

CITY OF HORICON TAX INCREMENT FINANCING DISTRICT #5

Amendment No. 2

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SECTION I. INTRODUCTION

Project Background

This is the second amendment to the City of Horicon Tax Increment District #5 (TID #5). This mixed-use District is located on the west side of the City corporate limits and was created on October 14, 2015. TID #5 has a base value of \$20,662,500 and a 2022 value increment of \$16,259,900 that generated approximately \$716,518 in tax increment in 2022.

This allocation amendment would authorize donations of up to \$250,000 to TIF District #6 in the City of Horicon as authorized in Wis. Stat. § 66.105(6)(f). Since its inception, TID #5 has accumulated a fund balance of \$121,700 and is generating an annual surplus. As a result, the City proposes to allow TID #5 to donate up to \$250,000 over the next five years to TID #6. TID #6 is eligible to receive donations as a District in need of in need of rehabilitation or conservation work. This amendment does not seek to increase the total level of authorized spending as indicated in the original project plan.

This amendment has been prepared in compliance with Wis. Stat. § 66.1105, and it is intended to work in conjunction with the original TID #5 Project Plan. It is to be adopted by resolution of the Common Council upon receipt of a resolution of an affirmative recommendation from the City Plan Commission. Following Council adoption, it will be forwarded to the Joint Review Board for action on a resolution affirming the Board's approval.

As required by Wis. Stat. § 66.1105(5), a copy of this amended Project Plan will be submitted to the Department of Revenue and used as the basis for their certification of Tax Increment District #5, Amendment No. 2 in the City of Horicon.

This amended Project Plan follows the same layout and section order as the original Project Plan. Sections where no changes are proposed are indicated as such, and sections with amendments are identified accordingly.

Summary of Findings

As required by Wis. Stat. §66.1105(6)(f), the proposed donation of increments from TID #5 to TID #6 meets all of the following criteria:

- TID #5 and TID #6 have the same overlying taxing jurisdictions.
- The donation of tax increments shall be made only as approved by the Joint Review Board.
- TID #6 was created upon a finding that not less than 50 percent, by area, of the real property within the district is in need of rehabilitation or conservation work.
- The allocation of positive tax increments from TID #5 shall be made only after the District has first satisfied all of its current-year debt service and project cost obligations.

As required by Wis. Stat. §66.1105(4)(i), the following information is to be provided to the Joint Review Board in their consideration of a project plan amendment:

1. The specific items that constitute the project costs, the total dollar amount of these project costs to be paid with the tax increments, and the amount of tax increments to be generated over the life of the tax incremental district.

- *The amended project costs to authorize donations and an updated projection of increment is provided in Section V of this amendment.*
2. The amount of the value increment when the authorized project costs are paid in full and the tax incremental district is terminated.
 - *Table 1 of this amendment provides the projected value increment at the time of the District's closure.*
 3. The reasons why the authorized project costs may not or should not be paid by the owners of property that benefits by improvements within the tax incremental district.
 - *The rationale for the project costs provided in the original TID #5 Project have not changed. The need for the donated funds in TID #6 is provided in that district's original Project Plan.*
 4. The share of the projected tax increments estimated to be paid by the owners of taxable property in each of the taxing jurisdictions overlying the tax incremental district.
 - *Table 2 of this amendment provides an updated share of projected tax increments.*
 5. The benefits that the owners of taxable property in the overlying taxing jurisdictions will receive to compensate them for their share of the projected tax increments.
 - *The benefits to be received are described in the original TID #5 Project Plan and have not changed.*

SECTION II. DESCRIPTION OF HOW TAX INCREMENT DISTRICT #5 WILL PROMOTE THE ORDERLY DEVELOPMENT OF THE CITY OF HORICON

There are no changes to this section.

SECTION III. TAX INCREMENT DISTRICT BOUNDARY DESCRIPTION AND EQUALIZED VALUES

There are no changes to this section.

SECTION IV. EXISTING USES AND CONDITIONS OF REAL PROPERTY

There are no changes to this section.

SECTION V. PROPOSED PUBLIC WORKS AND ESTIMATED COSTS

The City proposes to donate up to \$250,000 to TID #6. This includes a one-time transfer of approximately \$50,000 from the TID #5 fund balance in 2023 with the remainder being surplus increment to be collected over the next several years.

The donations are in addition to all other projects included in the original Project Plan, but total level of spending as authorized in the original TID #5 project plan will not be increased.

SECTION VI. NON TAX REVENUES AND NON PROJECT COSTS

There are no changes to this section.

SECTION VII. ECONOMIC FEASIBILITY ANALYSIS

As shown in Table 1, total TID #5 expenditures since creation were \$3,675,248 and total revenue collections were \$3,679,721 as of December 31, 2021. Future expenses, other than donations, include payments under outstanding pay-as-you-go obligations, professional service and administrative costs, and nominal capital improvements as authorized in the original Project Plan, which are projected to total another \$3,967,275. With donations totaling \$250,000, total expenditures over the remaining life of the District are projected to be \$4,217,275.

Per the original Project Plan, \$9,242,669 in total District expenditures have been authorized, and no change is proposed to this limit. The City is currently planning to use TID #5 increments to pay for a portion of the infrastructure costs associated with the development of the Marshland Crossing Business Park (area of the District south of the railroad tracks), and the City believes sufficient increment will be available for both the improvements and the donations. Final financing for the infrastructure project has not yet been arranged, but in any case, donations from TID #5 will be made only after all of the District's other obligations have been met. Table 1 provides a projection of District finances with the donation and demonstrates the financial feasibility of the proposed donation. However, the City retains the right to take on additional projects provided the total of all TID #5 expenditures does not exceed the limit authorized in the original Project Plan and sufficient increment is available to fund the projects. The City anticipates closing the TID on time and with a positive balance.

Taxing districts overlying TID #5 include Dodge County, the Horicon School District, and Moraine Park Technical College. The impact on the overlying taxing districts as shown in Table 2 is based on the current tax rates and no increase in District value.

Table 1: Cash Flow Projection

TIF Year	REVENUES										EXPENSES						ANNUAL SURPLUS (DEFICIT)	CUMULATIVE FUND BALANCE
	Beginning Balance	Tax Increment	Debt Proceeds	Computer Aid/Shared Revenue	Other*	Total Revenue	2015 GO Bond		Deere PAYGO	Capital Expend.	Donations to TID #6	Professional Services	Admin/ Other	Total Expenses				
							Total Debt Service Payment	Total Debt Service Payment										
6 2021	\$57,417	\$716,518		\$4,383	\$5,000	\$725,911	\$106,248		\$338,527				\$334,080	\$78,855	(\$52,944)	\$4,473		
7 2022	\$4,473	\$486,284		\$4,400		\$492,694	\$67,146		\$288,294		\$50,000		\$20,000	\$275,440	\$117,254	\$121,727		
8 2023	\$121,727	\$482,584		\$4,400		\$496,994	\$71,785		\$232,584		\$50,000		\$5,000	\$409,379	\$27,615	\$149,342		
9 2024	\$149,342	\$435,091		\$4,400		\$442,491	\$76,310		\$298,091		\$50,000		\$5,000	\$469,401	(\$26,910)	\$122,422		
10 2025	\$122,422	\$443,644		\$4,400		\$448,044	\$75,066		\$243,644		\$50,000		\$5,000	\$473,710	(\$25,666)	\$96,766		
11 2026	\$96,766	\$448,251		\$4,400		\$453,651	\$73,821		\$249,251		\$50,000		\$5,000	\$428,072	\$25,579	\$122,345		
12 2027	\$122,345	\$454,915		\$4,400		\$459,315	\$73,921		\$254,915		\$50,000		\$5,000	\$433,837	\$25,479	\$147,824		
13 2028	\$147,824	\$460,636		\$4,400		\$465,036	\$73,921		\$260,636		\$50,000		\$5,000	\$389,557	\$75,479	\$223,302		
14 2029	\$223,302	\$466,413		\$4,400		\$470,813	\$73,921		\$266,413		\$50,000		\$5,000	\$395,335	\$75,479	\$298,781		
15 2030	\$298,781	\$472,249		\$4,400		\$476,649	\$73,921		\$272,249		\$50,000		\$5,000	\$401,170	\$75,479	\$374,259		
16 2031	\$374,259	\$478,142		\$4,400		\$482,542	\$73,921		\$196,613				\$5,000	\$275,534	\$207,008	\$581,267		
17 2032	\$581,267	\$484,095		\$4,400		\$488,495	\$70,420						\$5,000	\$75,420	\$413,075	\$994,343		
18 2033	\$994,343	\$490,107		\$4,400		\$494,507	\$70,420						\$5,000	\$75,420	\$419,087	\$1,413,430		
19 2034	\$1,413,430	\$498,180		\$4,400		\$500,580							\$5,000	\$45,000	\$465,580	\$1,909,010		
20 2035	\$1,909,010	\$502,313		\$4,400		\$506,713							\$5,000	\$5,000	\$501,713	\$2,410,723		
21 2036	\$2,410,723	\$508,507		\$4,400		\$512,907							\$5,000	\$5,000	\$507,907	\$2,918,630		
TOTALS				\$70,383	\$5,000	\$7,887,344	\$980,823		\$2,841,227		\$250,000		\$424,080	\$4,996,130				

Notes:
* Advance from General Fund

Table 2: Analysis of Impact on Overlaying Taxing Jurisdictions

Taxing Jurisdiction	% of Mill Rate	Annual Taxes Collected on Base Value	*Annual Taxes Collected After TID Closes	Increase in Annual Tax Collections After TID Closes
City of Horicon	42%	\$1,837,873	\$8,625,595	\$6,787,723
Horicon School District	37%	\$1,612,909	\$7,569,784	\$5,956,875
Moraine Park Tech College	2%	\$100,456	\$471,467	\$371,011
Dodge County	19%	\$851,362	\$3,995,653	\$3,144,292
TOTAL	100%	\$4,402,600	\$20,662,500	\$16,259,900

*The projected annual taxes collected after the TID closes are based on the 2022 total assessed value of TID #5 and not the projected value from the original project plan.

SECTION VIII. AVAILABLE FINANCING METHODS

There are no changes to this section.

SECTION IX. CONSISTENCY OF ACTIVITIES WITHIN TAX INCREMENT DISTRICT #5 WITH THE CITY ZONING ORDINANCE, MASTER PLAN AND OTHER DEVELOPMENT ORDINANCES

There are no changes to this section.

SECTION X. ANNEXED PROPERTY

There are no changes to this section.

SECTION XI. ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS

There are no changes to this section.

SECTION XII. STATEMENT ON RELOCATION

There are no changes to this section.

APPENDIX A

**PLAN COMMISSION RESOLUTION RECOMMENDING
ADOPTION OF TID #5 PROJECT PLAN AMENDMENT No. 2**

**APPENDIX B COMMON COUNCIL RESOLUTION ADOPTING TAX
INCREMENT DISTRICT #5 PROJECT PLAN AMENDMENT No.2**

APPENDIX C

**JOINT REVIEW BOARD RESOLUTION APPROVING THE
ADOPTION OF TID #5 PROJECT PLAN AMENDMENT No. 2**

APPENDIX D CITY ATTORNEY OPINION