

ALEX A. DALLMAN

STATE REPRESENTATIVE • 41ST ASSEMBLY DISTRICT

Testimony in favor of Assembly Bill 227

Assembly Committee on Ways and Means

June 8th, 2021

Thank you, Chairman Macco and committee members, for allowing me to testify before you concerning Assembly Bill 227 relating to extending the time during which tax increments may be allocated and expenditures for project costs may be made for Tax Incremental District Number 2 in the city of Wisconsin Dells and extending the time during which expenditures for project costs may be made for Tax Incremental District Number 3 in the city of Wisconsin Dells. I would also like to thank Senator Ballweg for her leadership in working with me on this important piece of legislation.

Under current law, the expenditure period for TID #2 will end in 2022 and the life of the district will end in 2031. This bill would allow TID #2 to extend the district's expenditure period to 2031 and its life to 2036. TID #3 will terminate in 2045, but its expenditure period has ended already. We would like to extend the expenditure period through 2040.

This specific piece of legislation will help the Wisconsin Dells attract private sector development, therefore helping to continue to recover from the COVID-19 impact on the tourism industry. In the TID #2 area, we are seeing new developments being made, such as the construction of a new high school which I had the opportunity to recently tour, a new apartment complex, and a new commercial development in the State Trunk 13 corridor. Due to the expenditure period ending in May 2020 for TID #3, it has been extremely hard for the city to gather development. The city has remained confident that if this legislation were to pass, TID #3 would be suitable for future development and is very important to the local area.

A similar piece of legislation was passed last session for the Village of Lake Delton, which provides a major economic impact to the Wisconsin Dells area as well. It is vital that we continue to help this corridor of the state which has been so greatly impacted by the COVID-19 pandemic and plays a key role in our local and state economies.

Members of the committee, thank you again for the opportunity to testify before you today and I would be happy to answer any questions you may have.



JOAN BALLWEG

STATE SENATOR · 14TH SENATE DISTRICT

Assembly Bill 227: Extension of Wisconsin Dells TIDs
Assembly Committee on Ways and Means
Testimony of Senator Joan Ballweg
June 8, 2021

Good morning, members of the committee, and thank you for hearing this important piece of legislation.

The City of Wisconsin Dells through two of their Tax Incremental Districts (TIDs) is making long-term investments in its infrastructure to attract private development so it can maintain its status as a preeminent tourist destination for years to come. Each year, the Dells, which includes the City of Wisconsin Dells and Village of Lake Delton, welcomes over 4 million visitors and contributes an estimated \$35.7 million in state sales tax revenue and \$8.9 million in local premier resort tax revenue from tourism related activities. It is a significant contributor to Wisconsin's tourism industry, which generates \$22.2 billion in annual tourism-related sales and \$1.6 billion in state & local tax revenue.

In the City of Wisconsin Dells, two TIDs are at critical junctures in their lifespans. The expenditure period of TID #2 will expire in 2022 and the life of the district will end in 2031. TID #3 will terminate in 2045, but its expenditure period has already expired. First, AB 297 will extend the expenditure period for TID #2 to 2031 and its life to 2036. Second, it will extend the expenditure period for TID #3 through 2040.

TID #2 is on the west side of the Wisconsin Dells in Sauk County between I90-94 and the Wisconsin River, and there is substantial opportunity to add new growth to the area. That area is seeing developments such as a new Wisconsin Dells High School, a 150-unit apartment building, and commercial development in the State Trunk 13 corridor. The city is investing about \$6.6 million into new infrastructure, but since the expenditure period terminates in 2022, it is difficult to attract private investors who need time to do project development and a longer-term commitment from the city.

TID #3 is located both in Adams and Columbia counties, and it is adjacent to the Wisconsin River and Chula Vista Resort. It was created with the original purpose to connect the development in the STH 13 North corridor, but it became severely distressed when the 2008 recession hit. While the life of the district was extended to 2045 after being declared distressed, the expenditure period ended in May 2020, making it difficult for the city to encourage development.

The Wisconsin Dells Joint Review Board passed a resolution in support of this legislation on March 8th, and there are several stakeholders providing testimony today in support of extending these TIDs. Thank you for your consideration of AB 227, and I am happy to answer any questions.

City of Wisconsin Dells - TID No. 2 – Facts

- Blighted TID - Created in November 2000 – 27 years
- Termination scheduled November 2031 (Standard extension received, 4 years)
- Expenditure Period closes November 2022
- TID 2 Fund Balance 12/31/20 - \$8,075,242
- Debt Service - \$6,600,000

Request: Extend the life of TID 2 to November 2036, extend expenditure period to November 2031

TID #2 was created in 2000 and amended in 2006 to add additional projects to the plan. TID #2 completed several successful projects in the first five years adding \$19 million in value. Once the recession hit in 2008 the TID stalled. The TID continued to make its debt payments and added a small amount of cash each year, but did not see any substantial new growth until 2016 when Mirus Partners/Movin Out constructed 72 units of workforce housing within the district. In 2018 the School District of Wisconsin Dells passed a resolution to build a new high school which borders TID #2. That same year, the City started working with HELUGUS, LLC to develop 80 acres of TID #2 land off I-90/94 at Exit 87. The City recently signed a developer's agreement with Stony Acres, LLC to construct 150 units of housing in this corridor which is currently under construction and set to open in September of this year. The TID is investing \$6.6 million in infrastructure including a lift station to service this area, new roadways and a multi-use trail that will connect residents from the Village of Lake Delton to the new high school. Travel Mart, Inc. has purchased property in the Exit 87 corridor and Kwik Trip, Inc. will be constructing a 10,500 sq ft service station to include a car wash in the fall of 2021.

This TID is located directly off of Interstate I-90/94 at Exit 87 and is the gateway to the Dells River Arts District in downtown Wisconsin Dells. The area serves 4 million annual visitors and an estimated 42,000 residents who live year-round in Wisconsin Dells, Lake Delton, Baraboo, Reedsburg, Portage and Mauston. The potential for growth in this corridor is endless if given the time it needs.

City of Wisconsin Dells - TID No. 3 – Facts

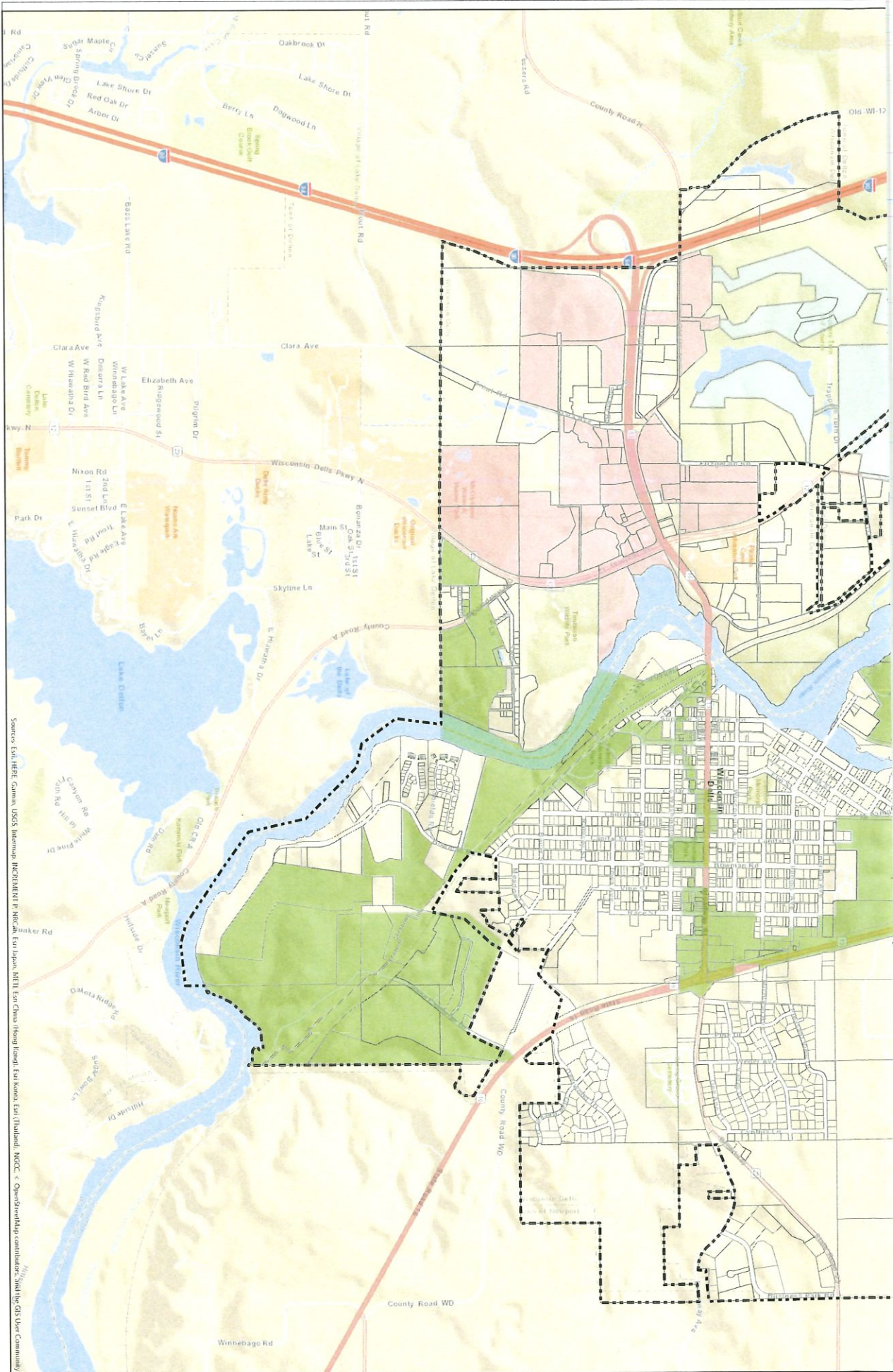
- Mixed Use TID - Created in May 2005 – 20 years
- Termination scheduled May 2045 (Declared Severely Distressed in 2012, added 20 years)
- Expenditure Period closed May 2020
- TID 3 Fund Balance 12/31/20 - \$4,071,752
- Debt Service - \$13,655,000

Request: Extend the expenditure period of TID 3 to May 2040

TID No. 3 - TID #3 was created in 2005 and amended in 2006 to add additional parcels and new projects. In 2008-2011 this TID was hit especially hard in the recession when many of the planned developments fell through and projects failed. This caused the City to declare the TID severely distressed in 2012. Since this time, the City was able to refinance all of the TID #3 debt allowing the district to meet its debt obligations and even build a cash surplus. This put the City in a great position to start to accomplish the original projects approved in the Project Plan. Our active development projects within the district include Mirus Partners/Movin Out constructing a 60 unit workforce housing development, Kwik Trip constructing a 10,500 sq ft service station to include a car wash. Tommy Thompson and Mary Panzer recently completed their first phase of the senior living community known as Riverwood Eagles Nest in the TID and has the potential to add an additional \$25 million in new value if they are able to continue to grow. The City is also working with a local developer on an outdoor amusement park on 100 acres of riverfront property known as the Grand Cambrian property.

As you can see the City has put in a lot of effort to making these districts a success story. But we need time to continue to grow to realize each district's true potential. And without the ability to provide infrastructure or incentive within the district we will lose our momentum that is has taken so long to achieve.

Thank you for your consideration.
Karen Terry
Administrative Coordinator
City of Wisconsin Dells



TIF #2 - Pink

TIF #3 - Green

TIF #4 - Blue

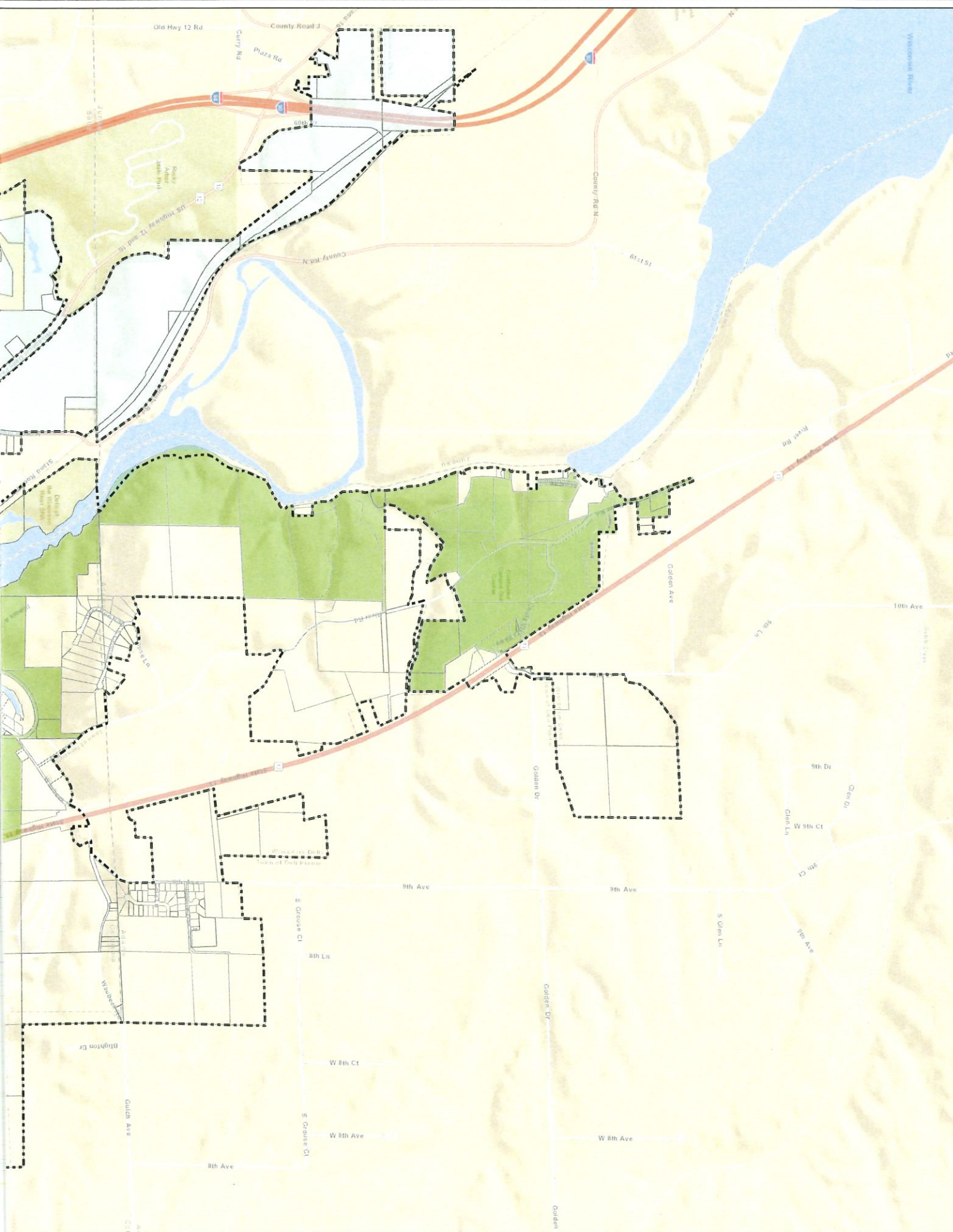
TIF District Map

Wisconsin Dells, WI

Data Sources: Base Map data: Adams, Columbia, Jureau & Sank Counties
MSA Professional Services

File: MSA\GIS\MapDocs\GIS\MapDocs\TIF District Map.mxd

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MEMORANDUM:

June 8, 2021

TO: Representative Alex Dallman, Senator Joan Ballweg and Governor Tony Evers

FROM: Terry Slack – School District of Wisconsin Dells Administrator

RE: City of Wisconsin Dells TIF District Legislation

Cc: Mayor Edward Wojnicz – City of Wisconsin Dells

Position Statement – As the School District of Wisconsin Dells (SDWD) Administrator, and a member of the Wisconsin Dells Area Tax Incremental District Joint Review Board, I fully support the proposed 2021 Bill lengthening the time during which **1)** tax increments may be allocated and **2)** expenditures for project costs may be made and **3)** extending the maximum life for Tax Incremental Districts Number Two & Three in the City of Wisconsin Dells.

Background Note – The School District of Wisconsin Dells has long been limited on state school aid due to the high equalized value of the community. Additionally, as an economic indicator, 56% of all SDWD students qualify for free or reduced lunch programs. The ongoing efforts of the City of Wisconsin Dells in maximizing the overall effectiveness of TID #2 and TID #3, has had a positive effect on the school district budget and program growth affiliated with student needs.

Community Investment – The current City of Wisconsin Dells leadership team has invested, and continues to invest, in the infrastructure of the community. In fact, a substantial investment has been used to create bicycle paths and multiuse pathways to assist students who have limited transportation, but have independent transportation needs, to arrive safely and on time at their respective school. This is but one example of how the School District of Wisconsin Dells has been supported by the City of Wisconsin Dells.

In Summary – Please join me in support of extending the life of the City of Wisconsin Dells TID #2 and TID #3 as it positively impacts the School District of Wisconsin Dells' ability to improve student learning. The SDWD applauds the efforts of the City of Wisconsin Dells and this move will only ensure the city for future economic and tax base growth which will indirectly assist the district moving forward. We are proud to partner with the City of Wisconsin Dells on this proposed measure. Should you, or your staff, have any additional questions, or need further detail, do not hesitate to contact me directly at my office (608) 254-7769 x-6026. Thank you in advance for your time and attention to this vital piece of legislation.