

**CITY OF LANCASTER
SPECIAL COMMON COUNCIL AGENDA
MARCH 30, 2020**

Place: This meeting will take place virtually. The public may join the meeting online or by telephone. The information needed to join the meeting online or by telephone is listed at the bottom of this agenda. If you wish to join the meeting and do not have telephone or internet access, please contact David Kurihara (608-723-7445) to see whether an accommodation can be made.

Time: 6:30 PM

1. Call Meeting to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comments
5. Consider Resolution 2020-03-Resolution Ratifying Mayor David C. Varnam's Amended Proclamation of State of Emergency dated March 19, 2020 and Declaring that a State of Emergency Exists in the City of Lancaster Due to the COVID-19 Pandemic
6. Consider Employee Handbook Amendment regarding COVID-19 and Possible Action
7. Consider State Theatres LLC request to waive 2nd quarter lease payment and Possible Action
8. Review TID No. 6 Project Plan and Boundary
9. Consider Resolution 2020-04-Resolution Approving the Project Plan and Creating Mixed-Use Tax Incremental District No. 6
10. Consider Proceeding with Proposed Valley View Sanitary Sewer & Stormwater and Cherry Street Storm Sewer Improvement Projects with Debt Financing as recommended by the Finance Review Committee and Possible Action
11. Adjourn

Below is the link and instruction for "The Public" or anyone else wishing to join virtually:

Join Zoom Meeting

<https://us04web.zoom.us/j/373668590?pwd=MF15OVNzSVpOSTQ3L1NIOFYzbDhIQT09>

Meeting ID: 373 668 590

Password: 129061

Dial by your location

+1 312 626 6799 US (Chicago)

877 853 5247 US Toll-free

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Meeting ID: 373 668 590

Note: Council Packets are available in the lobby area of the Police Department

**CITY OF LANCASTER
GRANT COUNTY, WISCONSIN
RESOLUTION 2020-03**

**RESOLUTION RATIFYING MAYOR DAVID C. VARNAM'S AMENDED
PROCLAMATION OF STATE OF EMERGENCY DATED MARCH 19, 2020 AND
DECLARING THAT A STATE OF EMERGENCY EXISTS IN THE CITY OF
LANCASTER DUE TO THE COVID-19 PANDEMIC**

WHEREAS, COVID-19 is a respiratory disease that can result in serious illness or death, and can easily spread from person to person; and

WHEREAS, the federal and state governments have both declared a state of emergency due to the COVID-19 pandemic; and

WHEREAS, the City of Lancaster and its leadership is working to protect the public health, safety, and welfare of its citizens and employees; and

WHEREAS, pursuant to the authority granted in §323.14(4)(b), Wis. Stats., Mayor David C. Varnam did proclaim an amended state of emergency on March 19, 2020.

NOW, THEREFORE, BE IT RESOLVED, the Common Council of the City of Lancaster, Grant County, Wisconsin does declare that a state of emergency exists in the City of Lancaster.

BE IT FURTHER RESOLVED, the Common Council of the City of Lancaster, Grant County, Wisconsin does hereby ratify Mayor David C. Varnam's Amended Proclamation of State of Emergency dated March 19, 2020.

BE IT FURTHER RESOLVED, the Common Council deems it necessary and expedient for the health, safety, and protection of the City to suspend applicable ordinances, resolutions, and City policies as follows:

1. All ordinances, resolutions, and policies that require a gathering or face to face contact are suspended.
2. All ordinances, resolutions, and policies that if followed would require a violation of any federal or state emergency order are suspended.

BE IT FURTHER RESOLVED, that while the state of emergency will continue to exist for an unknown amount of time, the provisions set forth in the Amended Proclamation of State Emergency dated March 19, 2020 and in this Resolution shall remain in effect until April 20, 2020, subject to future change by the Common Council.

Dated this 26th day of March, 2020

CITY OF LANCASTER BY:

David C. Varnam, Mayor

ATTESTED:

David A. Kurihara, City Clerk

City of Lancaster

March 24, 2020

Re: Grantland Theatre Lease

Due to recent announcements from the Governor and nationally the Grantland has been forced to close. With no alternative means to generate any revenue we are requesting that the lease payments be halted until the theatre can be reopened at a minimum.

Our industry has already canceled any new titles through May and as far out as July already. This is due to many things but primarily a lot of the production facilities are closed and are not able to complete the movies that were in process. Titles that were completed have been sent to video on demand and other venues. For these reasons, there will be a large gap between when the rest of retail, restaurants, etc. will be able to open and when we will.

The current planning for this eventual return entails running titles that will have already been available to the public for a discount or free to try and get customers in. As many of you can imagine this will not be ideal and could take a month or two before getting to the point of having new titles to show.

This is not a good situation and combined with the prior performance of the theatre makes the request even more dire. Over the last three years we have lost between 5 and 10 thousand annually on this location. We do view it as a community service and are not complaining. We are grateful for your past support and hopeful you can help us out with our current issue.

Sincerely,

Duane DeYoung

State Theatres LLC

GRANTLAND THEATER LEASE

This agreement entered into by and between the City of Lancaster, a Wisconsin Municipal Corporation (hereinafter "Landlord") located at 206 S Madison Street, State Theatres, LLC, a Wisconsin Company located at 1018 Woodland Road, Platteville, WI 53818, (hereinafter "Tenant"), and Judy Felsenthal and Lisa Wolynec-Zabel, jointly on behalf of the Lancaster Community Players, a volunteer organization in Lancaster (hereinafter LCP); and

WHEREAS, Landlord is the owner of the property described below, (hereinafter "Premises") and Tenant is desirous of leasing from the Landlord the Premises for the purpose of showing movies as well as other entertainment options; and

WHEREAS, the LCP also desires to lease the premises for the purpose of producing bi-annual stage productions; and

WHEREAS, the Common Council of the City of Lancaster, Grant County, Wisconsin, has determined that it is in the Landlord's best interest to lease the Premises to Tenant and LCP under the terms and conditions set forth below;

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Leased Premises: Landlord hereby agrees to lease to Tenant and the LCP, subject to terms below, a municipally-owned theater known as the Grantland Theater located adjacent to City Hall with an address of 206 S Madison Street.
2. Term: This Lease shall become effective on April 1, 2012 and shall continue in force until March 31, 2022. At the end of the term, the Lease will be automatically extended for additional one year terms. The Landlord reserves the right to terminate the lease at the conclusion of the initial term or at the end of any of the one year renewal terms. The Tenant may terminate the lease with 60 days written notice to the Landlord. Upon receipt of such notice, the Landlord shall inspect the property to determine compliance with Section 11 of this Lease. If Tenant has complied with said section, the Tenant shall be reimbursed a pro rata share of the annual rent described in Section 3. Failure to comply with Section 11 will constitute a default pursuant to Section 15 of this Lease.
3. Rent: As consideration for the use of the premises, rights, and easements herein described, the tenant shall pay cash rent for the premises in four equal payments due on the 1st day of April, July, October and January of each year. Tenant shall pay a yearly rent to Landlord according to the following schedule:
 - a. \$5,000.00 for 2012, 2013, and 2014.
 - b. \$5,500.00 for 2015, 2016, 2017, and 2018.
 - c. \$6,000.00 for 2019, 2020, and 2021.

Overdue rental payments shall bear interest at the annual rate of 12%. The LCP shall not be required to pay rent.

City of Lancaster, WI

TID Plan No.6 Project Plan

City Council Draft

With Plan Commission recommended changes

March 25, 2020

Prepared by:

David Carlson, City Administrator

City of Lancaster, WI

The project plan for Tax Increment District No. 6 (TID No. 6) in the City of Lancaster has been prepared in compliance with Wisconsin Statutes, including Chapters 66.1105 and 66.1331. The plan establishes a need for the district, the proposed improvements within the district, an estimated time schedule, and an estimated budget. The plan also includes a detailed description of the Tax Increment District (TID) and boundaries.

As authorized in Wisconsin Statutes 66.1105, Tax Increment District No. 6 is being created as a mixed use district to promote the orderly development of the City of Lancaster by promoting the redevelopment of the former "Liquor Store Property" and an adjacent parcel, as well as other enhancements within the TID No. 6 boundary and within the one-half mile radius of the TID No. 6 boundary to assist in the development of the property. The City intends to promote orderly development by encouraging rehabilitation of private property within the TID. These efforts will improve the economic vitality of the area, increase the availability of employment and services to City residents and broaden the tax base of the City. This plan also allows expenditures that benefit the TID to be made within a half-mile of the TID No. 6 boundary.

The City Council is not required to make public expenditures described in this Plan; however, they are limited to implementing only those projects identified in the original Plan and its amendments.

As required by Wisconsin Statutes Chapter 66.1105(5)(b), a copy of this Project Plan will be submitted to the Wisconsin Department of Revenue and used as the basis for the certification of the creation of Tax Incremental District No. 6.

Approval Process

The Lancaster Common Council met on January 20, 2020 and approved a development agreement with Lancaster Hotel Development LLC (LHD), which authorized the process of creating a Tax Increment District to support the development of a hotel. The City agreed to complete the TID creation process and as part of that plan, commit to devote up to 95% of each year increment until either 20 years have passed or the amount incurred by LHD was paid to LHD, whichever occurs first.

A notice for the first Joint Review Board meeting was published on February 20, 2020. The Joint Review Board held their initial meeting on March 9, 2020.

The Plan Commission held a public hearing on TID No. 6 on March 9, 2020. Following the public hearing, the Plan Commission approved the creation of TID No. 6, and recommended approval of the TID No. 6 Plan and boundaries to the City Council.

The TID No. 6 project plan and district boundary was adopted by resolution of the City Council on March 26, 2020.

A notice for the final Joint Review Board meeting was published on April 2, 2020 and the Joint Review Board met on April 13, 2020 to approve the Common Council Resolution creating TID No. 6.

Documentation of all resolutions, notices and minutes can be found as attachments to this project plan. As required by Wisconsin Statutes Chapter 66.1105(5)(b), a copy of the project plan will be submitted to the Wisconsin Department of Revenue and used as the basis for the certification of Tax Increment District No. 6 in the City of Lancaster.

Plan of Development Within TID No. 6

Description of Area

TID No. 6 is in the City of Lancaster, located in Grant County, WI. TID No. 6 boundaries incorporates the area known as Liquor Store Property and adjacent parcel. See Appendix A for maps of the TID No. 6 boundary.

Parcel ID	Parcel Number	Acreage	Land Use
1	246 1576 20	1.56	Vacant
2	246 1576 10	14.43	Golf Course

Proposed Projects

TID No. 6 has been created to promote the development of properties within the TID, redevelopment of underutilized property, stimulate revitalization, enhance the value of property, and broaden the property tax base. The City and Plan Commission may spend funds on planning, public improvements, demolition of existing structures, financial incentives, and site improvements to promote redevelopment activities.

Costs directly or indirectly related to achieving the objectives of rehabilitation or redevelopment are considered "project costs" and eligible to be paid from tax increments of this tax increment district, including but not limited to the list below. The costs of planning, engineering, design, surveying, legal and other consultant fees, testing, environmental studies, permits necessary for the public work, easements, judgments or claims for damages, and other expenses for all projects are included as project costs. Funds may be expended within the City up to a half-mile outside the TID boundary on projects that benefit the TID. Project costs as presented can be paid by TID No. 6. There are no expected non-project costs.

Listed below are major public improvement categories, which are necessary for promoting development of properties in TID No. 6. Table #2 in Section 3 summarizes total costs by category. Organizational and infrastructure costs and the initial developer incentive monetary

obligations are estimated to be incurred in 2020 and 2021. The initial monetary obligations will extend throughout the life of the plan and additional monetary obligations relating to financing, additional developer incentives and administration may be incurred throughout the life of the plan.

1. Infrastructure

That portion of costs related to the design, construction or alteration of infrastructure improvements located within the one-half mile radius of the district boundary that serve the district. Costs for infrastructure include related professional costs including engineering, architecture, attorneys' fees, etc. Infrastructure improvements with approximate costs (shown on Attachment B) include:

- a) Extension of Sewer from Alona Lane to Subject Property. The Developer shall install sewer from the Subject Property to a location as determined by the City of Lancaster, to the design specifications of the City. The City shall be responsible for the design and the Developer shall be responsible for the construction of the sewer main. The City shall be responsible for acquisition and cost of easements for said improvement.
- b) Construction of stormwater improvements to serve the subject property plus the property that is adjacent to the subject property along STH 61. Stormwater improvements shall include a stormwater improvement, as approved by Wisconsin DNR, sized to accommodate flow from both the Subject and Remainder properties. Stormwater pond will be located on land owned by the City on the Golf Course. Final location shall be determined by both the City and the Developer as part of the stormwater permitting process. Cost of the improvements shall be the responsibility of the Developer, with ownership of the improvements residing with the City. The City shall provide the land for the stormwater pond at no cost to the Developer.
- c) Site Grading, to encompass both the Subject Parcel and the Remainder Parcel, as identified on Exhibit A of the Tax Increment Financing Agreement with Lancaster Hotel Development, LLC. Final site grading shall be approved by both the Lancaster Director of Public Works and the Developer.
- d) Sidewalks, both adjacent to the street and adjacent to the Hotel, extending to such a point it connects to existing City sidewalks. This may include the development of sidewalks on property currently in the Town of S. Lancaster.

- e) Site Paving, to include access from STH 61 at the two existing access points, on-site parking, as well as construction of road from STH 61, on parcel 246-576-20, paralleling the border with parcel 56-257 to the back of the property adjoining the golf course, as identified in Exhibit B of the Tax Increment Financing Agreement with Lancaster Hotel Development, LLC. Business Lighting and concrete pad for dumpsters are considered part of this cost.
- f) Landscaping and Erosion Control measures.
- g) Water, Gas, and Electric utility extensions to the property or improvements to such on the property.
- h) Access improvements to STH 61 if required by Wisconsin Department of Transportation.
- i) Signage, in an amount not to exceed \$25,000 or 50% of the total cost of the sign, whichever is less.
- j) Project Management Costs not to exceed seven- and one-half percent (7.5%) of reimbursable costs.
- k) Civil Engineering costs related to the eligible project costs.
- l) Financing expenses related to eligible project costs incurred by the Developer pursuant to 66.1105(2)(f) in this Exhibit.

2. Development Incentives

The City may use TID No. 6 funds to provide incentives to the developer for development in the TID.

In general, it is the City's and Plan Commission's intent is to offset the costs that are associated with redevelopment. Development incentives are expected to be used for improvements including building renovation.

The City will execute a development agreement with the developers that identifies the type and amount of assistance to be provided.

Approximately \$0 is budgeted for development incentives within the district.

3. Administration Costs

Administrative costs are costs related to the administration of TID No. 6. These costs include both City employees and consultants hired by the City, as well as plan commission, joint review board and city council monies expended in relation to the District.

Approximately \$26,000 is budgeted for administration costs.

4. TIF Organizational Costs

Organization costs include and all fees related to the creation of the district, including both City employees and consultants hired by the City, for completion of any and all aspects of the TID. Also included as an eligible administrative cost are any fees charged by the Wisconsin Department of Revenue for certification as well as any other fee's the State of Wisconsin may charge in the future related to the administration of the District.

Approximately \$10,000 is budgeted for TID organizational costs.

5. Financing Costs

The City will reimburse the Developer for the cost of their financing to pay for eligible expenses. Final financing costs will be based on actual cost of the infrastructure improvements paid for by developer, the interest rate incurred, and the rate of TID revenue generated for repayment of the borrowing. \$300,000 has been budgeted for financing costs.

The projects listed above will provide necessary facilities and support to enable and encourage the development of TID No. 6. These projects may be implemented in varying degrees in response to development needs. Attachment B shows public works that are planned as part of this TID. Some of the planned improvements are located outside of TID No. 6, but within the ½ mile radius of the TID boundary as provided by law. The specific number of improvements has yet to be determined.

6. Detailed project costs

Table #2 identifies the project costs for anticipated to be completed during the expenditure period of TID No. 6. This format follows Department of Revenue guidance on detailed project costs, which states "this list should show estimated expenditures expected for each major category of public improvements."

All costs listed are based on 2020 prices and are preliminary estimates. Planned project costs are listed in the table below. Actual costs will be based upon bid and constructed pricing. The City may pursue grant funds as appropriate.

The City may fund specific project cost items shown below in significantly greater or lesser amounts in response to opportunities that will help the City accomplish the purposes of TID No. 6. The City will generally use overall benefit to the City and economic feasibility (i.e. the availability of future revenue to support additional project costs) in determining the actual budget for project cost items over the course of the TID's expenditure period.

Table #2: City of Lancaster TID No. 6 Planned Project Costs

Proposed Improvements	Total Cost	Others' Share	TID Share
1. Infrastructure	\$1,000,000	\$0	\$1,000,000
2. Development Incentives	\$0	\$0	\$0
3. Administration	\$26,000	\$0	\$26,000
4. Organization Costs	\$10,000	\$0	\$10,000
5. Financing Costs	\$300,000	0	\$300,000
Subtotal	\$1,336,000	\$0	\$1,336,000
Total TID Expenditure			\$1,336,000

7. Economic Feasibility

The City has the resources to finance the proposed projects.

The City anticipates paying for the majority of construction projects and development incentives only after the TID revenue is received by the City. As such, the City does not anticipate financing any of the improvements or development incentives. Projects will be undertaken as revenue is received by the City.

Stormwater projects may be paid for by the Storm Water Utility Fund, then reimbursed as TID revenue is received by the City.

Creation and Organizational costs will be paid by the City from operating funds, and then reimbursed as TID revenue is received.

The anticipated increase in valuation is \$5,400,000, based upon the preliminary evaluation by the City Assessor. Over the life of the TID, the City estimates that approximately \$2,234,742 will be generated.

While the City is not planning to use any General Obligation (G.O) borrowing, it does have the capacity to do so, should the City Council choose. Total debt capacity of the city is \$12,585,070, with current borrowing at \$10,337,489.

The general economic condition economic condition of the City is good. The Lancaster economy is driven by Agriculture and the industries that both directly support agriculture as well as the indirect business that provide services.

Manufacturing

Amcor – flex printing – 160-200

Skyline Homes – manufactured and modular homes – 100-160

Foremost Farms USA – dairy products – 60-100

Loudspeaker Components – speaker cones – 66-86

Saputo Dairy – goat cheese – 30

Non-Manufacturing

County of Grant – government – 300-360

Lancaster School District – K-12 education – 160-200

Orchard Manor – county care center and nursing home – 160-200

Grant Regional Health Center – hospital – 100-160

Lancaster Care Center – nursing home – 60-100

Piggly Wiggly Supermarket – retail food – 60-100

The City has a stable tax base and growing industries.

Impact of the anticipated development

This project will have significant impacts to the City, including employment, tax growth and redevelopment of a vacant parcel.

The project will also benefit numerous businesses in the community which currently utilize hotels outside of the City. This includes businesses that hold events such as Vesperman Farms, Potosi Gardens and the Grant County Fairgrounds. It also benefits local businesses that need hotel rooms for visiting staff/consultants, such as Grant Regional Medical Center, Amcor, Foremost Farms, Saputo and others.

8. TIF Revenues

A projected land and construction increment of about \$5,400,000 (not including inflation) is expected over the life of TID No. 6. The initial full-value tax rate of \$20.69 per \$1,000 of assessed value is not projected to increase as part of this analysis. The projected TIF Revenue from TID No. 6 is shown in the Tax Increment Proforma below. The total tax increment revenue is sufficient to pay all TID related costs for the projects and amounts shown in the Planned Project Costs in Attachment A, Map 3.

TABLE 3

City of Lancaster							Base Value		\$0		
Tax Increment Finance District #6							2020 Increment Value		\$5,400,000		
Revenues							2020 Tax Increment				
									OVERLYING JURISDICTIONS		
YEAR	TID Value	INFL. INC.	CONST. VALUE	CONST. INC.	ANNUAL INC.	TAX RATE	TID INCOME	Projected Tax Increment	SCHOOL (46.9%)	COUNTY (18%)	VTAE (5.9%)
2020	\$0		\$0	\$0	\$0	0.02069	\$0	\$0	\$0	\$0	\$0
2021	\$0	\$0	\$5,400,000	\$0	\$0	0.02069	\$0	\$0	\$0	\$0	\$0
2022	\$5,400,000	\$0	\$0	\$111,737	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2023	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2024	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2025	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2026	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2027	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2028	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2029	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2030	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2031	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2032	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2033	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2034	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2035	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2036	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2037	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2038	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2039	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2040	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
2041	\$5,400,000	\$0	\$0	\$0	\$111,737	0.02069	\$111,737	\$111,737	\$52,405	\$20,113	\$6,592
TOTAL			\$5,400,000	\$111,737	2,234,742		\$2,234,742	\$2,234,742	\$1,048,094	\$402,254	\$131,850
									Total Revenue Available		\$2,234,742
									Not Present Value		\$1,518,544
									Discount Rate		0.04

9. Project Financing

a) Financing Methods

The City intends to finance the majority of construction projects on a Pay as You Go method. That is to say, as TID revenue is received, the City will make expenditures. As such, by definition, the City will have either the capacity to complete the projects because of revenue on hand, or the City will not incur the obligation for the project. Most construction projects will be paid out of cash flow from the TID.

Wastewater costs may be paid for out of Wastewater Utility funds on hand, then reimbursed when the TID revenue is available

Organizational costs and Administrative costs will be paid out of City operating funds and reimbursed when revenue is received.

Financial resources available to the City include general obligation notes and bonds, revenue bonds, special assessments, and federal and state community development programs. While the City is not planning on using such, it may do so as necessary for completion of the projects.

b) Timetable

The maximum life of the TID is twenty years; a three-year extension may be requested. The City of Lancaster has a maximum of fifteen years, until 2035 to incur TIF expenses for the projects outlined in this plan. The Common Council is not mandated to make the improvements defined in this plan; each project will require case-by-case review and approval. The decision to proceed with a particular project will be based on the economic conditions and budgetary constraints at the time a project is scheduled for consideration. Actual implementation of the projects may be accelerated or deferred, depending on conditions existing at the time.

Additionally, current state statutes allow a municipality to collect revenue from a TID that is about to close for one additional year to benefit affordable housing and improve the City's housing stock. The City of Lancaster may opt to take advantage of this provision prior to termination of TID No. 6.

c) Financing Methods and Costs to be Incurred

The City does not anticipate financing any improvements except from internal sources. All monetary obligations will be incurred within the twenty-two-year expenditure period, unless relocation requires extending beyond the given period. Relocation is not expected to occur.

10. Overlaying Taxing Districts

Taxing Districts overlying TID No. 6 in the City of Lancaster include Grant County, the Lancaster School District, and Southwest Technical College. Impact on the overlying taxing districts is based on the percentage of tax collections in TID No. 6 in 2019. Total TIF Increment over the life of the district is taken by the proportionate share from each taxing jurisdiction. An analysis of the impact on overlying taxing districts below.

The property is currently non-taxable – i.e. no taxing jurisdiction receives any revenue from it at this time. Many of the projects planned for the TID would not occur, or would occur at significantly lower values, but for the availability of tax incremental financing. TID No. 6 is a mechanism to make improvements in an area of Lancaster that is experiencing a lack of support growth in the City's tax base. All taxing jurisdictions will benefit from the increased property values, improved public safety, and enhanced community vitality which will result from the projects planned in TID No. 6.

11. 12% Test

The equalized value of taxable property of the new TID plus the value increments of all existing districts cannot exceed 12 percent of the total equalized value of the taxable property within the municipality.

According to the 2019 Estimated Wisconsin Department of Revenue's Statement of Changes in Equalized Values report, the current value increments in all districts is \$9,902,900 and the total equalized value of the City is \$248,510,900. This means the city currently has 3.98% of equalized value of taxable property in current tax increment districts. The City of Lancaster passes the 12% test.

12. Changes to plans/maps/ordinances

This plan does not propose changes in the Comprehensive Plan, City maps, or Building Codes as part of this Plan. The project plan presented here follows the City's adopted Comprehensive Plan. Modifications to the City's Zoning Code and other City ordinances will be required for the portion of parcel number 246 1576 10 from residential to commercial (C-1). Additional rezoning may be necessary in the future possible if deemed appropriate for redevelopment. Zoning is shown on Map #4 in Appendix A. All land within the TID boundary is zoned for multi-family development. Redevelopment proposals will have to go through the appropriate procedure to receive the proper zoning for their project.

13. Relocation

No persons are expected to be displaced or relocated as a result of proposed projects in TID No. 6. If relocation is necessary, the City will comply with all appropriate state and federal regulations in effect at such time relocation occurs.

12. Promoting Orderly Development

TID No. 6 will allow the creation of a new hotel and redevelop a property that has been vacant for a number of years. In addition, the creation will increase the tax base of the city, and promote the public health, safety and general welfare of the City.

13. District Boundaries

Prior to considering the specific area to include within the TID, the Plan Commission reviewed statutory criteria for establishing a mixed use TID. The criteria are as follows:

- a) The equalized value of taxable property of the district plus the value increment of all existing districts does not exceed 12 percent of the total equalized value of taxable property within the City.
- b) All lands within the TID shall be contiguous.
- c) At least 50 percent of the land is suitable for commercial and residential development.
- d) Not more than 35 percent of the land area will be used for residential purposes.

14. City of Lancaster TID No. 6 Boundary Description

A parcel of land located in the Southeast Quarter (S.E.1/4) of the Northeast Quarter (N.E.1/4) and the Northeast Quarter (N.E.1/4) of the Southeast Quarter (S.E.1/4) of Section 10, all in T4N, R3W of the 4th P.M., Grant County, Wisconsin, said parcel being more particularly described as follows:

Commencing at the East 1/4 corner of Section 10, T4N, R3W of the 4th P.M., Grant County, Wisconsin, said corner being the point of beginning;

thence North 89° 47' 00" West 926.53 feet along the South line of Coventry Estates to a 3/4" rebar;

thence South 29° 32' 28" East 199.95 feet to a 3/4" rebar;

thence South 57° 38' 39" West 289.20 feet to the centerline of U.S.H. 61;

thence South 34° 19' 01" East 335.20 feet to a point in said centerline;

thence South 34° 57' East 337.42 feet along said centerline;

thence North 55° 03' East 263.71 feet;

thence South 34° 19' 11" East 80 feet to a 3/4" rebar;

thence South 89° 57' 08" East 429.45 feet to the East line of said Section 10;

thence North 00° 02' 52" East along said East line to the East 1/4 corner of said Section 10, said corner being the point of beginning.

Excluding all wetlands from the above described lands.

Attachment A – Project Maps



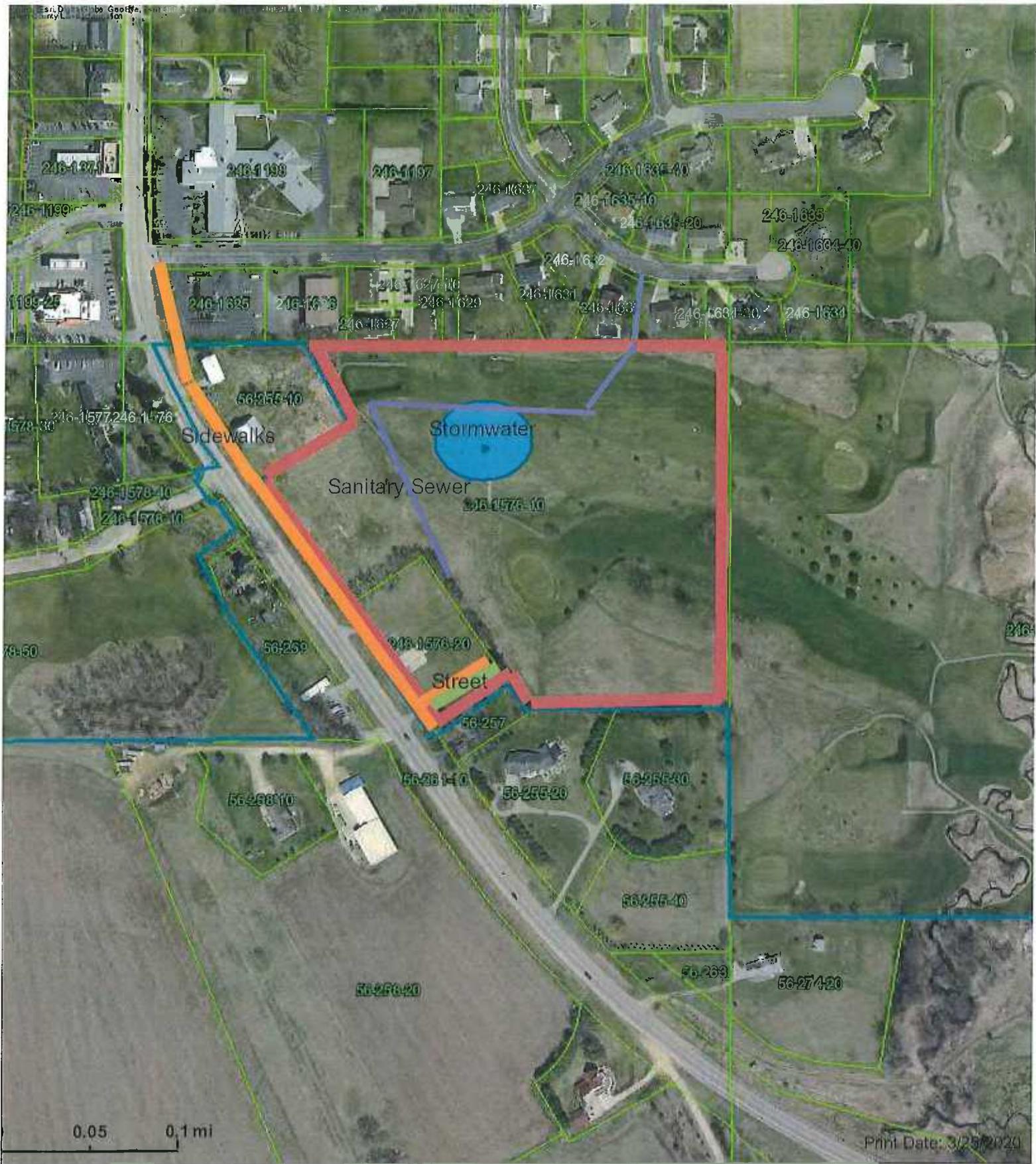
General Reference Map
Grant County, WI

Current Zoning



Tax Parcel Boundaries

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General Reference Map
Grant County, WI

*Infrastructure
Improvements*



1:4,514



Tax Parcel Boundaries

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General Reference Map
Grant County, WI

Future Use



General Reference Map
Grant County, WI

*Half Mile Boundary
(Approximate)*

 Tax Parcel Boundaries

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Attachment B

ESTIMATE OF PUBLIC IMPROVEMENT PROJECT COSTS

Site Engineering	\$30,000
Site Grading	\$125,000
Sanitary Sewer Extension	\$250,000
Stormwater Improvements	\$75,000
Water Extension	\$25,000
Site Paving and Base	\$125,000
Site Concrete	\$40,000
Site Lighting	\$25,000
Signage	\$25,000
Landscaping and Erosion Control	\$50,000
Project Management @ 7.5%	\$57,750
Contingency @ 15%	\$115,500
Sanitary sewer design	\$
Necessary land acquisition	\$

Attachment C – Attorney Opinion

**McNAMARA, REINICKE,
VOGELSBERG &
HELMKE, LLP**

118 West Cherry Street
P.O. Box 507
Lancaster, Wisconsin 53813
Telephone: (608) 723-2185
Fax: (608) 723-6719
E-Mail: david@grantcolaw.com

Eric D. Reinicke | Stephen J. Vogelsberg | David M. Helmke

March 25, 2020

Mr. David Varnam, Mayor
City of Lancaster
206 South Madison Street
Lancaster, WI 53813

Dear Mayor Varnam:

As the City Attorney for the City of Lancaster, in accordance with sec. 66.1105(4)(f), Wis. Stats., I have reviewed the Project Plan for Tax Increment District No. 6 dated March 10, 2020, and prepared by David Carlson, City of Lancaster Administrator.

Based upon a review of the Project Plan, it is my opinion that the Plan is complete, and complies with the requirements of sec. 66.1105(4)(f), Wis. Stats.

Very truly yours,

**McNAMARA, REINICKE, VOGELSBERG
& HELMKE, LLP**



David M. Helmke

cc: David Carlson, City Administrator

RESOLUTION NO. 2020-04

**CITY OF LANCASTER
CITY COUNCIL RESOLUTION NO.
RESOLUTION APPROVING THE PROJECT PLAN AND CREATING MIXED USE TAX
INCREMENT DISTRICT NO. 6**

WHEREAS, the Common Council of the City of Lancaster requested that the Plan Commission identify a boundary and prepare a Project Plan for the Creation of Tax Increment District (TID) No. 6; and

WHEREAS, the Plan Commission established boundaries for said TID No. 6; and

WHEREAS, the Plan Commission caused a Project Plan to be prepared for TID No. 6 which identified investments necessary to promote development within said area; and

WHEREAS, the Plan Commission conducted a public hearing on said TID No. 6 boundary and TID No. 5 Project Plan after duly notifying overlying taxing jurisdictions of said public hearing under Wisconsin Statutes: and

WHEREAS the Plan Commission approved said boundary and Project Plan for TID No. 6 and recommended that the Common Council of the City of Lancaster create TID No. 6 as approved by the Plan Commission:

NOW, THEREFORE, BE IT RESOLVED, the Common Council of the City of Lancaster hereby creates a Tax Increment District which shall be known as Tax Increment District (TID) No. 6, City of Lancaster, and that the said District shall be created effective January 1, 2020.

BE IT FURTHER RESOLVED, the boundaries for TID No. 6 shall be those attached and marked as Exhibit A (description and Map 1 to this Resolution and contain only whole units of property as are assessed for property tax purposes; and

BE IT FURTHER RESOLVED, the City makes the following findings:

- A. At least 50% of the property in the district is suitable for mixed use development
- B. The improvement of TID No. 6 is likely to significantly enhance the value of substantially all of the other real property value in the District; and
- C. The project costs directly serve to promote the mixed-use development and are consistent with the purpose for the Tax Increment District is created; and
- D. The aggregate value of equalized taxable property of the District plus all increment in existing districts does not exceed 12% of the total value of equalized taxable property within the City; and
- E. That the estimated territory within TID No. 6 devoted to retail business at the end of the expenditure period is less than 35%; and
- F. The project plan is feasible and in conformity with the municipality's master plan; and
- G. Three years have elapsed since the territory was annexed; and
- H. Less than 35 percent of the district is land proposed for newly platted residential development and that any property within the district shall be residential housing is located in a conservation subdivision, as defined in sec. 66.1027(1)(a), Wis. Stats; and
- I. All lands with the District are contiguous; and
- J. Declares that the District is a mixed-use district.

BE IT FURTHER RESOLVED, pursuant to Wisconsin Statutes 66.1105(4)(g), the City Council hereby approves the Project Plan for TID No. 6 as recommended by the Plan Commission, and finds that it is feasible and in conformance with the Comprehensive Plan of the City.

Adopted this 26th day of March, 2020

CITY OF LANCASTER

David C. Varnam, Mayor

ATTEST:

David A. Kurihara, City Clerk

EXHIBIT A
City of Lancaster
TID #6
Boundary Description

A parcel of land located in the Southeast Quarter (S.E.1/4) of the Northeast Quarter (N.E.1/4) and the Northeast Quarter (N.E.1/4) of the Southeast Quarter (S.E.1/4) of Section 10, all in T4N, R3W of the 4th P.M., Grant County, Wisconsin, said parcel being more particularly described as follows:

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thence North 00° 02' 52" East along said East line to the East 1/4 corner of said Section 10, said corner being the point of beginning.

Excluding all wetlands from the above described lands.

Map 1



General Reference Map
Grant County, WI

1:4,514

 Tax Parcel Boundaries

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Parcel ID	Parcel Number	Acreage	Land Use
1	246 1576 20	1.56	Vacant
2	246 1576 10	14.43	Golf Course

City of Lancaster
Finance Review Committee
March 25, 2020
Agenda Memo

To: Committee Members

Subject: 2020 Unbudgeted Capital Projects

Prepared by: David Kurihara, City Clerk/Treasurer

CC: David Varnam, Mayor & David Carlson, City Administrator

Introduction

This memo is to provide information for the two (2) proposed unbudgeted capital projects related to sanitary and storm sewer.

Background

A summary of the proposed unbudgeted sanitary and storm sewer projects capital projects is provided in **Chart 1** below:

Chart 1			
Project:	Cost	Storm Water	Sanitary Sewer
Valley View	\$330,800	43,600	287,200
Cherry Street Repair	82,000	82,000	
Totals	\$420,800	\$133,600	\$287,200

Sometimes an unplanned capital project is needed based on infrastructure deterioration and public need which could possibly be accomplished providing that other funding is available or existing funding can be reallocated. Two such projects (costs based on Delta 3 and Strand Memos) above are being proposed for 2020.

Provided in **Chart 2** is a summary of possible current funding sources for the above-mentioned projects:

Chart 2	Amount	Stormwater				Sanitary Sewer	
		Sidewalk	Paving	Park Shelters	Storm Water	Sewer Lagoon	Sewer Fund
2019 Bond (1)	\$150,000	\$25,000	\$50,000	\$75,000			
2020 Revenue (2)	55,000				\$55,000		
Cash Balance (3)	50,000			50,000			
Stormwater Total	255,000	\$25,000	\$50,000	\$125,000	\$55,000		
Cash Balance (4)	365,000					365,000	
2019 NAN (5)	65,000					65,000	
Sewer Total	430,000					\$65,000	\$365,000

- (1) Unspent 2019 Bond Proceeds related to committed but not contracted projects could be reallocated toward the stormwater capital cost.
- (2) Budgeted Stormwater Surplus of \$55,000 for 2020.
- (3) \$50,000 of designated cash for Warming House Improvement is available in the Capital Projects Fund.
- (4) The Sewer Fund cash balance at 12/31/20219 is \$365,000 and some could be applied toward Valley View Sewer.
- (5) Remaining 2019 NAN (Note Anticipation Note) for paving the lagoon at the WWTP site.

Although it could fiscally be possible to accomplish the projects mentioned in **Chart 1**; however, there are some concerns that should be considered:

- Stormwater:
 - It may not be reasonable to delay the projects or reallocate funds in which the 2019 Bond proceeds or cash balances were initially designated.
- Sewer:
 - It may not be fiscally prudent to spend down a large portion of the Sewer Cash Balance.
 - The project related to the reallocated 2019 NAN funds if still needed will have to be part of a future borrowing.

One alternative to consider would be a combination of applying some of the funding sources in **Chart 2** and borrowing funds locally or through the State Trust Fund loan since rates were just lowered. E.g. 2.5% with terms 2-5 years.

Borrowing more money may not be ideal but it is one option to consider and the benefits of borrowing locally or through the State Trust Fund include: Simple Process with Fast Approval; Competitive Fixed Interest Rates; No Fees; Custom Amortization Schedules Available; Flexibility to Restructure, if necessary and No Prepayment Penalties

Based on the alternative one possible option is shown in **Chart 3**:

		Stormwater			Sanitary Sewer		
Chart 3							
Project:	Cost	2019 Bonds	2020 Borrowing	2020 Revenue	2020 Borrowing	2019 NAN	Sewer Fund
Valley View	\$330,800	\$3,600	\$40,000		\$110,000	\$65,000	\$112,200
Cherry Street	82,000	27,000		55,000			
Totals	\$412,800	\$33,600	\$40,000	\$55,000	\$110,000	\$65,000	\$112,200

Summary

In summary, the proposed projects could be undertaken by applying other current fund sources; however, there are financial concerns such as other planned capital outlays would need to be delayed or possibly apply a large portion of sewer cash.

A better way perhaps but not still not the best would be to apply some of the current funding sources combined with a local or State Trust Fund borrowing. This alternative would provide adequate funding for the unbudgeted capital projects in which borrowed funds could be paid off early and allow the planned capital projects to stay on schedule.