



**JOAN BALLWEG**

STATE SENATOR • 14<sup>TH</sup> SENATE DISTRICT

Senate Bill 252: Extension of Wisconsin Dells TIDs  
Senate Committee on Government Operations, Legal Review and Consumer Protection  
Testimony of Senator Joan Ballweg  
September 29, 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 and local tax revenue.

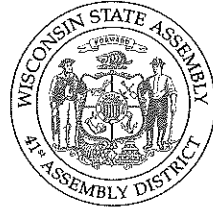
In the City of Wisconsin Dells, two TIDs are at critical junctures in their lifespans. The expenditure period of TID #2 will expire in 2022 and the life of the district will end in 2031. TID #3 will terminate in 2045, but its expenditure period has already expired. Senate Bill (SB) 252 will extend the 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 Interstate 90/94 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.

TID #3 is located in Adams, Columbia, and Sauk 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 Dell's Joint Review Board passed a resolution in support of this legislation earlier this year on March 8<sup>th</sup>, and there are several stakeholders providing testimony today in support of extending these TIDs.

Thank you for your consideration of SB 252.



# ALEX A. DALLMAN

STATE REPRESENTATIVE • 41<sup>ST</sup> ASSEMBLY DISTRICT

## Testimony in favor of Senate Bill 252

*Senate Committee on Government Operations, Legal Review and Consumer Protection*

September 29<sup>th</sup>, 2021

Thank you, Chairman Stroebel and committee members, for allowing me to testify before you concerning Senate Bill 252 relating to Tax Incremental District Number 2 and 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 continue to attract private sector development. In the TID #2 area, we are seeing new developments being made, such as the construction of a new high school complex, which I had the opportunity to recently tour, several new workforce housing projects, 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 difficult for the city to execute development opportunities, despite interest from developers. The city has remained confident that if this legislation were to pass, TID #3 would be suitable for future development that is very important to the local area and economy.

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. The overall Wisconsin Dells tourism economy contributed \$35.7 million in state taxes and \$8.9 million in local premier resort tax revenue each year. It is vital that we continue to help this corridor of the state which 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.



**Senate Bill 252: Extension of Wisconsin Dells TIDs**  
**Senate Committee on Government Operations, Legal Review and Consumer Protection**  
Testimony of Karen Terry, Administrative Coordinator  
City of Wisconsin Dells  
September 29, 2021

**City of Wisconsin Dells - TID No. 2**

- Blighted TID - Created in November 2000 – 27 years
- Termination scheduled November 2031 (Standard extension received, 4 years)
- Expenditure Period closes November 2022
- Debt Service - \$6,135,000

**Request: Extend the life of TID 2 through 2036, extend expenditure period to through 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 referendum 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, resulting in Stony Acres, LLC constructing 150 units of housing in this corridor which is currently under construction and set to open in November 2021. The TID invested \$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. Kwik Trip, Inc. is currently constructing a 10,500 sq. ft service station to include a car wash to be complete in December 2021. Mike Kaminski of Hulbert Creek Lodge is looking to expand the AmericInn to include an additional 48 guest rooms, add a full-service restaurant, a 15,000 sq. ft conference center, and a museum adding \$12 million of new value.

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.

**City of Wisconsin Dells - TID No. 3**

- 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
- Debt Service - \$13,655,000

**Original Request: Extend the expenditure period of TID 3 through 2040**

As part of the legislative processes the City reexamined every possible solution to close the TID early. It was determined the City could close TID 3 by the end of 2036. We came to this conclusion by reviewing the obligations of the TID that are currently in place. Two major factors were the development agreements that had been signed before the expenditure period closed, and the outstanding debt in the TID.

In 2017 the City executed a developer's agreement with Riverwood Eagle's Nest for the first phase of their development with expansion options as follows:

Phase 1A – Complete (\$10.5 million new value added in 2021) – Pay-go through 2030

Expansion Options:

Phase 1B – 10 year Pay-go estimated through 2032 (\$8.9 estimated new value)

Phase 2 – 10 year Pay-go estimated through 2034 (\$15 estimated new value)

Phase 3 – 10 Year Pay-go estimated through 2036 (\$6.75 estimated new value)

TID 3 - Debt Service obligations expire in 2032.

**Modified Request: Extend the expenditure period of TID 3 through 2031, terminate the life of TID 3 on December 31, 2036**

This modified request terminates the expenditure period nine years earlier than the original legislation, and it ends the life of the TID nine years earlier than current law to return the land back to the property tax rolls sooner.

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 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.

In April 2020, the City discovered that Department of Revenue (DOR) made an error when recording the TID with the State. The DOR incorrectly coded TID 3 as a Blighted TID expiring May 2032 when it should have been a Mixed-Use TID expiring in May 2025. Blighted TIDs are allowed 27 years and Mixed-use TIDs are allowed 20 years. The wrong close date for the TID had been documented by the State and detailed on annual reports generated by the DOR for 14 years before the City found an inconsistency and questioned the DOR. This means the City thought we had seven more years to engage in new development, when in fact the expenditure period ended in May 2020. This was devastating to discover 30 days before the period closed and at the start of the pandemic, leaving the City no time to prepare for the closure.

Our active development projects within TID #3 include Mirus Partners/Movin Out constructing a 60-unit workforce housing development scheduled to be open October 2021. Kwik Trip is constructing a second service station to be completed by September 2021. Tommy Thompson and Mary Panzer recently completed the first phase of the senior living community known as Riverwood Eagles Nest and have plans to add an additional \$30 million in new value with future phases. Dustin Curley of LAJALI LLC has committed to a new attraction in the district that includes electric go-carts and a mini golf course.

IKWE Development has plans to construct townhomes and apartments on the golf course at Chula Vista to include small scale retail, a gas station, fast food and hotel. This site is crippled by a blighted building and in need of infrastructure the TID could provide.

Adam Makowski of RRAD Development LLC has plans to construct an outdoor amusement park, 300 units of overnight lodging, and a restaurant on 100 acres of riverfront property known as The Land of Natura. This site is not served with water, sewer or commercial electricity and needs the help from the TID to install these services.

These are shovel ready projects that need the support of the TID to make them happen. We have several other developers, such as Chula Vista Resort, that have presented the City with expansion plans, but have not moved out of the design phase because they need TID dollars. Without the TID, we do not have the ability to provide infrastructure or the incentive that is needed to developers.

The Joint Review Board, which each taxing jurisdiction is represented on, supports the extension of both tax increment districts (see attached resolution). If granted these extensions, we will be able to close both TID 2 and TID 3 in 2036 and add over \$200 million in new tax base. The debt schedules and existing developer agreements prohibit us from closing these districts earlier. In addition, these projects will add new tourism revenue with state, local, and lodging taxes.

Thank you for your consideration.

Karen Terry - Administrative Coordinator

[kterry@dellscitygov.com](mailto:kterry@dellscitygov.com) (608)254-2012

JOINT REVIEW BOARD  
RESOLUTION IN SUPPORT OF TIME EXTENSIONS TO TAX INCREMENT DISTRICTS NO. 2 & 3  
RESOLUTION NO. 5231e  
CITY OF WISCONSIN DELLS

WHEREAS, Tax Incremental Financing (TIF) permits Municipalities to assist and incentivize development without burdensome direct public expenditures; and

WHEREAS, the City of Wisconsin Dells has used and will continue to use TIF as an integral component of targeted development initiatives; and

WHEREAS, State Tax Increment Law provides that TIF efforts are limited by one-size-fits-all expenditure periods related to the date of the creation of the Tax Increment District (TID); and

WHEREAS, the expenditure period for the City of Wisconsin Dells TID #2 will soon end and the expenditure period for TID #3 has closed; and

WHEREAS, the City of Wisconsin Dells had requested relief from the strict application of State Law to address the unique circumstances of the City of Wisconsin Dells; and

WHEREAS, Governor Evers, Senator Ballweg and Representative Dallman have proposed State Law changes to extend the life and expenditure period for TID #2 and to extend the expenditure period of TID #3; and

WHEREAS, those State Law changes will allow the City of Wisconsin Dells to provide focused assistance and incentives; and

WHEREAS, the Joint Review Board has been made aware of the proposed State Law changes to extend the expenditures period and has determined that they will:

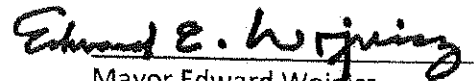
Provide public benefits and promote the legitimate public interests of the City and local taxation Entities; i.e. Counties, School Districts and Technical College District.

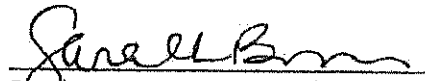
NOW THEREFORE, BE IT RESOLVED that the City of Wisconsin Dells Tax Increment District Joint Review Board supports the State Law changes to extend the life of TID #2 until 2036 with the expenditure life until 2031 and to extend the TID #3 expenditure period until 2040; and

BE IT FURTHER RESOLVED that the Joint Review Board applauds the bi-partisan TID relief effort and encourages support of this Legislation to provide the City of Wisconsin Dells the tools it needs for economic and tax base growth.

Introduced and adoption moved by Dar Mor, seconded by Mayor Wojnicz.

Upon roll call vote the motion passed by a vote of 7 ayes to 0 nays.

  
Mayor Edward Wojnicz  
Chair, Joint Review Board

Attest:   
Sarah L. Brown, City Clerk/Treasurer

