

AGENDA
CITY OF STURGEON BAY
WATERFRONT REDEVELOPMENT AUTHORITY

Tuesday, July 8, 2014

2:00 p.m.

Community Room, City Hall
421 Michigan Street

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from May 29, 2014.
4. Consideration of: Appointment of Waterfront Design Review Board members.
5. Consideration of: Update regarding West Waterfront Redevelopment activities.
6. Convene in closed session in accordance with the following exemption:

Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. 19.85(1)(e).

Consideration of: Development proposal for West Side redevelopment project.

Move to reconvene in open session to take formal action upon preceding subject of closed session, if appropriate; or to conduct discussion or give further consideration where the subject is not appropriate for closed session consideration. The Authority may adjourn in closed session.

7. Consideration of: Review of updated TID #4 proformas.
8. Consideration of: TID #2 (Waterfront District) debt restructuring and borrowing for October 2014 payments.
9. Adjourn.

Thomas Herlache, Chair
William Galligan
Rick Wiesner
Joe Stutting
Ross Schmelzer
Cap Wulf
John Asher

2:00 p.m.
7/3/14
CN

WATERFRONT REDEVELOPMENT AUTHORITY

Friday, May 29, 2014

A meeting of the Waterfront Redevelopment Authority was called to order at 2:05 p.m. by Chairperson Tom Herlache in Community Room, City Hall, 421 Michigan Street.

Roll call: Members Joe Stutting, Ross Schmelzer, John Asher, Rick Wiesner, and Tom Herlache were present. Excused: Member William Galligan. Thomas Wulf entered the meeting at 2:07 p.m. Also present were City Administrator Steve McNeil, Mayor Thad Birmingham, DCEDC Executive Director Bill Chaudoir, Alderman Ron Vandertie, Community Development Director Marty Olejniczak, and Community Development Secretary Cheryl Nault.

Adoption of agenda: Moved by Mr. Asher, seconded by Mr. Schmelzer to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from May 2, 2014.
4. Convene in closed session in accordance with the following exemption:
Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. 19.85(1)(e).
Consideration of: Development proposal for West Side redevelopment project.
Move to reconvene in open session to take formal action upon preceding subject of closed session, if appropriate; or to conduct discussion or give further consideration where the subject is not appropriate for closed session consideration. The Authority may adjourn in closed session.
5. Consideration of: Philanthropic brochure of the waterfront redevelopment.
6. Consideration of: Agreement for professional services from Ayres Associates for environmental testing.
7. Consideration of: Update regarding West Waterfront Redevelopment activities.
8. Consideration of: Recommendation from Finance/Purchasing & Building Committee to market for sale the vacant lot at the corner of Pine Street and Madison Avenue.
9. Adjourn.

Carried.

Approval of minutes from May 2, 2014: Moved by Mr. Schmelzer, seconded by Mr. Asher to approve the minutes from May 2, 2014. All ayes. Carried.

Consideration of: Convene in closed session in accordance with the following exemption:

Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. 19.85(1)(e).

Consideration of: Development proposal for West Side redevelopment project.

Move to reconvene in open session to take formal action upon preceding subject of closed session, if appropriate; or to conduct discussion or give further consideration where the subject is not appropriate for closed session consideration. The Authority may adjourn in closed session.

After Chairperson Herlache announced the statutory basis, it was moved by Mr. Stutting, seconded by Mr. Asher to convene in closed session. All ayes. Carried. The meeting moved to closed session at 2:07 p.m.

Mr. Stutting left the meeting at 3:22 p.m.

Moved by Mr. Schmelzer, seconded by Mr. Herlache to reconvene in open session at 4:10 p.m.

Mr. Schmelzer left the meeting at 4:11 p.m.

Consideration of: Philanthropic brochure of the waterfront redevelopment: Mr. Olejniczak presented a brochure that was put together by Vandewalle & Associates to be used to send to organizations or foundations to secure money for the waterfront redevelopment project, including public improvements, grand pier, splash pad, benches, sculptures, etc.

Mr. Chaudoir stated that the purpose of the brochure is to get everyone excited about the project and the public space components.

The consensus of the Authority was to allow use of the philanthropic brochure for specific people or organizations, but not for the general public.

Consideration of: Agreement for professional services from Ayres Associates for environmental testing: Mr. Olejniczak explained that in order to gain a liability exemption under the Voluntary Party Liability Exemption (VPLE) program, the DNR is requiring additional soil and ground water sampling.

After a short discussion, it was moved by Mr. Wiesner, seconded by Mr. Asher to recommend to Council to approve the Agreement for Professional Services for Ayres Associates in the amount of \$37,000.00. All ayes. Carried.

Consideration of: Update regarding West Waterfront Redevelopment activities: Mr. Olejniczak stated that the sale of Applebees is scheduled to close tomorrow, depending on the financing for the proposed tenant.

The City still has an interested housing developer for the property on the corner of Maple Street and Madison Avenue, currently the Bayside Bargains resale shop.

There is a hotel chain that has shown interest in the waterfront redevelopment area.

The historical markers have been installed at Sawyer Park.

The Coast Guard has begun the construction of their storage building at Sawyer Park.

Consideration of: Recommendation from Finance/Purchasing & Building Committee to market for sale the vacant lot at the corner of Pine Street and Madison Avenue: Mr. Olejniczak stated that the vacant lot on the corner of Pine Street and Madison Avenue is owned by the Waterfront Redevelopment Authority. The WRA purchased that property as a relocation site for the Tire Center. The Tire Center did not need the entire property. WRA members discussed what could be done with the property. The Finance Committee recommended to place a for sale sign on the property and to notify past interested parties of the sale. The Assessor's opinion of value of the property is approximately \$55,000.00. Mr. Herlache said that a sale price has to be decided on before a for sale sign can be put up. Moved by Mr. Wulf, seconded by Mr. Asher to table. All ayes. Carried.

Adjourn: Moved by Mr. Wulf, seconded by Mr. Wiesner to adjourn. Carried. Meeting adjourned at 4:40 p.m.

Respectfully Submitted,



Cheryl Nault

Community Development Secretary



Memo

To: Waterfront Redevelopment Authority members
From: Marty Olejniczak, Community Development Director
Date: July 3, 2014
RE: Appointments to the Waterfront Design Review Board

The Waterfront Redevelopment Authority makes appointments to the Waterfront Design Review Board. The terms of Dr. Paulsen and James Goodwin expired. The Authority can reappoint them or find new members to appoint. Under the Waterfront Design Review Code, the board is comprised of representatives of specific constituencies and terms are for three years.

The current roster of WDRB members and the constituency they represent is as follows:

Waterfront Redevelopment Authority member: William Galligan (term expires 2016)
Professional planner, architect or engineer: James Goodwin (term expires 2014)
Merchant with business in the redevelopment area: Eric Paulsen (term expires 2014)
At-large representative: Shelly Kerwin (term expires 2015)
At-large representative: Dennis Statz (term expires 2015)

*note: Statz and Kerwin also qualify to represent merchants with business in the redevelopment area and could be moved into that category, if necessary.

Staff will contact Dr. Paulsen and Mr. Goodwin to see if they are interested in being reappointed.



Memo

To: Waterfront Redevelopment Authority members
From: Marty Olejniczak, Community Development Director
Date: July 3, 2014
RE: Revised TID #4 Proformas

The redevelopment plan for the West Waterfront Area continues to evolve, in particular due to the issue of the filled "public trust" lands. The anticipated value and timing of new construction has changed and we also have a better handle on awarded and potential grants. These changes impact the original financial proforma for Tax Incremental District #4 that is contained in the TID project plan. To get a better sense of where the redevelopment project stands, staff asked Baird to prepare some additional proformas incorporating the changes.

Proforma #1 makes the adjustments to the timing and value of the construction increment, projects costs, and grant revenue. As anticipated the TID falls short of recovering the expenditures in the allotted 27 years. It is projected to be about \$600,000 in the red.

Proforma #2 increases the value of the market building from \$500,000 to \$1 Million, which is the original proposed value prior to the issue with the public trust lands. The TID still falls about \$300,000 short of recovering its costs.

Proforma #3 makes an adjustment to the grant revenue. It includes an additional \$500,000 in either grants or donations. This proforma shows the TID recovering its expenses in the final year.

Proforma #4 has both adjustments (increase in value of market building and increase in grant or donation revenue). Under this scenario the TID recovers its expenditures in the second to last year.

There are several factors that could impact the financial performance. Staff will be able to discuss some of those factors at the July 8th Waterfront Redevelopment Authority meeting.

TID #4 – Updated parameters for proforma

<u>New Construction</u>	<u>Construction year</u>	<u>Valuation Year</u>	<u>Value</u>
Brewpub	2015	2016	\$2,500,000
Market	2015	2016	\$500,000
Maple St Apts – phase 1	2015	2016	\$3,000,000
Hotel	2016	2017	\$3,125,000
Maple St Apts – phase 2	2017	2018	\$3,000,000
Larch Street Condos	2017	2018	\$4,500,000

Expenses for Phase 1 development projects = \$3,218,000

- Less known & anticipated grants = \$864,750

Amount needed for projects (borrowing) = \$2,353,250

Expenses for Phase 2 development projects = \$3,775,000

- Less anticipated grants = \$200,000

Amount needed for projects (borrowing) = \$3,575,000

In the TID #4 project plan Note Anticipation Notes were issued first followed by G.O. Bonds. Assuming this strategy is still valid, the expected initial NAN borrowing would be Sept 1, 2014 for phase 1 and Sept 1, 2016 for phase 2.

Dated 6-3-14

City of Sturgeon Bay

Property Value Assumptions

TID#4 Detail

New Construction	Construction		Valuation		Projected Values		Base Value (Current Value)		Projected Increment Value	
	Year	Year	Year	Year	Assessed Value	Equalized Value	Assessed Value	Equalized Value	Assessed Value	Equalized Value
Brew Pub (F)	2015	2016	2015	2016	\$2,500,000	\$2,426,306	\$0	\$0	\$2,500,000	\$2,426,306
Granary Market (D)	2015	2016	2015	2016	\$500,000	\$485,261	\$53,793	\$52,207	\$446,207	\$433,054
Maple Street Apartments - Phase 1 (E)	2015	2016	2015	2016	\$3,000,000	\$2,911,567	\$207,500	\$201,383	\$2,792,500	\$2,710,184
Hotel (D)	2016	2017	2016	2017	\$3,125,000	\$3,032,882	\$336,207	\$326,296	\$2,788,793	\$2,706,586
Maple Street Apartments - Phase 2 (E)	2017	2018	2017	2018	\$3,000,000	\$2,911,567	\$0	\$0	\$3,000,000	\$2,911,567
Larch Street Condos (A)	2017	2018	2017	2018	\$4,500,000	\$4,367,350	\$856,500	\$831,252	\$3,643,500	\$3,536,098
					\$16,625,000	\$16,134,934	\$1,454,000	\$1,411,139	\$15,171,000	\$14,723,794

TID#2 Detail

ID Existing Parcel Name	1994 (Original) Value		Current Value		2013 Increment Value	
	Assessed Value	Equalized Value	Assessed Value	Equalized Value	Assessed Value	Equalized Value
A Harbor Place LLC	\$151,200	\$179,313	\$856,500	\$831,252	\$705,300	\$651,939
B SB Waterfront RDA	\$0	\$0	\$0	\$0	\$0	\$0
C SB Waterfront RDA	\$0	\$0	\$0	\$0	\$0	\$0
D Freedom Bank	\$348,700	\$414,152	\$875,500	\$849,692	\$526,800	\$435,540
E Vegetable Truck LLC	\$136,400	\$161,615	\$207,500	\$201,383	\$71,100	\$39,769
F City of Sturgeon Bay	\$0	\$0	\$0	\$0	\$0	\$0
	\$636,300	\$755,080	\$1,939,500	\$1,882,328	\$1,303,200	\$1,127,248

Notes:

City of Sturgeon Bay 2013 Aggregate Ratio is 1.030373003.
 City of Sturgeon Bay 1994 Aggregate Ratio is 0.8492 for land and 0.8408 for improvements.
 Used adjusted property value for Freedom Bank of \$390,000 for base value (Granary & Hotel) in TID#4 proforma.
 Used current property value for Freedom Bank of \$875,500 in TID#2 Proforma.

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Projected Incremental Value - Granary Market Value Adjustment Only

Proforma #2

City of Sturgeon Bay Tax Incremental District No. 4 (New) Cash Flow Proforma Analysis

Assumptions

Annual Inflation During Life of TID: 1.00%

2013 Gross Tax Rate (per \$1000 Equivalized Value): 223.55

2013 Investment Tax Rate: 0.50%

Investment Rate: 0.50%

Data above dashed line are actual

Year	Background Data				Revenues				Expenditures				TID Statistics	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
2013	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2029	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2030	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2032	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2035	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2036	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2037	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2038	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2039	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2040	\$1,411,139	\$144,113	\$5,015,237	\$24,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Types of TID: Blight Elimination

2013 TID Inception

2015 Final Year or Incur TID Related Costs

2040 Maximum Legal Life of TID (27 Years)

(1) Increment per City Estimate.

(2) 2014 tax rate reflects an \$0.83 adjustment due to Wisconsin Act 145. This will increase state aid to technical college districts lowering levy amounts.

Example	Example	Example	Example
2014	2016	2017	2019
Amount for RAI payoff: \$2,480,000			
Cost of Insurance (est.): \$49,900			
Net Proceeds: \$2,430,100	Net Proceeds: \$2,430,100	Net Proceeds: \$2,430,100	Net Proceeds: \$2,430,100
Less: Estimated Growth: (\$564,250)			
Net Proceeds: \$1,865,850	Net Proceeds: \$1,865,850	Net Proceeds: \$1,865,850	Net Proceeds: \$1,865,850



Projected Incremental Value - Grant Adjustment Only

Proforma #3

City of Sturgeon Bay Tax Incremental District No. 4 (New) Cash Flow Proforma Analysis

Assumptions

Annual Inflation During Life of TID: 1.00%

2013 Grant Tax Rate (per \$1000 Equalized Value): \$23.55

Grant Term: 20 Years

Investment Rate: 0.50%

Other: Above defined line are actual

Year	Background Data				Revenues			Expenditures						TID Status			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2013	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2014	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2015	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2016	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2017	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2018	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2019	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2020	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2021	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2022	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2023	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2024	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2025	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2026	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2027	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2028	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2029	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2030	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2031	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2032	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2033	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2034	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2035	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2036	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2037	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2038	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2039	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
2040	\$1,411,139	\$24,411	\$5,559,543	\$14,111	\$22,656	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0
	\$3,991,561	\$44,723,794	\$18,065,537	\$5,435	\$6,076,013	\$0	\$0	\$2,480,000	\$20,500,000	\$2,480,000	\$134,138	\$134,138	\$138,000	\$187,031	\$187,031	\$0	\$0

(1) Increment per City Estimate
(2) 2014 tax rate reflects an 80.59 adjustment due to Wisconsin Act 145. This will increase state aid to technical college districts having key amounts.



Projected Incremental Value - Reflects Both Adjustments

Proforma #4

City of Sturgeon Bay Tax Incremental District No. 4 (New) Cash Flow Proforma Analysis

Assumptions

Annual Inflation During Use of TID: 1.00%

2014 Option Tax Rate (per \$1000 Equivalized Value): \$33.55

Investment Rate: 0.50%

Date above dashed line are actual

Year	Background Data				Revenues				Expenditures				TID Status					
	(1) TIF District Valuation (January 1) Base Value \$1,113,139	(2) Inflation Increment	(3) Construction Increment (1)	(4) TIF Payment Over Base (2)	(5) Tax Revenues	(6) Investment Revenues	(7) Total Revenues	(8) Principal Payments (4/1, 10/1) AVG= 2.00%	(9) Debt Service (4/1, 10/1) AVG= 2.00%	(10) Principal Payments (4/1, 10/1) AVG= 2.00%	(11) Debt Service (4/1, 10/1) AVG= 2.00%	(12) Principal Payments (4/1, 10/1) AVG= 3.50%	(13) Debt Service (4/1, 10/1) AVG= 3.50%	(14) Combined Expenditures	(15) Annual Balance	(16) Year-End Cumulative Balance (December 31)	(17) Cost Recovery	
2013	\$1,411,139	\$44,411	\$5,015,213	\$14,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2014	\$1,428,213	\$17,074	\$2,746,137	\$8,684,392	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$139,000	\$139,000	
2015	\$1,445,287	\$17,074	\$5,447,665	\$15,414,721	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$278,000	\$278,000	
2016	\$1,462,361	\$17,074	\$8,149,193	\$20,389,102	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$417,000	\$417,000	
2017	\$1,479,435	\$17,074	\$10,850,721	\$25,363,483	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$556,000	\$556,000	
2018	\$1,496,509	\$17,074	\$13,552,249	\$30,337,864	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$695,000	\$695,000	
2019	\$1,513,583	\$17,074	\$16,253,777	\$35,312,245	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$834,000	\$834,000	
2020	\$1,530,657	\$17,074	\$18,955,305	\$40,286,626	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$973,000	\$973,000	
2021	\$1,547,731	\$17,074	\$21,656,833	\$45,261,007	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$1,112,000	\$1,112,000	
2022	\$1,564,805	\$17,074	\$24,358,361	\$50,235,388	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$1,251,000	\$1,251,000	
2023	\$1,581,879	\$17,074	\$27,059,889	\$55,209,769	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$1,390,000	\$1,390,000	
2024	\$1,598,953	\$17,074	\$29,761,417	\$60,184,150	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$1,529,000	\$1,529,000	
2025	\$1,616,027	\$17,074	\$32,462,945	\$65,158,531	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$1,668,000	\$1,668,000	
2026	\$1,633,101	\$17,074	\$35,164,473	\$70,132,912	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$1,807,000	\$1,807,000	
2027	\$1,650,175	\$17,074	\$37,866,001	\$75,107,293	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$1,946,000	\$1,946,000	
2028	\$1,667,249	\$17,074	\$40,567,529	\$80,081,674	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$2,085,000	\$2,085,000	
2029	\$1,684,323	\$17,074	\$43,269,057	\$85,056,055	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$2,224,000	\$2,224,000	
2030	\$1,701,397	\$17,074	\$45,970,585	\$90,030,436	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$2,363,000	\$2,363,000	
2031	\$1,718,471	\$17,074	\$48,672,113	\$95,004,817	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$2,502,000	\$2,502,000	
2032	\$1,735,545	\$17,074	\$51,373,641	\$100,000,000	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$2,641,000	\$2,641,000	
2033	\$1,752,619	\$17,074	\$54,075,169	\$105,000,000	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$2,780,000	\$2,780,000	
2034	\$1,769,693	\$17,074	\$56,776,697	\$110,000,000	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$2,919,000	\$2,919,000	
2035	\$1,786,767	\$17,074	\$59,478,225	\$115,000,000	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$3,058,000	\$3,058,000	
2036	\$1,803,841	\$17,074	\$62,179,753	\$120,000,000	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$3,197,000	\$3,197,000	
2037	\$1,820,915	\$17,074	\$64,881,281	\$125,000,000	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$3,336,000	\$3,336,000	
2038	\$1,837,989	\$17,074	\$67,582,809	\$130,000,000	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$3,475,000	\$3,475,000	
2039	\$1,855,063	\$17,074	\$70,284,337	\$135,000,000	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$3,614,000	\$3,614,000	
2040	\$1,872,137	\$17,074	\$72,985,865	\$140,000,000	\$30	\$0	\$30	\$59,733	\$59,733	\$0	\$139,000	\$139,000	\$139,000	\$139,000	\$0	\$3,753,000	\$3,753,000	
	\$4,113,560	\$13,209,035	\$8,365,031	\$7,070	\$6,972,902	\$2,480,000	\$129,133	\$2,609,133	\$3,280,000	\$156,883	\$3,436,813	\$2,555,000	\$1,954,963	\$3,659,766	\$3,323,000	\$1,493,031	\$4,820,031	\$8,213,010

(1) Increment per City Estimates.
(2) 2014 tax rate reflect an \$0.69 adjustment due to Wisconsin Act 15. This will increase state aid to municipal college districts lowering levy amounts.



EXECUTIVE SUMMARY

TITLE: TID #2 (Waterfront District) Debt Restructuring and Borrowing for October 1, 2014 Payments

- New Issue - \$1,305,000 General Obligation Refunding Bonds

BACKGROUND: The tax increments generated in 2014 for TID #2 are not enough to fully support the scheduled debt payments. The City has the option to either restructure the 2014 TID #2 debt through an additional borrowing or support the debt payments with general fund dollars. Restructuring the 2014 TID #2 debt and borrowing for the October 1, 2014 debt payments would give the City an additional eleven years to recover its debt costs. Even with the additional financing the TID will still close approximately five years prior to its expiration date.

FISCAL IMPACT: There is no fiscal impact on the General Fund of the City. The estimated present value impact to Tax Increment District 2 is (\$2,615). The exact impact will be determined on August 19, 2014, the day of the competitive sale, at which time the interest rates on the debt issuance will be known.

RECOMMENDATION: Recommend to the Common Council that the City proceed to work with Robert W. Baird to restructure the 2014 TID #2 debt and borrow for the October, 1, 2014 debt payments.

PREPARED BY: Valerie J. Clarizio 6/27/14
 Valerie J. Clarizio Date
 Finance Director/City Treasurer

REVIEWED BY: Marty Olejniczak 6/27/14
 Marty Olejniczak Date
 Community Development Director

APPROVED BY: Stephen McNeil 6/27/14
 Stephen McNeil Date
 City Administrator



City of Sturgeon Bay

TID#2 Debt Restructuring and Borrowing for October 1, 2014 Payments

July 8, 2014

Bradley D. Viegut, Managing Director

bviegut@rwbaird.com

414.765.3827



City of Sturgeon Bay

TID #2 DEBT RESTRUCTURING AND BORROWING FOR OCTOBER 1, 2014 PAYMENTS

July 8, 2014

New Issue.....\$1,305,000 General Obligation Refunding Bonds

- TID #2 Debt Restructuring
- Funds \$1,260,000 of the October 1, 2014 principal payment due on the 2006 RDA Lease Revenue Refunding Bonds
 - Estimated Present Value Impact: -\$2,615

Interest PaymentsSemi-annually beginning April 1, 2015

Principal Payments.....October 1, 2024 through October 1, 2025

Call ProvisionsOctober 1, 2023

Timeline:

- Finance Committee and Waterfront Redevelopment Authority consider plan of financeJuly 8, 2014
- City Council considers Initial ResolutionJuly 15, 2014
- City Staff and Baird take the necessary steps to issue bonds
 - Prepare Disclosure Statement (“Official Statement”)
 - Secure Moody’s Rating
 - Market the Bonds
 - Accept bids from Bond Underwriters
- City Council adopts Award Resolution.....August 19, 2014
 - Finalizes terms of the Bonds

City of Sturgeon Bay

TID #2 DEBT RESTRUCTURING AND BORROWING FOR OCTOBER 1, 2014 PAYMENTS

July 8, 2014

Example Refinancing Issue – TID #2

\$1,305,000 **G.O. REFUNDING BONDS**

Dated September 9, 2014

(First interest 4/1/15)

YEAR	PRINCIPAL (10/1)	INTEREST (4/1 & 10/1) TIC= 3.07%	TOTAL
2015		\$42,418	\$42,418
2016		\$39,975	\$39,975
2017		\$39,975	\$39,975
2018		\$39,975	\$39,975
2019		\$39,975	\$39,975
2020		\$39,975	\$39,975
2021		\$39,975	\$39,975
2022		\$39,975	\$39,975
2023		\$39,975	\$39,975
2024	\$645,000	\$39,975	\$684,975
2025	\$660,000	\$20,625	\$680,625
	<u>\$1,305,000</u>	<u>\$422,818</u>	<u>\$1,727,818</u>

Sources and Uses of Funds

Sources of Funds	
Par Amount of Bonds	\$1,305,000
Reoffering Premium	\$13,005
Total Sources	<u><u>\$1,318,005</u></u>
Uses Of Funds	
Deposit to Current Refunding Fund	\$1,260,000
Financial Advisory Fee	\$17,500
Underwriter's Discount	\$13,050
Rating Agency Fee	\$10,500
Bond Counsel Fee	\$8,500
Rounding Amount	\$3,330
Official Statement Printing & Distribution	\$4,800
Fiscal Agent Fee	\$325
Total Uses	<u><u>\$1,318,005</u></u>

City of Sturgeon Bay

TID #2 DEBT RESTRUCTURING AND BORROWING FOR OCTOBER 1, 2014 PAYMENTS

July 8, 2014

TID #2 Debt Service

YEAR	<u>PRE-2011</u>	<u>FINAL</u>	<u>FINAL</u>	<u>FINAL</u>	<u>PRELIMINARY</u>	<u>AFTER</u>
	<u>REFINANCING</u>	IMPACT OF 2011 REFINANCING (REDUCTION)/ INCREASE	IMPACT OF 2012 REFINANCING (REDUCTION)/ INCREASE	IMPACT OF 2013 REFINANCING (REDUCTION)/ INCREASE <i>(uniform savings)</i>	IMPACT OF 2014 REFINANCING (REDUCTION)/ INCREASE	<u>REFINANCING</u>
	<u>TOTAL P&I</u>					<u>TOTAL P&I</u>
2011	\$2,437,022	(\$1,942,658)				\$494,364
2012	\$2,520,208	\$52,712	(\$2,054,251)			\$518,669
2013	\$2,542,398	\$48,658	\$64,113			\$2,655,168
2014	\$2,535,011	\$48,658	\$51,750	\$776	(\$1,260,000)	\$1,376,194
2015	\$2,553,680	\$48,658	\$51,750	(\$25,918)	\$42,418	\$2,670,588
2016	\$2,542,356	\$48,658	\$51,750	(\$21,718)	\$39,975	\$2,661,021
2017	\$2,537,933	\$48,658	\$51,750	(\$23,593)	\$39,975	\$2,654,723
2018	\$3,048,668	\$48,658	\$51,750	(\$19,953)	\$39,975	\$3,169,098
2019	\$2,531,936	\$48,658	\$51,750	(\$23,820)	\$39,975	\$2,648,498
2020	\$2,534,388	\$48,658	\$51,750	(\$21,133)	\$39,975	\$2,653,638
2021	\$1,561,043	\$1,028,658	\$51,750	(\$23,913)	\$39,975	\$2,657,513
2022	\$56,706	\$1,030,628	\$1,071,750		\$39,975	\$2,199,058
2023	\$56,706		\$1,076,250		\$39,975	\$1,172,931
2024	\$56,706				\$684,975	\$741,681
2025	\$56,705				\$680,625	\$737,330
2026	\$19,008					\$19,008
	<u>\$27,590,474</u>	<u>\$558,600</u>	<u>\$571,861</u>	<u>(\$159,269)</u>	<u>\$467,818</u>	<u>\$29,029,484</u>

