



*** All present are expected to conduct themselves in accordance with our City's Core Values ***

OFFICIAL NOTICE AND AGENDA - REVISED

Notice is hereby given that the Common Council of the City of Wausau, Wisconsin will hold a regular or special meeting on the date, time and location shown below.

Special Meeting of the: **COMMON COUNCIL OF THE CITY OF WAUSAU**
Date/Time: **Monday, June 22, 2015 at 5:30 PM**
Location: **City Hall (407 Grant Street, Wausau WI 54403) - Council Chambers**
Members: Bill Nagle, Romey Wagner, David Nutting, Tom Neal, Gary Gisselman, Keene Winters, Lisa Rasmussen, Karen Kellbach, David Oberbeck, Sherry Abitz, Robert Mielke

Call to Order

Pledge of Allegiance / Roll Call

Public Comment: (Pre-registered citizens for matters appearing on the agenda)

File #	CMT	Resolutions and Ordinances	ACT
97-0404	PLAN,ED & FIN	Joint Resolution Approving the Project Plan Amendment of Tax Increment District Number Five (TID #5) Amendment #4	Approved 3-2 Approved 4-1 Approved 4-1
97-0404	FIN & ED	Joint Resolution authorizing the execution of a development agreement between the City of Wausau and AJR Properties North, LLC (DBA Wausau Chemical) for the construction of an industrial facility, conveyance of properties, related financing and budget modification	Approved 4-1 Approved 4-1
15-0506	ED & FIN	Joint Resolution Authorizing a Development Agreement with Schierl Sales Companies to provide developer incentives for the redevelopment of The Store and Stahmer Clinic facilities located at 308 West Stewart Avenue in TID #8. The developer incentives consist of a 15 year deferred interest free loan in the amount of \$275,000 and five reverse TID payments of \$57,500.	Approved 4-1 Approved 4-1
15-0514	CISM	Resolution Approving withdrawal of vacation and discontinuance of Clark Street between S. 3rd Avenue and S. 4th Avenue	Approved 4-0
15-0617	CISM	Resolution accepting easement to construct, reconstruct, maintain, inspect and/or repair a water main to supply irrigation for the Highway 52 Parkway median	Approved 4-0

Adjournment

Signed by James E. Tipple, Mayor

This Agenda was posted at City Hall and faxed to the Daily Herald newsroom on 6/19/15 @ 2:00 pm. Questions regarding this agenda may be directed to the City Clerk.

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

JOINT RESOLUTION OF THE PLAN COMMISSION, ECONOMIC DEVELOPMENT AND FINANCE COMMITTEES

Approving the Project Plan Amendment of Tax Increment District Number Five (TID #5) Amendment #4

Committee Action: Plan: Approved 3-2
 ED: Approved 4-1
 Finance: Approved 4-1

Fiscal Impact: The project plan is not an expenditure commitment and does not establish a legal budget. Total Project Costs are \$6,900,000

File Number: 97-0404

Date Introduced: June 22, 2015

FISCAL IMPACT SUMMARY

COSTS	<i>Budget Neutral</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
	<i>Included in Budget:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Budget Source:</i>
	<i>One-time Costs:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount: \$6,500,000</i>
	<i>Recurring Costs:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
SOURCE	<i>Fee Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Grant Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Debt Financed:</i> 5 Year Issue	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount \$6,500,000 Annual Retirement \$1,379,030</i>
	<i>TID Financed:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount:</i>
	<i>TID Source: Increment Revenue</i>	<input type="checkbox"/> <i>Debt</i> <input checked="" type="checkbox"/> <i>Funds on Hand</i> <input type="checkbox"/> <i>Interfund Loan</i> <input type="checkbox"/>	

WHEREAS, the City of Wausau has followed a policy of promoting business, community amenities, and industrial development activities and improving infrastructure within the City; and

WHEREAS, the City has endeavored to eliminate blight, remediate polluted property and redevelop the downtown riverfront for commercial, entertainment, residential and recreational uses; and

WHEREAS, the City’s Economic Development strategy focuses on the attraction, retention and sustainability of business, community amenities, and industrial development activities and improving infrastructure to increase the property tax base and add new jobs; and

WHEREAS, on June 16, 2015 the Plan Commission held a public hearing on approving the Tax Increment District Number Five Project Plan Amendment #4 to allow for the additional project costs to assist with the construction of the new Wausau Chemical facility and related financing costs; and

WHEREAS, prior to publication of the public hearing notice, a copy of said notice was sent via certified mail to the Superintendent of the Wausau School District, the President of Northcentral Technical College, and the Marathon County Administrator; and

WHEREAS, the Plan Commission adopted Amendment #4 of Project Plan for the Tax Incremental District Number Five; and

WHEREAS, the Finance Committee and Economic Development Committee have reviewed the plan amendment and concur with the summary of findings as required by Wisconsin Statute 66.1105(4m)(c) including:

- That development projected to occur would not occur or would not occur in the manner, at the values, or within the timeframe desired by the City without the plan amendment,
- That the economic benefits of amending the district, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements,
- That the benefits of the plan outweigh the anticipated tax increments to be paid by the property owners in the overlying taxing jurisdictions.
- That the District remains an Industrial District and that not less than 50% by area of the district was suitable for industrial sites.
- That improvements of the area is likely to significantly enhance all other real property's value in the district.
- The project costs of the district relate directly to promoting industrial development.
- The equalized value of the district's taxable property plus the value increment of all existing districts does not exceed 12% of the City's total equalized value of taxable property.
- That the real property within the district is found suitable for industrial sites and will remain zoned industrial during the life of the district.
- The project plan conforms with the City's master plan.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Wausau, under the powers granted by the authority of the Tax Increment Law that the Project Plan Amendment #4 for Tax Increment District Number Five is approved, as follows:

1. That the improvement of the area included in Tax Incremental District Number Five is likely to enhance the value of real property in the district over time;
2. That the project costs in the project plan amendment directly serve to promote development consistent with the purpose for which the district was created;
3. That the appropriate City officials shall provide the Joint Review Board with the information needed to prepare findings relative to approving the project plan amendment; and
4. That the City Clerk, City Treasurer, and City Assessor shall complete and submit the necessary forms to the Wisconsin Department of Revenue as may be required by that agency to formally approve the plan amendment of Tax Incremental District Number Five.

Approved:

James E. Tipple, Mayor

PLAN COMMISSION

Time and Date: The Plan Commission met on Tuesday, June 16, 2015, at 5:00 p.m. in the Common Council Chambers of Wausau City Hall.

Members Present: Lindman, Rosenberg, Gisselman, Oberbeck, Bohlken

Others Present: Lenz, Hebert, Groat, Flashinski, Gutknecht

In compliance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and transmitted to the *Wausau Daily Herald* in the proper manner.

Lindman called the meeting to order at 5:00 p.m. noting that a quorum was present.

PUBLIC HEARING: Discussion and possible action on approving plan for Amendment Number Four of Tax Incremental District Number Five.

Groat presented the commission with an introductory PowerPoint presentation. The Joint Review Board saw the plan during a June 11, 2015 meeting. Common Council will review, discuss, and may vote on the plan on June 22, 2015. The Joint Review Board will review the plan again on June 29, 2015 and an agreement would get signed on June 30, 2015, if all goes as planned. The district was created in 1997. 90 additional acres were added in 2001 and 100 additional acres were added in 2007. In 2012, the plan was amended so that money could be spent outside the district. The spending period will end July 8, 2015 and the termination date is 2020. In 1997, the value of the district was \$105,900 and is now valued at \$44,942,000. Groat showed a map of the district. Wausau Chemical is currently located on the Riverfront and has vested \$2 million into the property. The property currently appraises for \$1.02 million. The main business site on 2nd Street is a super fund site and would move the business into the business park. The reasons for the relocation include: relocating heavy industrial use that currently is located in a residential area, additional cleanup of the super fund site, secure developers for housing/office use, build upon recent investment in an area, further the riverfront redevelopment to the north, relocate the chemical facility, construction that complies with the existing construction codes, increased tax base of \$7.8 million, provide growth for Wausau Chemical, and increase similar-use traffic on the riverfront for the future. The costs of the project include: donating the land in the business park, a development grant of \$6.5 million, total city investment of \$6.6 million and Wausau Chemical investment of \$4.5 million. Groat said that it is not normally done this way, but the city of Wausau went to Wausau Chemical and asked them to move. This is a friendly condemnation. This will generate \$158,000 in new taxes, as the district is near the closure. The city will provide a payment of \$6.5 million.

Rob Flashinski, Wausau Chemical, said that in January 2014, he met with city staff in the board room and was asked to consider moving to the Industrial Park. He said no immediately, but told them he would consider. Wausau Chemical was just beginning to update the current building and the project has been in limbo ever since. Flashinski said he emailed city staff the next morning and committed to finding out if the relocation would be feasible. This is a friendly, cooperative effort, as it should be. There is an inevitable conflict of use in the current area between retail, commercial, and heavy industrial. There were talks with 3 design firms and he received estimates between \$7.3 to 9 million. It is anticipated that the cost of the building will be \$7.8 million. There will be some height gains and general size increases, but if it is going to be undertaken, you might as well have a bigger and better functioning building. The building regulations, mandatory elevator, and costs to contain flammables and fire protection strategy make this project higher than someone would anticipate. Flashinski went over the costs of individual units including the HVAC system and wiring. The EPA and DNR reviewed the current site and no surprises were found. With the agreement, the taxes of \$150,000 for 5 years would be assessed, even if no building is located on the property. Flashinski added that the \$2.1 million investment in the existing facility has been lost in discussions and that these loans will still need to be paid. This project will cost an additional \$300,000 per year and that can only be made up with growth. There are strong arguments for the impact on future decision-making on the riverfront development. An accident could always happen and it is always a thought that in 10 years Wausau Chemical would become the sore spot on the riverfront, even though it has been there for 53 years. It is great to have a proactive strategy to address it now.

Lisa Gutknecht, Wisconsin Department of Natural Resources, said that she is not the project manager for this particular project but works with the city on different projects, including 2102 North 2nd Street. It is awesome that Wausau Chemical hasn't had a release in 53 years. Accidents do happen and you need to look at the receptors where they are currently located and in the Industrial park. The park is there for industries like Wausau Chemical. There is a municipal well close by the current facility that has already been impacted by the contamination that is out there. Vapor intrusion is a big problem when chlorinated chemicals move through the ground water and through the building and lead to health problems. The city has expended a lot of time and money on the acres and it is a step to clean up the use. There is a negative perception of the chemical industry because there it the potential for big problems.

Oberbeck asked if Gutknecht was aware of the proposed site. Gutknecht answered yes. Oberbeck said that the proposed site is adjacent to an environmental corridor leading to the wetlands feeding into the Rib River. Oberbeck said that right now, the site is zoned IP and does not allow this and is meant to be a transition zoning. A conditional use would be necessary. In a recent press release, a fertilizer chemical company leak of 3 million gallons of fire-fighting water into an unnamed creek and contaminated the river with nitrates and killed numerous fish. The fertilizer found the way into the system and continued for 15 miles and destroyed the ecosystem. Gutknecht said there are always concerns. There will be ways to contain the water on the property so no runoff is present. With new construction, there are different things to look at during the design process. Oberbeck said this is his main concern, as there is a lot of wildlife and a large amount of water going into the system. Gutknecht said it is better for Rob to answer with the construction. It would be something to better addressed now than later.

Lindman closed the public hearing.

Lenz clarified that the zoning of the parcel in the business park is IP and when staff looked at it, Hydrite Chemical received a conditional use permit in 1989 and again in 2007. A precedent has already been set that this use is okay for this district. Oberbeck said it is listed as a use under the M-zoning as a direct usage. Lenz said that some uses are permitted without a conditional use. Lenz said that he isn't sure if this business qualifies as chemical manufacturing, as it is listed in the zoning code. M2 zoning is the most lenient district and basically any sort of use is allowed. In an IP district, some industrial uses are permitted by right. The IP district allows for a variety of uses. In the Comprehensive Plan it's in the land use chapter to relocate industry off of the river downtown. Oberbeck said the IP district is to protect some businesses from moderate and high hazards. The types of hazards and adjustments need to be taken into consideration if a conditional use would be allowed. Lenz said that the precedent was set by the city and was reaffirmed in 2007 – the city should be careful if we are now not going to allow the same use in the same district. There hasn't been an incident or conflicts that staff is aware of with the previous chemical company. Oberbeck said that the definition of the IP zoning district should be reviewed. Lenz said that the conditional use and zoning issue would need a public hearing with the final decision to be made by Common Council. The focus of tonight's meeting is on the TIF amendment. Oberbeck said that the zoning directly affects the TIF as it is a direct project for the TIF district. There is no other reason to extend the TIF, other than this project. Lindman said that it is part of the process and the other items, such as zoning, will come into play at a later date. Today, the amendment of the TIF is being discussed. Groat said that Wausau Window & Wall donated some land, which will be next door, to help facilitate this project. The other neighbor is a medical waste facility, which also deals with hazardous waste material.

Rosenberg said this is a backhanded way to turn TIF 5 into a donor district for TIF 3. It takes public dollars and creates private equity with it. This is a bad precedent. The property is being overpaid for and he said he cannot support it. Rosenberg said he understands the other issues and this is a ton of money without the value. The site is already separated by the water plant and it is not a continuous corridor to the east riverfront district.

Bohlken said that this is an opportunity with a lot of money and now is the time to do it. Gisselman agreed.

Gisselman motioned to approve the plan for Amendment Number Four of Tax Incremental District Number Five. Bohlken seconded and the motion carried 3-2. Oberbeck and Rosenberg voted no. This item will go to Common Council on June 22, 2015.

ECONOMIC DEVELOPMENT COMMITTEE

Time and Place: The Economic Development Committee met on Tuesday, June 2, 2015 at 4:30 p.m. in the 2nd Floor Board Room at City Hall, 407 Grant Street, Wausau

ED Members Present: Bill Nagle (C), Romey Wagner, Tom Neal (VC), Dave Oberbeck and Lisa Rasmussen

Others Present: Mayor Jim Tipple, Ann Werth, Chris Schock, Travis Lepinski, Gary Gisselman, Brad Lenz, Tammy Stratz, Forrest Young, Jon Smith, Rob Flashinski, Brian Kowalski, Fay Simer, Andrew Halverson, Thomas Brown, Jim Warsaw, Len Kurzynski, Jim Ruffedt, Chris Menard, John Opolka, Noah Her, Cheng Her, Mai Her and Chungson Her

DISCUSSION AND POSSIBLE ACTION ON THE APPROVAL OF THE PROJECT PLAN FOR AMENDMENT #4 TO TAX INCREMENT DISTRICT #5

Schock explained the amendment to the plan is in response the proposed Wausau Chemical opportunity. The project is highlighted in the in the TIF plan but not enough estimated TIF funds, so that's why the plan needs to be amended. Neal questioned the cash flow and Schock said it should work out based on the cash flow model. Neal and Rasmussen both spoke in favor of the amendment for this project. Oberbeck said 80% is too much to fund for a private development.

Neal motioned to approve the amendment to the TIF plan. Wagner seconded and the motion carried 4-1. Oberbeck was the no vote.

FINANCE COMMITTEE

Date and Time: Wednesday, June 10, 2015 @ 5:30 pm., Board Room

Members Present: Kellbach (VC), Nagle, Oberbeck, Nutting, Mielke

Others Present: Groat, Jacobson, Giese, Hebert, Lindman, Tipple, Neal

Discussion and possible action on the approval of the Project Plan for Amendment #4 to Tax Increment

District #5

Groat stated this project plan was presented to the Committee of the Whole recently and we have been informing the ED Committee over the last several months that there was interest in moving Wausau Chemical off of the waterfront into the Business Campus so that we could redevelop the existing property. She noted the main facility was a super fund site along with the other three properties. She indicated there are substantial investments in the facility that are necessary due to the fact that this is a chemical company and the amount of regulatory oversight and changes needed to increase safety and environmental protection. The price of the new facility is estimated at approximately \$8.7 million and Wausau Chemical will contribute \$2.2 million with some equipment. The city's investment will be \$6.9 million in the existing facility along with donation of the property. They will donate their existing property on the east side river to the city, valued at \$1,020,000. The facility and our contribution is being funded through TID #5 and the eligible costs will be \$6.5 million for the contribution for the city, as well as \$400,000 of interest expense as we retire the debt over a five year period. The new building is anticipated to have an \$8 million value which will contribute about \$150,000 of taxes. She noted there will not be sufficient cash flow and it will be funded through existing increment that is coming into the district as well as any other income that the district currently receives on an annual basis.

Groat stated they have been working with Connestoga Rover which is the environmental company that has been working with the superfund site since its inception. They have been working with the EPA and the DNR to determine whether we could actually use that property for a higher and better use. She explained when they closed that superfund site it was for industrial use; they have done multiple borings on the property as well as inside the building to determine what level of pollution still exists in the soils. They have determined that it is totally feasible that we would be able to get that property up for residential or commercial use for a relatively small cost estimated at about \$30,000. She commented we look at this as a friendly condemnation; Wausau Chemical did not come to us, we approached them and introduced this idea.

Neal commented on the environmental aspect of having this facility literally feet from a major waterway that affects the whole state south of us. He felt this is not the place for that facility to be and removing it removes the potential risk of a catastrophe. Oberbeck noted the site we are going to move it to is also a wet area that feeds into our ecosystem. He stated we need to analyze how we handle TIF districts and how we are going to increase our operational budget to meet employee personnel expenses, health care and general operating expenses.

Werth commented there has been a major redevelopment of Athletic Park and Thrive Foodery has made an investment in that area. Wausau Chemical owns three other properties that surround the area and a growth of Wausau Chemical there would affect redevelopment of the other buildings.

Oberbeck felt they were asking the City of Wausau to build a chemical facility without any return on investment and questioned if we should be responsible for the building code of a specialized building and finance that cost. Groat pointed out in a condemnation we would be responsible.

Motion by Nagle, second by Nutting to approve the Project Plan for Amendment #4 to TID #5. Motion carried 4-1. (*Oberbeck was the dissenting vote.*)

CITY OF WAUSAU TAX INCREMENT DISTRICT FIVE PROJECT PLAN AMENDMENT #4



Plan Commission Public Hearing: June 16, 2015
Plan Commission Consideration: June 16, 2015
Common Council Consideration: June 22, 2015
Joint Review Board Consideration: June 29, 2015

Table of Contents

OVERVIEW	2
DISTRICT HISTORY AND PURPOSE.....	2
PRIOR AMENDMENTS	2
PROPOSED AMENDMENT	2
STATEMENT OF KIND, NUMBER AND LOCATION OF THE PROPOSED PUBLIC WORKS OR IMPROVEMENTS WITHIN THE DISTRICT AND ESTIMATED LIST OF PROJECT COSTS.....	3
ECONOMIC FEASIBILITY STUDY	4
METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED	5
TERMINATION OF THE DISTRICT	5
PROPOSED CHANGES IN ZONING ORDINANCES, MASTER PLAN, MAP, BUILDING CODES AND CITY ORDINANCES	5
LIST OF NON-PROJECT COSTS.....	5
PROPOSED PLAN FOR RELOCATING ANY DISPLACED PERSONS OR BUSINESSES	5
ORDERLY DEVELOPMENT OF THE CITY OF WAUSAU.....	5
SUMMARY OF FINDINGS	5
MAP SHOWING EXISTING USES AND CONDITIONS.....	6
MAPS SHOWING PROPOSED IMPROVEMENTS AND USES	6
CASHFLOW PROJECTION	7
OPINION OF THE CITY ATTORNEY ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105	8
MAP OF TAX INCREMENT DISTRICT NUMBER FIVE AND THE ½ MILE BOUNDARY	9
MAP SHOWING PROPOSED WAUSAU CHEMICAL DEVELOPMENT WITHIN TID #5	10
MAP SHOWING EXISTING WAUSAU CHEMICAL PROPERTIES.....	11
AERIAL IMAGE OF 2001 NORTH RIVER DRIVE – EXISTING WAUSAU CHEMICAL PLANT	12
AERIAL IMAGE OF 2001 NORTH 2 ND STREET – EXISTING WAUSAU CHEMICAL LAND	13
AERIAL IMAGE OF 1940 NORTH 2 ND STREET – EXISTING WAUSAU CHEMICAL LAND	14
AERIAL IMAGE OF 1880 E WAUSAU AVENUE – EXISTING WAUSAU CHEMICAL LAND	15
RESOLUTION OF THE COMMON COUNCIL.....	16
RESOLUTION OF THE JOINT REVIEW BOARD	18

OVERVIEW

DISTRICT HISTORY AND PURPOSE

Tax Increment District “TID” 5 was created July 31, 1997 to promote industry, job creation and tax base enhancements. The original project plan listed the following objectives:

- Increase the employment opportunities available in the community.
- Increase the per capita income in the community.
- Increase the industrial property tax base for all taxing jurisdictions.
- Increase the availability of properly located, adequately serviced industrial sites.
- Accommodate new industries and the expansion of existing industries in the Industrial Park by extending and upgrading the needed infrastructure.
- Installing and financing the improvements necessary to market the industrial land within Tax Increment District Five.

PRIOR AMENDMENTS

The District was previously amended June 2001, September 2007 and September 2012. Amendment Number One incorporated 90 acres of newly acquired property within the district and Amendment Number Two expanded the district by an additional 100 acres. Amendment Number Three approved expenditure within the ½ mile boundary. Plan amendments increased project plan costs in the amounts of \$1,844,525, \$6,640,000 and \$840,000 respectively. The state law governing tax increment district financing currently allows communities to add territory to an existing tax increment district four times during the life of the district.

PROPOSED AMENDMENT

- The purpose of this amendment is to increase project costs within the project plan by \$6,900,000. The City of Wausau expects to enter into a development agreement and provide a cash grant/forfeivable loan to Wausau Chemical to relocate its current operations from their downtown riverfront location to the Wausau Business Campus by assisting with the construction costs of the new chemical facility. It is expected that the City will incur approximately \$400,000 for financing costs.
- This project will be the last investment in the District as the expenditure period expires July 8, 2015.
- The City estimates that an additional \$6.5 million in property value will occur as a result of the construction project.
- Based upon the proposed project costs and related new increment this district is expected to terminate at the mandated termination date of July 8, 2020.

STATEMENT OF KIND, NUMBER AND LOCATION OF THE PROPOSED PUBLIC WORKS OR IMPROVEMENTS WITHIN THE DISTRICT AND ESTIMATED LIST OF PROJECT COSTS

The additional project costs to be incurred will be funded with tax increment are:

Developer Grants, Incentives and Revolving Loan Fund	\$ 6,500,000
Financing Costs	400,000
	\$ 6,900,000

- DEVELOPER GRANT to Wausau Chemical – includes a cash grant to offset relocation costs, site preparation, and facility construction costs.
- FINANCING COSTS - The project plan assumes the City would obtain a five year \$6,500,000 promissory note at 2% interest resulting in interest and other financing costs of about \$400,000.

Wausau Chemical currently owns four properties in the Athletic Park neighborhood with the main plant located on the river, at 2001 North River Drive, as shown on the map on page 11. Wausau Chemical Corporation serves the dairy, agriculture, laundry, manufacturing and other industries; manufacturing numerous formulations that requires handling a significant volume of hazardous and flammable materials. Wausau Chemical has been located at its current site since 1962 and employs 31 people of which 24, work in Wausau.

A summary of their current facilities is as follows:

	Assessed Valuation	Appraised Valuation	Company Investment	Acres
Main Plant				
2001 North River Drive	\$568,700	\$530,000	\$1,585,000	3.34
Warehouse				
180 E Wausau Avenue	\$350,500	\$320,000	\$410,000	1
Office/Warehouse				
2001 North 2nd Street	\$233,500	\$130,000	\$93,000	0.6
Land				
North 2nd Street	\$44,300	\$40,000	0	0.58
Total	\$1,197,000	\$1,020,000	\$2,088,000	5.52

In spring of 2014, the City approached Wausau Chemical with the concept of moving their facilities to the City’s West Business Park. The idea was that the properties currently owned by Wausau Chemical would be donated to the City for redevelopment purposes and the City would donate land in the Business Park to Wausau Chemical. In addition, the City would contribute to the construction of the facility to offset the project financing gap and the extra construction costs pertaining to environmental and safety regulations. Wausau Chemical engaged the assistance of three local construction companies to determine the building requirements and total costs. Due to the hazardous nature of this work many new safety restrictions and features are mandatory that are currently not required due to the grandfathering of the existing facility. Based upon the estimation work of these contractors, fire suppression experts and code enforcement personnel, the construction budget has been established at \$7.8 million. Other costs such as

engineering \$40,200, mixing tanks for moving \$103,000, moving expenses \$99,200, equipment investment \$569,060 and process infrastructure of \$256,500 bring the total cost to \$8,867,960. Wausau Chemical will obtain financing and fund \$2,367,950 of project costs along with donating their properties to the City of Wausau.

The City engaged Conestoga Rover to evaluate whether the Wausau Chemical facility, which is a closed superfund site, could be redeveloped for commercial or residential purposes. Conestoga Rover developed a work plan with the EPA and WDNR that provided for additional test borings and soil sampling on the site, including inside the plant. This testing came out very favorable with contaminant levels generally beneath the non-industrial limits. To achieve the desired closure for non-industrial limits, a clean-up plan will be submitted to the EPA/WDNR. This plan will likely include the soil being treated either by excavation or by soil vapor extraction followed by sampling. This process could take as long as 1-2 years and remediation costs excluding demolition of approximately \$40,000. Once remediation is complete and closure was approved by the WDNR it would allow the City the flexibility to develop the property for whatever use it pursued. It is the City’s intention, once we have obtained title to the land, to explore opportunities to redevelop the property including but not limited to: create a new TID district, expand TID #3 and seek clean up grants so that clean up and redevelopment can occur.

There are many favorable outcomes with the proposed projects including:

- Increased tax base in the Wausau Business Park due to the new facility construction of \$7.8 million. This will create significant incremental tax revenue in perpetuity.
- The relocation of the chemical facility to the Business Park will protect the river and neighborhood from the hazardous materials handled by Wausau Chemical.
- The Wausau Chemical facilities properties currently represent heavy manufacturing; moving them to the business park will cluster these uses and provide Wausau Chemical expansion opportunities which are not available in their current location.
- Construction of the new Wausau Chemical facility will comply with the existing construction regulations providing significant additional protection from contamination, work safety and fire suppression.
- Redevelopment of Wausau Chemical’s riverfront and adjoining properties to its highest and best use will result in higher tax revenues and can serve as a catalyst for other redevelopment in the Athletic Park neighborhood. This is a great time to further redevelopment due to some of the recent private investment in the neighborhood by Mark MacDonald at Athletic Park and Thrive Restaurant.
- Increased traffic from the riverfront will offer future opportunity for new businesses and help existing ones.

ECONOMIC FEASIBILITY STUDY

The cash flow projection presented on page 7 demonstrates the projected increment will cover existing obligations and expected project costs outlined in this plan amendment. The cash deficit will be funded on a short term basis through an interfund loan from the General Fund.

Based upon existing allocation of increment and the proposed plan amendment cost of \$6,900,000 the impact to the overlying jurisdiction is:

City	34.12%	\$2,354,446
County	19.49%	1,344,479
School District	41.81%	2,885,117
Technical College	4.58%	315,958
		\$6,900,000

METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED

The project plan anticipates a five year promissory note with an interest rate at 2%.

TERMINATION OF THE DISTRICT

Based upon the financial projections presented above the district would be eligible for termination at the mandated termination date of 2020.

PROPOSED CHANGES IN ZONING ORDINANCES, MASTER PLAN, MAP, BUILDING CODES AND CITY ORDINANCES

The project elements proposed in this Amendment conform to the objectives and conceptual recommendations contained in the City of Wausau Comprehensive Plan. No changes to zoning ordinances, master plan, building codes, map and city ordinances appear to be necessary to implement the Amendment.

LIST OF NON-PROJECT COSTS

No additional non-project costs have been identified.

PROPOSED PLAN FOR RELOCATING ANY DISPLACED PERSONS OR BUSINESSES

It is not anticipated that there will be a need to purchase property by eminent domain. If this would occur the City will follow the applicable state statutes as required in Wisconsin Statutes Chapter 32.

ORDERLY DEVELOPMENT OF THE CITY OF WAUSAU

Continued investment, development and repositioning of properties and facilities within the Wausau Business Campus contributes to the orderly development within the City as it maximizes the utilization of existing infrastructure and utilities and deters further sprawl. The projects considered in this plan amendment are consistent with the City of Wausau Comprehensive Plan as well as existing development in the business campus.

SUMMARY OF FINDINGS

1. That development projected to occur would not occur or would not occur in the manner, at the values, or within the timeframe desired by the City without the plan amendment.
 - Construction of chemical facilities are highly regulated and require significant costly safety measures to protect the environment, workers and surrounding properties making it financially unfeasible to construct a new facility.

2. That the economic benefits of amending the district, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.
 - The additional development will generate an expected \$150,000 annually.
 - The development will generate construction jobs during the construction of the project.
 - The vacated site on the riverfront will be redeveloped to its highest and best use.
3. That the benefits of the plan outweigh the anticipated tax increments to be paid by the property owners in the overlying taxing jurisdictions.
 - That the improvement to facilities within the district along with the ultimate redevelopment of the riverfront property outweighs the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.
 - Without tax increment assistance such developments would not occur and taxes would not be available to the overlying taxing jurisdictions.
4. The boundaries are not being amended. At the time of creation, and any subsequent additions of territory, not less than 50% by area of the property within the District was suitable for industrial sites.
5. The District remains an Industrial District.
6. The improvement of the area is likely to significantly enhance all the other real property's value in the district.
7. The project costs of the district relate directly to promoting industrial development.
8. The equalized value of the district's taxable property plus the value increment of all existing districts does not exceed 12% of the City's total equalized value of taxable property.
9. That real property within the district is found suitable for industrial sites, is zoned industrial and will remain zoned industrial during the life of the district.
10. The project plan amendment is feasible and conforms to the City's master plan.

MAP SHOWING EXISTING USES AND CONDITIONS

A map depicting the Existing Uses and Conditions of property within the District was included in the original project plan. Since the scope of this Amendment is limited to incurring additional project costs no changes to the map are necessary.

MAPS SHOWING PROPOSED IMPROVEMENTS AND USES

The map on page 10 shows the location of the proposed Wausau Chemical development.

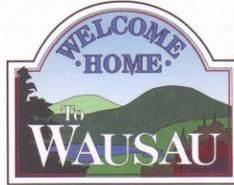
CASHFLOW PROJECTION

CITY OF WAUSAU TAX INCREMENTAL DISTRICT NUMBER FIVE PROJECTED CASH FLOW

Year	USES OF FUNDS				SOURCES OF FUNDS						Annual Surplus (Deficit)	Cumulative Balance	
	Existing Annual Service Debt	Wausau Chemical Retirement	Administrative, Organization & Discretionary Costs	Developer Incentives	Capital Expenditures	Debt Proceeds	Special Assessment Income	Tax Increment	Other Income				
ACTUAL													
1 1997	\$9,451		\$79,952		\$471,299	\$540,000			\$3,576			\$62,826	\$62,826
2 1998	\$38,895				\$143,719							(\$199,740)	(\$199,740)
3 1999	\$86,835		\$102		\$1,000					\$235,626		\$147,791	(\$51,949)
4 2000	\$83,955		\$6,625						\$2,775	\$299,260		\$217,978	\$166,029
5 2001	\$80,955								\$1,983	\$337,279		\$251,682	\$417,711
6 2002	\$77,895				\$205,105				\$1,565	\$339,040		\$57,605	\$475,316
7 2003	\$84,481		\$76,075		\$1,497,660	\$2,000,000			\$12,814	\$379,179		\$720,963	\$1,196,279
8 2004	\$272,815		\$49,405		\$616,676	\$1,500,000			\$7,735	\$505,905		\$1,079,823	\$2,276,102
9 2005	\$404,361				\$25,936				\$162,984	\$478,079		\$55,517	\$2,331,619
10 2006	\$398,510		\$37,276	\$2,588,611	\$11,543	\$2,206,760		\$22,876	\$103,690	\$474,090		(\$2,361,590)	(\$29,971)
11 2007	\$400,921		\$17,945	\$2,847,591	\$17,561	\$1,250,117		\$12,310	\$21,143	\$519,865		\$971,626	\$468,621
12 2008	\$400,352		\$17,292	\$486,115	\$6,250	\$1,250,117		\$19,626	\$24,753	\$570,207		(\$121,533)	\$347,088
13 2009	\$820,657		\$18,104	\$41,620	\$39,473	\$2,440,000			\$29,768	\$719,479		(\$35,125)	\$311,963
14 2010	\$3,719,878		\$28,332	\$290,000	\$257,197				\$79,469	\$1,254,271		\$328,512	\$640,475
15 2011	\$693,239		\$17,934	\$290,000	\$25,000				\$59,961	\$1,217,583		(\$1,481,846)	(\$841,371)
16 2012	\$2,421,459		\$48,470	\$160,000	\$1,151				\$42,158	\$1,222,984		\$532,018	(\$309,353)
17 2013	\$548,886			\$650,000	\$20,335				\$53,433	\$1,217,831		\$110,465	(\$198,888)
18 2014	\$458,923									\$1,234,760			
ESTIMATED													
19 2015	\$281,028		\$40,000	\$7,150,000		\$6,500,000			\$161,042	\$1,185,556		\$375,570	\$176,682
20 2016	\$283,598	\$1,379,030							\$161,042	\$1,185,556		(\$316,030)	(\$139,348)
21 2017	\$289,774	\$1,379,030							\$161,042	\$1,335,556		(\$172,206)	(\$311,554)
22 2018		\$1,379,030							\$161,042	\$1,335,556		\$117,568	(\$193,986)
23 2019		\$1,379,030							\$161,042	\$1,335,556		\$117,568	(\$76,418)
24 2020		\$1,379,030	\$5,000						\$161,042	\$1,335,556		\$112,568	\$36,150
TOTAL	\$11,856,868	\$6,895,150	\$442,512	\$14,213,937	\$3,339,905	\$16,436,877	\$54,812	\$18,718,774	\$1,574,059				

OPINION OF THE CITY ATTORNEY ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105

Office of the City Attorney



Anne L. Jacobson
City Attorney

Tara G. Alfonso
Assistant City Attorney

June 5, 2015

Wausau Common Council Members
Joint Review Board Members
407 Grant Street
Wausau WI 54403

Re: Project Plan Tax Incremental District Number Five, Amendment Four

Ladies and Gentlemen:

As City Attorney, I have reviewed the Project Plan Amendment #4 of Tax Increment District Number 5, pursuant to Wis. Stats. S. 66.1105(4)(f). The public hearing is scheduled to be held on June 16, 2015, and on the same date, the Planning Commission will consider Plan Amendment #4 for said Tax Increment District. This consideration will be preceded by proper notice to those persons set forth in Wis. Stats. S. 66.1105(4) and Class II notices published in the Wausau Daily Herald, as required by Wis. Stats. S. 66.1105(4).

Subsequent to said public hearing and recommendation, the City Council will consider, pursuant to a duly posted agenda, on June 22, 2015, approval of Plan Amendment #4 of Tax Increment District Number 5, pursuant to Wis. Stats. S. 66.1105(4)(gm).

Based upon my review of the Plan Amendment as drafted and the information presented to me and assuming the foregoing process is followed, I find the proposed Amended Plan to be complete and compliant with Wisconsin Statutes. It should be noted that the Plan is amended to increase project costs within the project plan by \$6,900,000.

This correspondence should be attached to and made a part of the Project Plan.

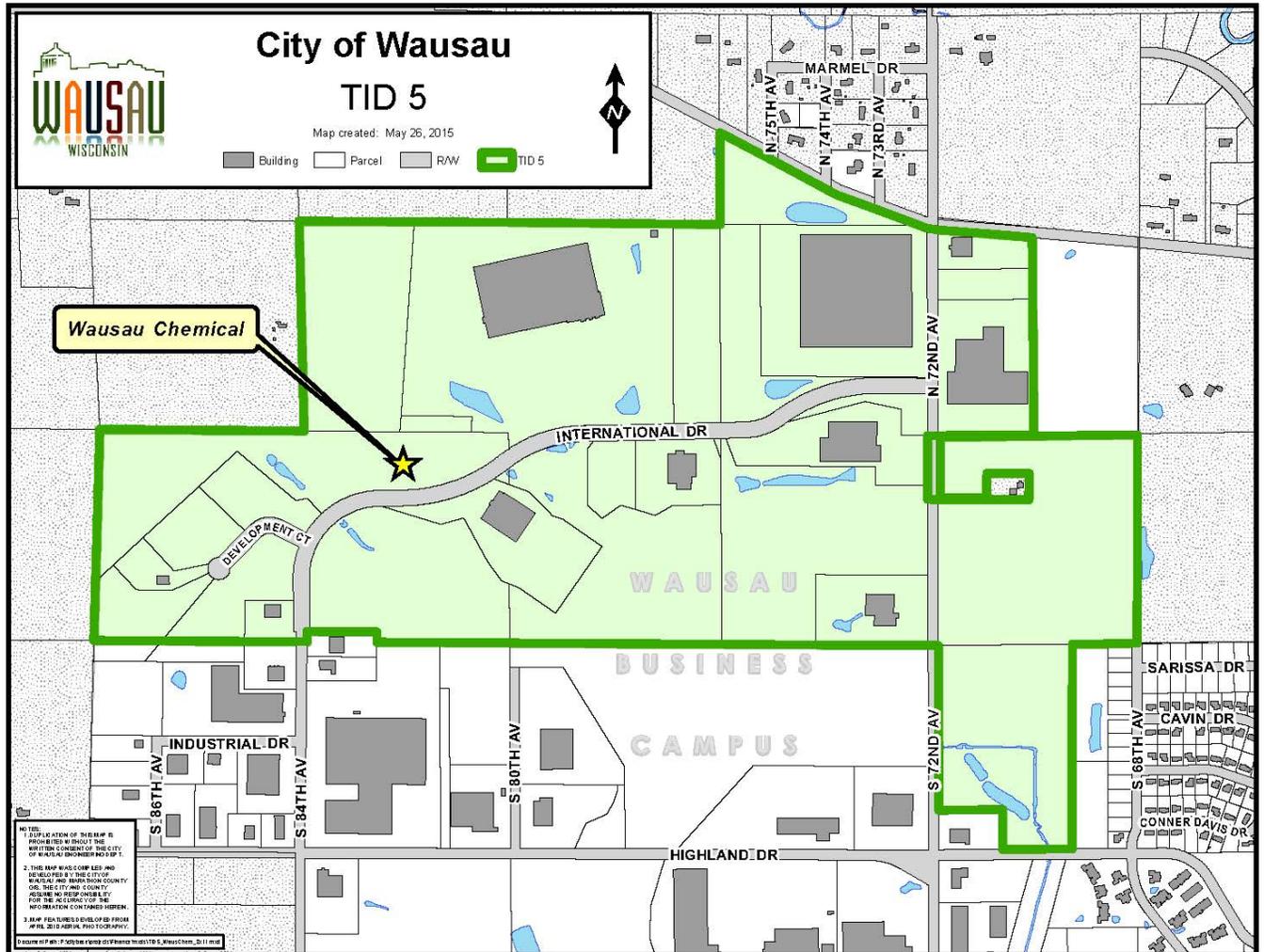
Very truly yours,

CITY OF WAUSAU

Anne L. Jacobson
City Attorney

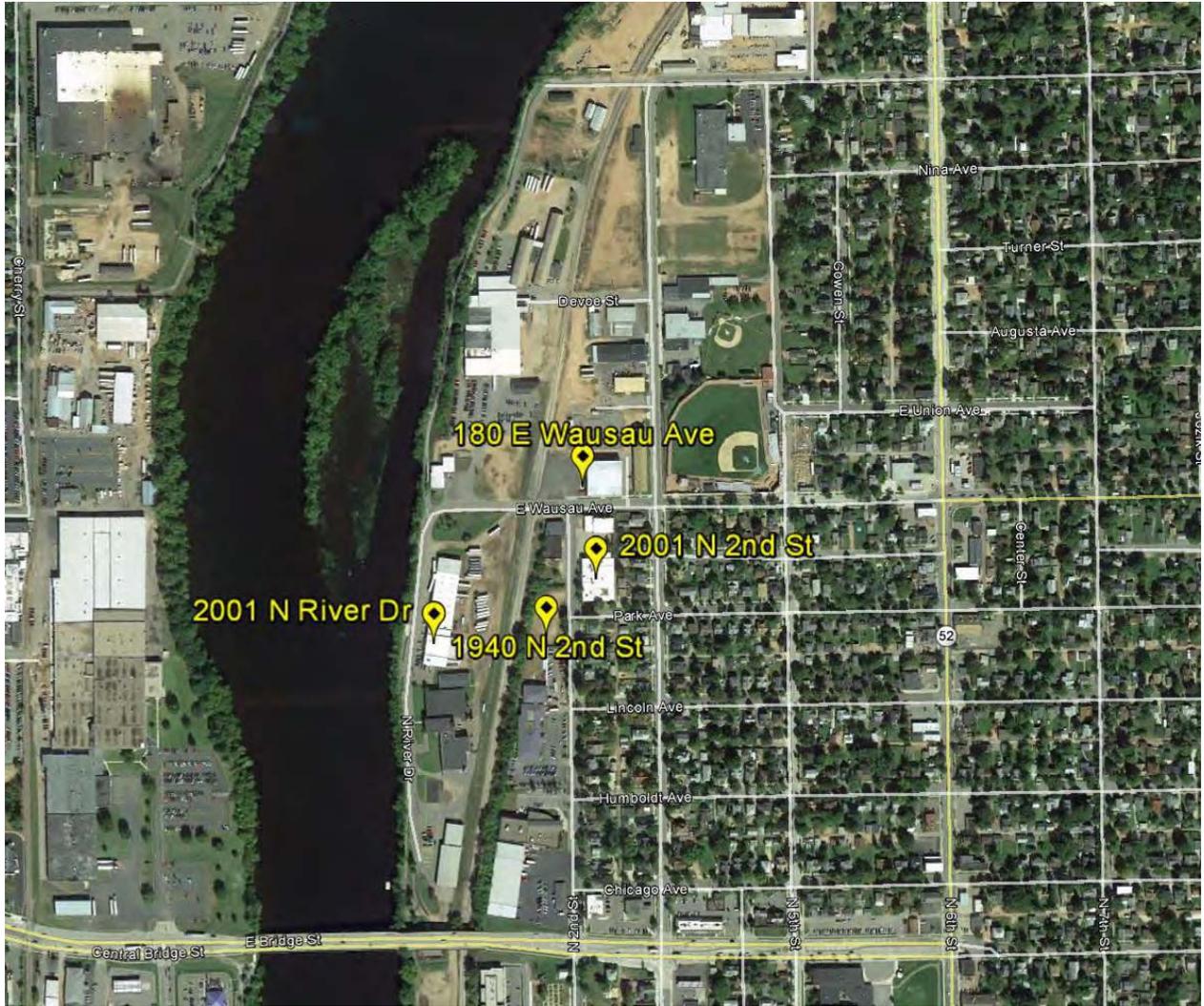
City of Wausau • City Hall • 407 Grant Street • Wausau, WI 54403-4783 • (715)261-6590 • FAX (715)261-6808 • TDD (715)261-6770

MAP SHOWING PROPOSED WAUSAU CHEMICAL DEVELOPMENT WITHIN TID #5



CITY OF WAUSAU TAX INCREMENT DISTRICT FIVE PROJECT PLAN AMENDMENT #4 | 6/1/2015

MAP SHOWING EXISTING WAUSAU CHEMICAL PROPERTIES



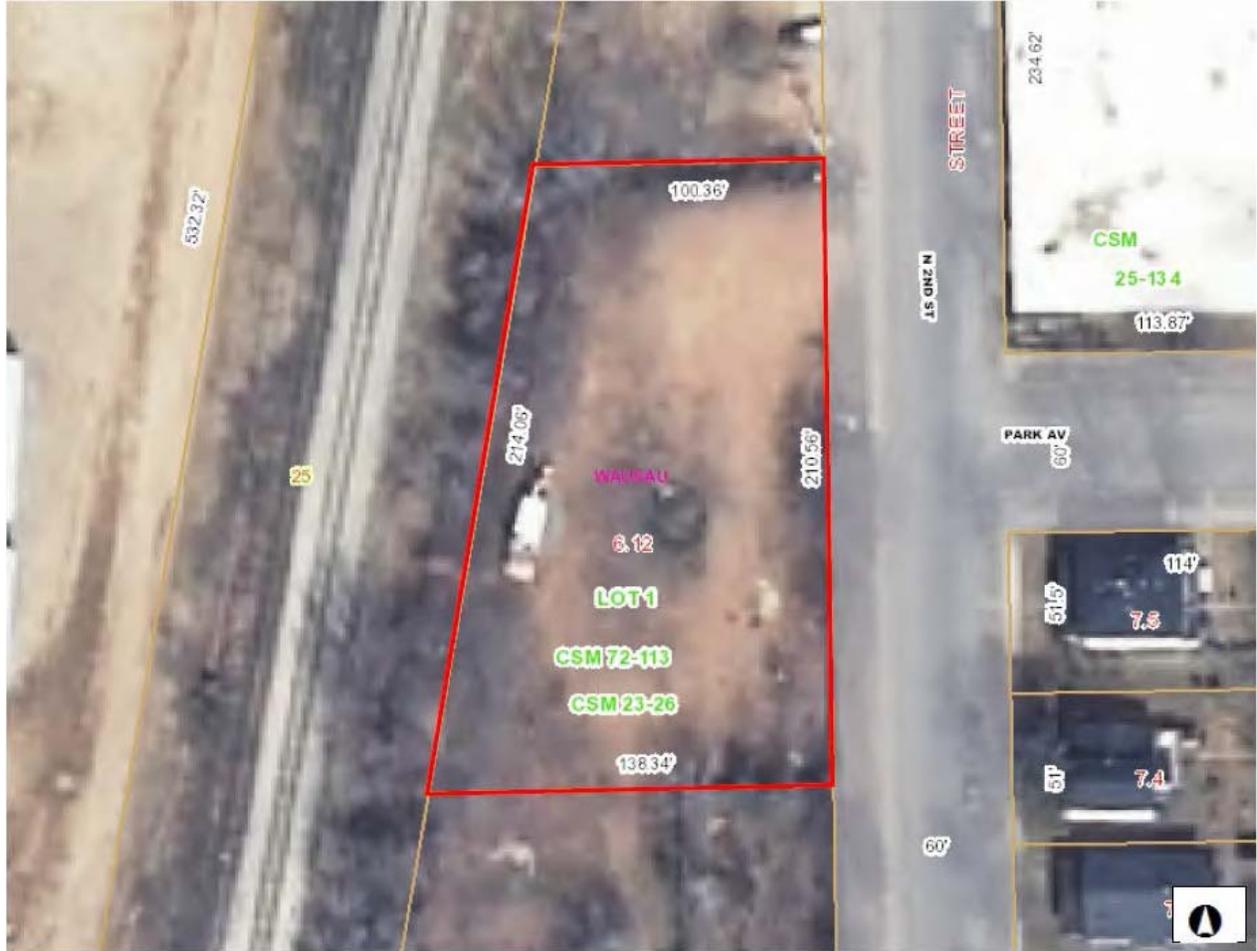
AERIAL IMAGE OF 2001 NORTH RIVER DRIVE - EXISTING WAUSAU CHEMICAL PLANT



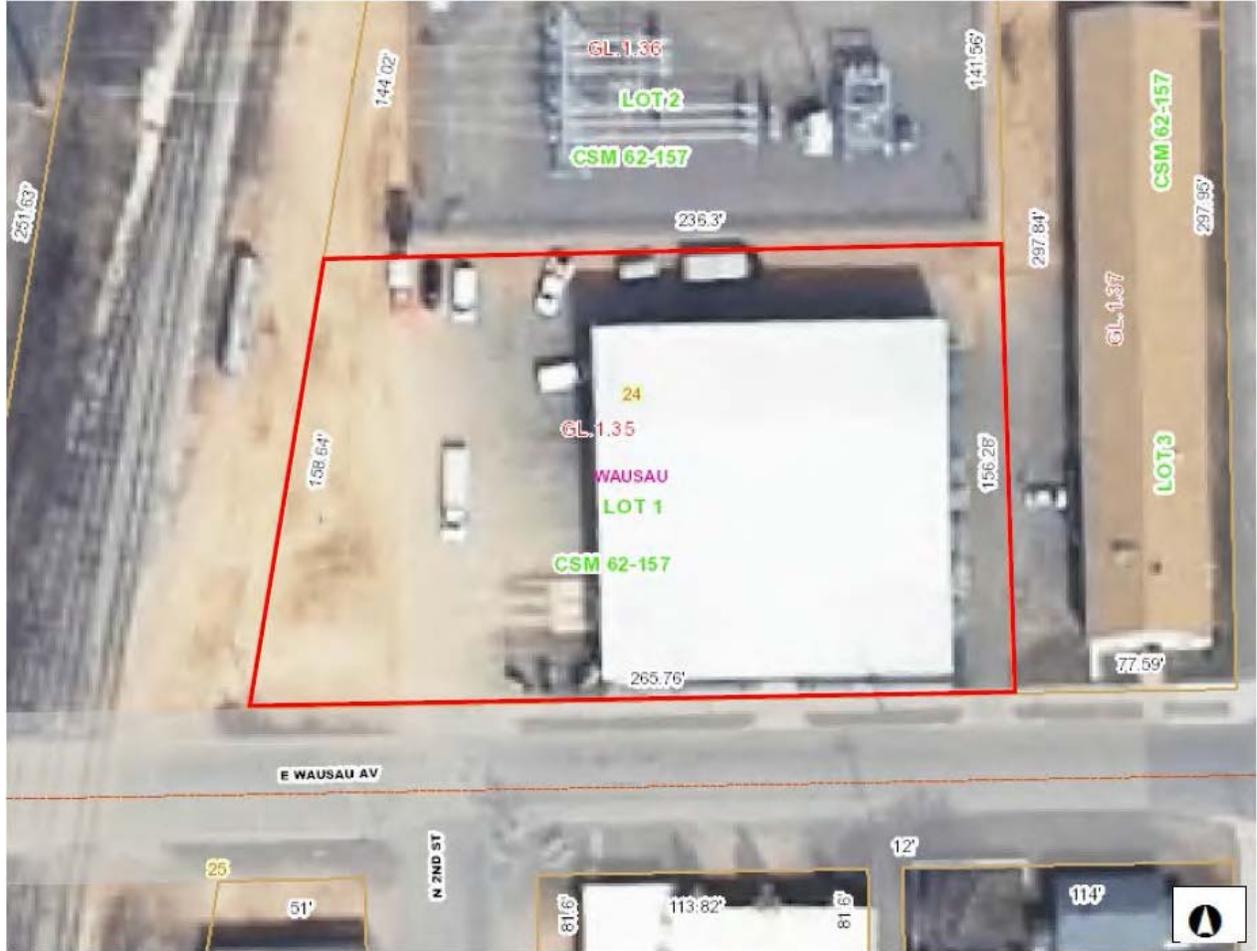
AERIAL IMAGE OF 2001 NORTH 2ND STREET - EXISTING WAUSAU CHEMICAL LAND



AERIAL IMAGE OF 1940 NORTH 2ND STREET - EXISTING WAUSAU CHEMICAL LAND



AERIAL IMAGE OF 1880 E WAUSAU AVENUE - EXISTING WAUSAU CHEMICAL LAND



RESOLUTION OF THE COMMON COUNCIL

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE PLAN COMMISSION, ECONOMIC DEVELOPMENT AND FINANCE COMMITTEES	
Approving the Project Plan Amendment of Tax Increment District Number Five (TID #5) Amendment #4	
Committee Action:	Plan Commission Approved 3-2 Finance Committee Approved 4-1 Economic Development Committee Approved 4-1
Fiscal Impact:	The project plan is not an expenditure commitment and does not establish a legal budget. Total Project Costs are \$6,900,000
File Number: 97-0404	Date Introduced: June 22, 2015

FISCAL IMPACT SUMMARY			
COSTS	Budget Neutral	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
	Included in Budget:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Budget Source:
	One-time Costs:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Amount: \$6,500,000
	Recurring Costs:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Amount:
SOURCE	Fee Financed:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Amount:
	Grant Financed:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Amount:
	Debt Financed: 5 Year Issue	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Amount \$6,500,000 Annual Retirement \$1,379,030
	TID Financed:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Amount:
	TID Source: Increment Revenue <input type="checkbox"/> Debt <input checked="" type="checkbox"/> Funds on Hand <input type="checkbox"/> Interfund Loan <input type="checkbox"/>		

WHEREAS, the City of Wausau has followed a policy of promoting business, community amenities, and industrial development activities and improving infrastructure within the City; and

WHEREAS, the City has endeavored to eliminate blight, remediate polluted property and redevelop the downtown riverfront for commercial, entertainment, residential and recreational uses; and

WHEREAS, the City's Economic Development strategy focuses on the attraction, retention and sustainability of business, community amenities, and industrial development activities and improving infrastructure to increase the property tax base and add new jobs; and

WHEREAS, on June 16, 2015 the Plan Commission held a public hearing on approving the Tax Increment District Number Five Project Plan Amendment #4 to allow for the additional project costs to assist with the construction of the new Wausau Chemical facility and related financing costs; and

WHEREAS, prior to publication of the public hearing notice, a copy of said notice was sent via certified mail to the Superintendent of the Wausau School District, the President of Northcentral Technical College, and the Marathon County Administrator; and

WHEREAS, the Plan Commission adopted Amendment #4 of Project Plan for the Tax Incremental District Number Five; and

CITY OF WAUSAU TAX INCREMENT DISTRICT FIVE PROJECT PLAN AMENDMENT #4 | 6/1/2015

WHEREAS, the Finance Committee and Economic Development Committee have reviewed the plan amendment and concur with the summary of findings as required by Wisconsin Statute 66.1105(4m)(c) including:

- That development projected to occur would not occur or would not occur in the manner, at the values, or within the timeframe desired by the City without the plan amendment,
- That the economic benefits of amending the district, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements,
- That the benefits of the plan outweigh the anticipated tax increments to be paid by the property owners in the overlying taxing jurisdictions.
- That the District remains an Industrial District and that not less than 50% by area of the district was suitable for industrial sites.
- That improvements of the area is likely to significantly enhance all other real property's value in the district.
- The project costs of the district relate directly to promoting industrial development.
- The equalized value of the district's taxable property plus the value increment of all existing districts does not exceed 12% of the City's total equalized value of taxable property.
- That the real property within the district is found suitable for industrial sites and will remain zoned industrial during the life of the district.
- The project plan conforms with the City's master plan.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Wausau, under the powers granted by the authority of the Tax Increment Law that the Project Plan Amendment #4 for Tax Increment District Number Five is approved, as follows:

1. That the improvement of the area included in Tax Incremental District Number Five is likely to enhance the value of real property in the district over time;
2. That the project costs in the project plan amendment directly serve to promote development consistent with the purpose for which the district was created;
3. That the appropriate City officials shall provide the Joint Review Board with the information needed to prepare findings relative to approving the project plan amendment; and
4. That the City Clerk, City Treasurer, and City Assessor shall complete and submit the necessary forms to the Wisconsin Department of Revenue as may be required by that agency to formally approve the plan amendment of Tax Incremental District Number Five.

Approved:

James E. Tipple, Mayor

RESOLUTION OF THE JOINT REVIEW BOARD

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE JOINT REVIEW BOARD
Approving the Project Plan Amendment#4 for Tax Incremental Financing District Number Five, City of Wausau (TID #5)
Date Introduced: 6/29/2015

WHEREAS, the City of Wausau, Marathon County, Wisconsin seeks authorization to amend the project plan of Tax Increment District Number Five, (the "District"); and

WHEREAS, this plan has received the necessary approvals by the Wausau Plan Commission and Common Council; and

WHEREAS, Wisconsin Statutes, Section 66.1105 requires that a Joint Review Board, (the "Board") shall convene no later than 30 days after receipt of the council approval to consider the proposed plan amendments; and

WHEREAS, the Board has reviewed the Project Plan amendment presented by the City of Wausau attached to this resolution; and

WHEREAS, the Board has evaluated the amendment based upon the criteria established in Wisconsin Statutes, Section 66.1105 and found the following to be true

- That development projected to occur would not occur or would not occur in the manner, at the values, or within the timeframe desired without the project plan amendment,
- That the economic benefits of modifying the project plan, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements,
- That the benefits of the plan outweigh the anticipated tax increments to be paid by the property owners in the overlying taxing jurisdictions.

NOW, THEREFORE, BE IT RESOLVED by the Joint Review Board of the City of Wausau that the Project Plan Amendment of Tax Increment District Number Five be approved,

BE IT FURTHER RESOLVED, that this executed resolution be signed by at least three members of the Board and submitted to the City of Wausau no later than seven days after Board action.

Passed and Approved

**City of Wausau Tax Increment District Number Five
Joint Review Board Members**

Representing

_____	City of Wausau
_____	Citizen Member
_____	Marathon County
_____	Northcentral Technical College
_____	Wausau School District

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

**JOINT RESOLUTION OF THE ECONOMIC DEVELOPMENT
AND FINANCE COMMITTEES**

Authorizing the execution of a development agreement between the City of Wausau and AJR Properties North, LLC (DBA Wausau Chemical), for the construction of an industrial facility, conveyance of properties, related financing and budget modification

Committee Action: Finance: Approved 4-1
ED Committee: Approved 4-1

Fiscal Impact: Development Payment of \$6,500,000 and related financing costs of \$400,000

File Number: 97-0404

Date Introduced: June 22, 2015

FISCAL IMPACT SUMMARY

COSTS	<i>Budget Neutral</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
	<i>Included in Budget:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Budget Source: TID Debt Financing</i>
	<i>One-time Costs:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount: \$6,500,000</i>
	<i>Recurring Costs:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
SOURCE	<i>Fee Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Grant Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Debt Financed:</i> 5 Year Issue	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount \$6,500,000 Annual Retirement \$1,379,030</i>
	<i>TID Financed:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount:</i>
	<i>TID Source: Increment Revenue</i>		<input type="checkbox"/> <i>Debt</i> <input checked="" type="checkbox"/> <i>Funds on Hand</i> <input type="checkbox"/> <i>Interfund Loan</i> <input type="checkbox"/>

WHEREAS, the City’s Economic Development strategy focuses on the attraction, retention and sustainability of business, community amenities, industrial development activities and improving infrastructure to increase the property tax base and add new jobs; and

WHEREAS, the City has endeavored to eliminate blight, remediate polluted property and redevelop the downtown riverfront for commercial, entertainment, residential and recreational uses; and

WHEREAS, the City of Wausau and the private sector have a successful track record of collaborations resulting in the investment of millions into the riverfront which has attracted premier properties, successful commerce and related economics in an area that has a long history of blight and neglect; and

WHEREAS, the City, working with the EPA and DNR has determined the feasibility of redeveloping 2001 N River Drive, a previous superfund site, from heavy industry chemical plant to residential and commercial use; which is deemed more compatible with surrounding uses; and

WHEREAS, to induce AJR Properties North, LLC to construct new facilities within the Wausau Business Campus, the City will enter into a development agreement that provides for financial incentives including the conveyance of property located within Tax Increment District Number Five and a developer grant in an amount not to exceed \$6,500,000 to offset construction costs of their facilities; and

WHEREAS, as additional consideration, AJR Properties North, LLC is willing to transfer their existing properties: 2001 N River Drive, 180 E Wausau Avenue, 2001 N 2nd Street and 1940 N 2nd Street to the City of Wausau by December 31, 2016; and

WHEREAS, as additional consideration, AJR Properties North, LLC agrees to make five annual guaranteed tax payments of an amount not less than \$150,000 beginning with the real estate taxes of 2016, due January 31, 2017; and

WHEREAS, the Amendment #4 of Tax Increment District Number Five specifically provides for this project; and

WHEREAS; the project plan objectives of TID #5 is to:

- Increase the employment opportunities within the community.
- Increase per capita income within the community.
- Increase the industrial property tax base.
- Accommodate new industries and the expansion of existing industries.
- Increase the availability of industrial sites; and

WHEREAS; the Finance Committee and Economic Development Committee have reviewed the terms of the development agreement and finds the following:

- That the construction of the new facility for AJR Properties North, LLC and related additional tax base would not occur without the financial assistance from the City of Wausau financed by Tax Increment District Number Five.
- That the financial assistance will be supported by a development agreement signed by AJR Properties North, LLC.
- That the development incentives for the facility construction are an eligible expense under the tax increment financing laws.
- That the developer assistance payments were listed as project plan costs within Tax Increment District Number Five Amendment Number Four.
- That the payment of the City's assistance to AJR Properties North, LLC is necessary and convenient to effectuate the purposes for which Tax Increment District Number Five was created and to implement the project plan; and
- That the construction of the new facilities is in the vital and best interest of the City and its residents and in accordance with the public purpose and conditions of applicable state and local laws and the standards under which the tax increment district was undertaken and implemented; and

WHEREAS, the Finance Committee has reviewed and recommends a budget modification necessary for the project;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Wausau as follows:

1. That the Common Council of the City of Wausau finds the following:
 - That AJR Properties North, LLC business relocation and facilities construction would not occur without the financial assistance from the City of Wausau financed from Tax Increment District Number Five.
 - That the financial assistance will be supported by a development agreement signed by AJR Properties North, LLC.
 - That the development incentives for the facility construction are an eligible expense under the tax increment financing laws.

- That the developer assistance payments were listed as project plan costs within Tax Increment District Number Five Amendment Number Four.
 - That the payment of the City’s assistance to AJR Properties North, LLC is necessary and convenient to effectuate the purposes for which Tax Increment District Number Five was created and to implement the project plan; and
 - That the construction of the new facilities is in the vital and best interest of the City and its residents and in accordance with the public purpose and conditions of applicable state and local laws and the standards under which the tax increment district was undertaken and implemented;
2. That the Mayor is authorized and directed to work on behalf of the City of Wausau to prepare and execute a development agreement on or before July 8, 2015; binding the City for the payment of the development incentives of up to \$6,500,000; with the terms of the agreement to comply with the items outlined on Attachment “A.”
 3. That the proper city officials are authorized and directed to transfer the property located within Tax Increment District Number Five to AJR Properties North, LLC as is necessary for the construction of their new facilities.
 4. That the proper city officials are authorized and directed to accept the transfer of 2001 N River Drive, 180 E Wausau Avenue, 2001 N 2nd Street and 1940 N 2nd Street from AJR Properties North, LLC by December 31, 2016; and
 5. That the proper city officials shall take the necessary actions to effectuate any appropriate borrowing so as to provide sufficient funds for the City’s obligations..
 6. That the Mayor, the officers of the City, attorneys for the City and other agents or employees of the City are hereby and directed to do all acts and things required of them by, or as a consequence of this resolution for the full, punctual and complete performance of all of the provisions of this resolution, including negotiating and executing any agreements which are necessary to effectuate the provisions of this resolution and to comply with the terms of the agreement.
 7. That the Finance Director and proper City officials are here by authorized to modify the budget for Tax Increment District Number Five Fund and publish the budget modification in the official newspaper as required:

143-342097200	Development Payments	\$6,500,000
143-342089120	State Trust Fund Loans	\$6,500,000
 8. That the City Clerk shall mail a copy of the executed Development Agreement to the Joint Review Board members.

Approved:

James E. Tipple, Mayor

Wausau Chemical - Development Agreement Major Points

City of Wausau's Obligations:

- Convey to Wausau Chemical, property within Tax Increment District Number Five for the construction of a new facility
- Provide a developer grant in an amount not to exceed \$6,500,000. The grant shall be in the form of reimbursement for capital costs of the facility. The City will disburse funds within 15 days of receipt of invoice from Wausau Chemical. Invoices shall be accompanied by supporting invoices from contractors, sub-contractors and materialmen. The City is not obligated to disburse funds until Wausau Chemical has paid at least \$1,300,000 towards the construction of the project. The City shall have the right to inspect the results of the developer grant.

Wausau Chemical's Obligations:

- Convey their existing properties; 2001 N River Drive, 180 E Wausau Avenue, 2001 N 2nd Street and 1940 N 2nd Street on a date no later than 12/31/2016.
- Construct new corporate facilities of approximately 80,000 square feet with a cost of approximately \$7,800,000 that contains office, manufacturing and warehousing space on the property conveyed to them within Tax Increment District Five.
- Wausau Chemical will work efficiently and diligently to complete the construction of their new facilities by December 31, 2016.
- Wausau Chemical will seek the necessary zoning approvals and permits to construct their facilities.
- Wausau Chemical will construct the facilities in compliance with appropriate federal, state and local regulations.
- Wausau Chemical shall make five annual guaranteed tax payments of an amount not less than \$150,000 beginning with the real estate taxes of 2016, due January 31, 2017. The Guaranteed tax payment will be computed as the shortfall of the real estate tax bill as compared to \$150,000.
- The property will remain taxable for a period of 21 years.

FINANCE COMMITTEE

Date and Time: Wednesday, June 10, 2015 @ 5:30 pm., Board Room

Members Present: Kellbach (VC), Nagle, Oberbeck, Nutting, Mielke

Others Present: Groat, Jacobson, Giese, Hebert, Lindman, Tipple, Neal

Discussion and Possible Action Regarding Transfer of Funds: Tax Increment District Number Five - Wausau Chemical Developer Payment

Groat explained because this developer payment would be made in 2015 we have to do a budget modification. She stated we have a pretty strict deadline because of the expenditure period on TID #5 and because of the statutory regulations over tax increment districts this amendment must be adopted before July 8, 2015. She recommended they adopt the budget modification contingent upon approval of the project plan. She noted the funds would be coming from the State Trust Fund.

Motion by Nagle, second by Nutting to approve the transfer of funds TID #5 for Wausau Chemical Developer payment. Motion carried 4-1. (*Oberbeck was the dissenting vote.*)

**JOINT RESOLUTION OF THE ECONOMIC DEVELOPMENT COMMITTEE
AND FINANCE COMMITTEE**

Authorizing a Development Agreement with Schierl Sales Companies to provide developer incentives for the redevelopment of The Store and Stahmer Clinic facilities located at 308 West Stewart Avenue in TID #8. The developer incentives consist of a 15 year deferred interest free loan in the amount of \$275,000 and five reverse TID payments of \$57,500.

Committee Action: ED Comm: Approved 4-1
 Finance: Approved 4-1

Fiscal Impact: Loan: \$275,000
 Grant: \$287,500

File Number: 15-0506	Date Introduced: June 22, 2015
-----------------------------	---------------------------------------

FISCAL IMPACT SUMMARY			
COSTS	<i>Budget Neutral</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
	<i>Included in Budget:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Budget Source:</i>
	<i>One-time Costs:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount: \$275,000, 15 year deferred, interest free loan</i>
	<i>Recurring Costs:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount: \$57,500 for 5 years.</i>
SOURCE	<i>Fee Financed:</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<i>Amount:</i>
	<i>Grant Financed:</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<i>Amount:</i>
	<i>Debt Financed:</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<i>Amount Annual Retirement</i>
	<i>TID Financed:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount: \$287,000 + borrowing expenses from 2016 budget year</i>
	<i>TID Source: Increment Revenue <input checked="" type="checkbox"/> Debt <input checked="" type="checkbox"/> Funds on Hand <input type="checkbox"/> Interfund Loan <input type="checkbox"/></i>		

RESOLUTION

WHEREAS, the City actively supports the redevelopment of the Westside neighborhood; and

WHEREAS, Schierl Sales Companies proposed to construct a new The Store at the existing facility and provide 9 market-rate apartments in the former Stahmer Clinic building; and

WHEREAS, the proposed project complies with the Westside Redevelopment Plan, supports the goals of the TID #8 plan, proactively addresses a blighted and vacant property, increases market-rate housing opportunities in the near westside area and complies with the City’s Urban Design Standards; and

WHEREAS, the City has negotiated with Schierl Sales Companies to provide this necessary financing for the project to be financially viable and Schierl Sales has agreed to not receive the necessary loan proceeds until 2016; and

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Wausau approves the developer incentives in the amount of the 15 year deferred, interest free loan in the amount of \$275,000 and five reverse tax increment district payments of \$57,500 starting in 2016 for the project; and

BE IT FURTHER RESOLVED that the proper City officials are hereby authorized and directed to execute a Development Agreement in substantial compliance with the project and incentives between Schierl Sales Companies and the City.

Approved:

James E. Tipple, Mayor

ECONOMIC DEVELOPMENT COMMITTEE

Time and Place: The Economic Development Committee met on Tuesday, June 2, 2015 at 4:30 p.m. in the 2nd Floor Board Room at City Hall, 407 Grant Street, Wausau

ED Members Present: Bill Nagle (C), Romey Wagner, Tom Neal (VC), Dave Oberbeck and Lisa Rasmussen

Others Present: Mayor Jim Tipple, Ann Werth, Chris Schock, Travis Lepinski, Gary Gisselman, Brad Lenz, Tammy Stratz, Forrest Young, John Smith, Rob Flashinski, Fay Simer, Andrew Halverson, Thomas Brown, Jim Warsaw, Len Kurzynski, Jim Ruffedt, Chris Menard, John Opolka, Noah Her, Cheng Her, Mai Her and Chungson Her

DISCUSSION AND POSSIBLE ACTION ON THE PROPOSED DEVELOPMENT AGREEMENT FOR THE PROPERTY LOCATED AT STEWART AVENUE AND THIRD AVENUE

Andrew Halverson, Ellis Stone, presented the new plan for the Schierl project. The new allocation date requested would be January 31, 2016 for the \$275,000 0% interest 15-year loan. The reverse TID payments requested would remain the same and Schierl will withdraw the request for the street vacation. The updated plan includes 1 2-bedroom apartment, 8 1-bedroom apartments and there will be 17 parking stalls available.

Oberbeck spoke against using TIF funds for the C-Store project.

Wagner motioned to approve the new Schierl proposal and directed staff to move forward with the development agreement process. Rasmussen seconded and the motion carried 4-1. Oberbeck was the opposition vote.

FINANCE COMMITTEE

Date and Time: Wednesday, June 10, 2015 @ 5:30 pm., Board Room

Members Present: Kellbach (VC), Nagle, Oberbeck, Nutting, Mielke

Others Present: Groat, Jacobson, Giese, Hebert, Lindman, Tipple, Neal

Discussion and possible action on the proposed Development Agreement for the property located at Stewart Avenue and Third Avenue (Schierl)

Schock stated this project has continued to evolve and it is being changed significantly from when it was proposed following a response from the Labor Temple and neighborhood feedback. Andrew Halvorsen, representing Schierl, explained they would be abandoning the addition to the south side of the Stahmer Clinic, which allows us to go to 10 total beds on the property for the residential component of the project. This would allow us to build seven parking places on the south side of the building on the property, with 10 additional for a total of 17 specific residential spaces. He stated we have abandoned the street vacation and this will address the concerns of traffic flow and allow for greater on-street parking for the general public. He indicated the developer's agreement in terms of the financial impact is the same as it was before with a modification to the allocation period to January 2016.

Halvorsen stated if the development agreement is approved by Council they can move forward with engineering to bring forward the precise implementation plan and if approved, attempt to get building permits in mid-August to complete within the calendar year of 2015.

Groat stated the city would provide the \$275,000 loan to be paid from increment that we are currently collecting from the CVS development and our computer payments from the state. We would be receiving that back at the end of the 15 years and making five payments of \$57,500 as increment comes in.

Motion by Nagle, second by Nutting to approve Development Agreement for the property located at Stewart Avenue and Third Avenue (Schierl), subject to Attorney review. Motion carried 4-1. (*Oberbeck was the dissenting vote.*)

CAPITAL IMPROVEMENTS AND STREET MAINTENANCE COMMITTEE

Date of Meeting: June 11, 2015, at 5:30 p.m. in the Council Chambers of City Hall.

Members Present: Mielke, Gisselman, Kellbach, Abitz

Also Present: Lindman, Jacobson, Lenz, Wesolowski

In compliance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and received by the *Wausau Daily Herald* in the proper manner.

Noting the presence of a quorum, at approximately 5:30 p.m. Vice Chairperson Mielke called the meeting to order.

At this time Mielke allowed those present who wished to provide public comment for items on the agenda to come forward.

Discussion and possible action on withdrawal of initial resolution to hold a public hearing to vacate Clark Street between South 3rd Avenue and South 4th Avenue

Mielke stated that Schierl has withdrawn their request for the vacation of Clark Street per their redesign of the project. Kellbach moved to withdraw the initial resolution to hold a public hearing to vacate Clark Street between South 3rd Avenue and South 4th Avenue. Gisselman seconded and the motion carried unanimously 4-0.

AGENDA ITEM
<p>Discussion and possible action on withdrawal of initial resolution to hold a public hearing to vacate Clark Street between South 3rd Avenue and South 4th Avenue.</p>
BACKGROUND
<p>Pursuant to Wis. Stats. 66.1003(4)(a), the Council initiated action, upon recommendation of CISM, by the introduction of a Resolution declaring that since the public interest requires it, Clark Street be vacated and discontinued for the development of the block south of Clark Street between 3rd and 4th Avenues by Schierl Sales Companies. Shierl Sales Companies has redesigned the project in such a way as to no longer require the discontinue of Clark Street between 3rd and 4th Avenues.</p>
FISCAL IMPACT
<p>None</p>
STAFF RECOMMENDATION
<p>Due to the redesigned project, staff recommends withdrawal of the initial resolution to hold a public hearing to vacate Clark Street between South 3rd Avenue and South 4th Avenue.</p>
<p>Staff contact: Allen Wesolowski 715-261-6762</p>

**RESOLUTION OF THE CAPITAL IMPROVEMENTS & STREET
MAINTENANCE COMMITTEE**

Accepting easement to construct, reconstruct, maintain, inspect and/or repair a water main to supply irrigation for the Highway 52 Parkway Median.

Committee Action: Approved 4-0

Fiscal Impact: None.

File Number: 15-0617

Date Introduced: June 22, 2015

WHEREAS, an easement is proposed at 2006 Stewart Avenue in order to install the irrigation line to the Highway 52 Parkway median irrigation system; and

WHEREAS, there is an existing unrecorded sanitary easement in the area of this proposed easement to which the property owner has given permission to install a water main that will run within the existing unrecorded easement; and

WHEREAS, an existing private water service is located within this proposed easement to which the property owner has given permission to make a water service line connection and install a curb stop; and

WHEREAS, a water meter and backflow prevention will be installed in the public right-of-way; and

WHEREAS, your Capital Improvements and Street Maintenance Committee reviewed the easement on June 11, 2015 and recommends acceptance of an easement from Sunshine Hospitality Corporation for the construction of a water main through a portion of their property at 2006 Stewart Avenue; now therefore

BE IT RESOLVED the Common Council of the City of Wausau does hereby approve the acceptance of the easement, a copy of which is attached hereto and incorporated herein by reference, and the City Clerk is hereby instructed to have the easement recorded in the office of the Marathon County Register of Deeds.

Approved:

James E. Tipple, Mayor

CAPITAL IMPROVEMENTS AND STREET MAINTENANCE COMMITTEE

Date of Meeting: June 11, 2015, at 5:30 p.m. in the Council Chambers of City Hall.

Members Present: Mielke, Gisselman, Kellbach, Abitz

Also Present: Lindman, Jacobson, Lenz, Wesolowski

In compliance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and received by the *Wausau Daily Herald* in the proper manner.

Noting the presence of a quorum, at approximately 5:30 p.m. Vice Chairperson Mielke called the meeting to order.

Discussion and possible action on an easement to construct, reconstruct, maintain, inspect and/or repair a water main to supply irrigation for the Highway 52 Parkway Median

Lindman explained that an irrigation system is located within the Highway 52 Parkway Median. This easement would provide an irrigation line to the system and allow the City to connect to one of the closest water points.

Kellbach moved to approve the easement to construct, reconstruct, maintain, inspect and/or repair a water main to supply irrigation for the Highway 52 Parkway Median. Abitz seconded and the motion carried unanimously 4-0.

Agenda Item No.

7

STAFF REPORT TO CISM COMMITTEE – June 11, 2015

AGENDA ITEM

Discussion and possible action on an easement to construct, reconstruct, maintain, inspect and/or repair a water main to supply irrigation for the Highway 52 Parkway Median

BACKGROUND

An easement is required on the Super 8 property in order to install the irrigation line to the STH 52 median irrigation system. According to our old construction plans an unrecorded easement was noted for the sanitary sewer line. The easement has been drafted and if the special council meeting on June 24, 2015 is confirmed it will be requested to be placed on this agenda or it will go to the July 14, 2015 council meeting.

FISCAL IMPACT

No fiscal impact for this easement.

STAFF RECOMMENDATION

Staff recommends approval of the easement.

Staff contact: Eric Lindman 715-261-6745

EASEMENT AGREEMENT

Document Title

THIS AGREEMENT, made this _____ day of _____, 2015, by and between SUNSHINE HOSPITALITY CORPORATION, Grantor, and the CITY OF WAUSAU, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Wisconsin, Grantee;

WITNESSETH:

That in consideration of the sum of one dollar (\$1.00) and other good and valuable consideration paid to Grantor by Grantee, receipt of which is hereby acknowledged, Grantor, has this day conveyed, transferred, and delivered unto Grantee a permanent easement and right-of-way and perpetual right to enter upon the real estate hereinafter described at any time to construct, reconstruct, maintain, inspect and/or repair a water main which may be constructed through and under the lands hereinafter described.

The permanent easement and perpetual right of entry is described as follows:

Part of Parcel 2 of Certified Survey Map No. 4194 recorded in the office of Register of Deeds for Marathon County in Volume 15 of Certified Survey Maps on page 192, being part of the SE¼ of the SW¼, Section 27, Township 29 North, Range 7 East, City of Wausau, Marathon County, Wisconsin, described as follows: Commencing at the Northeast corner of said Parcel 2, the point of beginning;

Thence South, along the East line of said Parcel 2, 185.30 feet to the Southerly line of said Parcel 2; thence West, along said Southerly line, 30 feet to a line 30 feet Westerly of and parallel with said East line; thence North, along said parallel line, to the Northerly line of said Parcel 2; thence Easterly, along said Northerly line, approximately 30 feet to said Northeast corner of Parcel 2, the point of beginning.

There is an existing sanitary sewer easement in the area of this easement, within which Grantee is given permission to install a water main that will run within the existing easement.

Grantor further agrees to allow Grantee permission to connect this water main to the Grantor's existing water service.

In further consideration of this easement by Grantor, Grantee forever agrees to hold Grantor harmless from all damages, loss, or claims which may arise from the existence, use, and/or maintenance of said permanent easement. Grantee further agrees that it will attempt to return the disturbed lands subject to this easement to a similar condition which existed prior to the construction.

No buildings or structures except surface improvements such as, but not limited to, asphalt pavement, sidewalk, curb and gutter, etc. shall be constructed upon or across the permanent easement lands; nor shall large trees be planted upon the permanent easement lands, but small trees and shrubs not exceeding approximately eight feet in height at maturity are permitted.

Grantor covenants that it is lawfully seized and possessed of the real estate above described and that it will defend the title thereto against the lawful claims of all persons whomsoever.

Recording Area

Name and Return Address

City of Wausau Engineering Department
407 Grant Street
Wausau, WI 54403

PIN: 291-2907-273-0985

This agreement shall run with the land, encumbering the property encompassed by the easement in perpetuity, and shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors and assigns.

IN WITNESS WHEREOF, this agreement has been duly executed the day and year first above written.

CITY OF WAUSAU BY:

SUNSHINE HOSPITALITY CORPORATION BY:

James E. Tipple, Mayor

Toni Rayala, Clerk

STATE OF WISCONSIN)
) ss.
COUNTY OF MARATHON)

Personally came before me this ____ day of _____, 2015, the above named James E. Tipple, Mayor, and Toni Rayala, Clerk for the City of Wausau, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public, Wisconsin
My commission expires: _____

STATE OF WISCONSIN)
) ss.
COUNTY OF MARATHON)

Personally came before me this ____ day of _____, 2015, the above named _____, of SUNSHINE HOSPITALITY CORPORATION, to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.

Notary Public, Wisconsin
My commission expires: _____