

AMENDED PROJECT PLAN

Tax Incremental District #7

Soo Line Development Area



City of Eau Claire
Wisconsin

January 28, 2004

TAX INCREMENTAL DISTRICT #7 - AMENDED
Soo Line Development Area

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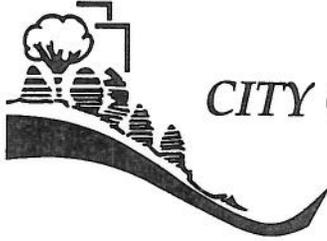
TAX INCREMENTAL DISTRICT #7 - AMENDED

Soo Line Development Area

In accordance with Wis. Stats. 66.1105 Tax Incremental Law, the City of Eau Claire has prepared the following project plan amendments for Tax Incremental District #7 (TIF #7) Soo Line Development Area. The amendments include both additional public improvements and boundary changes. The amendments are proposed for the purpose of removing blight and promoting redevelopment in the district.

The district is generally located in the downtown area on the site of the former Soo Line Depot which extends east of South Dewey Street and north of Doty Street, and also includes property from the intersection of Eau Claire Street and South Farwell Street north to and including the City-owned property on Railroad Street, west to South Dewey Street. The proposed boundary amendment extends the district north along Galloway Street from N. Farwell 800 feet east. See attached map and the legal description for the revised district boundaries.

The City Plan Commission will hold a public hearing on Monday, February 16, 2004 at 7:00 p.m. in the City Council Chambers, City Hall, 203 S. Farwell Street, to consider the project plans and boundaries for amended Tax Incremental District #7. The City Council is tentatively scheduled to hold a public hearing on February 23, 2004.



CITY OF EAU CLAIRE

*Office of the City Attorney
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January 28, 2004

Don T. Norrell
City Manager
City of Eau Claire
203 S. Farewell St.
Eau Claire, WI 54701

**Re: Amended Project Plan for Tax Incremental District No. 7
Soo Line Development Area**

Dear Mr. Norrell:

Please be advised that I have had an opportunity to review the above captioned project plan and find said plan to be complete and in compliance with Wis. Stats. § 66.1105 in that such plan addresses the subject matter that is required to be included in a project plan pursuant to such statute.

I render no opinion with respect to the accuracy, validity, or sufficiency of any statement or finding contained in said project plan, but rather would refer you to staff reports and other background data in support of the plan.

Sincerely,

Stephen C. Nick
City Attorney

mb
cc: Finance Director

TAX INCREMENTAL DISTRICT #7 - AMENDED

Soo Line Development Area

Rationale for the Redevelopment of the Soo Line Development Area

The redevelopment of the Soo Line Depot property will encourage the redevelopment and reinvestment of private business into a blighted area of downtown Eau Claire by: 1) clearance of blighted and hazardous structures from the downtown; 2) utilization of a large parcel adjacent to the downtown; 3) promotion of the goals and policies of the City Center Plan.

The amended Soo Line Depot property will incorporate additional substandard blighted properties to the existing Tax Incremental District #7 which increases the benefit of the original district to the downtown.

Clearance of Blighted Properties

The amended area includes the former Huebsch Laundry building at 101 N. Dewey Street. It's blighted because of its existing condition, vacancy and inappropriate zoning. The remaining land includes a office building at 503 Galloway Street, commercial/private parking lot at 517 Galloway Street and public open space along the south side of Galloway Street, north of the former Huebsch building.

Land Utilization

The amended area includes an office building at 503 Galloway Street. This structure will continue to be used for private business. The former Huebsch building will be extensively remodeled into offices and business uses more in conformance with the uses adjacent in the downtown. The private parking lot on Galloway Street will be incorporated into a larger parking lot with land to the south to make an efficient use of space for combined parking for proposed offices at the former bus terminal building site. This amendment will facilitate the redevelopment of this vacant site. Utilities within Railroad Street may need to be relocated and the street vacated for private use. The open space area on the south side of Galloway Street, adjacent to the Huebsch building will be used for a continuation of the planned pedestrian trail through downtown. This is one of three small sections not completed yet in downtown Eau Claire.

City Center Plan

The City Center Plan is a component of the City's Comprehensive Plan. The City Center Plan identifies the site as a major development opportunity and a good site for redevelopment for potential office, entertainment, cultural, hotel or residential mix with a riverfront orientation. An objective of the City Center Plan is to encourage the redevelopment of functionally obsolete buildings and sites favoring office, service or general business activities. The City Center Plan directs the city to take better advantage of riverfronts, Eau Claire's most valuable natural resource, to provide recreation and promote private investment through park, open space and trail improvements. The Soo Line Development Area TID will complete a link of the continuous riverwalk from the YMCA to the "S" Bridge, which includes overlooks along the rivers. The removal of blighted structures will enhance the integrity of nearby residential neighborhoods. The Soo Line Development Area TID #7 is consistent with and completes objectives and policies of the City Center Plan.

The amended area will allow for completion of two sections of the riverfront pedestrian trail. The first part will occur abutting the north bank of the Eau Claire River on the former bus terminal land. The second link will occur on the south side of Galloway Street adjacent to the Huebsch building. These two sections will connect to the existing completed sections east of the TIF #7 and the "S" Bridge trail.

City Comprehensive Plan

There will be no change to the City's Comprehensive Plan as a result of the creation and amendment of the Soo Line Development Area.

Building Codes

There will be no changes to local building codes because of the proposed redevelopment.

Relocation

There are no residential units within the amended area and there are no anticipated relocations.

Proposed Changes in Zoning

The amended area will require the Huebsch property to be rezoned to CBD-P (Central Business District- Planned Development). The property is currently zoned CBD and I-2 Heavy Industrial and is not appropriate for the area. Also a strip of land on the south side of Galloway Street, adjacent to the Huebsch property will be rezoned P-Public for the trail system.

TAX INCREMENTAL DISTRICT #7 SOO LINE DEVELOPMENT AREA AMENDED PROJECT COSTS

The amended Project Plan for TIF #7 includes an expansion of the boundaries of the TIF and additional costs for public improvements to serve the development area. The costs are estimated as follows:

Sanitary Sewer Replacement	\$35,000
Water Main Replacement	15,000
River Bank Stabilization, Trail & Landscaping	175,000
Street Improvements and Lighting	65,000
Contingency	<u>10,000</u>
Total Project Costs	<u>\$300,000</u>

In addition, the TIF will incur financing costs that are estimated at approximately \$242,000. Actual costs may vary depending on the terms of the bond issue.

TAX INCREMENTAL DISTRICT #7 - AMENDED
Soo Line Development Area

Summary of Sources and Uses of Funds; Summary of Project
Costs, Project Revenues and Net Cost To Be Recovered

SOURCE OF FUNDS

Year	<u>Project Revenues</u>		<u>Total Project Revenues</u>	<u>Cumulative Project Revenues</u>	<u>Proceeds-LT Debt</u>	<u>Total Sources of Funds</u>	
	<u>Tax Increment(a,b)</u>	<u>Interest & Misc. Revenue(c)</u>					
<u>ACTUAL</u>							
1	1997	\$ -	\$ 35,826.56	\$ 35,827	\$ 35,827	\$ 1,705,000	\$ 1,740,827
2	1998	-	75,935.81	75,936	111,762	0	75,936
3	1999	-	25,351.14	25,351	137,114	0	25,351
4	2000	20,937.70	23,055.42	43,993	181,107	0	43,993
5	2001	76,251.16	19,216.87	95,468	276,575	0	95,468
6	2002	80,349.07	17,267.19	97,616	374,191	0	97,616
7	2003	82,909.00	38,678.00	121,587	495,778	0	121,587
<u>ESTIMATED</u>							
8	2004	80,409	23,446	103,855	599,633	335,000	438,855
9	2005	82,030	18,944	100,974	700,607	0	100,974
10	2006	114,060	15,610	129,670	830,277	0	129,670
11	2007	142,840	17,085	159,925	990,202	0	159,925
12	2008	149,320	14,712	164,032	1,154,234	0	164,032
13	2009	156,090	12,011	168,101	1,322,335	0	168,101
14	2010	163,170	9,307	172,477	1,494,812	0	172,477
15	2011	171,390	7,624	179,014	1,673,827	0	179,014
16	2012	181,760	6,288	188,048	1,861,874	0	188,048
17	2013	192,760	5,227	197,987	2,059,862	0	197,987
18	2014	204,420	4,208	208,628	2,268,490	0	208,628
19	2015	216,790	3,499	220,289	2,488,779	0	220,289
20	2016	229,910	3,193	233,103	2,721,882	0	233,103
21	2017	243,820	3,284	247,104	2,968,986	0	247,104
22	2018	0	3,661	3,661	2,972,648	0	3,661
23	2019	0	4,503	4,503	2,977,151	0	4,503
24	2020	0	5,701	5,701	2,982,852	0	5,701
25	2021	0	6,230	6,230	2,989,082	0	6,230
26	2022	0	5,490	5,490	2,994,572	0	5,490
27	2023	0	4,790	4,790	2,999,362	0	4,790
		<u>\$ 2,589,216</u>	<u>\$ 410,146</u>	<u>\$ 2,999,362</u>	<u>\$ 2,999,362</u>	<u>\$ 2,040,000</u>	<u>\$ 5,039,360</u>

- (a) Tax increment increases are based on projected tax rate increases ranging from 1% to 5% and projected growth in property values as shown the table of Equalized Values.
- (b) Increments can be collected for a maximum of 23 years. The 23rd year is 2019 and taxes for 2019 will be collected in 2020.
- (c) Interest rates are projected in a range of 1.5% to 3%.

TAX INCREMENTAL DISTRICT #7 - AMENDED
Soo Line Development Area

Summary of Sources and Uses of Funds; Summary of Project
Costs, Project Revenues and Net Cost To Be Recovered

USE OF FUNDS

		Project Costs		Total Recoverable Project Costs	Principal L-T Debt	Total Uses of Funds	Balance Available
Year	Construction *	Interest & Fiscal Charges					
<u>ACTUAL</u>							
1	1997	\$ 138,304	\$ 5,710	\$ 144,014	\$ -	\$ 144,014	\$ 1,596,813
2	1998	736,620	102,054	838,674	0	838,674	834,075
3	1999	310,374	87,475	397,849	0	397,849	461,577
4	2000	67,406	88,150	155,556	0	155,556	350,014
5	2001	1,000	86,005	87,005	60,000	147,005	298,477
6	2002	2,500	82,926	85,426	65,000	150,426	245,667
7	2003	14,596	79,709	94,305	65,000	159,305	207,949
<u>ESTIMATED</u>							
8	2004	300,000	76,368	376,368	70,000	446,368	200,436
9	2005	0	100,416	100,416	75,000	175,416	125,994
10	2006	0	87,368	87,368	89,608	176,976	78,688
11	2007	0	82,735	82,735	95,136	177,871	60,742
12	2008	0	77,802	77,802	100,694	178,496	46,278
13	2009	0	72,464	72,464	111,282	183,746	30,633
14	2010	0	66,665	66,665	116,903	183,568	19,542
15	2011	0	60,501	60,501	122,557	183,058	15,498
16	2012	0	54,016	54,016	128,248	182,264	21,282
17	2013	0	47,206	47,206	133,977	181,183	38,086
18	2014	0	39,906	39,906	144,745	184,651	62,063
19	2015	0	32,105	32,105	150,556	182,661	99,691
20	2016	0	23,792	23,792	161,412	185,204	147,590
21	2017	0	14,865	14,865	172,314	187,179	207,515
22	2018	0	9,766	9,766	18,267	28,033	183,143
23	2019	0	8,762	8,762	19,271	28,033	159,613
24	2020	0	7,702	7,702	20,331	28,033	137,281
25	2021	0	6,583	6,583	21,450	28,033	115,478
26	2022	0	5,404	5,404	22,629	28,033	92,935
27	2023	0	4,159	4,159	75,620	79,779	17,946
		\$ 1,570,800	\$ 1,410,614	\$ 2,981,414	\$ 2,040,000	\$ 5,021,414	\$ 17,946

TAX INCREMENTAL DISTRICT #7 - AMENDED
Soo Line Development Area

Equalized Value; Base & Incremental

	<u>Year</u>	<u>Base</u>	<u>Increment</u>	<u>Increment Change(\$)</u>	<u>Increment Change(%)</u>
<u>ACTUAL</u>					
1	1997	\$ 114,700	\$ -	n/a	n/a
2	1998	114,700	0	n/a	n/a
3	1999	114,700	875,600	875,600	n/a
4	2000	114,700	3,173,800	2,298,200	262%
5	2001	114,700	3,333,300	159,500	5%
6	2002	114,700	3,507,500	174,200	5%
7	2003	114,700	3,633,700	126,200	4%
<u>ESTIMATED</u>					
8	2004	448,500	3,670,000	36,300	1%
9	2005	448,500	4,956,700	1,286,700	35%
10	2006	448,500	6,006,300	1,049,600	21%
11	2007	448,500	6,066,400	60,100	1%
12	2008	448,500	6,127,100	60,700	1%
13	2009	448,500	6,188,400	61,300	1%
14	2010	448,500	6,250,300	61,900	1%
15	2011	448,500	6,312,800	62,500	1%
16	2012	448,500	6,375,900	63,100	1%
17	2013	448,500	6,439,700	63,800	1%
18	2014	448,500	6,504,100	64,400	1%
19	2015	448,500	6,569,100	65,000	1%
20	2016	448,500	6,634,800	65,700	1%
21	2017	448,500	6,701,100	66,300	1%
22	2018	448,500	6,768,100	67,000	1%
23	2019	448,500	6,835,800	67,700	1%
24	2020	448,500	6,904,200	68,400	1%
25	2021	448,500	6,973,200	69,000	1%
26	2022	448,500	7,042,900	69,700	1%

NOTE: Equalized values are established as of January 1 of the year listed and are the basis of the taxes collected in the subsequent year.

TAX INCREMENTAL DISTRICT #7 - AMENDED
Soo Line Development Area

General Obligation Debt Limitation

Section 67.03(1) of the Wisconsin Statutes provides that the amount of indebtedness of a municipality shall not exceed 5 percent of the equalized valuation of the taxable property in the municipality.

The following computation compares the total debt allowable for the City of Eau Claire with projected outstanding indebtedness at December 31, 2004:

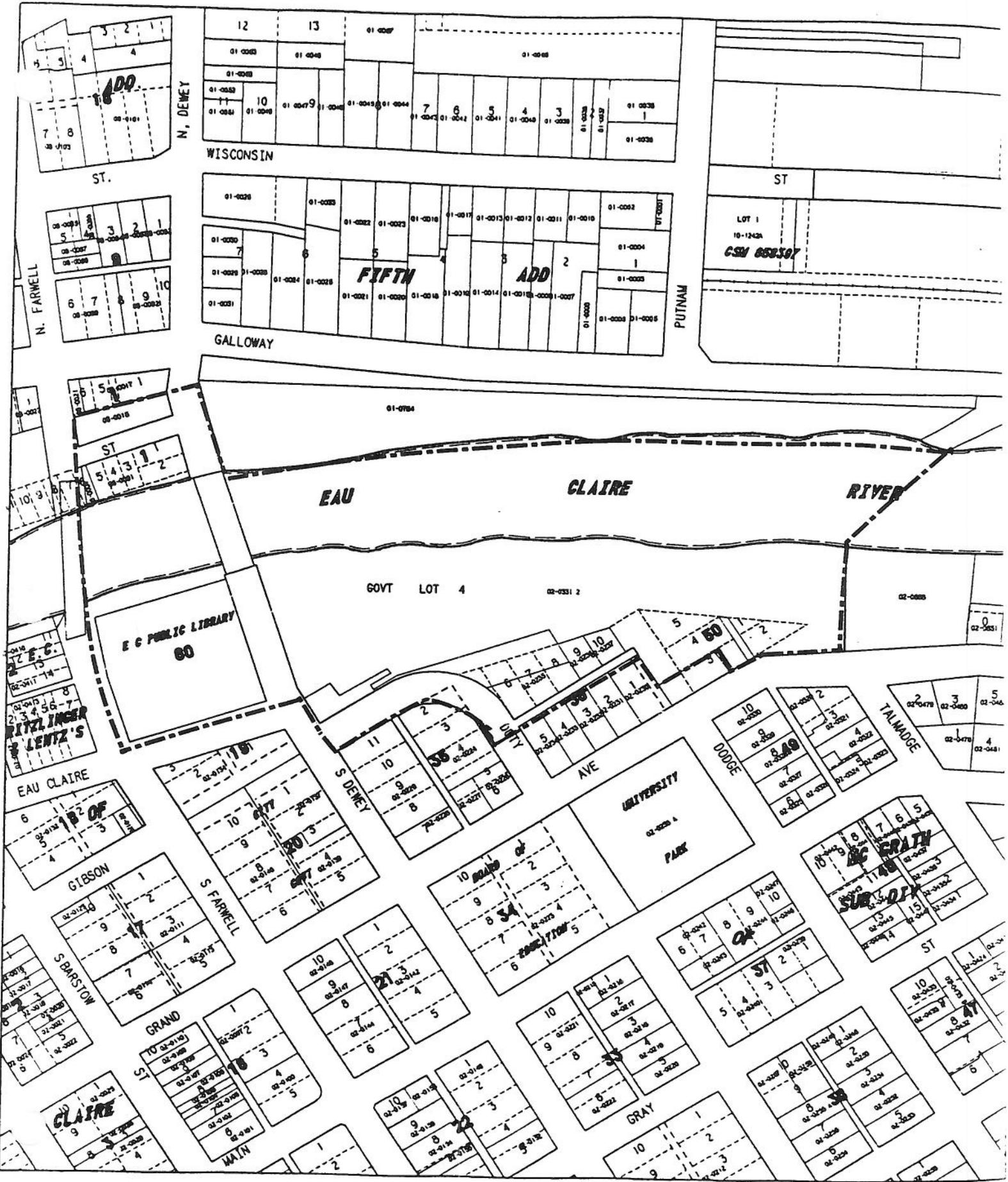
Equalized valuation (With TID's)	\$ 3,330,560,800
Legal debt capacity (5% of equalized value)	166,528,040
General obligation indebtedness:	
General long-term debt-January 1, 2004	57,051,010
Less: Amounts available for payment of principal:	
In Debt Service funds (December 2003)	(9,355,145)
Plus: Projected 2004 General Obligation Debt per the Capital Improvement Plan	11,590,000
Plus: Projected 2004 General Obligation Debt TIF #7	<u>335,000</u>
Projected General Obligation Indebtedness	<u>59,620,865</u>
Unused borrowing capacity	<u>\$ 106,907,175</u>
Percent of debt capacity remaining	64%

TAX INCREMENTAL DISTRICT # 7 - AMENDED
Soo Line Development Area
Analysis of TIF Limits

To establish a new TIF District, the City must meet one of two tests. Per WI Stat. 66.1105(4)(gm)4c: Either the equalized value of taxable property of the district plus all existing districts does not exceed 7% of the total equalized value of taxable property within the city or the equalized value of taxable property of the district plus the value increment of all existing districts within the city does not exceed 5% of the total equalized value of taxable property within the city.

	Total	7% Limitation	5% Limitation
Total Equalized Property Valuation in the City January 1, 2003	<u>3,330,561,000</u>	<u>233,139,270</u>	<u>166,528,050</u>
TIF #5 Total Equalized Value		21,525,100	
TIF #5 Equalized Increment Value			21,394,800
TIF #5 Equalized Value for Amendment		934,965	934,965
TIF #6 Total Equalized Value		9,489,600	
TIF #6 Equalized Increment Value			8,503,700
TIF #7 Total Equalized Value		3,748,400	
TIF #7 Equalized Increment Value			3,633,700
TIF #7 Equalized Value for Amendment		333,800	333,800
TIF #8 Total Equalized Value		10,676,900	
TIF #8 Equalized Increment Value			236,000
		<hr/>	<hr/>
Totals		46,708,765	35,036,965
Amount under Limitation		186,430,505	131,491,085

ORIGINAL BOUNDARIES



Tax Incremental District #7

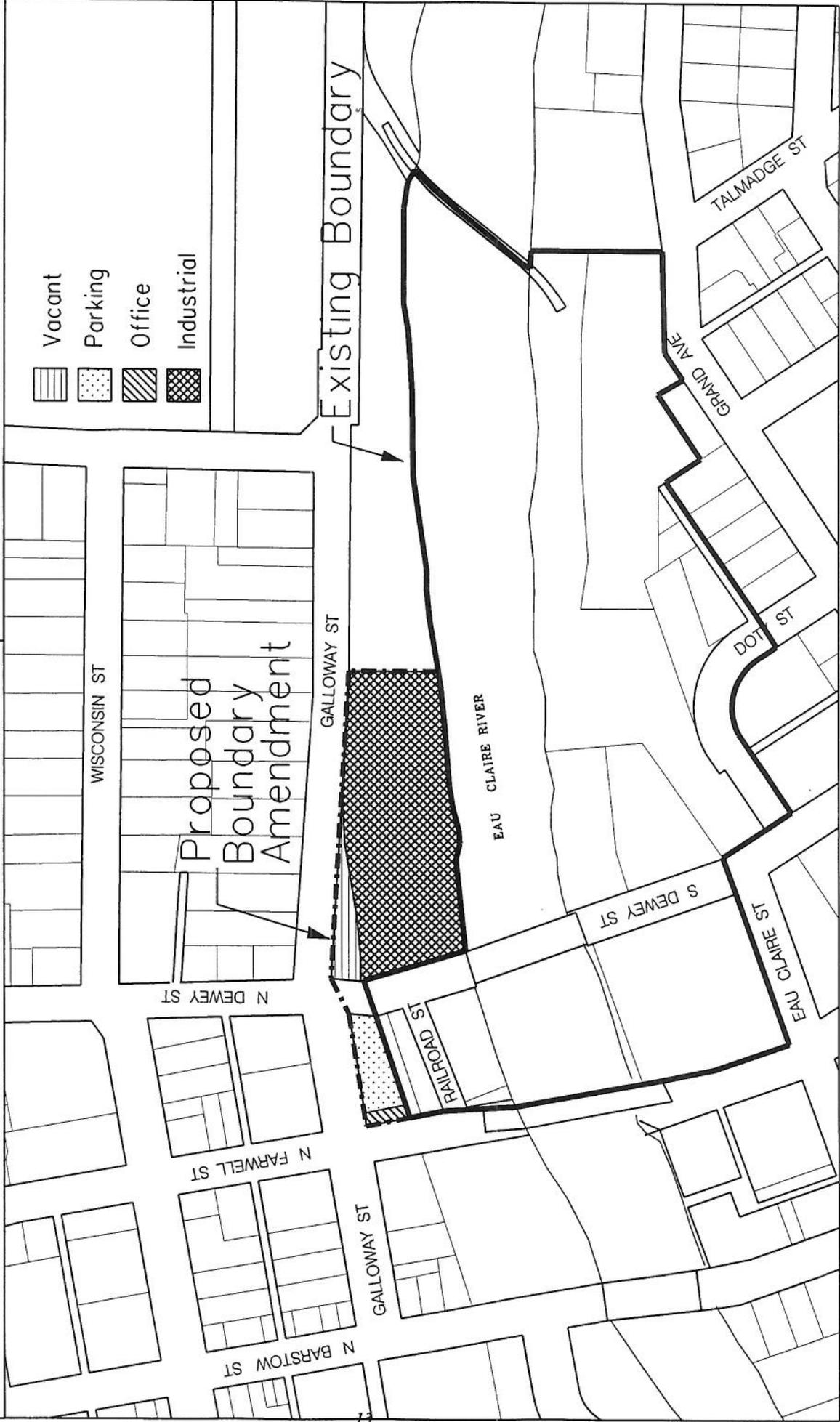
Proposed Boundary Change



Tax Incremental District #7

Existing Land Use

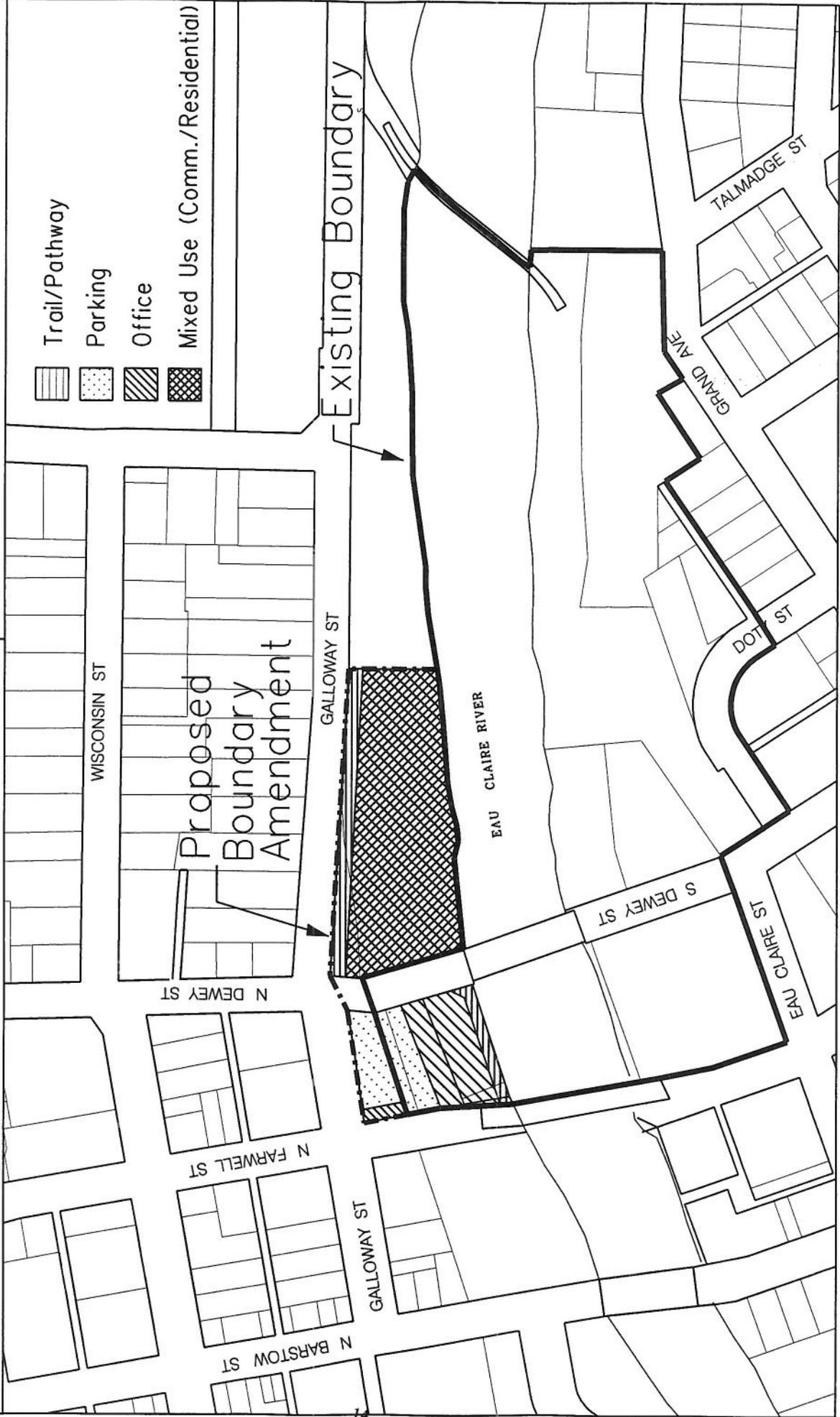
- Vacant
- Parking
- Office
- Industrial



Tax Incremental District #7

Proposed Land Use

- Trail/Pathway
- Parking
- Office
- Mixed Use (Comm./Residential)



Tax Incremental District #7

Existing Zoning



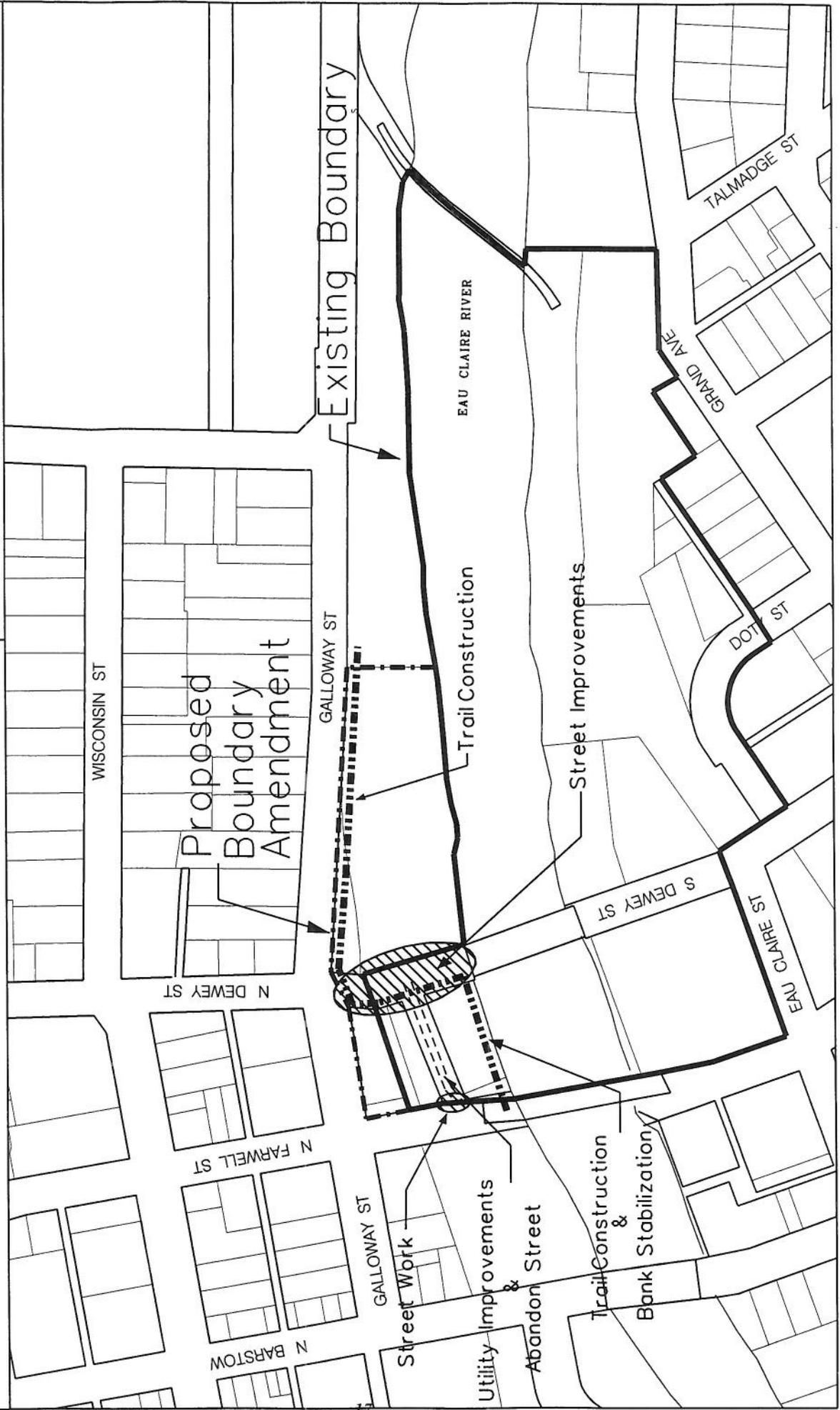
Tax Incremental District #7

Proposed Zoning Changes



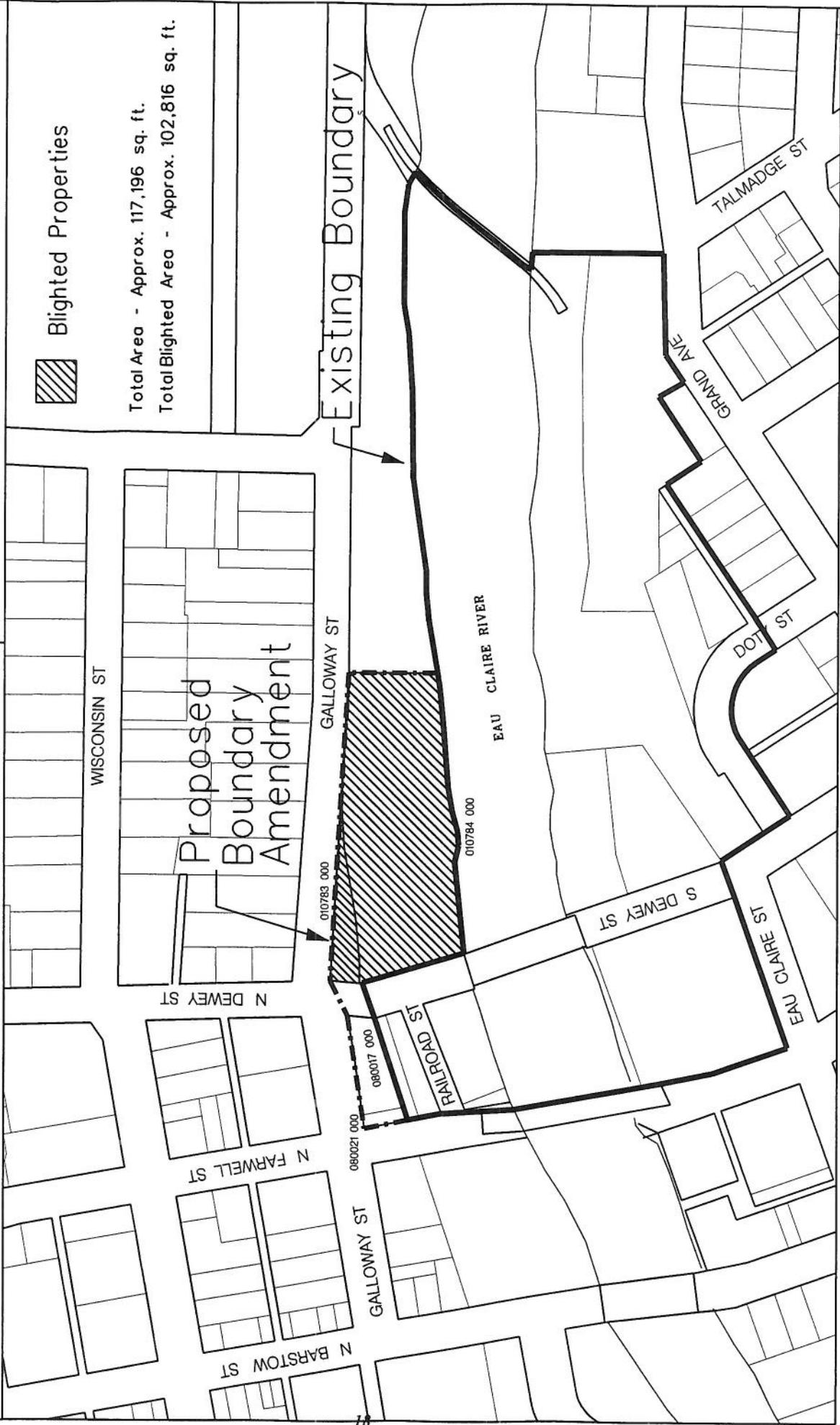
Tax Incremental District #7

Proposed Public Improvements



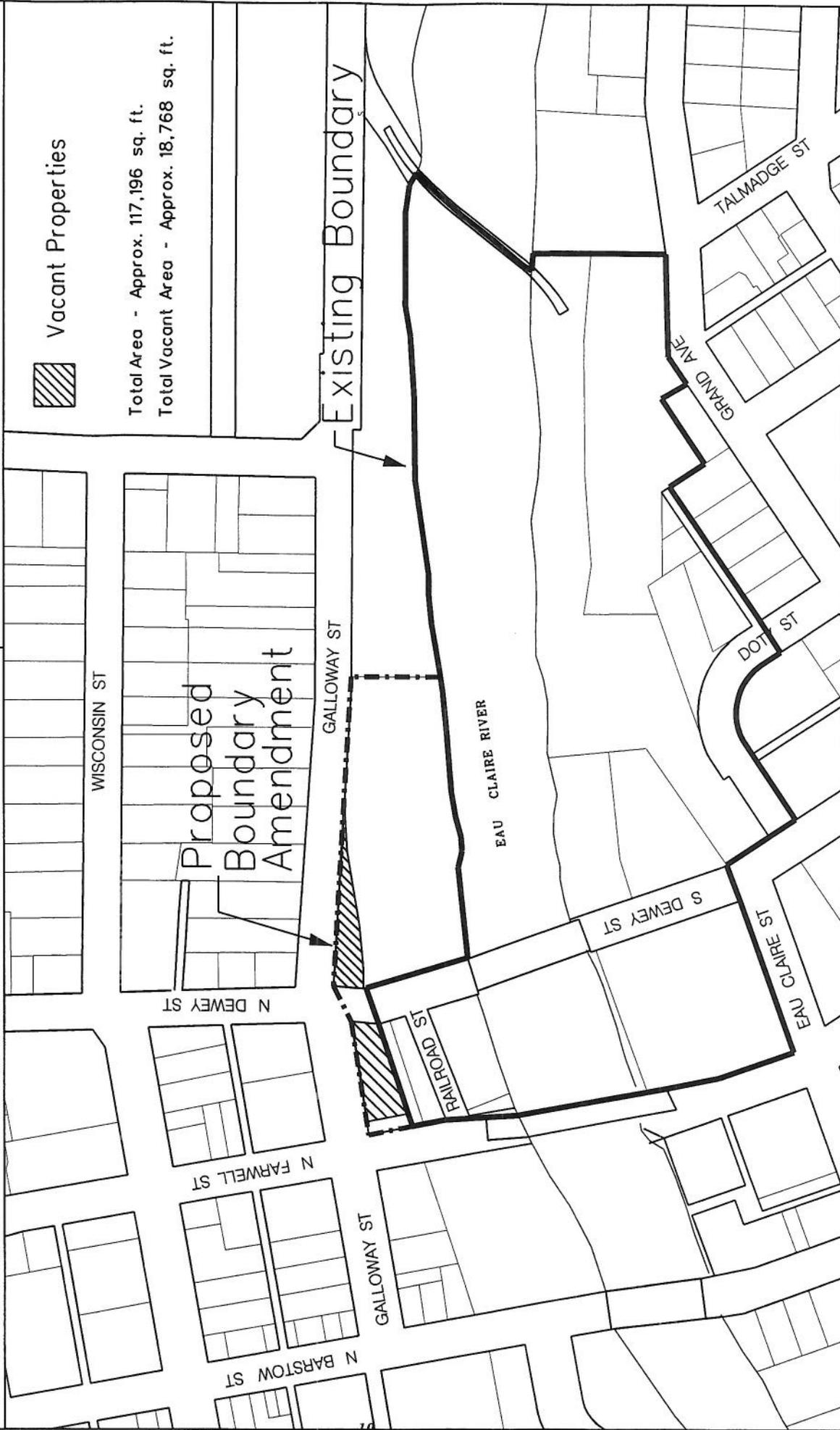
Tax Incremental District #7

Blighted Properties



Tax Incremental District #7

Vacant Properties



TAX INCREMENTAL DISTRICT #7 - AMENDED
SOO LINE DEVELOPMENT AREA
Boundary Description (As Amended)

That part of Government Lot 6 of Section 20 and the SW1/4-SE1/4 of Section 17 all of T27N, R9W and Block 1 of Chapman and Thorpe's 3RD Addition City of Eau Claire, Eau Claire County, Wisconsin all described as follows:

Beginning at the intersection of the easterly R/W line of Farwell Street and the north line of Block 1 of Chapman and Thorpe's 3RD Addition; thence easterly along the south R/W line of Galloway Street to a point 345 feet west of the southerly extension of the west R/W line of Putnam Street; thence south parallel with the west R/W line of Putnam Street 150 feet more or less to the north bank of the Eau Claire River; thence westerly along said northerly bank of the Eau Claire River 490 feet more or less to the intersection with the easterly R/W line of Dewey Street; thence northerly along the easterly R/W line of Dewey Street to the intersection with the north R/W line of the abandoned C.M.St.P.&P. Railroad; thence west along the north R/W line of the abandoned C.M.St.P.&P. Railroad to the intersection with the east R/W line of Farwell Street; thence north to the point of beginning.

