.

# TIF Boundary Map



City of Lake Geneva  
TIF No. 4

Downtown

Map 1  
TIF BOUNDARY MAP

■ Excluded



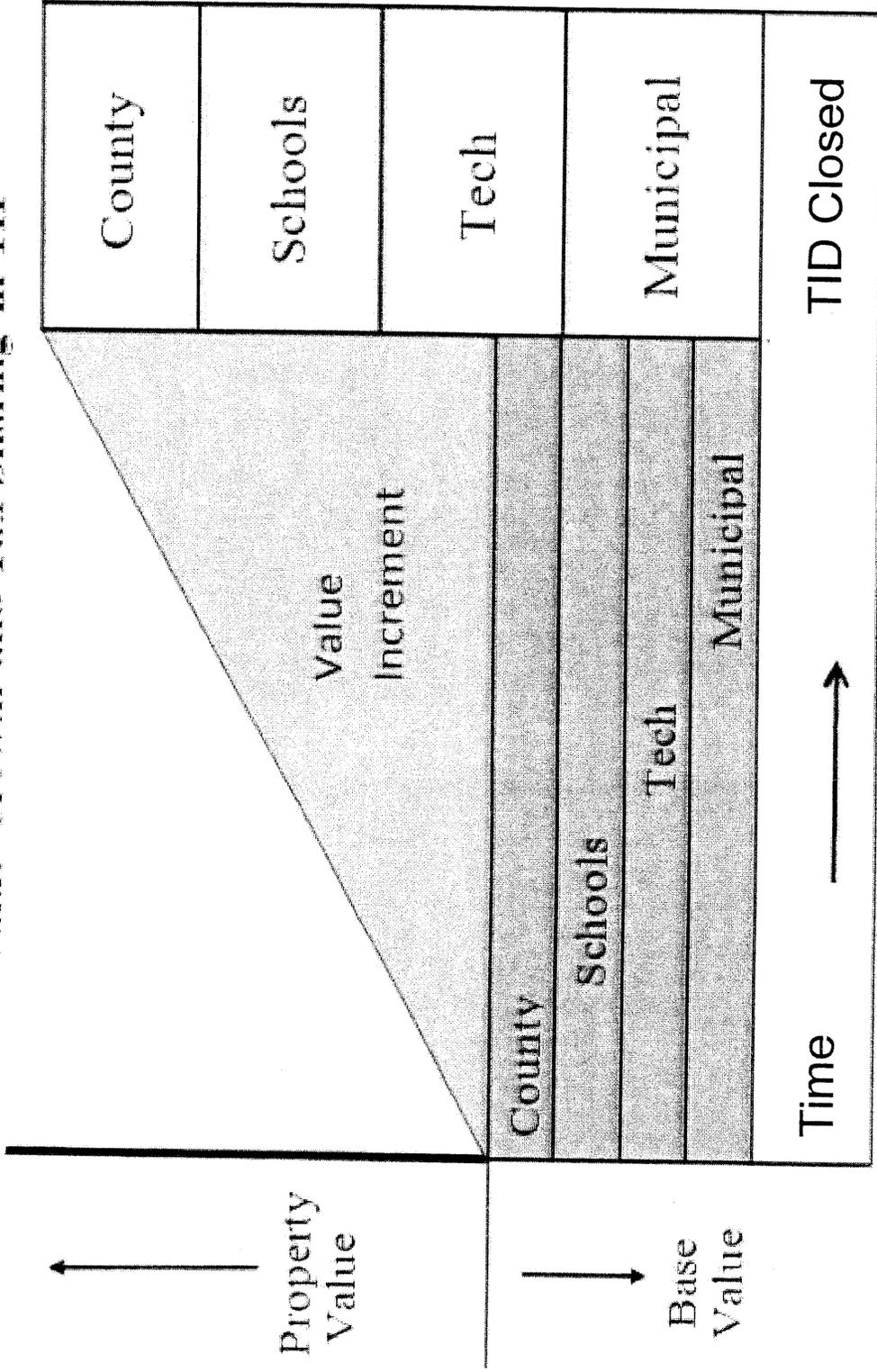
NORTH

VERDEWALLE & ASSOCIATES  
A Member of The Lakeside Group  
2222 S. Lincoln Ave., Villa Park, IL 60178

# How TIDs Work

Sharing the Tax Base

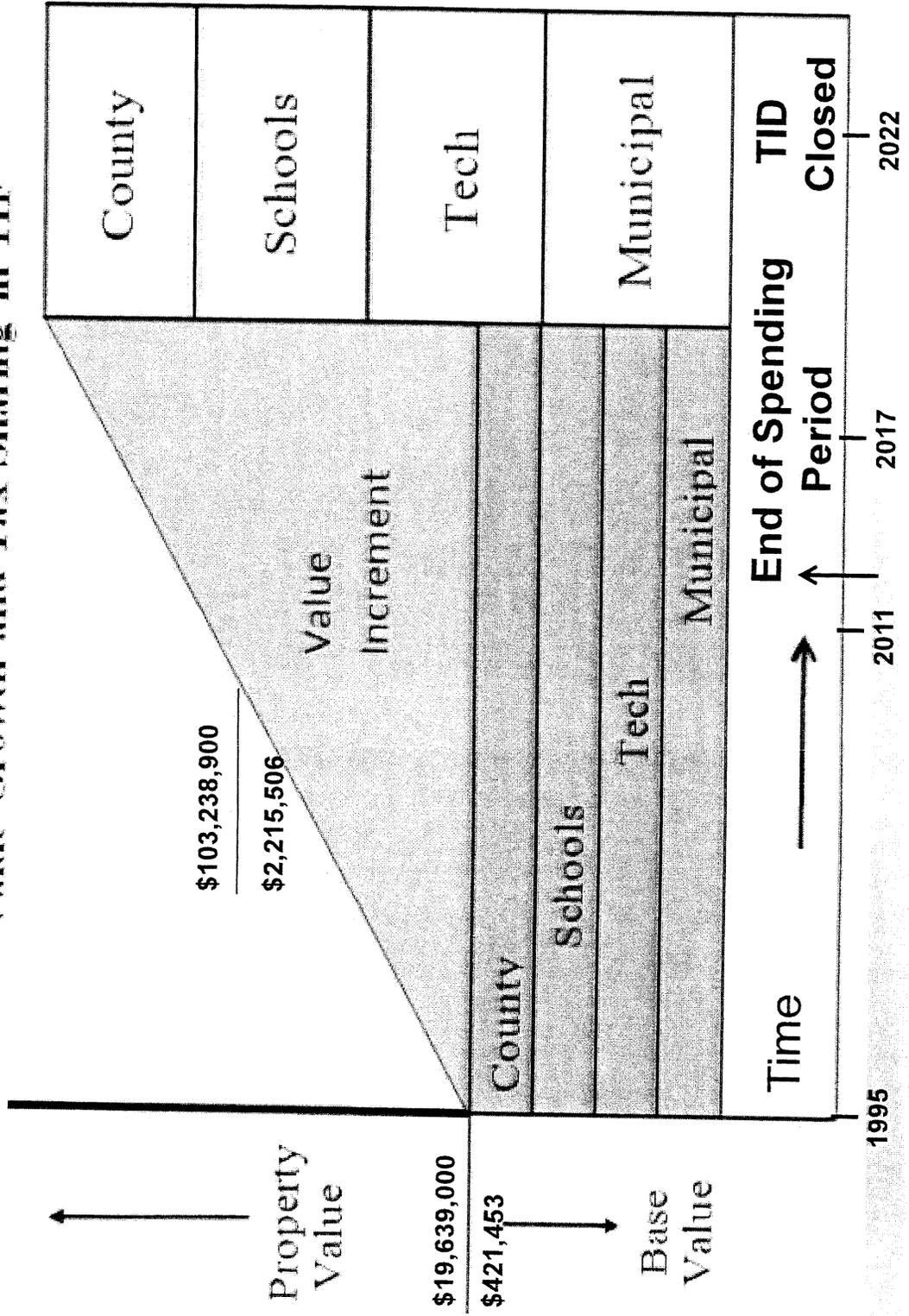
Value Growth and Tax Sharing in TIF



# TID #4 Performance

Sharing the Tax Base

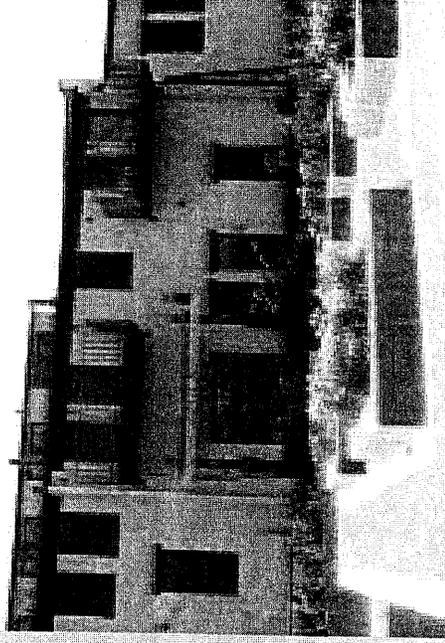
Value Growth and Tax Sharing in TIF



# Eligible/Ineligible Project Costs

**Eligible costs** include, but not limited to:

- **Capital costs**, including public infrastructure
- **Cash grants to developers** with appropriate development agreements
- **Property assembly/relocation costs**
- **Demolition/site preparation costs**
- **Planning/engineering/legal** for preparation of project plan
- **Funds to purchase vehicles** for servicing TID district
- **Prorated capital and administrative costs** per % necessitated by TID



# Eligible/Ineligible Project Costs

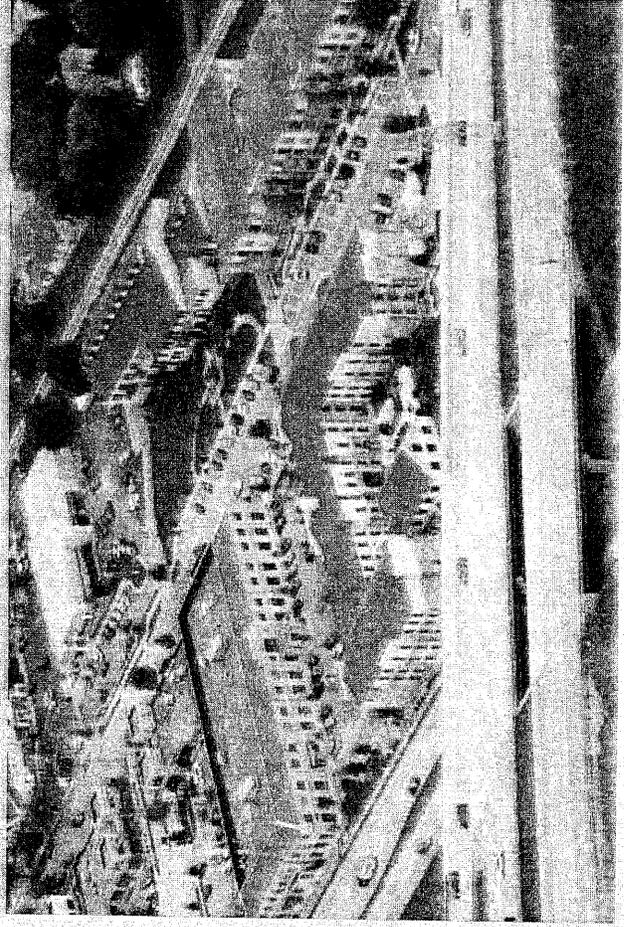
**Ineligible costs** include, but not limited to:

- **General operating expenses** unless planning/legal/ engineering for creation of TID
- **Capital and administrative costs** beyond % necessitated by TID
- **Constructing or altering** administrative, police, fire, libraries, recreational & school buildings unless damaged before 1/1/1997 by natural disaster
- **Cost of expanding** a facility generally funded by user fees
- **Cash grants to owners, lessees or developers** WITHOUT a signed development agreement sent to JRB (if existing) or kept on file in the community



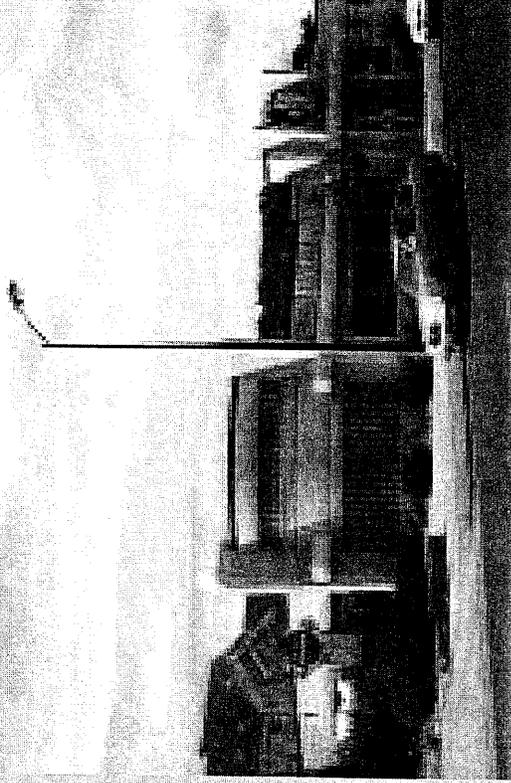
# General Requirements/Criteria

- **Cannot expend funds more than 1/2 mile radius from boundary and within corporate limits**
- **Only percentage of improvement necessitated by TID may be funded (proration of costs)**



# “BUT FOR” Test

- **Public purpose/benefit:**
  - Eliminate blight
  - Diversify tax base
  - Create jobs
  - Remove social hazards
  - Environmental clean-up
  - Improve transportation/utility services

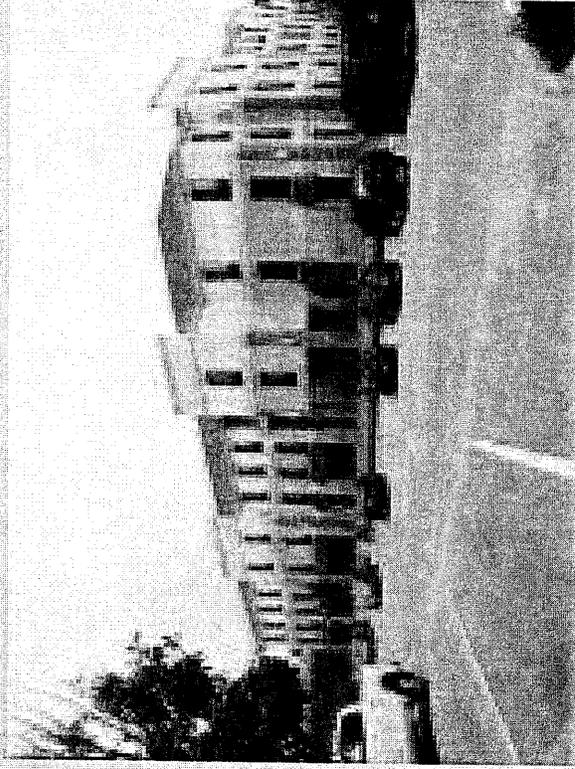


# Meet "But For" Criteria

- **Business cannot afford utility extensions; TID created, increment/jobs guaranteed**
- **Business bringing 200 jobs; can finance 90% = 10% needed as gap financing; developer agreement with repayment guarantee**
- **Extraordinary development costs like site demolition; developer agreement with repayment guarantee**
- **Available increment ≠ project need**

# Meet "But For" Criteria

- **"Pay as you go" vs. up-front municipal bonding** – funding provided as increment is generated vs. municipal financing of infrastructure with a "build it and they will come" intent
- **Which to use**
  - Policy
  - Risk
  - Developer guarantees
  - Interest costs
  - Nature of what's being funded/public benefit







# TID #4 Table 2

**CITY OF LAKE GENEVA  
TID No. 4 Amendment No. 3**

**CITY COUNCIL RECONSIDERATION**  
2/8/2010

**Table 2 -- Expenditure Analysis/Cashflow of District**

TIF # 4	2005	2006	2007	2008	2009	2010	2011	2012
1/1 Balance	\$2,858,777	\$3,483,138	\$3,850,157	\$4,396,688	\$5,111,029	\$381,915	(\$1,211,459)	(\$440,036)
TIF revenue	\$1,495,389	\$1,474,642	\$1,699,062	\$1,928,289	\$2,043,986	\$2,166,626	\$2,296,623	\$2,434,420
Balance in acct	\$4,354,166	\$4,957,780	\$5,549,219	\$6,324,977	\$7,155,015	\$2,548,541	\$1,085,164	\$1,994,384
Project expenditures*	(\$494,805)	(\$631,128)	(\$1,152,531)	(\$1,213,948)	(\$6,773,100)	(\$3,760,000)	(\$1,525,200)	(\$4,596,200)
Debt Service	(\$376,223)	(\$476,495)	\$0	\$0	\$0	\$0	\$0	\$0
12/31 Balance	\$3,483,138	\$3,850,157	\$4,396,688	\$5,111,029	\$381,915	(\$1,211,459)	(\$440,036)	(\$2,601,816)

12/31/05 Balance ties with cash & investment balance in 2005 Audited Financials

\* Project Expenditures: See Table 1 for itemization by year and area from 2008-2014

TIF # 4	2013	2014+	TOTALS
1/1 Balance	(\$2,601,816)	\$90,653	
TIF revenue	\$2,692,469	\$2,977,871	\$21,209,377
Balance in acct	\$90,653	\$3,068,524	
Project expenditures*	\$0	\$0	(\$20,146,912)
Debt Service	\$0	\$0	
12/31 Balance	\$90,653	\$3,068,524	

Tax Revenue Total	\$21,209,377
Minus Debt Service	-\$852,718
Minus Project Costs	-\$20,146,912
Minus Remaining Reserve	-\$3,068,524
Balance	-\$2,858,777
Beginning 2005 balance	\$2,858,777
End balance	\$0

TIF revenue is estimated in years 2009-2013. Historically, there has been a 12-15% increase in annual TIF revenues as shown above. Actual 1/1/09 TID #4 increment certified by the State is \$106,053,300 or 6% increase. The projections have been changed to 6% increase per year. Based on estimated costs in Table 1 and estimated revenues, the City could escrow taxes with signed contracts in place in 2013 and complete all project costs in Table 1 and retire the district after May 31, 2013 including a 15% contingency on all project costs.

# Amendment Process

1. **Statutory timeline 45-60 days** (fast track – does not include planning and plan preparation process)
2. **Taxing jurisdictions** involved through Joint Review Board (JRB)
  - a. School
  - b. County
  - c. Technical College
  - d. Municipality
  - e. Fifth member-at-large
3. **JRB organizes and determines** if TID meets Statutory criteria

# **Amendment Process**

- Prepare amended Project Plan
- Notify JRB Members
- Advertise Plan Commission Public Hearing
- Hold JRB Organizational Meeting
- Hold Public Hearing/Adopt Resolution
- Council Adoption of Resolution
- Notice JRB Final Meeting
- Hold JRB Meeting/Pass Resolution
- Transmit to DOR



# QUESTIONS

**CITY OF LAKE GENEVA TID NO. 4**

**PROJECT PLAN AND  
BOUNDARY DESCRIPTION**

**September 11, 1995**

**Prepared by:**

**City of Lake Geneva Plan Commission**

**Assisted by:**

**VANDEWALLE & ASSOCIATES  
Madison, Wisconsin**

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## SECTION I. INTRODUCTION

The project plan for Tax Increment Financing District #4 (TID #4) in the City of Lake Geneva, Wisconsin, has been prepared in compliance with Sec. 66.46(4)(f), Wis. Stats. The project plan establishes the need for the project, lists the proposed improvements within the district, provides an estimated time schedule for completion of the project and an estimated budget. This project plan is to be adopted by resolution of the City Council on the recommendation of the City Plan Commission to be the official plan and guide for public and private sector development within the boundaries of TID #4.

Implementation of the project plan and construction of the proposed improvements listed will still require a case-by-case authorization by the City Council. Public expenditures for projects listed in the project plan should and will be based on market conditions and the status of development at the time a project is scheduled for construction. The City Council is not mandated to make the public expenditures described in this plan, but is limited to spending no more than the total estimated cost herein projected. Changes in the proposed project, requiring increased budget expenditures exceeding the total estimated cost in Table 1, will require a formal amendment to the project plan with public review (including meetings with the Joint Review Board and Plan Commission public hearing) and City Council approval. Redistribution of project costs within the total budget estimate will not require amendments to the plan, provided that the projects meet the purpose and intent of the district.

During the writing of this plan, the State Legislature has passed a bill which will change the spending and retirement periods of existing TIF Districts and TIF Districts created prior to October 1, 1995. Also included within this bill, signed by the Governor on July 31, 1995, is

the ability of TIF Districts created prior to October 1, 1995 to share positive tax revenues amongst themselves. Additional opportunities for TIF Districts as written in this legislation is to amend boundaries. It is the intent of the City to continually monitor the State Legislature in regards to Section 66.46, Wis. Stats. and keep apprised of the continually changing legislation and its potential effect on this and future TIF Districts within the City of Lake Geneva.

As required by Sec. 66.46(4)(f), Wis. Stats., a copy of the project plan will be submitted to the Department of Revenue and used as a basis of their certification of Tax Increment District #4 in the City of Lake Geneva.

**SECTION II. DESCRIPTION OF HOW TAX INCREMENT DISTRICT #4 WILL PROMOTE THE ORDERLY DEVELOPMENT OF THE CITY OF LAKE GENEVA**

Tax Increment Financing District #4 has been created for the purpose of promoting the orderly development of the City of Lake Geneva. TID #4 encompasses the waterfront area from Maxwell Street to Campbell south of Main Street. A portion of this district has been defined as a prime redevelopment area. TID #4 also contains park and open space areas owned by the City fronting on Geneva Lake. The purpose for inclusion of these areas is to comprehensively plan pedestrian, vehicular and wayfinding improvements and redevelopment that will alleviate existing and anticipated traffic congestion and assist in the revitalization of the CBD.

The City of Lake Geneva experiences a tremendous influx of tourists and seasonal residents during the spring, summer and fall seasons. There is severe traffic and pedestrian congestion in the downtown area at the peak of the tourism season. This traffic congestion is further impacted with semi-truck traffic traversing the City via STH 50. Parking problems are also experienced with lack of available, convenient parking. In addition, most of the parking is on Main Street and the intersecting streets where the majority of the traffic occurs. The TIF District projects are identified to alleviate some of the congestion and provide for wayfinding to off-street parking.

There is proposed new development within TID #4. This development is anticipated to generate additional vehicular and pedestrian traffic within the downtown area. Another contributor to traffic congestion is the boat launch ramp. The project plan has included costs

to close the ramp, remove it and provide supportive funding to the State to relocate the ramp to Big Foot Park. Closure of this ramp will greatly lessen traffic within this area.

The City of Lake Geneva contracted with the consultant team to write the Comprehensive Master Plan which was prepared in 1991. The Master Plan and continuing planning efforts are identifying implementation strategies for pedestrian and vehicular improvements as well as economic development strategies relating to the waterfront and downtown area. The establishment of TIF District No. 4 will allow the City to provide another financing tool to implement these recommendations and strategies.

Several different funding vehicles are potentially viable to assist in the payment costs of the public improvements. These funding sources may include, but are not limited to, TIF, special assessment, parking assessment, state and federal grants, private donations and similar activities.

The City Centre Master Plan's and related plans' recommendations were made to help guide the City in its economic development efforts. The Master Plan has set design guidelines for improvements within the district. In addition, recommendations on types and locations of streetscape improvements, signage and redevelopment opportunities were also made. If properly implemented, the improvements should contribute to the overall orderly development of the community through revitalization of the CBD and riverfront areas.

The City is unable to construct the proposed improvements and provide redevelopment incentives without the use of tax increment financing. It is for this reason that the City of Lake Geneva is proposing the creation of Tax Increment Financing District #4. With the creation of TID #4, the City of Lake Geneva will continue with the revitalization of the historic

downtown and recruitment of new development and businesses which will contribute to the balanced growth in the City.

**SECTION III. TAX INCREMENT DISTRICT BOUNDARY DESCRIPTION  
AND EQUALIZED VALUES**

The boundaries of TID #4 are officially designated on Map 1 on the following page. TID #4 has an equalized base value of approximately \$16,000,000 plus personal property. The following chart summarizes the relationship of TID #4 and TID #3 and also summarizes the City's capacity to create additional tax increment financing districts. The 7% total equalized value calculation to create the TID was used in the following chart.

1995 Total Equalized Value of City		\$487,468,100
City Capacity to Create TIF District (7% Total Equalized Value Calculation)		\$ 34,122,767
Proposed TID #3	\$ 2,625,000 (& personal property)	
Proposed TID #4	\$15,884,733 (& personal property)	
Total Proposed TIDs		\$ 18,509,733

City's Capacity to Create Additional TIF Districts = \$15,613,034 less personal property in TIDs #3 and #4 or a maximum of 3.2%

With the creation of TIF No. 4, the City has approximately 3.2% (less personal property of TID Nos. 3 & 4) of the total equalized value of the City or a maximum of \$15,613,034 to create additional TIF districts. The City should carefully monitor development as it occurs in each of the districts in order to allow the City to create additional TIF Districts.

#### SECTION IV. EXISTING USES AND CONDITIONS OF REAL PROPERTY

Map 2 delineates the boundary of the proposed TIF District #4 and also shows the types of uses within the district. The majority of the district encompasses the waterfront district and a portion of the Central Business District (CBD). The proposed boundaries also incorporate City-owned parkland along the White River which has anticipated improvements to tie these lands into the CBD and assist in the overall continued revitalization of this area.

As stated previously, existing development, new development and redevelopment within the CBD, in addition to the tremendous tourist influx and boat launch ramp, has created severe traffic and pedestrian congestion within the entire CBD and waterfront area. The CBD is a very vital area with retail shops and businesses attracting thousands of people each tourist season. The CBD fronts on Geneva Lake which is one of many beautiful lakes within the Lake Geneva region. Also within the region are several high quality resorts which bring in tourists from all over the Midwest.

The CBD's original traffic patterns were not anticipating the tremendous vehicular and pedestrian demands that are presently being experienced. Access to parking on the streets and lots are sometimes very difficult due to the high traffic volume along Main Street which is also the major thoroughfare from the east to west side of town. Truck traffic produces even more volume on an already congested street system.

The CBD has several areas which have the opportunity for revitalization or redevelopment which will assist in the betterment of the community. Development and redevelopment of these opportunities may also contribute to the traffic congestion.

The fact that vehicular and pedestrian circulation is difficult with access and availability of parking not meeting the needs of the community has contributed to a "blighted" or "in need of conservation and rehabilitation" finding. This finding forms the basic purpose behind the creation of TID #4. It is expected that implementation of the project plan for TID #4 will assist in reversing the congestion in the CBD as well as the abutting areas. This will ultimately contribute to the orderly development of the City of Lake Geneva.

**SECTION V. PROPOSED PUBLIC WORKS AND ESTIMATED COSTS**

Table 1 describes the proposed public improvements, the estimated time of construction and estimated costs proposed as improvements. Map 3 shows the location of proposed improvements.

The primary costs included in TID #4 are for parking improvements, circulation improvements, streetscape, stormwater, waterfront and riverfront improvements. Other costs included are planning and engineering fees directly related to the identified improvements.

The focus of streetscape improvements is along Center Street on both sides of Main. Intersection improvements are slated for Willow/CTH H, Mill and Main Street. Waterfront improvements consist of the boat launch ramp relocation, traffic and pedestrian circulation improvements necessitated by existing and new development within the downtown. Waterfront and related improvements as well as pedestrian linkage along the White River to the CBD are in the project plan as economic development costs which, if expended, can assist in promoting new tax base through new development. A goal of the TIF waterfront/riverfront projects is to continue to enhance the waterfront/riverfront areas as they relate to downtown redevelopment.

Waterfront walkways are already in existence along the Geneva Lake frontage. It is the intention of these projects to connect the existing walkways with new walkways to provide a comprehensive pedestrian walkway system along the waterfront to connect to the riverfront.

Table 1 has included potential project costs associated with TID #4. Since it is impossible to project all the potential activities and improvements that might be needed over

a full ten-year TIF-spending period, this Project Plan has established a Discretionary Fund. The Discretionary Fund is established for the purpose of having the authority and flexibility to make TIF-eligible project improvements that most likely will arise during this spending period. This discretionary funding allows the TIF District the flexibility to provide funding for projects yet to be identified and determined necessary within the scope and intent of the TIF District Project Plan.

Alternate funding sources will also be sought through grant preparation, potential assessments, partial funding from other districts already in place and tax increments. The TIF Project Plan has included these projects to provide a comprehensive listing of projects identified to be completed under all potential sources of revenues. It is the intent that alternative funding sources will be sought to offset as many TIF costs as possible. However, if alternate funding sources are not available at the time project implementation is contemplated, the City Council and Plan Commission may choose to use TIF as the source of funding provided increment is available to pay back the project costs. If necessary, the project plan will be amended to reflect these changes.

**TABLE 1**  
**CITY OF LAKE GENEVA TID #4**

The following project costs are estimated expenditures for the 10-year TIF spending period. Cost estimates are based on City Engineering estimates and TIF consultant estimates.

YEAR	PROJECT DESCRIPTION	TOTAL EST PROJECT COST	TIF FUNDING	OTHER REVENUE SOURCES
1995	TIF district creation (planning, engineering, legal)	\$ 25,000	\$ 25,000	\$ 0
	Redevelopment plan update	30,000	30,000	0
	Beach District ● Planning/design/engineering	25,000	25,000	0
	Boat Facilities District ● Planning/design/engineering	25,000	25,000	0
	Administration	5,000	5,000	0
<b><i>SUBTOTAL 1995 ESTIMATED PROJECT COSTS</i></b>		<b>\$ 110,000</b>	<b>\$ 110,000</b>	<b>\$ 0</b>

YEAR	PROJECT DESCRIPTION	TOTAL EST PROJECT COST	TIF FUNDING	OTHER REVENUE SOURCES
1996	<ul style="list-style-type: none"> <li>Boat launch closure</li> <li>● Removal</li> <li>● Traffic and pedestrian safety improvements</li> </ul>	\$ 135,000	\$ 135,000	\$ 0
	<ul style="list-style-type: none"> <li>Extension of White River Trail as economic link <i>Done Same</i></li> <li>● Redevelopment planning/design</li> <li>● Acquisition</li> <li>● Relocation</li> </ul>	200,000	112,500	87,500
	<ul style="list-style-type: none"> <li>White River Canal District</li> <li>● Detailed redevelopment planning &amp; design of Segments 1&amp;2</li> </ul>	50,000	50,000	0
	<ul style="list-style-type: none"> <li>Beach District <i>Done Same</i></li> <li>● Detailed planning, design &amp; engineering</li> <li>● Reconstruction of infrastructure &amp; safety improvements</li> </ul>	175,000	175,000	0
	<ul style="list-style-type: none"> <li>Boat Facilities District</li> <li>● Planning/Design/Engineering</li> <li>● Phase 1 construction (33%)                             <ul style="list-style-type: none"> <li>- Breakwater with public access (90 slips)</li> <li>- Dockage for non-motorized crafts</li> <li>- Youth sailing pier</li> <li>- Rip-rap restoration</li> </ul> </li> </ul>	425,000	425,000	0

YEAR	PROJECT DESCRIPTION	TOTAL EST PROJECT COST	TIF FUNDING	OTHER REVENUE SOURCES
	Administration/legal	10,000	10,000	0
	<b><i>SUBTOTAL 1996 ESTIMATED PROJECT COSTS</i></b>	<b>\$ 995,000</b>	<b>\$ 907,500</b>	<b>\$ 87,500</b>
<b>1997</b>	White River Trail Extension • Construction	\$ 302,000	\$ 151,000	\$ 151,000
	White River Canal District • Detailed redevelopment planning/design - Segment 3 • Segment 1 construction - Flat Iron Park • Segment 2 construction - northcentral	1,150,000	725,000	425,000
	Boat Facilities District • Phase 2 construction	500,000	500,000	0
	Main/Willow/CTH H Intersection Improvements • Redevelopment planning/design/engineering	75,000	75,000	0
	Main/Mill Streets Intersection Improvements • Redevelopment planning/design/engineering	75,000	75,000	0
	Administration/legal	10,000	10,000	0

YEAR	PROJECT DESCRIPTION	TOTAL EST PROJECT COST	TIF FUNDING	OTHER REVENUE SOURCES
	<b>SUBTOTAL 1997 ESTIMATED PROJECT COSTS</b>	<b>\$2,112,000</b>	<b>\$1,536,000</b>	<b>\$ 576,000</b>
<b>1998</b>	White River Canal District ● Segment 3 construction - northeast	250,000	125,000	125,000
	Boat Facilities District ● Phase 3 construction	500,000	500,000	0
	Main/Willow/CTH H Intersection Improvements ● Acquisition ● Relocation ● Construction	\$2,500,000	\$1,250,000	\$1,250,000
	Center Street Streetscape Improvements Administration/legal	250,000 10,000	125,000 10,000	125,000 0
	<b>SUBTOTAL 1998 ESTIMATED PROJECT COSTS</b>	<b>\$3,510,000</b>	<b>\$2,010,000</b>	<b>\$1,500,000</b>
<b>1999</b>	White River Canal District ● Phase 4 construction (north)	250,000	125,000	125,000

YEAR	PROJECT DESCRIPTION	TOTAL EST PROJECT COST	TIF FUNDING	OTHER REVENUE SOURCES
	Boat Facilities District ● Stormwater improvements	500,000	250,000	250,000
	Downtown parking lot upgrades	3,500,000	2,000,000	1,500,000
	Assist State w/redevelopment of boat launch facility in Big Foot Park	3,000,000	300,000	2,700,000
	Administration/legal	10,000	10,000	0
	<b><i>SUBTOTAL 1999 ESTIMATED PROJECT COSTS</i></b>	<b><i>\$7,260,000</i></b>	<b><i>\$2,685,000</i></b>	<b><i>\$4,575,000</i></b>
2000	Main/Mill Streets Intersection Improvements ● Acquisition ● Relocation ● Construction	\$2,000,000	\$1,000,000	\$1,000,000
	Wayfinding signage program	50,000	25,000	25,000
	Administration/legal	10,000	10,000	0
	<b><i>SUBTOTAL 2000 ESTIMATED PROJECT COSTS</i></b>	<b><i>\$2,060,000</i></b>	<b><i>\$1,035,000</i></b>	<b><i>\$1,025,000</i></b>

YEAR	PROJECT DESCRIPTION	TOTAL EST PROJECT COST	TIF FUNDING	OTHER REVENUE SOURCES
2001	Discretionary funding (to include public infrastructure improvements such as Center/Wrigley intersection realignment)	\$ 515,000	\$ 515,000	\$ 0
	Administration/legal	10,000	10,000	0
	<b><i>SUBTOTAL 2001 ESTIMATED PROJECT COSTS</i></b>	<b><i>\$ 525,000</i></b>	<b><i>\$ 525,000</i></b>	<b><i>\$ 0</i></b>
2002	Discretionary funding (to include public infrastructure improvements such as the railroad bridge cross repair northeast of Main Street)	\$ 515,000	\$ 515,000	\$ 0
	Administration/legal	10,000	10,000	0
	<b><i>SUBTOTAL 2002 ESTIMATED PROJECT COSTS</i></b>	<b><i>\$ 525,000</i></b>	<b><i>\$ 525,000</i></b>	<b><i>\$ 0</i></b>
2003	Discretionary funding	\$ 515,000	\$ 515,000	\$ 0
	Administration/legal	10,000	10,000	0
	<b><i>SUBTOTAL 2003 ESTIMATED PROJECT COSTS</i></b>	<b><i>\$ 525,000</i></b>	<b><i>\$ 525,000</i></b>	<b><i>\$ 0</i></b>

YEAR	PROJECT DESCRIPTION	TOTAL EST PROJECT COST	TIF FUNDING	OTHER REVENUE SOURCES
2004	Discretionary funding	\$ 515,000	\$ 515,000	\$0\$
	Administration/legal	10,000	10,000	0
	<b>SUBTOTAL 2004 ESTIMATED PROJECT COSTS</b>	<b>\$ 525,000</b>	<b>\$ 525,000</b>	<b>\$0</b>
	<b>TOTAL ESTIMATED PROJECT COSTS</b>	<b>\$18,147,000</b>	<b>\$10,383,500</b>	<b>\$7,763,500</b>

All costs are estimates and will be finalized upon preparation of construction plans and specifications and contract award.

Any anticipated non-project costs include private sector costs related to development. The amount of these costs is unknown at this time and will be made available upon development proposals and actual construction.

## SECTION VI. ECONOMIC FEASIBILITY ANALYSIS

The economic feasibility analysis for TID #4 is presented in the revenue projections in Table 2 and the expenditure analysis in Table 3.

The development increment projections in Table 2 are based upon market assumptions of the development increment that will likely occur due to market conditions. The development increments assumed in Table 2 are considered realistic and conservative. It is assumed that the maximum development increment in TID #4 will be \$27,500,000.

The total estimated development increment of \$27,500,000 is based on mixed use and residential redevelopment within the TIF District boundaries. The assumptions on when development will occur is based on market conditions as they presently exist and also anticipated development. If the state or national economy takes a downswing, development could potentially be postponed. If this should occur, it is expected and recommended that the City Plan Commission and City Council annually review the financial condition of TID #4 prior to authorizing further expenditures.

As described earlier in the Project Plan, there are potentially non-tax revenues considered at this time. This means that the City intends to apply for State and Federal grants where possible to help offset costs. In addition, districts already in place (BID and parking fund) are anticipated to help offset project costs. These revenues have been taken into consideration. Any revenues received by the City through alternate funding sources are primarily matching grants for streetscape, waterfront and riverfront improvements. The City will need to match these grants with general obligation funds or TIF funds.

The expenditure analysis presented in Table 3 essentially takes the project costs projections, outlined in Table 1, and the tax revenue increment projections, resulting from Table 2, and analyzes when project pay-back would occur. The expenditure analysis assumes that the TIF district will be responsible for the cost of interest repayment conservatively calculated at 7 percent.

Based upon the assumptions used in Tables 2 and 3, TID #4 is feasible and retires in the twenty-fifth year or 2020.

The preliminary economic feasibility analysis projects that TID #4 is feasible. The City should, however, be cautious at spending at levels projected in the Project Cost Summary (Table 1). The City should analyze the fiscal condition of TID #4 and how well the development assumptions are being reached. This analysis should be done annually. Decisions to continue spending annually should be based on the "state of the district".

Financing for the proposed project will be done primarily as General Obligation Bonds, revenue bonds or loans. The amount of borrowing or the strategy of financing is yet to be determined. The accounting for TID #4 will be done as a separate fund if the ultimate decision is to borrow money from the City reserves or General Fund. It is anticipated that either of these funds will be paid back by tax increment revenues. The City will make its final decision on where and how to borrow funds on a case-by-case basis and with the advice of the City's financial consultant.

**TABLE 2**  
**TID #4 ECONOMIC FEASIBILITY ANALYSIS**  
**REVENUE ANALYSIS**

BASE VALUE YEAR	1995	REAL ESTATE INFLATION	0.015
BASE VALUE AMOUNT \$1000	16000	MIL RATE INFLATION	0.015
NET VALUE TAX RATE	0.027	INTEREST RATE	0.070

DEVELOPMENT		TAX BASE		REAL ESTATE		TOTAL VALUE		MIL RATE		TAX REVENUE
YEAR	INCREMENT BASE \$ (\$1000)	LOSS BASE \$ (\$1000)	TOTAL VALUE BASE \$ (\$1000)	REAL ESTATE INFLATION FACTOR	TOTAL VALUE CURRENT \$ (\$1000)	TOTAL VALUE INCREMENT (\$1000)	TOTAL VALUE INCREMENT (\$1000)	MIL RATE INFLATION FACTOR	TAX REVENUE INCREMENT (\$1000)	
1995	6000	0	22000	1.000	22000.00	6000.00	6000.00	1.000	0.00	
1996	12000	0	28000	1.015	28420.00	12420.00	12420.00	1.015	0.00	
1997	13500	0	29500	1.030	30391.64	14391.64	14391.64	1.030	138.63	
1998	17500	0	33500	1.046	35030.23	19030.23	19030.23	1.046	290.26	
1999	24000	0	40000	1.061	42454.54	26454.54	26454.54	1.061	340.22	
2000	27000	0	43000	1.077	46323.21	30323.21	30323.21	1.077	455.09	
2001	27250	0	43250	1.093	47291.42	31291.42	31291.42	1.093	639.99	
2002	27500	0	43500	1.110	48278.25	32278.25	32278.25	1.110	742.13	
2003	27500	0	43500	1.126	49002.43	33002.43	33002.43	1.126	774.79	
2004	27500	0	43500	1.143	49737.46	33737.46	33737.46	1.143	808.61	
2005	27500	0	43500	1.161	50483.53	34483.53	34483.53	1.161	836.49	
2006	27500	0	43500	1.178	51240.78	35240.78	35240.78	1.178	865.22	
2007	27500	0	43500	1.196	52009.39	36009.39	36009.39	1.196	894.84	
2008	27500	0	43500	1.214	52789.53	36789.53	36789.53	1.214	925.36	
2009	27500	0	43500	1.232	53581.37	37581.37	37581.37	1.232	956.82	
2010	27500	0	43500	1.250	54385.09	38385.09	38385.09	1.250	989.25	
2011	27500	0	43500	1.269	55200.87	39200.87	39200.87	1.269	1022.67	
2012	27500	0	43500	1.288	56028.88	40028.88	40028.88	1.288	1057.11	
2013	27500	0	43500	1.307	56869.32	40869.32	40869.32	1.307	1092.60	
2014	27500	0	43500	1.327	57722.36	41722.36	41722.36	1.327	1129.19	
2015	27500	0	43500	1.347	58588.19	42588.19	42588.19	1.347	1166.89	
2016	27500	0	43500	1.367	59467.02	43467.02	43467.02	1.367	1205.75	
2017	27500	0	43500	1.388	60359.02	44359.02	44359.02	1.388	1245.79	
2018	27500	0	43500	1.408	61264.41	45264.41	45264.41	1.408	1287.07	
2019	27500	0	43500	1.430	62183.37	46183.37	46183.37	1.430	1329.60	
2020	27500	0	43500	1.451	63116.12	47116.12	47116.12	1.451	1373.44	
2021	27500	0	43500	1.473	64062.86	48062.86	48062.86	1.473	1418.61	
2022	27500	0	43500	1.495	65023.81	49023.81	49023.81	1.495	1465.17	

24451.58

**TABLE 3**  
**TID #4 ECONOMIC FEASIBILITY ANALYSIS**  
**EXPENDITURE ANALYSIS**

BASE VALUE YEAR	1995	REAL ESTATE INFLATION	0.015
BASE VALUE AMOUNT \$1000	16000	MIL RATE INFLATION	0.015
NET VALUE TAX RATE	0.027	INTEREST RATE	0.070

YEAR	TAX REVENUE	NON-TAX	PROJECT	ACCOUNT	DEBT	ACCOUNT	ANNUAL
	INCREMENT	REVENUE	COSTS	BALANCE	SERVICE	BALANCE	AMOUNT
	(\$1000)	(\$1000)	(\$1000)	(1/1)	(\$1000)	(12/31)	BORROWED
				(\$1000)		(\$1000)	(\$1000)
1995	0.00	0	110	-110.00	7.70	-117.70	-117.70
1996	0.00	88	995	-1025.20	71.76	-1096.96	-979.26
1997	138.63	576	2112	-2494.34	174.60	-2668.94	-1571.98
1998	290.26	1500	3510	-4388.68	307.21	-4695.89	-2026.95
1999	340.22	4575	7260	-7040.67	492.85	-7533.52	-2837.63
2000	455.09	1025	2060	-8113.43	567.94	-8681.37	-1147.85
2001	639.99	0	525	-8566.39	599.65	-9166.03	-484.66
2002	742.13	0	525	-8948.90	626.42	-9575.32	-409.29
2003	774.79	0	525	-9325.53	652.79	-9978.32	-402.99
2004	808.61	0	525	-9694.71	678.63	-10373.33	-395.02
2005	836.49	0	0	-9536.85	667.58	-10204.42	0.00
2006	865.22	0	0	-9339.20	653.74	-9992.94	0.00
2007	894.84	0	0	-9098.10	636.87	-9734.97	0.00
2008	925.36	0	0	-8809.61	616.67	-9426.28	0.00
2009	956.82	0	0	-8469.45	592.86	-9062.32	0.00
2010	989.25	0	0	-8073.07	565.11	-8638.18	0.00
2011	1022.67	0	0	-7615.52	533.09	-8148.60	0.00
2012	1057.11	0	0	-7091.50	496.40	-7587.90	0.00
2013	1092.60	0	0	-6495.30	454.67	-6949.97	0.00
2014	1129.19	0	0	-5820.79	407.46	-6228.24	0.00
2015	1166.89	0	0	-5061.35	354.29	-5415.65	0.00
2016	1205.75	0	0	-4209.90	294.69	-4504.59	0.00
2017	1245.79	0	0	-3258.80	228.12	-3486.92	0.00
2018	1287.07	0	0	-2199.85	153.99	-2353.84	0.00
2019	1329.60	0	0	-1024.24	71.70	-1095.94	0.00
2020	1373.44	0	0	277.50	0.00	0.00	0.00
2021	1418.61	0	0	0.00	0.00	0.00	0.00
2022	1465.17	0	0	0.00	0.00	0.00	0.00
	24451.58	7763.5	18147		10906.80		-10373.33

**SECTION VII. CONSISTENCY OF ACTIVITIES WITHIN TAX  
INCREMENT DISTRICT #4 WITH THE CITY  
ZONING ORDINANCE, MASTER PLAN AND  
OTHER DEVELOPMENT ORDINANCES**

All of the land in TID #4 is currently in the City of Lake Geneva. Planning and design efforts for the downtown area has made and will continue to make recommendations to guide development efforts within the City of Lake Geneva and the CBD. The creation of TID #4 and the proposed projects were identified as necessary to achieve the goal of a more vital CBD. Not only will reinvestment in the CBD help the downtown area, but it will also help raise the tax base and give the entire community a continuing quality image for residents, tourists and prospective businesses and industries.

The creation of TID #4 does not require amendment of the existing City zoning or building codes. It is not anticipated that persons might be displaced due to project activities. If displacement occurs, the City will conform to State of Wisconsin Relocation Laws.

CITY OF LAKE GENEVA

TID NO. 4  
AMENDMENT NO. 1

JOINT REVIEW BOARD

August 29, 2005

8:00 a.m.

Lake Geneva City Hall

Agenda

1. Call to order
2. Discussion of Joint Review Board Final Decision
3. Action on Resolution Approving City Council Resolution Amending TID No. 4 Project Plan, City of Lake Geneva
4. Any other items allowed by law.
5. Disband.

# CITY OF LAKE GENEVA

## TAX INCREMENT FINANCING DISTRICT

No. 4

### AMENDMENT No. 1

#### Plan Commission Public Hearing

July 18, 2005  
7:00 p.m.

Prepared by:

Vandewalle & Associates  
Madison, Wisconsin

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**AMENDED SECTION I. INTRODUCTION**

The City of Lake Geneva created TID No. 4 on September 11, 1995. The purpose of TID #4 was to address several different issues peculiar to a downtown area. These issues included traffic and pedestrian circulation and safety, parking congestion and location, wayfinding signage for both the Downtown and the Waterfront areas, elimination of blight due to inappropriate land uses, potential relocation of the boat launch ramp which was a major contributor for traffic congestion and potential redevelopment of underutilized sites.

The City Centre Master Plan and related plans addressed many of these issues and made recommendations on implementation of constructing improvements which would contribute to the orderly development of the City. To date, the City has constructed some of these improvements.

The State of Wisconsin Legislature has recently passed new TID legislation which significantly changes the law regarding the creation of and/or amending tax increment districts. The retirement and spending periods have been expanded especially for "blighted" districts. This finding was the statutory foundation for creation of TID No. 4. Consequently, the City now has 27 years to retire this district with the potential to amend this time period for an additional 3 years. The spending period is five years less the retirement or 22 years plus an additional 3 if the retirement period is extended. In addition, the City could expand and/or contract the boundary up to four times.

The purpose of the amended TID No. 4 project plan is to bring the current plan into compliance with the new law, update the actual project expenditures to date and itemize the remaining and new expenditures into a new spending and retirement period.

## AMENDED SECTION V. PROPOSED PUBLIC WORKS AND ESTIMATED COSTS

Table 1, Amended, identifies the projects by districts, estimated project costs, anticipated timing of project expenditures and potential other funding. This format was used in the original TID #4 project plan and is used in the amended plan for continuity.

A comparison between the original project plan and the amended project plan yields the following information:

PROJECT COST	ORIGINAL PROJECT PLAN	AMENDED PROJECT PLAN
Beach District	\$200,000	\$625,000
Boat Facilities District	\$2,085,000	\$720,000
White River Canal District	\$6,865,000	\$9,360,000
White River Trail District	\$502,000	\$800,000
Beach & White River Canal Districts	\$4,015,000	\$7,065,000
Administrative & Other	\$4,480,000	\$1,855,000
<b>TOTAL ESTIMATED PROJECT COSTS</b>	<b>\$18,147,000</b>	<b>\$20,425,000</b>

The line item "Administrative & Other" includes a large Discretionary Fund that was available for yet to be determined projects in the original project plan. The Amended Project Plan clarifies the new projects and lists them individually under each District heading rather than under the Discretionary Funding heading.

The following represents actual project costs expended to date by year.

1998	\$466,904.65
1999	\$743,445.03
2000	\$988,435.30
2001	\$358,453.34
2002	\$640,150.55
2003	\$161,886.77
2004	\$509,895.12

Table 1, Amended, itemizes all of the proposed project costs from 2005 through 2016 or a 12 year spending period. Although the City has until 2019 to spend within TID

No. 4 and 2022 to retire, the annual tax increment revenues will be sufficient to retire the district by 2013.

Other sources of funding are included with Table 1, Amended. These other sources of funds total \$4,132,500 vs. \$7,763,500 in the original project plan. Tax increment revenues far exceed what was originally anticipated, consequently, the City is able to use more of these tax revenues to pay debt in a quicker time line than was also anticipated.

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**AMENDED SECTION VI. ECONOMIC FEASIBILITY ANALYSIS**

The original project plan estimated a total development increment over the life of the TID to be valued at approximately \$49,000,000. As of January 1, 2004, the Department of Revenue certified increment is \$65,845,500, a significant increase over what was originally anticipated. This, obviously, is a benefit to not only the City of Lake Geneva but also the overlying taxing jurisdictions once the TID is retired.

It is estimated that there will be significant increase in the value of new real estate within TID No. 4. There are approved plans for redevelopment of prime retail parcels on Main St. as well as potential expansion of some of the newer development that was built when the TID was first formed.

Because of the lower spending in the initial 10 years since creation of the TID and also because of the much higher than anticipated development increment, this district will retire far ahead of schedule than the original project plan had slated its retirement. Table 2 represents the cashflow analysis of TID #4 amended and shows that it is anticipated to retirement in approximately 2013 or 18 years after the TID was created.

PROJECT	ACTIVITY SUB-TOTAL	PROJECT COST BY YEAR										12-YEAR TOTALS	OTHER FUNDS	TIF#4 TOTAL		
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014				2015	2016
<b>Beach District</b>														0		0
General Projects	625,000													0		0
Redevelopment Planning/Design/Engineering		10,000	5,000	5,000	40,000	15,000								75,000		75,000
Reconstruction of Infrastructure & Safety Improvements				50,000	50,000									100,000		100,000
Replace Bathroom Facilities					250,000									250,000		250,000
Landscaping, Walkways, Lighting			50,000		50,000	100,000								200,000	25,000	175,000
														0		0
<b>Boat Facilities District</b>														0		0
West Pier Area	405,000													0		0
Redevelopment Planning/Design/Engineering		25,000												25,000		25,000
90% Construction of Piers Up to 90 Slips		380,000												380,000		380,000
10% Construction of Piers Up to 90 Slips														0		0
Dockage for Non-motorized Craft														0		0
														0		0
<b>Library Park</b>	315,000															
Rip-Rap Restoration							25,000					25,000		50,000		50,000
Feature at West Entry				100,000									100,000	75,000	25,000	
Feature at Veteran's Memorial				25,000									25,000		25,000	
Infrastructure Repairs		25,000	25,000	25,000	25,000								100,000		100,000	
Swim Piers Replacement											40,000		40,000		40,000	
														0		0
<b>White River Canal District</b>																
Boat Launch Closure & Relocation to Big Foot Park	4,250,000													0		0
Abandon Ramps & Repair Pier for Transient Activity				50,000										0		0
Traffic, Pedestrian & Safety Improvements					200,000									50,000		50,000
Implement Ramps Plan at Big Foot Park-Planning		25,000												200,000		200,000
Implement Ramps Plan at Big Foot Park-Engineering		25,000	150,000	300,000										25,000		25,000
Implement Ramps Plan at Big Foot Park-Construction			1,500,000	2,000,000										475,000		475,000
														3,500,000	1,750,000	1,750,000
														0		0
<b>Park Redevelopment</b>	435,000													0		0
Redevelopment Planning/Design/Engineering		20,000	25,000	35,000										0		0
Construction-Flat Iron Park							250,000							80,000		80,000
Construction-Seminary Park Bathroom Bldg. & Utilities			80,000											250,000		250,000
Construction-Seminary Park Shelter			25,000											80,000		80,000
														25,000		25,000
														0		0
<b>Main St/Lakeshore Drive/Wells St Intersection</b>	3,300,000															
Redevelopment Planning/Design/Engineering		25,000	25,000	25,000	25,000		100,000	100,000						0		0
Construction Including City 4-Lane Share						300,000	1,000,000	1,000,000						300,000		300,000
Acquisition & Relocation				700,000										2,300,000		2,300,000
														700,000		700,000
														0		0
<b>Main St/Mill St Intersection</b>	75,000															
Redevelopment Planning/Design/Engineering				25,000	25,000	25,000								0		0
														75,000		75,000
														0		0
<b>Geneva Street Bypass (Incl. Railroad Bridge Removal)</b>	1,300,000															
Redevelopment Planning/Design/Engineering						150,000								0		0
Land Acquisition					200,000									150,000		150,000
Construction								950,000						200,000		200,000
									950,000					950,000		950,000

**CITY OF LAKE GENEVA, WISCONSIN**

TAX INCREMENT DISTRICT #4 AMENDMENT No. 1

TABLE 1 AMENDED

DRAFT

6/15/2005

PROJECT	ACTIVITY SUB-TOTAL	PROJECT COST BY YEAR											12-YEAR TOTALS	OTHER FUNDS	TIF#4 TOTAL		
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015				2016	
<b>White River Trail District</b>	<b>800,000</b>																
Extension of White River Trail as Economic Link																	0
Redevelopment Planning/Design/Engineering		5,000	5,000	40,000	50,000												100,000
Acquisition as Required					200,000												200,000
Construction-Main to USH 12						250,000											250,000
Construction-USH 12 to Grand Geneva							250,000										250,000
<b>Beach &amp; White River Canal Districts</b>	<b>1,550,000</b>																0
Underground Placement of Antiquated Power System																	0
Redevelopment Planning/Design/Engineering			25,000	25,000													50,000
Underground of Electrical Utilities (N. of Main Street)		900,000															900,000
Underground of Electrical Utilities (S. of Main Street)			500,000														500,000
Underground of Electrical Utilities (Center Street Street)			100,000														100,000
<b>Downtown Parking Improvements</b>	<b>4,565,000</b>																0
Acquisition (Opportunity Purchase)																	0
Surface Parking Planning/Engineering								500,000									500,000
Surface Parking Construction								50,000									50,000
Center Street Parkng Lot Maintenance		40,000							350,000								350,000
Parking Ramp Property Acquisition/Relocation									700,000								700,000
Parking Ramp Planning/Engineering									25,000	400,000							425,000
Parking Ramp Construction											2,500,000						2,500,000
<b>Downtown Signage Improvements</b>	<b>150,000</b>																0
Signage Rehabilitation			10,000	10,000													20,000
Clean & Paint Signage & Light Poles in Downtown			80,000									50,000					130,000
<b>Intersection Improvements (Main &amp; Cook; Geneva St with Cook, Broad, Center &amp; Sage)</b>	<b>800,000</b>																0
Redevelopment Planning/Design/Engineering			50,000	100,000													150,000
Interection & Lane Changes & Pav't Markings Construction			150,000	500,000													650,000
<b>Administrative &amp; Other</b>																	0
Redevelopment Plan Update	45,000	15,000						15,000					15,000				45,000
Administration	300,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
Design, Engineering, & Maintenance	300,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
Discretionary Funding (to include Public Infrastructure Improvements Such as Utility Relocations & Roadway Geometric Changes)	900,000										300,000	300,000	300,000	300,000	300,000	300,000	900,000
Legal Services	60,000																0
Escrow Account for Maintenance	250,000										20,000	20,000	20,000	20,000	20,000	20,000	60,000
<b>TOTAL ESTIMATED PROJECT COSTS</b>	<b>20,425,000</b>	<b>1,545,000</b>	<b>2,855,000</b>	<b>4,065,000</b>	<b>1,165,000</b>	<b>890,000</b>	<b>1,690,000</b>	<b>2,650,000</b>	<b>1,125,000</b>	<b>2,950,000</b>	<b>370,000</b>	<b>500,000</b>	<b>620,000</b>	<b>20,425,000</b>	<b>4,132,500</b>	<b>16,292,500</b>	

# CITY OF LAKE GENEVA

## TAX INCREMENT FINANCING DISTRICT No. 4

### AMENDMENT No. 2

### City Council Action

September 8, 2008

Prepared by:

Vandewalle & Associates  
Madison, Wisconsin

## **AMENDED SECTION I. INTRODUCTION**

The City of Lake Geneva created TID No. 4 on September 11, 1995. The City subsequently amended TID #4 on August 8, 2005. The purpose of the original TID #4 and TID #4 Amendment #1 project plans were to address several different issues peculiar to a downtown area. These issues included traffic and pedestrian circulation and safety, parking congestion and location, wayfinding signage for both the Downtown and the Waterfront areas, elimination of blight due to inappropriate land uses, potential relocation of the boat launch ramp which was a major contributor for traffic congestion and potential redevelopment of underutilized sites.

The City Centre Master Plan and related plans addressed many of these issues and made recommendations on implementation of constructing improvements which would contribute to the orderly development of the City. To date, the City has constructed a number of these improvements.

In 2004, the State of Wisconsin Legislature passed TID legislation which significantly changed the law regarding the creation of and/or amending tax increment districts. The spending periods were extended for all types of TIDs. TID #4 was created under the "blight" finding of the statutes. The City still has 27 years to retire this district and but the spending period has been increased to 22 years. In addition, the City can expand and/or subtract parcels from the boundary a total of four times. A 2007 legislative change specifically allows a community to construct improvements or expend funds within a ½ mile radius of the TID boundary providing the expenditure meets the purpose and intent of the original project plan.

The purpose of the TID #4 Amendment #2 project plan has specific objectives.

These are:

1. Update the actual project expenditures to date;
2. Itemize the remaining and new expenditures into the spending and retirement period; and
3. Add the Edwards Boulevard extension to the project list falling under the new ½ mile limit for improvements outside of the TID boundary.

The Edwards Boulevard extension project is proposed to be added to the list of eligible project costs paid by TID #4 revenues. The reason for this additional project cost is to comprehensively address the original intent of the first TID #4 project plan adopted in 1995 where vehicular and pedestrian movement and safety was one of the primary findings that formed the basis for a “blighted” district.

The primary goal and objective of creating TID #4 was to alleviate vehicular traffic congestion in the downtown which, if successfully completed, would create a pedestrian and vehicular friendly environment that would encourage existing business and new business growth in the Downtown. This traffic management would also provide safe movement throughout the Downtown by rerouting major truck and non-Downtown specific traffic out of the area to the fringe of the City.

An alternative by-pass route was determined to bring traffic to the east side of Lake Geneva along Edwards Boulevard vs. traversing the downtown on the CTH H corridor. By encouraging the use of the Edwards Boulevard route vs. the CTH H route for thru- and heavy traffic, the Downtown should experience a significant decrease in all types of traffic that have not had an alternate route from east to west except through the

Downtown. This decrease in thru-traffic will aid in the reduction of traffic congestion and increase safety in pedestrian and other vehicular circulation. It will also provide an atmosphere that will be more conducive to encourage consumers to come Downtown, park and walk and visit the many businesses in the Downtown thus aid in economic development of the Downtown by boosting the local economy.

TID #4 Amendment #2 is intended to successfully address this transportation goal and objective of the original project plan.

**AMENDED SECTION V. PROPOSED PUBLIC WORKS AND ESTIMATED COSTS**

Table 1 Amended, identifies the projects by districts, estimated project costs, and anticipated timing of project expenditures and potential other funding. This format was used in the original TID #4 project plan and is used in the amended plan for continuity.

Many projects have been undertaken since the TID was created in 1995. Many of the Beach, Boat Facilities and White River Canal Districts' improvements have been made. Table 1 Amended shows the projects that have either been completed or are in the process of construction.

The relocation of the Boat Launch Ramp from the Downtown to Big Foot Park was a major public expenditure item that was considered in both the original Project Plan and in Amendment #1 completed in 2005. Since that time, the decision has been made to keep the Boat Launch Ramp in its current location. Consequently, total reconstruction of the Boat Launch Ramp will be conducted in the fall of 2008 or spring of 2009. A project cost of \$500,000 has been inserted for this improvement. This provides flexibility if parking upgrading, access or Boat Launch Ramp other improvements are identified and executed. The original project plan had \$4,250,000 for relocation of the Boat Launch Ramp so this change in location significantly lowers the potential project costs and accelerates district retirement. Table 1 Amended reflects the new costs associated with the upgrading of the Boat Launch Ramp.

Amendment #2 project expenditure estimates in Table 1 Amended reflect amounts detailing the projects that have been completed as well as project expenditures already made for projects partially completed. Table 1 Amended also reflects the identification of the Edwards Boulevard improvement estimated to be approximately

\$2,900,000. As stated above, this improvement diverts traffic from going through the Downtown and provides a “by-pass” of the Downtown for this thru-traffic.

A comparison between the original project plan and the TID #4 Amendment #2 project plan lists the following information:

<b>PROJECT COST</b>	<b>ORIGINAL PROJECT PLAN</b>	<b>AMENDED #2 PROJECT PLAN</b>
Beach District	\$200,000	\$625,000
Boat Facilities District (West Pier Area completed)	\$2,085,000	\$165,000
White River Canal District	\$6,865,000	\$2,470,000
White River Trail District	\$502,000	\$800,000
Beach & White River Canal Districts	\$4,015,000	\$5,915,000
Edwards Boulevard extension	\$0	\$2,900,000
Administrative & Other	\$4,480,000	\$1,625,000
<b>TOTAL ESTIMATED PROJECT COSTS</b>	<b>\$18,147,000</b>	<b>\$14,500,000 Projects yet to be completed</b>

The line item “Administrative & Other” includes a Discretionary Fund that was available for yet to be determined projects in the original project plan. The TID #4 Amendment #2 Project Plan clarifies the new projects and lists them individually under each District heading rather than under the Discretionary Funding heading.

The following represents actual project costs expended to date by year.

1998	\$ 466,904
1999	\$ 743,445
2000	\$ 988,435
2001	\$ 358,453
2002	\$ 640,151
2003	\$ 161,887
2004	\$ 509,895
2005	\$ 494,805
2006	\$ 631,128
2007	\$1,152,531
2008 (year-to-date)	\$ 65,286

Total Expended in TID #4 \$6,212,920

It should be noted that, as of the writing of this project plan (mid-July, 2008), the 2007 financial numbers are not the final audit numbers. The project plan will reflect the actual costs expended as soon as these changes are determined or when the audit is completed.

Table 1 Amended, itemizes all of the proposed project costs from 2008 through 2013 or an additional 6 year spending period. Although the City has until 2017 to spend within TID No. 4 and 2022 to retire, the annual tax increment revenues should be sufficient to retire the district by 2013. If the City would choose to complete all projects and actual expenditures reflect the estimates for project costs in Table 1 Amended, the TID could expend a total of \$20,712,920 in eligible projects.

Other sources of funding are included with Table 1, Amended. These other sources of funds total \$2,382,500 vs. \$7,763,500 in the original project plan. This is due, in part, to the fact that projects have been completed and expenditures reflected are the actual amounts expended in that specific year. In addition, tax increment revenues far exceeded what was originally anticipated. Consequently, the City is able to use more of these tax revenues to pay debt in a quicker time line than was also anticipated.

# CITY OF LAKE GENEVA, WISCONSIN

# CITY COUNCIL ACTION

TAX INCREMENT DISTRICT #4 AMENDMENT No. 2

9/8/2008

TABLE 1 AMENDED

PROJECT	ACTIVITY SUB-TOTAL	PROJECT COST BY YEAR					6-YEAR TOTALS	OTHER FUNDS	TIF#4 TOTAL
		2008	2009	2010	2011	2012			
<b>Beach District</b>									
General Projects	625,000								
Redevelopment Planning/Design/Engineering		40,000	15,000	20,000				75,000	
Reconstruction of Infrastructure & Safety Improvements		50,000		50,000				100,000	
Replace Bathroom Facilities ( <i>in process 2008</i> )		250,000						250,000	
Landscaping, Walkways, Lighting		50,000	100,000	50,000			25,000	175,000	
<b>Boat Facilities District</b>									
West Pier Area -- <b>Completed</b>									
Redevelopment Planning/Design/Engineering								0	
90% Construction of Piers Up to 90 Slips								0	
10% Construction of Piers Up to 90 Slips									
Dockage for Non-motorized Craft									
<b>Library Park</b>									
Rip-Rap Restoration ( <i>partially completed -- ongoing work</i> )	165,000	25,000		25,000				50,000	
Feature at West Entry							75,000	(75,000)	
Feature at Veteran's Memorial								0	
Infrastructure Repairs		25,000	25,000	25,000				75,000	
Swim Piers Replacement						40,000		40,000	
<b>White River Canal District</b>									
Boat Launch Ramp Reconstruction in Current Location	500,000	250,000	250,000					500,000	
<b>Park Redevelopment</b>									
Redevelopment Planning/Design/Engineering	595,000	20,000	10,000					30,000	
Construction-Flat Iron Park				250,000				250,000	
Seminary Park Utility Undergrounding		60,000						60,000	
Construction-Seminary Park Shelter <b>Completed</b>								0	
Dunn Park Skateboard Park improvements/maintenance ( <i>partially completed</i> )		180,000	15,000	15,000	15,000	15,000		255,000	
<b>Main St/Lakeshore Drive/Wells St Intersection Completed</b>									
Redevelopment Planning/Design/Engineering									
Construction Including City 4-Lane Share									
Acquisition & Relocation									
<b>Main St/Mill St Intersection</b>									
Redevelopment Planning/Design/Engineering	75,000	25,000	25,000	25,000				75,000	
Portion of Bridge Rebid									
<b>Geneva Street Bypass (Incl. Railroad Bridge Removal)</b>									
Redevelopment Planning/Design/Engineering	1,300,000		150,000					150,000	
Land Acquisition ( <i>reimbursement to Commission</i> )		200,000						200,000	
Construction				950,000				950,000	
<b>White River Trail District Pending</b>									
Extension of White River Trail as Economic Link	800,000								
Redevelopment Planning/Design/Engineering		50,000	50,000					100,000	
Acquisition as Required		200,000						200,000	
Construction-Main to USH 12			250,000					250,000	
Construction-USH 12 to Grand Geneva				250,000				250,000	

# CITY OF LAKE GENEVA, WISCONSIN

TAX INCREMENT DISTRICT #4 AMENDMENT No. 2

TABLE 1 AMENDED

# CITY COUNCIL ACTION

9/8/2008

PROJECT	ACTIVITY SUB-TOTAL	PROJECT COST BY YEAR					6-YEAR TOTALS	OTHER FUNDS	TIF#4 TOTAL
		2008	2009	2010	2011	2012			
<b>Beach &amp; White River Canal Districts</b>	650,000								
Underground Placement of Antiquated Power System									
Redevelopment Planning/Design/Engineering		25,000	25,000				50,000		50,000
Underground of Electrical Utilities (N. of Main Street) <b>Completed</b>							0		0
Underground of Electrical Utilities (S. of Main Street) <b>In progress</b>		500,000					500,000		500,000
Underground of Electrical Utilities (Center Street Street)			100,000				100,000		100,000
<b>Downtown Parking Improvements</b>	<b>4,565,000</b>								
Acquisition (Opportunity Purchase)					500,000		500,000	250,000	250,000
Surface Parking Planning/Engineering				50,000			50,000	25,000	25,000
Surface Parking Construction					350,000		350,000	175,000	175,000
Center Street Parking Lot Maintenance			40,000				40,000	20,000	20,000
Parking Ramp Property Acquisition/Relocation					700,000		700,000	350,000	350,000
Parking Ramp Planning/Engineering					25,000		25,000	212,500	212,500
Parking Ramp Construction						2,500,000	2,500,000	1,250,000	1,250,000
<b>Downtown Signage Improvements Partially Completed</b>	<b>50,000</b>								
Signage Rehabilitation			10,000				10,000		10,000
Clean & Paint Signage & Light Poles in Downtown			40,000				40,000		40,000
<b>Intersection Improvements (Main &amp; Cook; Geneva St with Cook, Broad, Center &amp; Sage) Partially Completed</b>	<b>650,000</b>								
Redevelopment Planning/Design/Engineering			25,000	50,000			75,000		75,000
Intersection & Lane Changes & Pav't Markings Construction			75,000	500,000			575,000		575,000
<b>Edwards Boulevard improvement to redirect traffic out of Downtown &amp; TID #4</b>	<b>2,900,000</b>	650,000	2,250,000				2,900,000		2,900,000
<b>Administrative &amp; Other</b>	<b>15,000</b>								
Redevelopment Plan Update	15,000			15,000			15,000		15,000
Administration	150,000	25,000	25,000	25,000	25,000	25,000	150,000		150,000
Design, Engineering, & Maintenance	150,000	25,000	25,000	25,000	25,000	25,000	150,000		150,000
Discretionary Funding (to include Public Infrastructure Improvements such as utility relocations & roadway geometric changes)	1,000,000						1,000,000		1,000,000
Legal Services	60,000						60,000		60,000
Escrow Account for Maintenance	250,000						250,000		250,000
<b>TOTAL ESTIMATED PROJECT COSTS</b>	<b>14,500,000</b>	<b>2,650,000</b>	<b>3,505,000</b>	<b>1,325,000</b>	<b>1,565,000</b>	<b>1,140,000</b>	<b>14,500,000</b>	<b>2,382,500</b>	<b>12,117,500</b>

**AMENDED SECTION VI. ECONOMIC FEASIBILITY ANALYSIS**

The original project plan estimated a total development increment over the life of the TID to be valued at approximately \$49,000,000. As of January 1, 2007, the Department of Revenue certified increment is \$94,249,100, almost twice the development increment that was originally anticipated. This is an obvious benefit to not only the City of Lake Geneva but also the overlying taxing jurisdictions once the TID is retired.

Because of the lower spending in the initial 10 years since creation of the TID and also because of the much higher than anticipated development increment, this district will retire far ahead of schedule than the original project plan had slated its retirement. Table 2 represents the cash flow analysis of TID #4 amended and shows that it is anticipated to retirement in approximately 2013 or 18 years after the TID was created.

The original project plan estimated a 2020 retirement date. Amendment #1 estimated a 2014 retirement date. Amendment #2 estimates a 2013 retirement date.

Estimated non-project costs total over \$94,249,100 in new increment as certified to date by the Department of Revenue plus any new development that happens prior to the end of the life of the TID.

**CITY OF LAKE GENEVA**  
**TID No. 4 Amendment No. 2**

**CITY COUNCIL ACTION**  
 9/8/2008

**Table 2 -- Expenditure Analysis/Cashflow of District**

TIF # 4	2005	2006	2007	2008	2009	2010	2011	2012
1/1 Balance	\$2,858,777	\$3,483,138	\$3,850,157	\$4,396,688	\$3,519,456	\$1,840,407	\$2,396,137	\$2,768,288
TIF revenue	\$1,495,389	\$1,474,642	\$1,699,062	\$1,772,768	\$1,825,951	\$1,880,730	\$1,937,151	\$1,995,266
Balance in acct	\$4,354,166	\$4,957,780	\$5,549,219	\$6,169,456	\$5,345,407	\$3,721,137	\$4,333,288	\$4,763,554
Project expenditures*	(\$494,805)	(\$631,128)	(\$1,152,531)	(\$2,650,000)	(\$3,505,000)	(\$1,325,000)	(\$1,565,000)	(\$1,140,000)
Debt Service	(\$376,223)	(\$476,495)	\$0	\$0	\$0	\$0	\$0	\$0
12/31 Balance	\$3,483,138	\$3,850,157	\$4,396,688	\$3,519,456	\$1,840,407	\$2,396,137	\$2,768,288	\$3,623,554

12/31/05 Balance ties with cash & investment balance in 2005 Audited Financials

\* Project Expenditures: See Table 1 for itemization by year and area from 2008-2013

TIF # 4	2013	TOTALS
1/1 Balance	\$2,768,288	
TIF revenue	\$2,055,124	\$16,136,083
Balance in acct	\$4,823,412	
Project expenditures*	(\$4,315,000)	(\$16,778,464)
Debt Service	\$0	
12/31 Balance	\$508,412	

TIF revenue is estimated in years 2008-2013. Actual tax revenues have historically been more significant than estimates. Retirement of TID could take place in 2014 dependent upon revenues received between 2008 and 2013.

**RESOLUTION 08-R67**  
**RESOLUTION AMENDING**  
**TAX INCREMENT DISTRICT NO. 4**  
**PROJECT PLAN**  
**CITY OF LAKE GENEVA, WISCONSIN**

**WHEREAS**, the Plan Commission has held a public hearing on Monday, August 18, 2008 on the amendment to the project plan for Tax Increment District #4; and

**WHEREAS**, the Chief Executive Officers of the local school district, Walworth County Board, and other entities having power to levy taxes on property located within the proposed amended Tax Increment District has been notified, including the school board of any school district which includes property within the proposed district pursuant to Section 66.1105(4)(h)1, Wis. Stats.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Lake Geneva hereby amends Tax Increment District #4 project plan, City of Lake Geneva, and

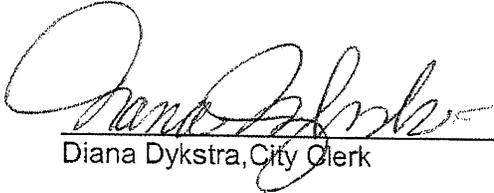
1. Includes a statement listing the times, number and location of all proposed additional public works or improvements within such district (Table 1); and
2. Contains an economic feasibility study (Table 2); and
3. Contains a detailed list of estimated project costs (Table 1); and
4. Contains a description of the method of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred (original project plan); and
5. Includes a map showing existing uses and conditions of real property in such district (original project plan); and
6. Includes a map showing proposed improvements and uses in such district (original project plan); and
7. Shows proposed changes in zoning ordinances, comprehensive plan, building codes and City ordinances (original project plan); and
8. Contains a statement that there are an estimated \$94,000,000+ of non-project costs currently being considered in connection with TID #4; and
9. Contains a statement of a proposed method for the relocation of any person to be displaced (original project plan); and
10. Indicates how amendment of TID #4 promotes the orderly development of the City of Lake Geneva; and
11. That not less than 50% of the real property within the Tax Increment District #4 is blighted and in need of conservation and rehabilitation work as defined in s. 66.1105, Wis. Stats. (original project plan); and
12. That the improvements contemplated in the amended Tax Increment District #4, City of Lake Geneva, will significantly enhance the value of substantially all real property in Tax Increment District #4; and
13. That the project costs directly serve to eliminate blight consistent with the purpose for which Tax Increment District #4 was created and amended; and
14. That the aggregate value of equalized taxable property in Tax Increment District #4 and

existing TIDs does not exceed 12% of the total value of equalized taxable property within the City.

Resolved this 8<sup>th</sup> day of September, 2008.

  
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William P. Chesen, Mayor

Attest:

  
\_\_\_\_\_  
Diana Dykstra, City Clerk

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This is to certify that the foregoing resolution was adopted by the City Council of the City of Lake Geneva, Walworth County, Wisconsin, at a meeting of the City Council held on the 8<sup>th</sup> day of September, 2008.

**CITY OF LAKE  
GENEVA  
TID #4  
AMENDMENT #3**

**City Council  
Reconsideration**

**February 8, 2010**

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Appendices to be inserted

Any sections not amended in this project plan stand as adopted on the appropriate date(s).

## AMENDED SECTION I. INTRODUCTION

The City of Lake Geneva created TID No. 4 on September 11, 1995. The City subsequently amended TID #4 on August 8, 2005 and September 18, 2008. The purpose of the original TID #4 and TID #4 Amendment #1 project plans was to address several different issues peculiar to a downtown area. These issues included traffic and pedestrian circulation and safety, parking congestion and location, wayfinding signage for both the Downtown and the Waterfront areas, elimination of blight due to inappropriate land uses, potential relocation of the boat launch ramp which was a major contributor for traffic congestion and potential redevelopment of underutilized sites. Amendment #2 specifically added the Edwards Boulevard extension as an eligible project cost for payment by TID #4 within the new ½ mile legislation that was passed prior to adoption of Amendment #2. The Edwards Boulevard extension specifically diverted traffic that was funneled into the Downtown and fulfilled the goals of traffic minimization and pedestrian safety within the original project plan.

The purpose of Amendment #3 is to redefine and clarify projects from the original project plan. The original TID #4 project plan was prepared prior to specific planning, engineering and design for traffic congestion relief and pedestrian safety. Since 1995, significant planning, engineering and preliminary design has taken place to more fully identify projects and their potential costs. In addition, the State has identified and is constructing other traffic congestion alleviation projects which has aided the City to clearly identify more specific projects that meet the goals and objectives of the original TID #4 project plan.

The City of Lake Geneva has a significant number of projects yet to complete within TID #4. The City Council and appropriate commissions and committees have determined that it is important for not only the City, but also the overlying taxing jurisdictions, that TID #4 projects

be completed as quickly and efficiently as possible so as to retire the TID early so that all taxpayers will receive benefit from the early retirement.

This Amendment (#3) addresses the reprioritized projects, new estimated costs and timing of construction. As stated above, the intention is to complete the prioritized projects as quickly as possible and retire the TID. Table 1 Amended does show project expenditures through 2017. Those projects are generally phased projects. The City may choose to escrow funds for future projects with signed phased contracts and then close the TID. Flexibility is most desirable in order to complete the goals and objectives from the original TID in 1995. The escrowing of funds may accomplish that objective with early retirement bringing the taxable value of the new real estate on to the tax rolls earlier than originally anticipated.

TID #4 Amendment #3 is intended to finish the projects originally listed in the 1995 TID project plan and complete the projects in a timely fashion so that new real estate value can be turned back to the overlying taxing jurisdictions and all taxpayers within those jurisdictions can benefit from this new real estate value.

**AMENDED SECTION V. PROPOSED PUBLIC WORKS AND ESTIMATED COSTS**

Table 1 Amended, identifies the projects by districts, estimated project costs, anticipated timing of project expenditures and potential other funding. This format was used in the original TID #4 project plan and is used in the amended plan for continuity and ease of identification.

Many projects have been undertaken since the TID was created in 1995. A number of the Beach, Boat Facilities and White River Canal Districts' project improvements have been constructed. Table 1 Amended shows the projects that have either been completed or are in the process of construction. The following projects are definitions of projects originally contained in the TID #4 project plan.

Beach District

Economic development was and still is one of the major project expenditures in all plans for TID #4. Economic development projects consisted of wayfinding, parking, waterfront improvements, White River Trail improvements, boat launch ramp improvements, etc. Specific projects in Amendment #3 include renovations of the Riviera and enhancement of the Museum area as well as replacing the bathroom facilities. All three projects will greatly assist in meeting tourism needs and promoting economic development in the Beach District. These projects are recalculated to cost \$1.493M.

White River Canal District

The White River Canal District has four clarifications. First, the relocation of the Boat Launch Ramp from the Downtown to Big Foot Park was a major public expenditure item that was considered in both the original Project Plan and in Amendment #1 completed in 2005. Since that time, the decision has been made to keep the Boat Launch Ramp in its current location. Consequently, total reconstruction of the Boat Launch Ramp is taking place between 2008 and

2009. Additional slips are included in this rehabilitation of the existing facility. It is anticipated that the total project cost for Boat Launch Ramp Rehabilitation will be \$800,000. In 2008 and through April 2009, a total of approximately \$190,000 was spent on the rehabilitation with an estimated \$40,000 remaining to be spent. The original project plan had \$4,250,000 for relocation of the Boat Launch Ramp so this change in location significantly lowers the potential project costs and accelerates district retirement.

Park Redevelopment was a key component in the White River Trail District from the beginning of TID #4. Since all of the parks are directly connected via paths or abutting the Downtown and waterfront, improvement of these areas is key to economically developing the entire district. The identification of Dunn Field Parking with Bathrooms (\$300,000) and Dunn Park Skateboard Park improvements (\$415,000) is included in Amendment #3.

#### White River Trail District

No additional or clarified projects are included in Amendment #3.

#### Beach & White River Canal Districts

The City will continue to underground electrical utilities. An additional cost of \$100,000 is added to the project plan.

Additional parking is identified at the following locations:

1. Surface parking at Lake Shore & Cass (\$0 inserted)
2. Parking – property acquisition/relocation for Lake Shore & Cass (\$0 inserted)
3. Parking ramp construction (\$1,000,000). By including this project as a TIF-eligible cost, the City reserves the right to construct a parking ramp in the downtown if sufficient revenues are generated by the TID and the City approves the expenditure.

Downtown signage improvements are a continued project cost with \$100,000 identified as additional cost. Downtown alleyway improvements continue with a \$300,000 expenditure.

All these projects are continuations of the original project plan projects.

### Non-Specific Area TID Projects

These projects are beneficial to the entire TID and are included under the heading "Non-Specific Area TID Projects". They include pedestrian safety-crossing trails, traffic signals, parking meter system, equipment for TID area maintenance, acquisition and construction for additional parking, park building upgrades and tree plantings. A total cost of \$4,675,000 is included in the project plan which includes the Edwards Boulevard extension project cost.

### Administrative & Other Costs

This is a general category that includes planning, legal, engineering, administrative, design, and maintenance costs. Additional costs include administrative (\$900,000) and legal services (\$30,000).

### SUMMARY OF PROJECT COST CHANGES

The original project plan estimated a total project cost expenditure of \$18,147,000 with TID #4 funding \$10,383,500 and other sources of revenues funding \$7,763,500 of project costs. Amendment #1 (2005) anticipated a total project cost expenditure of \$20,740,00 with the TID funding \$16,607,500 or an approximate 114% increase in estimated project costs with other sources of revenues funding the remaining \$4,132,500 of project costs. Amendment #2 (2008) re-examined project costs and identified the total estimated project costs at \$14,500,000 with TID #4 paying for \$12,117,500 or a 27% decrease in costs incurred with TID funding. Amendment #3 has refined these costs with an increase of TIF-funded costs to \$23,695,246 or an approximate increase in expenditures of 15.8% increase in project costs over the Amendment #1 project expenditures which contained the second highest amount of expenditures from the original project plan through Amendment #3. Amendment #3 also reflects \$325,000 of non-TID revenues paying for project costs for a grand total of \$16,454,200 of eligible projects.

A comparison between the original project plan and the TID #4 Amendment #3 project plan lists the following information:

<b>PROJECT COST</b>	<b>ORIGINAL PROJECT PLAN</b>	<b>AMENDMENT #3 PROJECT PLAN</b>
Beach District	\$200,000	\$1,593,000
Boat Facilities District	\$2,085,000	0
White River Canal District	\$6,865,000	\$1,835,000
White River Trail District	\$502,000	\$700,000
Beach & White River Canal Districts	\$4,015,000	\$3,000,000
Non-Specific District Improvements (includes Edwards Blvd. improvements)	\$0	\$4,675,000
Administrative & Other	\$4,480,000	\$4,651,200
<b>TOTAL ESTIMATED PROJECT COSTS</b>	<b>\$18,147,000</b>	<b>\$16,454,200</b> <b>Projects yet to be completed</b>

The line item "Administrative & Other" includes a Discretionary Fund that was available for yet to be determined projects in the original project plan. The TID #4 Amendment #3 Project Plan clarifies the new projects and lists them individually under each District heading rather than under the Discretionary Funding heading.

It is appropriate to emphasize that these are estimated costs. Typically, a community does not complete all of the projects within the project plan or spend the amount identified in the project plan. The purpose of including all projects is to allow the City the flexibility to undertake a project should tax increment revenues be sufficient and redevelopment or economic development objectives be fulfilled with undertaking that specific project cost.

The following represents actual project costs expended to date by year.

1998	\$ 466,904
1999	\$ 743,445
2000	\$ 988,435
2001	\$ 358,453
2002	\$ 640,151
2003	\$ 161,887
2004	\$ 509,895
2005	\$ 494,805
2006	\$ 631,128
2007	\$1,152,531
2008	\$1,213,948
2009 (year-to-date)	\$ 204,464
 Total Expended in TID #4 to date (April, 2009)	 \$7,566,046

It should be noted that, as of the original writing of this project plan (mid-April, 2009), the 2008 financial numbers are not the final audit numbers. Future amendments, if any, of the project plan will reflect the actual costs expended as soon as the audited costs are available.

Table 1 Amended, itemizes all of the proposed project costs from 2009 through 2014 with potential projects through the end of the spending period of 2017. If the City would choose

to complete all proposed projects in Table 1 Amended and add the actual expenditures already made, TID #4 could expend a total project cost of \$23,695,246 plus \$325,000 of non-TID sources of revenues completing a total expenditure of \$24,020,246. This total expenditure of \$24,020,246 is compared to the original project plan total expenditure of \$18,147,000 or an increase of \$5,873,246 over the life of the TID. Even with this increase in project costs, the City could escrow funds with signed contracts in 2013 and retire the district providing the estimated revenues listed in Table 2 are actually collected.

Other sources of funding are included with Table 1, Amended. These other sources of funds total \$325,000 vs. \$7,763,500 in the original project plan. This is due, in part, to the fact that projects have been completed and expenditures reflected are the actual amounts expended in that specific year. In addition, tax increment revenues far exceeded what was originally anticipated. Consequently, the City is able to use more of these tax revenues to pay debt in a quicker time line than was also anticipated.

**AMENDED SECTION VI. ECONOMIC FEASIBILITY ANALYSIS**

The original project plan estimated a total development increment over the life of the TID to be valued at approximately \$49,000,000. As of January 1, 2008, the Department of Revenue certified increment is \$99,755,500, over twice the development increment that was originally anticipated. This is an obvious benefit to not only the City of Lake Geneva but also the overlying taxing jurisdictions once the TID is retired.

Because of the lower spending in the initial 10 years since creation of the TID and also because of the much higher than anticipated development increment, this district will retire far ahead of schedule than the original project plan had slated its retirement. Table 2 represents the cash flow analysis of TID #4 amended and shows that, if all spending were to occur, the District could retire in approximately 2013 or 18 years after the TID was created.

The original project plan estimated a 2020 retirement date. Amendment #1 estimated a 2014 retirement date. Amendment #2 estimated a 2013 retirement date. Amendment #3 also estimates a possible 2013 retirement date with all project costs expended. Stated again, if the City has contracts that have been executed for projects identified in Table 1, the City may escrow taxes to pay for these projects after the TID is retired. This allows the City to retire the district prior to completion of projects and return the taxable value of the properties within the TID to the overlying taxing jurisdictions. The City should carefully consider an early retirement and escrow enough funds to be assured that all project costs will be covered by tax revenues escrowed.

Estimated non-project costs total over \$106,053,300 in new increment as certified to date by the Department of Revenue as of January 1, 2009 plus any new development that happens prior to the end of the life of the TID.

**CITY OF LAKE GENEVA**  
**TID No. 4 Amendment No. 3**

**CITY COUNCIL RECONSIDERATION**  
 2/8/2010

**Table 2 -- Expenditure Analysis/Cashflow of District**

TIF # 4	2005	2006	2007	2008	2009	2010	2011	2012
1/1 Balance	\$2,858,777	\$3,483,138	\$3,850,157	\$4,396,688	\$5,111,029	\$381,915	(\$1,211,459)	(\$440,036)
TIF revenue	\$1,495,389	\$1,474,642	\$1,699,062	\$1,928,289	\$2,043,986	\$2,166,626	\$2,296,623	\$2,434,420
Balance in acct	\$4,354,166	\$4,957,780	\$5,549,219	\$6,324,977	\$7,155,015	\$2,548,541	\$1,085,164	\$1,994,384
Project expenditures*	(\$494,805)	(\$631,128)	(\$1,152,531)	(\$1,213,948)	(\$6,773,100)	(\$3,760,000)	(\$1,525,200)	(\$4,596,200)
Debt Service	(\$376,223)	(\$476,495)	\$0	\$0	\$0	\$0	\$0	\$0
12/31 Balance	\$3,483,138	\$3,850,157	\$4,396,688	\$5,111,029	\$381,915	(\$1,211,459)	(\$440,036)	(\$2,601,816)

12/31/05 Balance ties with cash & investment balance in 2005 Audited Financials  
 \* Project Expenditures: See Table 1 for itemization by year and area from 2008-2014

TIF # 4	2013	2014+	TOTALS
1/1 Balance	(\$2,601,816)	\$90,653	
TIF revenue	\$2,692,469	\$2,977,871	\$21,209,377
Balance in acct	\$90,653	\$3,068,524	
Project expenditures*	\$0	\$0	(\$20,146,912)
Debt Service	\$0	\$0	
12/31 Balance	\$90,653	\$3,068,524	

Tax Revenue Total \$21,209,377  
 Minus Debt Service -\$852,718  
 Minus Project Costs -\$20,146,912  
 Minus Remaining Reserve -\$3,068,524  
 Balance -\$2,858,777  
 Beginning 2005 balance \$2,858,777  
 End balance \$0

TIF revenue is estimated in years 2009-2013. Historically, there has been a 12-15% increase in annual TIF revenues as shown above. Actual 1/1/09 TID #4 increment certified by the State is \$106,053,300 or 6% increase. The projections have been changed to 6% increase per year. Based on estimated costs in Table 1 and estimated revenues, the City could escrow taxes with signed contracts in place in 2013 and complete all project costs in Table 1 and retire the district after May 31, 2013 including a 15% contingency on all project costs.

**SECTION ADDED WITH AMENDED RESOLUTION**

The Joint Review Board met on January 6, 2010 to review the City of Lake Geneva's TID #4 Amendment #3 project plan as adopted by City Council resolution on December 14, 2009. Three areas of concern were raised by the Joint Review Board to which this language to the original amended project plan is proposed to be added and the City Council amend the resolution to include this language.

Concern: That the City reconvene the Joint Review Board if a significant change in the amount to be expended from that stated in Table 1 for any individual project cost be incurred.

Added Language: If an individual project expenditure is anticipated to exceed fifteen percent (15%) over the amount listed in Table 1 in this project plan, the City will proceed with a formal amendment to the project plan so that the Joint Review Board will be notified and a public hearing will be held on the higher project cost.

Concern: The Joint Review Board requested a date certain for closing the TID (e.g., first Council meeting after May 31, 2012).

Added Language: According to the telephone discussion with bond counsel (Quarles & Brady) after the Joint Review Board meeting, the City was advised that there is no statutory language which would allow the project plan to include a date specific for closing out the TID. However, bond counsel did state that the statutes were completely clear that the City must retire the district once the City has collected enough revenues to pay for all project costs. Bond counsel recommended that a fifteen percent (15%) contingency be added to the project costs to make sure that inflation and unknown factors which may affect the project costs are covered. This project plan allows for the project cost contingency of 15% or an additional \$2,146,200 be

added as eligible project costs under the heading "Administration: Discretionary Funding" already contained in Table 1. This brings the total eligible project costs to \$16,454,200.

Bond Counsel also advised that funds may be escrowed for two to three years for completion of projects covered by the escrow. If funds are remaining after all project costs have been paid, the balance will be distributed among the overlying taxing jurisdictions.

Concern: Where is the revenue going from the TID constructed improvements in the district? For example, the pier and boat slips were improved with TID funds. Where are the rental revenues from the slips and/or other income generating improvements going?

Added Language: Any net revenues received from TID-constructed projects must come back to the TID to repay the construction costs incurred. For example, the boat slips and pier were improved. The City gained 7 boat slips and increased the existing, improved slip rental amounts. However, with the improvements, the City lost several buoys and their revenue stream. The full revenue on the new boat slips and the incremental revenue on the existing slips less the lost buoy revenues must be returned to the TID for repayment of the debt. This net income to the TID is effective with revenues received after the improvements were completed by the TID until the retirement of the District. The City will provide the Joint Review Board with an itemization of the revenues received since improvements were completed and reimburse the TID of those revenues.