

**CITY OF NEENAH TAX INCREMENT DISTRICT #7  
PROJECT PLAN**

**Effective January 1, 2000**



## SUMMARY FINDINGS

### CITY OF NEENAH TAX INCREMENT DISTRICT #7 PROJECT PLAN

*Effective January 1, 2000*

- District Name: City of Neenah Tax Increment District #7
- Location: Westside Business Corridor
- Purpose: Support revitalization and development to ensure a vital and healthy tax base.
- Effective Date: The effective date of the district for the capture of new taxable value within the boundaries of Tax Increment District #7 is January 1, 2000.
- Proposed Costs: \$7.377 million of public investment in utility and access improvements, land acquisition, design and engineering, beautification/signage, and district planning is scheduled over the seven-year investment period (2000-2006).
- Project Financing: Capital financing of \$7.377 million, utilizing borrowing proceeds.
- Project Revenues: Tax Increment District #7 is projected to create \$32.5 million of tax base through its maximum life period (2000-2022). It will generate an estimated \$14.3 million in tax increments during that same period.
- Economic Feasibility: Based on project expenditures and revenue levels, all obligations of TID #7 will be paid in full during 2019, the 20th year of the District. Upon closure and dissolution of the District, all accrued and unencumbered increments will be promptly distributed among the local taxing entities (School District, County, Vocational District and City). Following closure and dissolution, the tax base created as a result of development in the District will directly benefit the taxing entities and all future tax revenues will be directly distributed to them.

# CITY OF NEENAH TAX INCREMENT DISTRICT #7 PROJECT PLAN

*Effective January 1, 2000*

## INTRODUCTION

The Westside Business Corridor, encompassing the Green Bay Road/Winneconne Avenue area, has faced many challenges in recent years relative to economic stability and traffic flow. Recent ownership changes and improvements at one existing shopping center, and the announcement of another major retail development would indicate that revitalization of this business corridor is underway. These projects, combined with other revitalization initiatives, are needed for this business area to regain a competitive position in the retail market and to sustain the neighborhood tax base.

Despite its location near the urban fringe, development opportunities within the Westside Business Corridor require traditional urban redevelopment strategies that are more often associated with the central city. Potential development sites face some form of economic and physical obsolescence. The sites either must be cleared of transitional, mixed use rural development, or aging, underutilized, and dilapidated commercial structures. Excessive land packaging and site clearance costs at these sites seriously limit the ability of the private sector to fully front-end the costs of necessary public infrastructure to support growth and revitalization.

Tax increment financing provides the means for the City of Neenah to support economic development by upgrading streets, sewer and water lines, stormwater facilities and district beautification. Wisconsin's Tax Increment law allows the City to use property tax revenues from new development in the district to pay for public improvements in the area. After the Tax Increment District (TID) is created, the City has a seven-year period in which to make the public investment in support of private revitalization efforts. The law allows a 23 year maximum debt retirement period, during which time tax revenues generated by new development and other growth in the TID are applied by the City to pay the public investment made in the project. When all project and associated holding costs are paid off, the TID is dissolved and all subsequent tax revenues generated are distributed to all taxing entities.

Tax increment financing ensures that the public investment made in support of private economic development efforts is done in a financially feasible manner, and that the benefits of the investment are distributed fairly, first to the affected area, and ultimately to the community as a whole. It promotes and supports growth in the tax base which otherwise might not occur. The law also recognizes that since the City is the only taxing unit that assumes financial risk in a District, it is entitled within a prescribed time period to receive all new tax revenues of the TID as the source of paying off its public investment costs. All taxing entities subsequently receive future benefits from the expanded tax base that was generated as a result of the City's TID investment.

## BOUNDARIES

The boundaries of TID #7 are illustrated in Figure 1.

## NAME OF DISTRICT

The name of the TID shall be City of Neenah, Tax Increment District #7 (TID #7).

## CREATION DATE

The date of creation for the capture of all new taxable value created within TID #7 shall be January 1, 2000. This shall be used as the base in computing any increments that may accrue in the tax base for the District.

## PROPOSED IMPROVEMENTS AND PROJECT COSTS

Table 1 provides an annual listing of proposed improvements and project costs for TID #7. Potential redevelopment sites and proposed uses are illustrated in Figure 2.

Project costs for TID #7 will encompass five areas:

1. Utility and Access Improvements -- Funds will provide public utilities and street improvements to the W. Winneconne Avenue area, west of USH 41, to support new high value commercial development. In future years, funds will be available to make necessary traffic improvements along Green Bay Road and W. Winneconne Avenue, east of USH 41.
2. Land Acquisition -- Funds will be invested in the purchase of land west of USH 41 that is needed for the expansion of highway off-ramps and for the construction of public stormwater detention facilities. These projects are needed to serve the growth and revitalization of the Westside Business Corridor.
3. Design & Engineering -- Funds will support the cost of design plans for the future reconstruction of Tullar Road (Cecil Street to Winneconne Avenue).
4. Beautification/Signage -- Funds will provide a community and business district welcoming sign to the city entrance at USH 41 and Winneconne Avenue.
5. Planning/Project Support -- Administrative costs of managing district activities.

Included in Table 1 are project costs for utility and access improvements outside the District, which are necessitated by and create benefits to property within TID #7. These costs, which are allowable under Wisc. Statutes 66.46 (2)(f) 1.k., include the installation of public sewer and water mains, and the reconstruction of street surfaces on Meadow Lane and Tullar Road, between Cecil Street and Winneconne Avenue. The improvements are essential costs to the District since these streets provide the means to extend public infrastructure needed to serve commercial development land north of Winneconne Avenue that is within TID #7.

## **NON-PROJECT COSTS**

There are no anticipated non-project costs within TID #7.

## **RELOCATION**

No City role is anticipated in activities within TID #7 that would create an obligation for relocation of families or businesses. However, in the event that any City activities would result in displacement, relocation assistance would be provided in conformance with requirements set forth in Chapter 32, Wisconsin Statutes, and the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act, as applicable.

## **MASTER PLAN, ZONING, BUILDING AND OTHER CODE CONSIDERATIONS**

The need for revitalization efforts to strengthen the Westside Business Corridor's competitive position in the retail market and to sustain the neighborhood tax base was identified as a community economic development priority in the Neenah Vision 2020 Comprehensive Plan. City partnership and support, through the formation of TID #7, will be required for successful and sustained revitalization to occur -- much the same as the initiatives taken in the Downtown, Doty Island, and South Commercial Street business corridors. Appropriate zoning designations and regulations are in place to manage revitalization in the corridor. No changes to zoning or building codes are anticipated.

## **ECONOMIC FEASIBILITY**

Total revenues generated from property tax increments are projected to offset total costs in the 20th year, within the maximum allowed 23 year life of the district. Consequently, the proposed TID is economically feasible. Projected tax base growth is presented in Appendix A, and a financing plan and feasibility analysis is presented in Appendix B.

The total projected costs of public improvements and activities over the seven-year investment period (2000-2006) is \$7.377 million.

The District is expected to create \$32.5 million of tax base through its maximum life period (2000-2022). It will generate an estimated \$14.3 million in tax increments during that same period.

Based on projected expenditure and revenue levels, all obligations of TID #7 will be paid in full during 2019, the 20th year of the District. Upon closure and dissolution of the District, all remaining unencumbered increments will be promptly distributed among all taxing entities (School District, County, Vocational District and City). Following closure and dissolution, projected after the 20th year, the tax base created as a result of development in the District will directly benefit the taxing entities and all future tax revenues will be directly distributed to them.

Recognizing that all taxing entities involved in the District will accrue significant long-term benefits from the projected success of TID #7, the City realizes that each entity is

also a continuing partner in its progress, in that they will forego tax benefits on new development in the District until it is dissolved. Appendix C shows the projected increments over the life of the District, apportioned among the four entities, based on the formula prescribed by the Wisconsin Department of Revenue.

The following economic assumptions have been applied when developing the Project Plan for TID #7:

- The base equalized value of TID #7 has been established at \$16,426,000, which was the equalized value of real estate and personal property within this area on January 1, 2000.
- The current equalized tax rate of \$24.75 is assumed to remain level throughout the life of the District.
- General Obligation (G.O.) Notes and Bonds represent annual capital borrowing for public investment in the District. Initial borrowing has been assumed to be 10-16 years in length with repayment of principal on a schedule to match with accruing tax increments. Debt service in 2019 assumes reserving sufficient funds for all remaining outstanding debt. This allows for the district to be dissolved when sufficient funds are accumulated for this purpose.
- All interest rates have been projected at 5.25%, approximately the same level as current AA-rated G.O. Notes. Guidance for estimating future rates was provided by the City's financial advisor. No attempt has been made to anticipate cyclical rate changes in future years. Principal and interest payments of future scheduled debt installments are being planned to match the estimated tax increments generated on an annual basis.

## **FINANCING**

The City of Neenah plans the use of G.O. Notes and Bonds or other permitted loan instruments in order to finance or refinance the costs of TID #7.

Repayment costs will be funded from tax increments generated by new tax base growth in the District.

## **ORDERLY DEVELOPMENT**

The creation of TID #7 will promote the City's goal of orderly, sustained development and revitalization in the Westside Business Corridor. By supporting efforts to revitalize the District, the City will help to ensure a healthy tax base and economy for the entire community.

## **EXISTING USES AND CONDITIONS**

Figure 3 illustrates the existing land use patterns within TID #7. Figure 4 illustrates the condition of real property within TID #7.

**FINDINGS**

- Within TID #7, properties meeting blighted area designation or those in need of rehabilitation or conservation work represent 57%, by area, of all real property. Property standing vacant for an entire 7-year period immediately preceding the creation of TID #7 represents 23.6%, by area, of all real property.
- The redevelopment and revitalization of property within TID #7 will significantly enhance the value of all property in the District. Supporting private investment at key sites by installing vital public infrastructure will increase property values District-wide.
- The project costs are consistent with the purpose of making feasible the revitalization of the Westside Business Corridor.
- As of January 1, 1999, using equalized values, the base value TID #7 plus the increment values of TID #4, TID #5, and TID #6 total \$55,024,900, which is 4.5% of the total of all taxable property in the City of Neenah as shown below. State law requires that those values not exceed 5%.

TID #4 Increment Value	\$22,109,500
TID #5 Increment Value	\$14,088,400
TID #6 Increment Value	\$2,401,000
TID #7 Base Value	<u>\$16,426,000</u>
Total	<b>\$55,024,900</b>
	÷
Total City Equalized Value	<b>\$1,232,854,900</b>
	= 4.5%

**TABLE 1  
 SCHEDULE OF PROJECT IMPROVEMENTS AND COSTS  
 TAX INCREMENT DISTRICT #7**

<b>PROJECT DESCRIPTION</b>	<b>TOTAL</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
1. Utility/Access Improvements	\$7,002,000	\$1,575,000	\$0	\$1,000,000	\$1,227,000	\$1,100,000	\$2,100,000	\$0
2. Land Acquisition	\$255,000	\$105,000	\$150,000	\$0	\$0	\$0	\$0	\$0
3. Design & Engineering	\$40,000	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0
4. Beautification/Signage	\$10,000	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0
5. Planning/Project Support	\$70,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>TOTAL COSTS</b>	<b>\$7,377,000</b>	<b>\$1,730,000</b>	<b>\$160,000</b>	<b>\$1,020,000</b>	<b>\$1,237,000</b>	<b>\$1,110,000</b>	<b>\$2,110,000</b>	<b>\$10,000</b>



FIGURE 1  
DISTRICT BOUNDARIES  
TAX INCREMENT DISTRICT #7



FIGURE 2  
 POTENTIAL REDEVELOPMENT SITES  
 AND PROPOSED USES  
 TAX INCREMENT DISTRICT #7



- Redevelopment Sites
- O Office Business
- R Retail Business
- S Service Business

FIGURE 3  
EXISTING USES AND IMPROVEMENTS  
TAX INCREMENT DISTRICT #7



- C Commercial
- I Industrial
- R Residential
- V Vacant

FIGURE 4  
CONDITION OF PROPERTY  
TAX INCREMENT DISTRICT #7



- Standard Condition
- Redevelopment or Rehabilitation Needed

**APPENDICES**

**CITY OF NEENAH TAX INCREMENT DISTRICT #7  
PROJECT PLAN**

**APPENDIX A - SCHEDULE OF PROJECTED TAX BASE GROWTH**

**APPENDIX B - FINANCING & FEASIBILITY PLAN**

**APPENDIX C - SCHEDULE OF PROJECTED TAX INCREMENTS APPORTIONED  
AMONG TAXING ENTITIES**



**APPENDIX B  
FINANCING & FEASIBILITY PLAN  
TAX INCREMENT DISTRICT #7**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-2022	
000	0	1,000,000	1,227,000	1,100,000	2,100,000																
000		10,000	10,000	10,000	10,000																
000		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
000		160,000	1,020,000	1,237,000	1,110,000	2,110,000															
000		160,000	1,020,000	1,237,000	1,110,000	2,110,000	10,000														
000		160,000	1,020,000	1,237,000	1,110,000	2,110,000	10,000														
0	0	9,854	83,995	318,563	337,769	286,248	310,296	336,150	363,016	391,692	422,333	454,209	487,785	523,149	560,391	599,606	640,893	684,358	566,691		
0	86,500	94,500	145,007	202,658	242,229	330,841	317,029	301,514	265,089	266,960	246,971	225,854	203,144	178,754	152,597	124,577	94,597	62,552	28,334		
0	86,500	104,354	229,003	521,221	579,998	617,089	627,325	637,664	648,106	658,652	669,304	680,063	690,929	701,903	712,988	724,183	735,491	746,911	758,445	3,151,451	
0	0	190,854	229,003	521,221	579,998	617,089	627,325	637,664	648,106	658,652	669,304	680,063	690,929	701,903	712,988	724,183	735,491	746,911	758,445	3,151,451	
0 (86,500)	86,500	0	190,854	229,003	521,221	579,998	617,089	627,325	637,664	648,106	658,652	669,304	680,063	690,929	701,903	712,988	724,183	735,491	746,911	758,445	3,151,451

**APPENDIX C  
 SCHEDULE OF PROJECTED TAX INCREMENTS  
 APPORTIONED AMONG TAXING ENTITIES  
 TAX INCREMENT DISTRICT #7**

<b>** ESTIMATED APPORTIONMENT among TAXING ENTITIES **</b>				
Neeah School District	City of Neeah	Winnebago County	Technical College	State of Wisconsin
39.173%	35.154%	18.809%	6.864%	0.000%

TID	Year	Projected Tax	Year	Tax	Year	Tax	Year	Tax
1	2001	\$ -	2	2002	190,854	3	2003	229,003
2	2002	74,764	4	2004	89,708	5	2005	204,179
3	2003	229,003	6	2006	204,179	7	2007	227,204
4	2004	521,221	8	2008	241,734	9	2009	245,744
5	2005	617,089	10	2010	249,794	11	2011	253,884
6	2006	637,664	12	2012	258,016	13	2013	262,189
7	2007	648,106	14	2014	266,403	15	2015	279,301
8	2008	658,652	16	2016	270,660	17	2017	274,959
9	2009	669,304	18	2018	701,903	19	2019	712,988
10	2010	680,063	20	2020	724,183	21	2021	729,301
11	2011	690,929	22	2022	746,911	23	2023	758,445
12	2012	701,903	24	2024	758,445	TOTALS		
13	2013	712,988			14,281,579			\$
14	2014	724,183			5,594,566			\$
15	2015	729,301			5,020,487			\$
16	2016	746,911			2,686,258			\$
17	2017	758,445			980,268			\$
18	2018	770,095			-			-
19	2019	781,862						
20	2020	793,746						
21	2021	805,749						
22	2022	310,936						
23	2023	315,638						

NOTE: Estimated apportionment percentages are based upon the actual apportionment of taxes for the 2000 Tax Collection Year (1999 Tax Levy).





*Office of the City Attorney*

211 Walnut St., P.O. Box 426, Neenah, WI 54957-0426  
Phone: 920-751-4606 Fax: 920-751-4640

**May 22, 2000**

**Mr. Robert Buckingham  
Director of Community Development  
211 Walnut Street  
Neenah WI 54956**

**RE: Tax Increment District No. 7**

**Dear Mr. Buckingham:**

You have asked me for a legal opinion as to the legal sufficiency and statutory compliance of the proposed Tax Incremental Financing Plan for the City of Neenah Tax Increment District No. 7. I have reviewed the Project Plan for said district as well as the appendices attached thereto in relation to their compliance with the provisions of Section 66.46, Wis. Stats. It is my opinion that the Project Plan is in compliance with all of the provisions of Section 66.46, Wis. Stats., dealing with the creation of tax incremental financing districts.

If you have any questions concerning this matter, please contact me at your convenience.

Sincerely,

**James B. Gunz  
City Attorney**

JBG:dld