



TO: Finance Committee

FROM: Tony Saucerman, Finance Director *TS*

DATE: September 8, 2016

RE: Request to approve \$1,232,156 advance from the general fund to TIF 6 for 2016 capital costs

The 2016 Budget included \$1,232,156 in road construction costs in the City's TIF 6 (page 581). These costs were identified to be funded by long-term debt (bond issue). However, I am requesting this funding instead come from an advance (loan) from the general fund. Reasons for my recommendations are as follows:

- TIF 6 is required to close in 2023. This leaves the TIF only 7 years to repay any debt issued. Since City G.O. debt usually involves 10 year payback schedules, it would be difficult to carve out a 7 year amortization for this particular amount. A separate issue may be necessary which would be cost-prohibitive due to the additional issuance costs that would be incurred.
- An advance from the general fund allows more flexibility with repayments. TIF 6 is experiencing a great deal of activity, the latest being the Encapsys development, and is expected to experience more. City control of the repayments to the general fund allow more flexibility in terms of cash flow within the TIF when analyzing potential developments.
- By policy, the interest rate paid back to the general fund is 5%. This is a very competitive rate and keeps the funds "in-house" versus paying external bond-holders.
- The general fund has the excess fund balance to make the advance to TIF 6 due to repayments of advances made to other TIF's in past years.
- Reduces the amount G.O. debt outstanding.

As always, feel free to contact me with questions or concerns. Thank you for your consideration.

**CITY OF APPLETON 2016 BUDGET
DEPARTMENT OF PUBLIC WORKS
CONCRETE PAVEMENT CAPITAL IMPROVEMENT PROGRAM**

2016	Street	From	To	General Fund	DPW Capital Projects	TIF # 6	Industrial Park Land Fund	Sub-division Fund	Total Cost
Labor Pool				156,887	116,632	13,657	2,223	122,913	412,212
CEA				8,900	8,600	3,500	-	9,450	30,450
Land	Edgewood Dr (CTH JJ)	Ballard Rd	Lightning Dr	60,000					60,000
	Lightning Dr, new roundabout at Edgewood Dr (CTH JJ)			50,000					50,000
	Misc Land acquisition for street projects			75,000					75,000
	Oneida St	Hoover Ave	Skyline Bridge	525,000					525,000
	Richmond St	CTH OO (land)	HSIP funds	75,000					75,000
	S Island St - BRIDGE	over power canal	land acq	10,000					10,000
	Subtotal			795,000	-	-	-	-	795,000
Design	CTH KK	at 441	design study	40,000					40,000
	Material Testing							5,000	5,000
	Material Testing			10,000					10,000
	Oneida St	Hoover Ave	Skyline Bridge	125,000					125,000
	Subtotal			175,000	-	-	-	5,000	180,000
New Concrete (New Subdivisions Escrowed)	Subtotal			-	-	-	-	-	-
New Concrete (New Subdivisions non escrowed)	Aurora Dr	Forest St	cds					133,939	133,939
	Barton Ct	Highpond Tr	cds					52,590	52,590
	Highpond Tr	Smoketree Pass	Purdy Pkwy					189,306	189,306
	Lourdes Dr	Kensington Dr	Aurora Dr	-				226,283	226,283
	Ravenswood Ct	Ballard Rd	cds					54,645	54,645
	Smoketree Ps	Applehill Blvd	cds					349,020	349,020
	Subtotal			-	-	-	-	1,005,783	1,005,783
New Concrete (Not in New Subdivisions)	Endeavor Dr	Lakeland Dr	Eisenhower Dr			224,612			224,612
	Lakeland Dr	Endeavor Dr	Vantage Dr			198,599			198,599
	Lakeland Dr	Plank Rd	Endeavor Dr			185,592			185,592
	Plank Rd	Lake Park Rd	Lakeland Dr			606,196			606,196
	Subtotal			-	-	1,214,999	-	-	1,214,999
Reconstruction	Alley n/o Amelia St	Woodmere St	Ballard Rd	110,840					110,840
	Alley s/o College Ave	Badger Ave	Locust St	50,389					50,389
	Alley w/o Appleton St	Commercial St	Spring St	27,783					27,783
	Alley w/o Appleton St	Spring St	Summer St	27,783					27,783
	John St (CTH KK)	Walden Ave	Matthias Ave	-	2,256,468				2,256,468
	Calumet St (CHT KK)	Kensington Dr	to 441	35,000					35,000
	Midway Rd	Hemlock Ln	ped crossing	141,556	-				141,556
	Midway Rd	Kernan Ave	ped crossing	141,556	-				141,556
	Midway Rd	Whip-Poor-Will	ped crossing	30,707	-				30,707
	South River St	Kernan Ave	John St.	54,196	-				54,196
	Eighth St	Elm St	Elm St, 210' e/o)		65,959				65,959
	Eighth St	Walnut St	Elm St		167,786				167,786
	Elm St	Eighth St	Lawrence St		193,686				193,686
	Elm St	Sixth St	Seventh St		49,300				49,300
	Lawrence St	Elm St	Superior St		363,950				363,950
	Walnut St	Seventh St	Eighth St		122,500				122,500
	Subtotal			619,810	3,219,649	-	-	-	3,839,459
Total Concrete Paving				\$ 1,755,597	\$ 3,344,781	\$ 1,232,156	\$ 2,223	\$ 1,143,146	\$ 7,477,903