



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

OFFICIAL NOTICE AND AGENDA - *REVISED

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

Meeting of: **FINANCE COMMITTEE**
Date/Time: **Wednesday, June 10, 2015 at 5:30 PM**
Location: **City Hall, 2nd Floor Board Room**
Members: Karen Kellbach (VC), Dave Nutting, David Oberbeck, Bill Nagle, Robert Mielke

AGENDA ITEMS FOR CONSIDERATION (All items listed may be acted upon)

- 1 *Select a Chairperson for the remainder of the 2014-2016 term.
 - 2 Public Comment on matters appearing on the agenda.
 - 3 Minutes of previous meeting(s). (5/12/15)
 - 4 Consider Sole Source Purchase of portable radios - Police Department
 - 5 Discussion and possible action upon selection of successor trustee for Perpetual Care Fund of Wausau Cemetery Association.
 - 6 Discussion and Possible Action on the Potential Redevelopment Project for the property at 828 S. Third Avenue (Wausau World Market)
 - 7 Discussion and possible action on the approval of the Project Plan for Amendment #4 to Tax Increment District #5
 - 8 Discussion and possible action on the proposed Development Agreement for the property located at Stewart Avenue and Third Avenue (Schierl)
 - 9 Discussion and possible action on the Proposed Development for the property at 1212 North First Street (WOW)
- Adjournment

Karen Kellbach, Vice Chair

IMPORTANT: THREE (3) MEMBERS NEEDED FOR A QUORUM: If you are unable to attend the meeting, please notify Mary by calling (715)261-6645 or via email mgoede@mail.ci.wausau.wi.us

It is possible and likely that members of, and possibly a quorum of the Council and/or members of other committees of the Common Council of the City of Wausau may be in attendance at the above-mentioned meeting to gather information. **No action will be taken by any such groups.**

This Notice was posted at City Hall and faxed to the Daily Herald newsroom on 6/05/15 @ 9:00 AM

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids & services. For information or to request this service, contact the City Clerk at (715) 261-6620.

Other Distribution: Media, (Alderspersons: Wagner, Neal, Gisselman, Winters, Rasmussen, Abitz), *Tipple, *Jacobson, *Groat, Rayala, Department Heads

FINANCE COMMITTEE

Date and Time: Tuesday, **May 12, 2015** @ 5:30 pm., Board Room

Members Present: Winters, Kellbach, Nagle, Oberbeck, Nutting

Others Present: Groat, Jacobson, Giese, Hebert, Hite, Lindman, Mohelnitzky, Petit, Hanson. Goede

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. It was noted that there was a quorum present and the meeting was called to order by Chairperson Winters.

Public Comment on matters appearing on the agenda.

None.

Minutes of previous meetings. (4/14/15 & 4/28/15)

Winters provided a couple of comments to be added to the carryover item in the April 14, 2015 minutes.

Motion by Nutting, second by Nagle to approve the minutes of 4/14/15 and 4/28/15, as amended. Motion carried 5-0.

Update on 2015 Department of Public Works Budget and related street maintenance - Mohelnitzky

Ric Mohelnitzky updated the committee on the status of street maintenance in the city. He stated they have a lot of streets that need to be rejuvenated and seal coated. He commented it is very important to maintain the streets and to keep the asphalt cement (AC) levels up. New pavements are losing their AC faster than they ever did before because of the recycle in them. He reviewed pictures of examples of streets in disrepair with the committee. He stressed the importance of crack filling as well to keep the moisture from getting underneath the pavement and then freezing and thawing. Brian Petit distributed a map of all the streets that have been paved from 2003 – 2011 in the city and which need surface treatment. He indicated there were some streets that were borderline on being able to repair them and if we wait any longer they will be past the point of return.

Eric Lindman requested \$100,000 to be allocated to the budget for seal coating and the streets so that we can assist and extend the design life and an additional \$5,000 for the material for crack filling. He indicated his budget did not have the funds to transfer.

Motion by Nagle, second by Nutting to instruct staff to develop options to transfer funds from somewhere else and bring it back to the next meeting. Motion carried 5-0

Discussion and Possible Action on changes to the Procurement Policy regarding Utility Services - Groat

Groat noted as we run into situations we will continue to bring the Procurement Policy back so that it reflects operations. She stated when we looked at the east hangar development at the Airport we were going to make a payment to WPS to relocate those services. She explained it is their infrastructure but they require a payment from us to move it and we really don't have an option to hire someone else. She requested placing utility services and charges under the sole source exemption category where everyone recognizes that there is no other contractor so we don't have to document the sole source or do a competitive purchase.

Motion by Nagle, second by Oberbeck to approve the change to the Procurement Policy as presented. Motion carried 5-0.

Discussion and Possible Action on the Citywide Revaluation - Giese

Nan Giese reported that they are currently doing data entry and calibration of all the tables; will be starting four weeks of value verification around July 27th; and the preliminary values are scheduled to be published on August 21st. She noted following this the Change of Assessment notices will go out and be posted online. She stated they do not value one property at a time; they will be doing mass appraisals. She explained they do not visit every house, but the most important piece of valuing property is the information that you have on the property and maintaining that data whether you have made an inspection or not. We follow up on all sales, building permits, and letters or requests regarding property changes. She indicated they are continuing training on the new software and she did not anticipate any further delays.

Winters questioned if the committee could see some values by the seven categories or by neighborhoods. Giese indicated she could bring the information in late July or August. Oberbeck felt the properties need to be inspected rather than mass appraised. Giese stated approximately 20% of the properties are inspected per year, so in a five year period we should be getting through the entire city.

Discussion and Possible Action regarding the Inspection Citations - Hebert

Hebert provided a list of the immediate citations that were issued in 2014 and the beginning of 2015. Winters requested the report be expanded to show how many of each type of violation by month.

Hebert indicated they will start working with the CSOs for the summer and will be implementing a door notice that will let the resident know we were there, what the issue is and to call us. Another thing he would like to do is shift some of their hours to 6:00 or 7:00 pm., so that we can reach people that work until 5:00 pm.

Discussion and Possible Action on the 2015 Debt Timetable and Uses of Funds - Groat

Groat stated she had not yet met with bond counsel to review the uses of funds and that is what determines whether we can use tax exempt debt or taxable debt. She indicated they are following through with the 2015 budget in issuing debt as was anticipated in that plan. General capital improvements - \$2,850,000; Memorial Pool - \$3 million; TID #3 - \$4 million, reflecting the increase for the church (Resurrection Church) acquisition of property; TID #6 - \$4.5 million for funding for Thomas Street acquisition, which we would borrow for in 2016 since the Official City Map will not come out until August. She proposed not borrowing for: TID #7 - \$305,000 for a storm water project as it pertains to O'Malley's, which most likely won't happen in 2015; or TID #8 - Decrease of \$50,000, but no current plans. She indicated TID #10, which is the Linetec loan, had no change.

Groat stated we are only allowed to issue \$10 million of tax exempt debt per year and right now our proposal is to issue \$12.4 million. She explained when we are involved with projects that could have private benefit then we may have to issue taxable debt. There are a number of tests to determine that. She commented she spoke to the financial advisors regarding the increasing level of debt and they felt because of the downtown and riverfront investment there wouldn't be any negative reflection for that activity. Groat stated she will bring the preliminary resolutions to the next Finance meeting on May 26th and they will go to Council on June 10th; the sale resolutions will be on July 14th and the settlement with tentatively take place August 1st.

Motion by Nagle, second by Kellbach to approve the list as presented. Motion carried 5-0.

Discussion and Possible Action on the RFP for vehicle leases - Hanson

Mark Hanson requested guidance from Finance Committee as to how to proceed and if they are in agreement with where we are headed with the RFP. The direction is to lease some of the light duty vehicles because it is getting harder and harder to maintain these vehicles. In the beginning it will not necessarily save money, but in the long run we will see a decline on how much we are spending on them for maintenance and fuel. Groat stated they discussed strategies to get more people interested in the RFP to increase competition. The proposals would be opened at the Board of Public Works and we will do an analysis and bring it to Finance for final consideration.

Motion by Oberbeck, second by Nagle to approve the RFP for vehicle leases. Motion carried 5-0.

Discussion and Possible Action on Capital Improvement Project Reporting and Carryover Procedures

Groat stated she met with the departments and we tried to develop a spreadsheet that wouldn't be unduly burdensome for the departments to complete, yet would provide some good information to the Finance Committee as to what projects were going on, what status they were in, and what it looked like project costs were going to be at completion. The vision is that the departments will report this on June 1st and it will be compiled and included in the CIP request packet for CIP Committee review. On September 1st there would be another one to allow us to provide an update during the operating budget time period. On December 1st there would be another report which would come to Finance and to Council showing the projects with a recommendation that funds be carried over to the next year, although we won't know that exact dollar amount yet. The final report will come in April when we have all of the contractor payments. This method will keep the Council informed on exactly where projects are and what the budget looks like.

Discussion and possible action regarding the March 2015 General Fund Budget Report - Groat

Groat reviewed the March 2015 report. (Narrative can be accessed online at: <http://www.ci.wausau.wi.us/Departments/Finance/MonthlyReports.aspx>)

Winters commented it appears we are now at a place where we are again projecting to spend more than we take in, which seems to be our pattern. Groat stated they are spending out of contingency because they authorized the transfer from contingency. She noted there are government entities that would present contingency as a revenue source from the budget perspective so it still looks like a balanced budget.

Discussion and Possible action regarding Contingency Balance - Groat

Groat stated we started out with a balance of \$361,000 on January 1, 2014; last year we transferred approximately \$96,000 worth of funds out of contingency, \$63,000 to Animal Control, \$31,000 for the mid-year budget modification and \$1,149 out of Animal Control, bringing the balance down to \$266,000. This year through April 30, 2015 we are down to \$163,000 because we transferred \$86,000 for the Sears settlement and \$16,773 for the Associated Bank tax settlement. Oberbeck noted that the Sears and Associated Bank settlements are losses in property value that will continue throughout our budget process.

Discussion and Possible Action on the 2016 Budget Schedule and 2016 Budget Projections - Groat

Groat stated the budget prediction is based on cost continue. She explained this assumes that we are going to provide the same level of services in the same manner that we are providing today, using some of the historical trends that we saw 2014 and in the first quarter of 2015. Based on that prediction we would require an additional levy of \$11,446,464, which is a 6% increase in the levy, of which the lion's share is going to the General Fund. Groat stated the driving factor behind the increases are: costs of the public safety union wage increases as part of the contract; the vacant firefighter position deferred for 7 months that must be returned back; a 10.68% increase in health insurance; a 10% increase in dental insurance; the need to increase the line item for motor pool due to winter costs by \$185,000; increase in the Data Center operating expenses; increase in street maintenance costs; salt and street materials; and increases in governmental property insurance.

Motion by Nagle, second by Kellbach to refer the budget issue to the Committee of the Whole. Motion carried 5-0.

Discussion and possible action on closing TID #5 at the end 2015.

Winters questioned if they could close TID #5 by December 31st in order to produce \$425,000 in revenue available to the General Fund. Groat stated on May 15th of each year we have to let the state know whether we are going to keep the district open another year and there are no extensions to that deadline, so a decision would have to be made immediately. She predicted that at the end of 2015 there will be \$176,000 in the fund and it will have an outstanding debt of \$573,000 left. She explained to close the TID #5 and retire the debt we would have to take \$400,000 from the General Fund. Winters questioned if it could be transferred from another TID and Groat stated it could not without approval from the Joint Review Board.

Discussion and Possible Action on amending Municipal Ordinance 3.08.040

Winters stated this ordinance has existed for some time and basically says that you can't write any checks out of the treasury unless it is in the budget. He commented in the last couple of years we have written some checks that were not in the budget and the question is if that is good practice and how can we avoid doing that in the future. He proposed two changes to add to the ordinance, one that we do an annual budget adjustment, looking at our year to date actuals between August 31st and October 31st and move money from lines where there is surplus to deficit. In some instances we may have to make decisions to delay some things to the next year. The second change would be to direct all personnel who have budget management responsibility to let us know. Groat requested they look at the job descriptions of all department heads to ensure that budget monitoring a part of it so that everyone has that responsibility. Winters agreed and recommended that go to Human Resources.

Motion by Nagle, second by Kellbach to approve the amendments to Section 3.08.040. Motion carried 5-0

Discussion and Possible Action on dog and cat license fees for 2016 - Winters

Winters stated the two desired outcomes are to have no lost pets that cannot be identified and returned to their owners and to have no unwanted pets taken to the animal shelter; the question is how to achieve this. If animals

have microchips and licenses they are easily returned and if they are spayed or neutered it keeps down the animal population. He questioned if the fee schedule encouraged these things in an appropriate way.

Winters proposed the two following options:

The National Average Plan

Increase the base license fee for unaltered animals from \$20 per year to \$38 dollars to match the national average and better tie revenue to costs. Give an \$8 per year discount from the base license fee for people who have micro-chips implanted in their animals. The \$8 discount would allow most owners to recover the cost of having a micro-chip implanted in about five years. Increase the current discount for spaying and neutering from \$10 per year to \$15. A dog or cat that was spayed or neutered and also had a micro-chip implanted would pay an annual license fee of \$15, equal to the national average for spayed and neutered pets.

The Payback Plan

Keep the fully discounted annual license fee at \$10 (below the national average). Set the discount for micro-chip implants at \$8 per year, allowing owners to recover the cost of the procedure in about five years. Set the discount for spaying and neutering at \$42 per year, again allowing owners to recover the cost of the procedure in about five years. The undiscounted fee for unaltered animals would then be \$60 per year (above the national average).

Oberbeck stated he liked the Payback Plan because it was incentivizing all of the right behaviors. He felt the microchipping was extremely important to identify the owner. Matt Barnes agreed something has to change and to have a financial incentive to be a responsible pet owner was significant. He stated there was no guarantee we can long-term sustain free microchipping clinics. He commented both were good plans but the National Average Plan ultimately raises more revenue for animal control. Oberbeck felt the Payback Plan differentiates further from the behavior that we want to accomplish versus the behavior that we don't want.

Motion by Oberbeck, second by Nutting to move forward with the Payback Plan. Motion carried 5-0. (*This item will go to Council July 14, 2015.*)

Winters indicated they were out of time and the rest of the items would be deferred to the next meeting.

Discussion and Possible Action on Master List of Contracts - Groat

Discussion and Possible Action on the Strategic Planning Process - Tipple

Suggestions for Future Agenda Items

Adjournment

Motion by Kellbach, second by Nagle to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:03 pm.



**CITY OF WAUSAU
SOLE SOURCE PURCHASE JUSTIFICATION
REQUIRED FORM PURCHASE OF GOODS OR SERVICES EXCEEDING \$5,000**

Purchase of goods or services for no more than \$25,000 may be made without competition when it is agreed *in advance* between the Department Head and the Finance Director. Sole source purchasing allows for the procurement of goods and services from a single source without soliciting quotes or bids from multiple sources. Sole source procurement cannot be used to avoid competition, rather it is used in certain situations when it can be documented that a vendor or contractor holds a unique set of skills or expertise, that the services are highly specialized or unique in character or when alternate products are unavailable or unsuitable from any other source. Sole source purchasing should be avoided unless it is clearly necessary and justifiable. The justification must withstand public and legislative scrutiny. The Department Head is responsible for providing written documentation justifying the valid reason to purchase from one source or that only one source is available. Sole source purchasing criteria include: urgency due to public safety, serious injury financial or other, other unusual and compelling reasons, goods or service is available from only one source and no other good or service will satisfy the City's requirements, legal services provided by an attorney, lack of acceptable bids or quotes, an alternate product or manufacturer would not be compatible with current products resulting in additional operating or maintenance costs, standardization of a specific product or manufacturer will result in a more efficient or economical operation or aesthetics, or compatibility is an overriding consideration, the purchase is from another governmental body, continuity is achieved in a phased project, the supplier or service demonstrates a unique capability not found elsewhere, the purchase is more economical to the city on the basis of time and money of proposal development.

1. Sole source purchase under \$5,000 shall be evaluated and determined by the Department Head.
2. Sole source purchase of \$5,000 to \$25,000 a formal written justification shall be forwarded to the Finance Director who will concur with the sole source or assist in locating additional competitive sources.
3. Sole source purchase exceeding \$25,000 must be approved by the Finance Committee.

Ongoing Sole Source – 365 days

One Time Sole Source Request

-
1. Provide a detailed explanation of the good or service to be purchased and vendor.

The purpose of this sole source request is to purchase 13 Motorola APX6000 digital portable radios with remote speaker mic attachments for patrol officer use. The initial purchase also includes \$601.20 for product-specific Motorola software and cabling to allow us the ability to perform radio programming/re-programming in-house.

Motorola APX6000 w/remote speaker mic = \$3,321.25 (each)

Motorola promotional discount (per radio) if purchased prior to June 15th, 2015 = \$500.00

Total unit cost w/promotional discount = \$2,821.25 (each)

13 portable radio units + software package = \$37,277.45

Vendor: Northway Communications
105 East Oak Street
Wausau, WI 54401

2. Provide a brief description of the intended application for the service or goods to be purchased.

This purchase is for thirteen Motorola digital portable radios with remote speaker/mic attachment which will be utilized by the department's patrol division officers and is a necessary and required piece of equipment for communication and officer safety. This purchase will begin the replacement process for all department portable radios as we transition from our current product to the new Motorola product.

The initial cost also includes \$601.20 for product-specific Motorola software and cabling to allow us the ability to perform radio programming/re-programming in-house.

3. State why other products or services that compete in the market will not or do not meet your needs or comply with your specifications.

The Motorola radio units have proven, in our past experience, to be a superior product in relation to our current product (Tait); with increased reliability, performance, and experiencing significantly less downtime for repair/service issues. Secondly, and equally as important as the quality and reliability of the product, is the ability to have local service and product support. The local service and support would greatly improve our efficiency in addressing problems or customer support issues that may arise and would reduce the need for sending products to an out of the area service center for repair. The current product we are using as well as other, competing, products do not offer local service and product support and often require sending radios in to the company or a service center for repair or part replacement. In the case of our current vendor, this occurs on a routine basis and leaves us without a given radio for time periods ranging from two to over four weeks. Also, being able to access customer support locally and in-person will help us to avoid the arduous process of phone call and/or email customer support that we have experienced with our current vendor (Tait).

The local vendor for Motorola radios, Northway Communications Inc., is the certified Motorola provided for the entire Central Wisconsin area, with the next closest vendor being BayCom Inc., located in Green Bay, WI. We have partnered with Northway Communications in the past, as our previous equipment had been Motorola, and we were very satisfied with our experience with this vendor. With their in-house service and support team, Northway Communications has always been prompt and responsive to our needs.

Motorola radio products are in use by the majority of other public safety agencies throughout Marathon County and are compatible with our current radio transmission system. They are also a product with which Marathon County radio and communications specialist Alan Wisler is familiar with. Northway Communications is the only major brand, two-way portable radio sales and service company located in Marathon County.

Other portable radio products are offered by:

- Kenwood Communications: Closest dealer is located in Wisconsin Rapids, WI.
- ICom America: Closest dealers and service centers are located in Neenah, WI and Eau Claire, WI.

The portable radio is one of the most essential and necessary pieces of police equipment for the safety of our officers. Having access to a dependable piece of equipment that an officer can rely upon is essential to the safety and efficiency of our employees and operation. In addition, the ability to perform service and receive product support locally will minimize the down-time for our radios and the amount of staff time utilized to address issues that may arise. This has led us to pursue Northway Communications as our vendor of choice for this sole source purchase request. Northway Communications offers in-house sales, service technicians, and product support and they are able to offer us a one-stop, local source that meets all of our needs for purchase and long-term customer support.

4. Describe your efforts to identify other vendors to furnish the product or services.

See response to question 5.

5. How did you determine that the sole source vendor's price was reasonable?

Motorola Inc. is the only manufacturer of these radios and limits distribution to their local representative and a given pricing. The current price offered by Northway Communications is the Wisconsin Counties Association (WCA) negotiated price between Motorola and State of Wisconsin government entities. This contractual price is the minimum required price that vendors are required to sell radios at to State of Wisconsin government entities who receive their funding from tax dollars. Additionally, the \$500/unit discount is a Motorola promotional discount (if ordered before June 15th, 2015) and would apply no matter which vendor was selected. In addition to the quality and reliability that we have experienced in the past with the Motorola product, the ability to have local service and product support would greatly improve our efficiency in handling repair or customer support concerns and has led us to choose this local vendor.

6. Which of the following best describes this sole source procurement? Select all that apply.

- Product or vendor is uniquely qualified with capability not found elsewhere.
- Urgency due to public safety, serious financial injury or other. (explain)

With an increase in the number of Community Service Officers working over the upcoming months and new police officers beginning employment, we have experienced an increased demand for our current supply of radios. Due to the frequency our current radios experience service issues, we are already draining our supply of spare radios that have to be used when an officers' assigned radio is out of service for days or weeks at a time when it is sent in for repairs. Both the frequency at which this occurs as well as the duration our radios are out of service for repair has increased significantly with the current product we are using and this has the potential to create a shortage of available radios for department staff in future years as the current radios continue to age.

- The procurement is of such a specialized nature that by virtue of experience, expertise, proximity or ownership of intellectual property
- Lack of acceptable quotes or bids.

- Product compatibility or the standardization of a product.
- Continuation of a phased project.
- Proposal development is uneconomical.

Department: *Police*

Preparer: *Nathan Pekarske, Lieutenant*

Vendor Name: *Northway Communications Inc.*

Expected amount of purchase or contract: *\$37,277.45*

Department Head Signature: *Jeff Hart* **Date:** *5/29/15*

Finance Director Signature: **Date:**

Office of the City Attorney



Anne L. Jacobson
City Attorney

Tara G. Alfonso
Assistant City Attorney

TO: Finance Committee Members

FROM: Anne Jacobson, City Attorney *aj*

DATE: June 5, 2015

RE: **Appointment of Successor Trustee for Wausau Cemetery Association's Perpetual Care Fund**

Purpose: To assist the Committee in selecting a successor trustee for the investment and management of the Perpetual Care Fund of the Wausau Cemetery Association.

Background:

The March 2015 balance in the Perpetual Care Fund Trust Account, according to Patty Grimm, General Manager of the Wausau Cemetery Association, is \$581,378.23.

BMO Harris, formerly M & I Trust, currently acts as the trustee of this account under an agreement between City of Wausau and Marshall & Ilsley Trust Company, to manage the investments entrusted to them for the perpetual maintenance and care of the Pine Grove Cemetery.

M & I has charged a flat \$5,000 for the past 3 years for their administrative fee, and is moving away from this market and asked that a successor trustee be appointed and secondarily noted that their fees would be increasing as well. We do not know what fees were charged to the account by fund companies.

On April 14, your committee considered this matter, and an April 7, 2015 Staff Analysis was contained in those agenda materials. I indicated that Patty Grimm wished to keep all five of the accounts of the Wausau Cemetery Association with one banking facility and had requested to work with Associated Bank and Trust. I was directed to bring back the request, using a Sole Source Purchase Justification form, which was considered on April 28, 2015, at your committee. At that meeting, I was directed to obtain quotes.

A Request for Quotations: Management of Wausau Cemetery Association Perpetual Fund Account was posted to the city's website at the end of May and additionally, the request was either mailed or e-mailed specifically to eleven firms providing financial planning or trust services.

By 3:00 p.m. on June 4, 2015, one quote was received from Associated Bank.

At the time of the preparation of the Sole Source Purchase Form on April 23, 2015, Associated Bank indicated their management fee was 1.20% on the first \$1,000,000, which equaled \$6,976.54, plus administration fees of \$500 for a total of \$7,476.54. Included in their management fee, however, were estimated fees charged to the account and retained by the fund companies.

In preparing their quote for submission to the City, Associated Bank staff clarified that they had included not only their own fees, but had estimated those internal fees charged to the account by the fund companies. Their administrative fee for investment and trust services is 0.84% per annum, or **\$4,883.57**. The estimated fees charged to the account and retained by the fund companies, but not charged by the trustee, are unknown until the funds are invested. Therefore, this quote excludes the additional cost of holding mutual funds, internal to funds themselves, charged and retained by the fund companies, but which Associated estimated would total approximately 0.4% per annum.

Recommendation:

Recommend approval of Associated Bank as successor trustee and authorize the proper city officials to execute an Agreement in substantial compliance with the attached agreement.

AGREEMENT

THIS AGREEMENT, by and between the CITY OF WAUSAU (the "CITY"), and ASSOCIATED TRUST COMPANY, N.A. (the "TRUSTEE");

WITNESSETH:

The CITY has delivered unto the TRUSTEE the assets listed in Schedule "A" attached hereto, in trust to be used as authorized by ss. 157.50(6) of the Wisconsin Statutes, with the income and principal therefrom to be paid to the CITY in accordance with Paragraph 4(c) to be disbursed by the CITY to the Wausau Cemetery Association for the perpetual maintenance and care of the Pine Grove Cemetery and any other cemeteries that may hereafter come within the jurisdiction of the Wausau Cemetery Association.

1. This trust shall be known as the Wausau Cemetery Perpetual Care.
2. The TRUSTEE shall take hold and retain such funds, and collect and receive all income therefrom in accordance with Paragraph 4.
3. The Wausau Cemetery Association may make its perpetual care deposits directly to the TRUSTEE.
4. The funds and the proceeds thereof shall be invested and reinvested by the TRUSTEE under the terms and conditions stated herein:
 - (a) The funds shall be invested and meet the requirements of Chapter 881 of the Wisconsin Statutes.
 - (b) The TRUSTEE shall perform its duties in accordance with the investment guidelines approved by the Finance Committee of the Wausau City Council (See Exhibit "A").
 - (c) The TRUSTEE may disburse directly to the Wausau Cemetery Association or to the CITY and the CITY shall disburse to the Wausau Cemetery Association annually five percent (5%) of the total value of the fund as determined on December 31 of each year. Payouts of the distributable amount shall be made during the succeeding year.
5. The TRUSTEE shall be compensated in accordance with the TRUSTEE's standard fee schedule.
6. The TRUSTEE shall provide an annual accounting to the Wausau Cemetery Association and the City of Wausau of the fund as of the close of business on December 31 of each year.
7. There shall be an annual review of the account and the investment guidelines by the TRUSTEE, a representative of the CITY, and a representative of the Wausau

Cemetery Association. This review shall occur on or before March 31 of each year.

8. The CITY may deposit additional funds to be invested by the TRUSTEE in accordance with the terms hereof.
9. This Agreement may be terminated or modified by either party upon giving sixty (60) days notice of such intent to the other party. Upon termination, the TRUSTEE shall deliver the trust assets to the City of Wausau or to a successor trustee as selected by the City of Wausau.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this ____ day of _____, 2015.

Witnesses

CITY OF WAUSAU

James E. Tipple, Mayor

Toni Rayala, City Clerk

ASSOCIATED TRUST COMPANY, N.A.

Tyson Cain, Assistant Vice-President
Trust Officer

SCHEDULE "A"

ASSETS TO BE IDENTIFIED UPON TRANSFER TO SUCCESSOR TRUSTEE

EXHIBIT "A"
INVESTMENT GUIDELINES
TO BE DETERMINED BY TRUSTEE



TO: Finance Committee Members
FROM: Tammy Stratz
DATE: June 3, 2015
SUBJECT: Wausau World Market

Purpose:

To obtain financing approval from TIF #6 for the proposed project located at 828 S. 3rd Avenue (Wausau World Market).

Facts/Consideration:

The property located at 828 S. 3rd Avenue (formerly E-Z Rental) has been for sale for some time. Chungsou Her and his family intends to purchase the property and rehabilitate it to house the new Wausau World Market. This market will consist of 25 stalls for individual vendors to sell their produce, two kitchens/delis/restaurants, two bathrooms, and office space. The parking lot will be re-paved and the rear warehouse building will continue to offer storage for the vendors. Mr. Her currently has 72% of the space “leased up” to date of proposed vendors waiting to rent space from him. This market will be open year round and will provide an opportunity for all nationalities to sell their produce/wares.

Mr. Her has secured financing through Abby Bank and is working with both McDevco and the Hmong Chamber of Commerce for additional financing. He has approached the city for the final gap financing to make this project complete. (See the attached TIF application for complete figures.)

- The current buildings are valued at almost \$550,000.
- The proposed renovations (which include parking lot and signage) total approximately \$600,000.
- Wausau World Market has requested \$125,000 in TIF (#6) financing as follows:
 - \$100,000 - 15 year loan charging the current interest rate.
 - \$25,000 forgivable loan - \$5,000 forgiven each year for 5 years - provided that the business meets the goals agreed upon in a development agreement.

Recommendation:

The Finance Committee is being asked to approve the financing request for this project which will promote new business opportunities on the West side of the City. Not only will it clean up a blighted property, but it will spur small business opportunities.



Preliminary East Elevation 

Wausau World Market
Wausau, WI



Existing East Elevation 

Wausau World Market
Wausau, WI

Rec'd TIF application fee 5/15/15



City of Wausau TIF Application

Please complete the following information and return it along with a \$125 fee made payable to Community Development.

DEVELOPER

Legal Entity: Chungsou Her
 d/b/a: Wausau World Market
 Main Office Location: 828 S. 3rd Avenue
 Type of Business: Retail space rental for small business offering goods & services
 Project Description: Purchase & Renovation

Reason for Application Assistance:

for gap financing to complete the project.

PROPERTY INFORMATION

Parcel 1

Address: 828 S. 3rd Ave
 Size:
 Current Use: Commercial/warehouse
 Current Assessed Value: 461,800
 Current Property Taxes:

Parcel 2

Address: 821 S. 3rd Ave
 Size:
 Current Use: Commercial/Vacant lot
 Current Assessed Value: 87,400
 Current Property Taxes:

PROPOSED IMPROVEMENTS

Describe improvement details

The improvements will include office spaces, two bathrooms, two deli/restaurants, 25 stalls for individual vendors, and new asphalt paving for the entire parking lot.

RETURN ON INVESTMENT ANALYSIS

Project Costs

	Amount (\$)	Source of Funds
Purchase of Land		
Demolition Cost		
Site Improvements		
Purchase of Existing Facility	450,000	
Construction of New Building(s)		
Renovation of Existing Structure	601,800	
Machinery & Equipment	39,055	
Architectural & Engineering Fees		
Legal & Other Professional Fees		
Contingency	19,145	
Working Capital		
Other (please specify)		
Total Project Costs	1,110,000	

Value of Property

- Lot Size (in acres): .4 + 1.26
- Improvement Square Footage: 5616 9288
- Current Assessed Values: Land \$103,600 + 82,300 Improvements \$358,200 + 5100 = 549,200
- Calculated Property Value: Land \$ _____ + Improvements \$ _____ = _____

Projected Property Taxes

- Current Property Taxes: \$ 11,169.85 + 2055.38 = 13,225.23
- Calculated Property Taxes: _____
- Calculated Tax Increment: _____

Zoning:

- Current Zoning: B2 + M1
- Proposed Zoning: same

Requested City Participation/Financing

Source	Amount	Terms: Years/Interest	Contact Information
Loans: Abby Bank	575,000		
Medevco	150,000		
Hmong Chamber	50,000		
Equity	210,000		
Requested City Participation:			
Loan:	100,000		
Grant:			
Other: Forgivable loan	25,000		
Total Financing	1,110,000		

City of Wausau ROI: 11.5%

Jobs Created

- Up to \$15,000: _____
- \$15,001-\$30,000: _____
- \$30,001-\$45,000: _____
- \$45,001-\$60,000: _____
- \$60,001 and above: _____
- Description of Employee benefits: _____

At the beginning, my wife & I will run the business, but we will help create small businesses to sell their products. Hopefully, when the market is in full operations we will be able to hire more employees. As well as, the individual businesses will be hiring employees.

Please return to Community Development, 407 Grant Street, Wausau, WI 54403.

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 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 25, 2015
Joint Review Board Consideration: June 29, 2015

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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
		<u>\$6,900,000</u>

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.
 - o 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

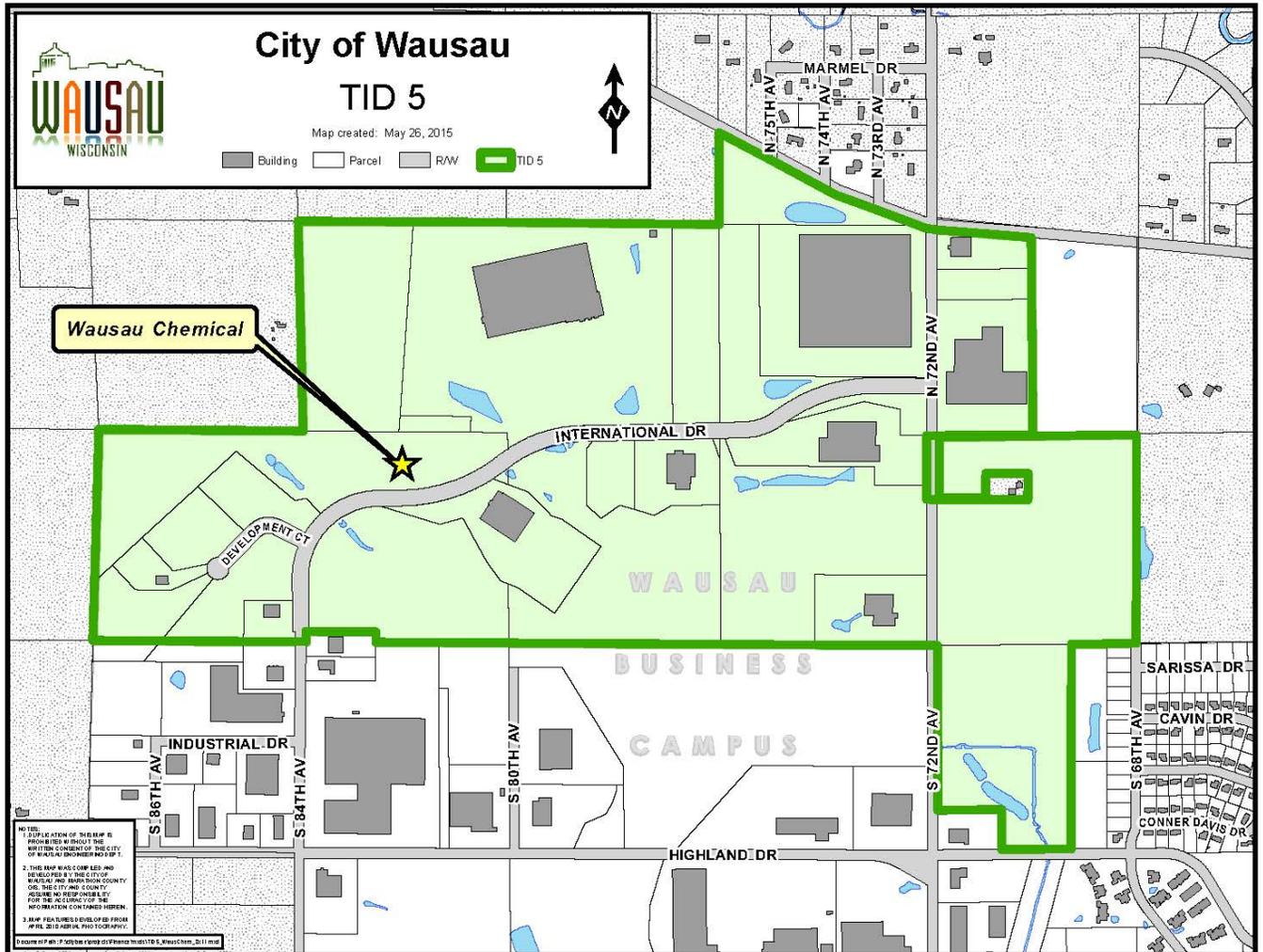
TAX INCREMENTAL DISTRICT NUMBER FIVE PROJECTED CASH FLOW

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							(\$262,566)	(\$199,740)
3 1999	\$86,835		\$102		\$1,000			\$235,626				\$147,791	(\$51,949)
4 2000	\$83,955		\$6,625					\$299,260	\$2,775			\$217,978	\$166,029
5 2001	\$80,955							\$337,279	\$1,983			\$251,682	\$417,711
6 2002	\$77,895				\$205,105			\$339,040	\$1,565			\$57,605	\$475,316
7 2003	\$84,481		\$76,075		\$1,497,660	\$2,000,000		\$379,179				\$720,963	\$1,196,279
8 2004	\$272,815		\$49,405		\$616,676	\$1,500,000		\$505,905	\$12,814			\$1,079,823	\$2,276,102
9 2005	\$404,361				\$25,936			\$478,079	\$7,735			\$55,517	\$2,331,619
10 2006	\$398,510			\$2,588,611				\$474,090	\$162,984			(\$2,361,590)	(\$29,971)
11 2007	\$400,921		\$37,276	\$2,847,591	\$17,561	\$2,206,760		\$519,865	\$103,690			(\$473,034)	(\$503,005)
12 2008	\$400,352			\$486,115	\$6,250	\$1,250,117		\$570,207	\$21,143			\$971,626	\$468,621
13 2009	\$820,657		\$17,945		\$39,473			\$719,479	\$24,753			(\$121,533)	\$347,088
14 2010	\$3,719,878		\$17,292	\$41,620		\$2,440,000		\$1,254,271	\$29,768			(\$35,125)	\$311,963
15 2011	\$693,239		\$18,104		\$257,197			\$1,217,583	\$79,469			\$328,512	\$640,475
16 2012	\$2,421,459		\$28,332	\$290,000	\$25,000			\$1,222,984	\$59,961			(\$1,481,846)	(\$841,371)
17 2013	\$548,886		\$17,934	\$160,000	\$1,151			\$1,217,831	\$42,158			\$532,018	(\$309,353)
18 2014	\$458,923		\$48,470	\$650,000	\$20,335			\$1,234,760	\$53,433			\$110,465	(\$198,888)
ESTIMATED													
19 2015	\$281,028		\$40,000	\$7,150,000		\$6,500,000		\$1,185,556	\$161,042			\$375,570	\$176,682
20 2016	\$283,598							\$1,185,556	\$161,042			(\$316,030)	(\$139,348)
21 2017	\$289,774	\$1,379,030						\$1,335,556	\$161,042			(\$172,206)	(\$311,554)
22 2018		\$1,379,030						\$1,335,556	\$161,042			\$117,568	(\$193,986)
23 2019		\$1,379,030						\$1,335,556	\$161,042			\$117,568	(\$76,418)
24 2020		\$1,379,030	\$5,000					\$1,335,556	\$161,042			\$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**

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

MAP SHOWING PROPOSED WAUSAU CHEMICAL DEVELOPMENT WITHIN TID #5



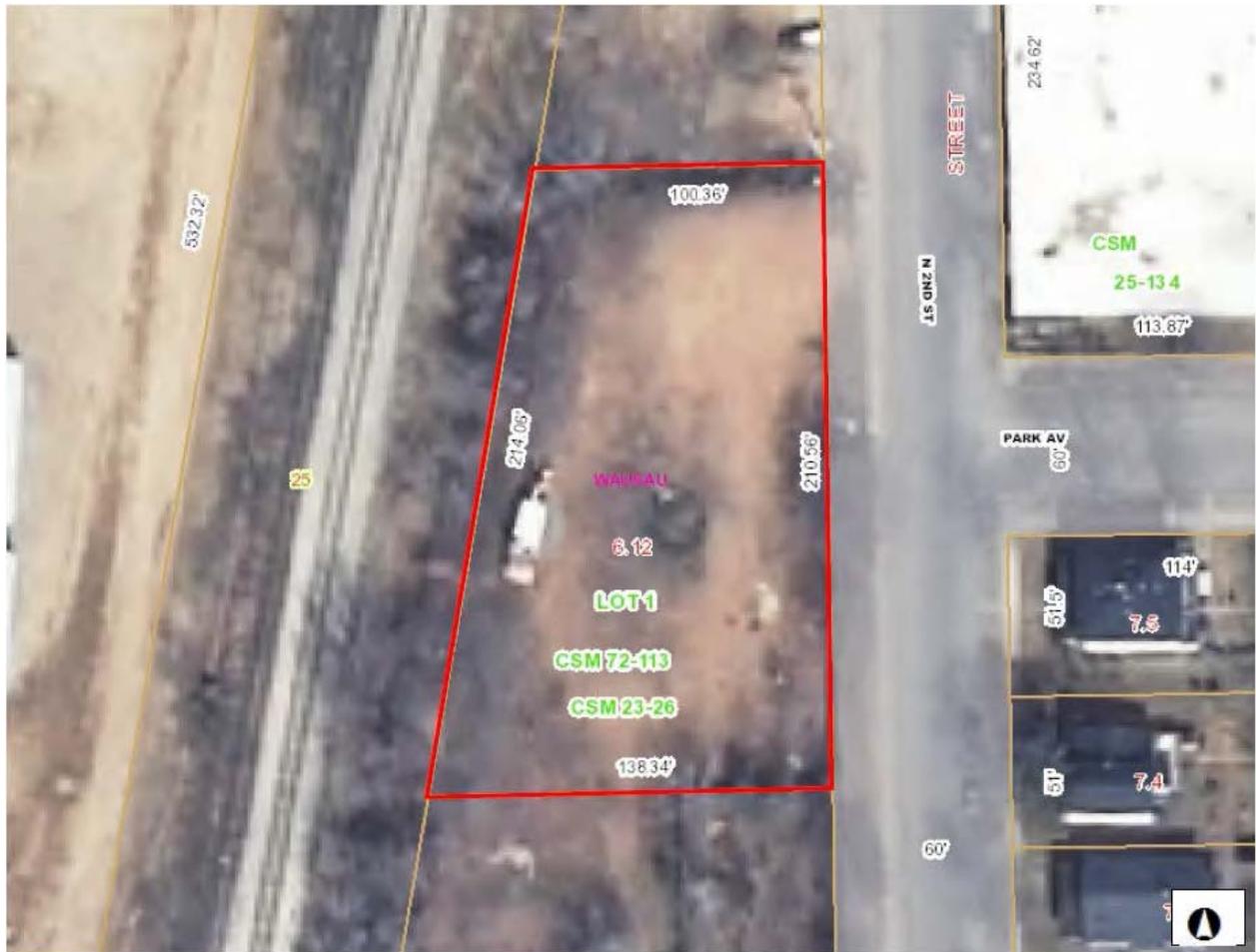
AERIAL IMAGE OF 2001 NORTH RIVER DRIVE - EXISTING WAUSAU CHEMICAL PLANT



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)	
Committee Action:	Plan Commission Approved Finance Committee Approved Economic Development Committee Approved
Fiscal Impact:	The project plan is not an expenditure commitment
File Number: 97-040	Date Introduced: June 25, 2015

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'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 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 the amended 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, 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

DRAFT

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: 6/30/2015

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



Staff Report

From: Christian Schock
To: Finance Committee Members
Date: June 10, 2015
Re: Schierl Sales Companies, Stewart Ave.

Purpose:

- Schierl Sales Companies proposed the replacement/expansion of an existing service station and the construction of 8 one bedroom, and 1 two bedroom market rate apartments at the corner of 3rd and Stewart Avenues.

Previous Facts:

- The existing service center facility is past its useful life and in need of major renovation.
- The adjacent 'Stahmer Clinic' building is vacant.
- The immediate vicinity is blighted and targeted for improvements.
- The neighborhood would benefit from the proposed reorientation of the structures and the introduction of additional market rate housing and commercial services.
- The proposed developments would create housing (9 apartment units) and 15 jobs.

Current Considerations:

- The applicant has changed the project significantly in response to neighborhood feedback, the project has been reduced in size and scope and now does not involve or require the vacation of Clark Street. The applicant has also moved the financing of the project into 2016 and will seek their own gap financing to begin construction this year. The terms of the City's investment remain the same: a 15 year deferred, interest free loan in the amount of \$275,000 and five reverse tax increment district payments of \$57,500.

DEVELOPMENT AGREEMENT

This Development Agreement (this "Agreement") is made and entered into by and between the **City of Wausau, Wisconsin**, a municipal corporation located at 407 Grant Street, Wausau, WI 54403 (the "City") and **Schierl Sales Corp.**, a Wisconsin corporation with offices located at 2201 Madison Street, Stevens Point, Wisconsin 54481 ("Developer"). The City and Developer may hereafter be referred to individually as a "party" and collectively as the "parties" to this Agreement.

RECITALS

A. The City has, pursuant to authority granted in Wisconsin Statute Section 66.1105, created Tax Incremental District No. 8 (the "TID").

B. Developer's affiliates have acquired the property legally described on the attached **Exhibit A** (the "Property"), which is located within the TID.

C. Developer is willing to develop the Property and to provide employment opportunities at the Property, provided Developer obtains financial assistance from the City as set forth herein.

D. The City has determined that this Agreement is in the public interest and to induce Developer to develop the Property, the City has agreed to provide financial assistance to Developer, subject to the terms and conditions described herein.

TERMS AND CONDITIONS

1.0 Private Improvements and Employment.

1.1 Private Improvements. Developer agrees that it will complete construction of the private improvements described on **Exhibit B**, attached hereto and incorporated herein by reference (the "Private Improvements") and that the construction of such Private Improvements will be substantially completed no later than July 31, 2016. Developer shall spend not less than Three Million Dollars (\$3,000,000.00) on the construction of the Private Improvements. Upon the written request of the City, Developer shall provide the City with an itemized bill report of the costs, fees, and expenses incurred by Developer in relation to the Private Improvements.

1.2 Permits and Approvals. Notwithstanding Section 1.1 above, Developer's obligation to construct the Private Improvements is contingent on obtaining permits and other governmental approvals necessary for the construction. Developer agrees to make commercially reasonable efforts to obtain such permits and approvals in a timely manner. Nothing contained herein shall be construed so as to obligate the City to issue any such permits or approvals.

1.3 Property Maintenance. Following completion of the Private Improvements required under Section 1.1 above, Developer shall maintain the Property in a good and presentable condition and shall promptly repair any damage. Developer shall maintain adequate property insurance for such purpose.

1.4 Employment. Developer shall achieve a level of employment at the Property of fifteen (15) full-time-equivalent positions by December 31, 2020. In the event Developer fails to achieve the required level of employment at the Property as provided herein, Developer shall not be deemed to be in default under the terms of this Agreement. Provided however, if Developer fails to achieve the required level of employment at the Property as provided herein, Developer shall remit to the City an amount equal

to One Thousand Dollars (\$1000.00) for each full-time equivalent position that Developer has failed to achieve during the term of this Agreement.

1.5 Contingencies. Developer's obligation to complete the Private Improvements is contingent upon the following: (i) the City providing the tax incremental financing and incentive payments described in Section 2.0 below; (ii) Developer obtaining all required City approvals authorizing the re-zoning of the Property to Unified Development District Wausau RMC 23.65 no later than August 31, 2015; (iii) Developer obtaining all required City approvals authorizing the vacation of that portion of Clark Street that lies between 3rd Avenue and 4th Avenue no later than August 31, 2015; (iv) Developer obtaining all required government approvals authorizing the access points to the Property from Stewart Avenue and 3rd Avenue at the locations described on **Exhibit B** no later than August 31, 2015; and (v) the City installing, at its sole expense, decorative street lighting along 3rd Avenue between Stewart Avenue and the vacated portion of Clark Street no later than July 31, 2016. In the event any one or more of the above referenced contingencies is not satisfied within the time provided, the Developer may, at its option, terminate this Agreement by providing the City with written notice. If this Agreement is terminated as provided in this Section 1.5, then the City and Developer shall have no further obligations to each other under this Agreement.

2.0 Tax Incremental Financing and Incentive Payments.

2.1 Initial Financing. To induce Developer to construct the Private Improvements within the TID, the City hereby agrees to provide Developer with initial financing in the amount of Two Hundred Seventy-Five Thousand Dollars (\$275,000.00) (the "Initial Financing"), to be used by Developer exclusively for the construction and site preparation necessary to complete the Private Improvements. The full amount of the Initial Financing shall be made available by the City to Developer on January 31, 2016. The Initial Financing shall not accrue interest and Developer shall have no obligation to repay the Initial Financing for a period of fifteen (15) years commencing on the date upon which the Initial Financing was made available to Developer. Provided however, Developer may pre-pay the Initial Financing in whole or in part from time to time without penalty or premium for prepayment.

2.2 Incentive Payments. In addition to the Initial Financing described in Section 2.1 above, commencing with the real estate tax year beginning on January 1, 2016, and continuing annually for a period of five (5) real estate tax years thereafter, the City agrees to compensate Developer for the development costs incurred by Developer to complete the Private Improvements. The City shall pay to Developer the sum of Fifty-Seven Thousand Five Hundred Dollars (\$57,500.00) of the available tax increment produced from the Private Improvements and received by the City for the prior real estate tax year.

2.3 Payment of Incentive Payments. Payments from the City to Developer pursuant to Section 2.2 above shall be made on a yearly basis on or before September 1st of each calendar year commencing on September 1, 2017 (in relation to the 2016 real estate tax year), and continuing for a period of five (5) years thereafter with the final payment due on or before September 1, 2021 (in relation to the 2024 real estate tax year). The City's obligation to finance Development Costs shall be payable solely from available tax increment generated by the Property and shall not be a charge against the City's general credit or taxing power.

2.4 Limitations. Any payments made by the City to Developer as provided above, shall constitute project costs of the TID. The City's obligation to make the payments described above shall be contingent on Developer's continued compliance with the terms of this Agreement. The City shall not be obligated to make any payments to Developer, whether from available tax increment or otherwise, when Developer or any assignee of Developer is in default under this Agreement.

3.0 Representations and Warranties.

3.1 Representations and Warranties of Developer. Developer represents and warrants to the City that:

3.1.1 Developer is a Wisconsin corporation, duly organized and in good standing under the laws of the State of Wisconsin, and is not in violation of any provisions of its Articles of Incorporation, Bylaws, or the laws of the State of Wisconsin, has the power to perform its obligations hereunder and has duly authorized the execution, delivery and performance of this Agreement by proper corporate action.

3.1.2 Developer controls the construction of the Private Improvements on the Property and the construction of the Private Improvements on the Property by Developer would not occur but for the tax increment financing being provided by the City hereunder.

3.1.3 Developer warrants that its affiliates have good title to the Property and that it has full right and authority to enter into this Agreement.

3.1.4 Developer warrants that no person has been or will be a displaced person under Ch. 32 of the Wisconsin Statutes, Ch. Comm 202 of the Wisconsin Administrative Code, or other applicable law as a result of Developer's actions related to the Property, the development or this Agreement.

3.1.5 The parties signing below for Developer warrant that they have full power and authority to execute this Agreement on behalf of Developer, and to bind Developer to the Agreement.

3.1.6 Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in the breach of the terms, conditions or provisions of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which Developer is now a party or by which is bound, or constitutes a default under any of the foregoing.

3.2 Representations and Warranties of City. The City represents and warrants to Developer that:

3.2.1 The City is a municipal corporation and political subdivision organized under the laws of the State of Wisconsin.

3.2.2 The City has the authority to enter into this Agreement and carry out its obligations hereunder pursuant to the authority granted to it by the Wisconsin Constitution and State law.

3.2.3 The City will cooperate with Developer throughout the term of this Agreement and shall promptly review and/or process all submissions and applications in accordance with applicable City ordinances.

3.2.4 The activities of the City are undertaken for the purpose defined in Section 66.1105 of the Wisconsin Statutes.

3.2.5 The parties below on behalf of the City have been fully authorized to execute this Agreement on behalf of the City. When executed and delivered to Developer, this Agreement shall constitute a legal, valid and binding obligation of the City, enforceable in accordance with its terms.

4.0 Default and Remedies.

4.1 Default. In the event either party is in default hereunder (the “Defaulting Party”), the other party (the “Non-defaulting Party”) shall be entitled to take any action allowed by applicable law by virtue of said default provided that the Non-Defaulting Party first gives the Defaulting Party written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than thirty (30) days in which the default may be cured by the Defaulting Party.

4.2 City Remedies. In the event of default by Developer that remains uncured, the City, may take any one or more of the following actions:

4.2.1 The City may suspend their performance under this Agreement until it receives assurances from Developer, deemed adequate by the City, that Developer will cure its default and continue its performance under this Agreement.

4.2.2 The City may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of the Developer under this Agreement, including securing an injunction to prevent harm.

4.3 Developer Remedies. In the event of a default by the City that remains uncured, Developer may seek any remedy available to Developer under the terms of this Agreement or take any other action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of the City under this Agreement, including securing an injunction to prevent harm.

4.4 Indemnification. Subject to the limitation described herein and except for any misrepresentation or any misconduct of any of the indemnified parties, Developer shall indemnify, save harmless and defend the City and its respective officer, agents and employees from and against any and all liability, suits, actions, claims, demands, losses, costs, damages and expenses of every kind and description, including attorney costs and fees, for claims of any kind including liability and expenses in connection with the loss of life, personal injury or damage to property, or any of them brought because of any injuries or damages received or sustained by any persons or property on account of or arising out of the construction of the Private Improvements to the extent caused by the sole negligence or willful misconduct on Developer’s part or on the part of its agents, contractors, subcontractors, invitees or employees, at any time. Notwithstanding the foregoing, the liability of Developer to the City for any claim whatsoever related to this Agreement, including any cause of action arising in contract, tort, or strict liability, shall not exceed the total amount of the tax incremental financing and incentive payments described in Section 2.0 above, actually received by Developer from the City under the terms of this Agreement as of the date of any such claim. IN NO EVENT WILL DEVELOPER BE LIABLE FOR ANY LOST REVENUE, PROFIT, OR FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY EVEN IF DEVELOPER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

5.0 Interpretation and Construction.

5.1 Term. The term of this Agreement shall commence upon the execution of this Agreement by both parties and shall continue until such time as all of the incentive payments described in Section 2.2 above have been paid by the City to the Developer and Developer has repaid the Initial Financing to the City as provided in Section 2.1 above, unless terminated earlier as provided herein.

5.2 Assignment. This Agreement may be assigned by Developer without the consent of the City (i) to any affiliate or other entity under common control or ownership with Developer; or (ii) in the event of a transfer of the Property by Developer to a third party, provided Developer is not in default under the terms and conditions of this Agreement. Developer will provide the City with written notice not less than thirty (30) days following any such assignment. In the event of such an assignment by Developer of its interest in this Agreement to a person or entity expressly assuming Developer's obligations under this Agreement, Developer shall thereby be released from any further responsibility hereunder, and the City agrees to look solely to such successor in interest of Developer for performance of such obligations.

5.3 Relationship of Parties. Developer and its contractors and subcontractors shall be solely responsible for the completion of the Private Improvements. Nothing contained in this Agreement shall create or effect any partnership, venture or relationship between the City and Developer or any contractor or subcontractor employed by Developer in the construction of the Private Improvements.

5.4 Entire Agreement. This Agreement shall be governed by and construed in accordance with the laws of State of Wisconsin. This Agreement sets forth the entire understanding between the City, and Developer with respect to its subject matter, there being no terms, conditions, warranties, or representations with respect to its subject matter other than that contained herein. Developer has previously submitted a City of Wausau TIF Application in the format required by the City in relation to the construction of the Private Improvements contemplated by this Agreement. In the event of a conflict between the City of Wausau TIF Application and this Agreement, the terms of this Agreement shall control in all respects. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and assigns. This Agreement may be modified only by a written amendment signed by the parties. The headings set forth in this Agreement are for convenience and reference only, and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

5.5 Severability. If any provisions of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

5.6 Waiver. Each party agrees that no failure or delay by the other party in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

5.7 Notices. All notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given (i) upon deliver to an officer of the City or Developer, if hand delivered, or

(ii) two (2) business days following deposit in the United States mail, postage prepaid, or with an overnight commercial carrier that will certify as to the date and time of delivery, and each such communication or notice shall be addressed as follows, unless and until any of such parties notifies the other in accordance with the section of a change of address:

If to City: City of Wausau, Wisconsin
407 Grant Street
Wausau, WI 54403
Attn: City Clerk

If to Developer: Schierl Sales Corp.
2201 Madison Street
Stevens Point, Wisconsin 54481
Attn: Chief Executive Officer

5.8 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes and all of which shall be deemed, collectively, one and the same agreement.

The execution of this Agreement by the City was authorized by resolution of the city council for the City of Wausau, Wisconsin adopted on the ___ day of _____, 2015.

IN WITNESS WHEREOF, the parties have duly executed this Agreement, or caused it to be duly executed as of the ___ day of _____, 2015.

THE CITY OF WAUSAU, WISCONSIN

By: _____

Attest:

By: _____

STATE OF WISCONSIN)
) SS
COUNTY OF MARATHON)

Personally came before me this ___ day of _____, 2015, _____, of the above-named City of Wausau, Wisconsin, to me known to be the persons who executed the foregoing instrument and to me known to be such _____, and acknowledged that they executed the foregoing instrument as such officers as the deed of said City of Wausau, Wisconsin, by its authority.

Notary Public, State of Wisconsin
My commission: _____

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

Parcel 1:

Lot one (1) of Certified Survey Map No. 6225 recorded in the office of the Register of Deeds for Marathon County, Wisconsin, in Volume 23 of Certified Survey Maps on page 53; being a part of Lots one (1), two (2) and four (4) in Block nine (9) of A. Stewart's Addition to Wausau; also being a part of the South One-Half of the vacated alley lying immediately North of and contiguous with the North line of said lots; subject to easements of record.

AND

The North thirty-two (32) feet of Lot four (4); and the North thirty-two (32) feet of the West twenty (20) feet of Lot three (3), all in Block nine (9) of A. Stewart's Addition to Wausau; together with the South One-Half of that part of the vacated alley lying immediately North of and contiguous to said Lot four (4) and the West twenty (20) feet of Lot three (3); subject to easements of record.

Tax Parcel Number: 291-2907-264-0186

Parcel 2:

Lots five (5), six (6), seven (7) and eight (8) in Block nine (9) of A. Stewart's Addition to Wausau, Marathon County, Wisconsin; together with the North One-Half of vacated alley lying South of and contiguous to said lots; EXCEPT the East fifteen (15) feet of Lot eight (8) and the North One-Half of the vacated alley.

Tax Parcel Number: 291-2907-264-0188

EXHIBIT B
DESCRIPTION OF PRIVATE IMPROVEMENTS

See attached.



Staff Report

From: Christian Schock
To: Finance Committee Members
Date: June 10, 2015
Re: Wausau On The Water

Purpose:

Bill and Julie Greenwood propose a family entertainment center featuring an assortment of entertainment opportunities including an arcade, video games, pool tables, shuffle board, etc. along with a restaurant and patio with riverfront dining available.

10/28/14: the Common Council approved the applicant's proposal on unanimous Economic Development and Finance Committee Resolutions with a City investment of a land lease, loan and grant which would have reutilized the existing building at 1212 North 1st Street.

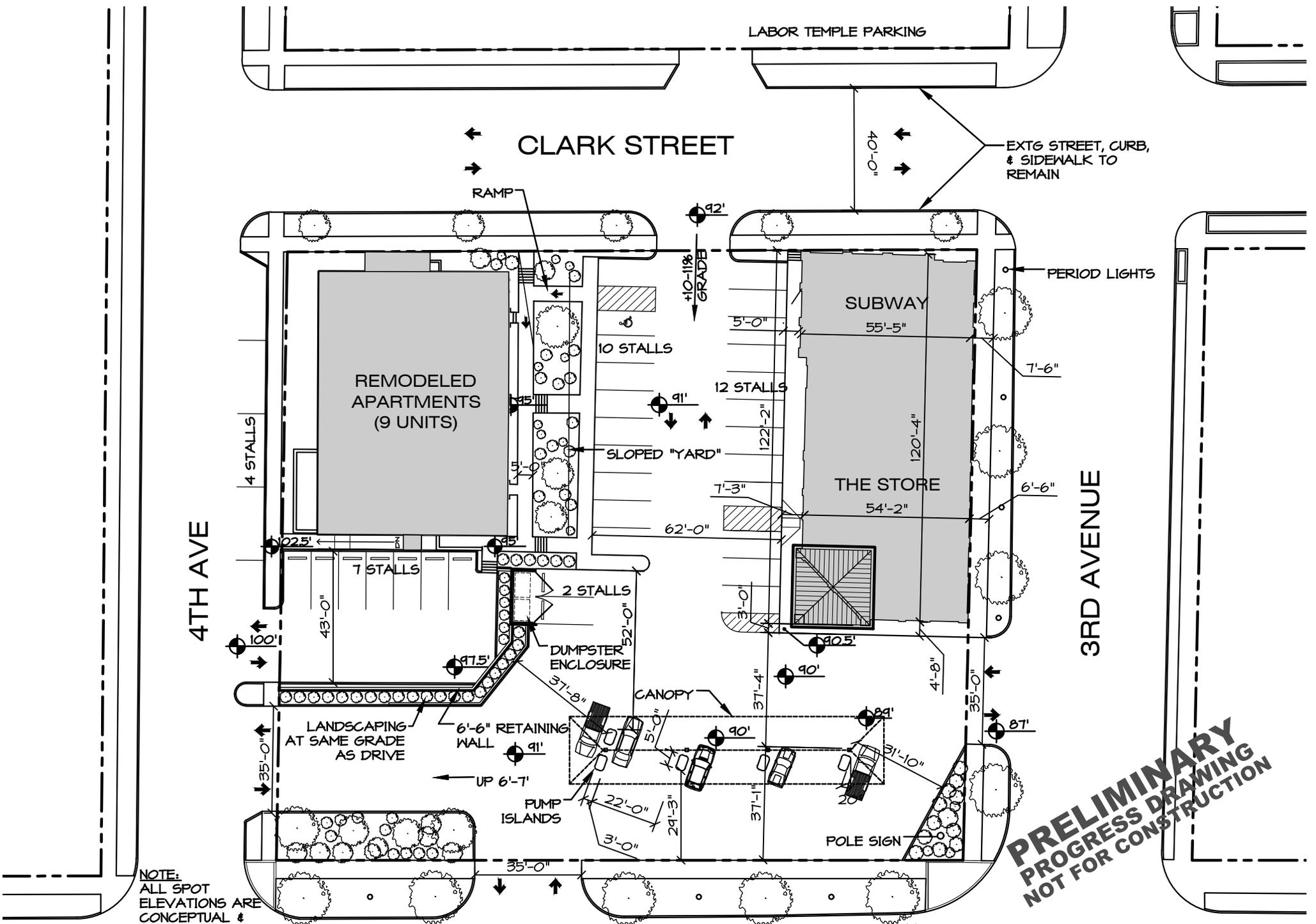
Recent Developments:

5/5/15: the Economic Development Committee, following a review of recent soil boring and structural analysis done at the site, unanimously approves the demolition of the existing building and continued work with the applicant to place a new, purpose-built building at a slightly different location.

6/2/15: the Economic Development Committee approves 4-1 additional financial resources required for the structural and foundation work for the facility. City has scheduled additional borings to be performed by American Engineering Testing on or before 6/10/15 at locations for the new proposed building. The results of the borings will determine the exact dimensions and design of pylon supports necessary for the project but it is estimated that this additional support will cost between \$225,000 to \$275,000. The Economic Development Committee reviews the latest draft designs of the new building and requests additional design work be done by the Applicant before a vote before Common Council.

Current Considerations:

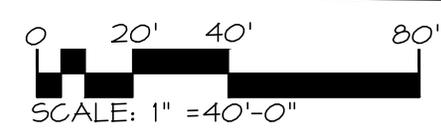
The Finance Committee is being asked to reiterate the existing approved financing package from 2014 and add an amount estimated herein, but to be confirmed by the boring results, for foundation/structural work as a grant for the project to move forward. Any proposed project on this parcel would require this type of structural and foundation work.



**PRELIMINARY
PROGRESS DRAWING
NOT FOR CONSTRUCTION**

PROPOSED SITE PLAN - 6/2/15

1" = 40'-0"



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

Approving a Development Agreement between the City of Wausau and Wausau On The Water, Inc., for the redevelopment of 1212 N 1st Street for the purpose of constructing Wausau On The Water, a family entertainment center.



Committee Action: ED Comm: Approved 5 – 0
Finance: Approved 5 - 0

Fiscal Impact: \$521,000 (2.75%/15/year loan) be financed from Tax Increment District Number Three
\$54,000 grant to be finance from Tax Increment District Number Three

File Number: 14-1014

Date Introduced: October 28, 2014

WHEREAS, the City of Wausau has undertaken multiple initiatives to redevelop and revitalize Wausau’s East Riverfront District, a former industrial site, located north of downtown along the Wisconsin River;

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

WHEREAS, the City of Wausau seeks to redevelop the approximate 15 acre parcel into a community asset featuring green space and mixed use commercial, residential and retail development; and

WHEREAS, Wausau On The Water (WOW) seeks to redevelop 1212 N 1st Street into a family entertainment center, featuring an array of gaming activities, as well as a bar and restaurant with outdoor, riverfront dining; and

WHEREAS, in order for the WOW redevelopment to occur the City of Wausau must complete planned infrastructure upgrades in the East Riverfront District including the extension of 1st Street from Fulton to Bridge, the addition of shared parking facilities and construction of a wharf; and

WHEREAS, WOW requires a minimum of 80 parking stalls from the shared parking facility to be constructed by the City of Wausau; and

WHEREAS, the City of Wausau will donate the 12,000 square foot building located at 1212 N 1st Street to WOW and enter into an 85 year land lease with WOW at a rate of \$1,000/month;

WHEREAS, the City of Wausau will facilitate the development of WOW by issuing a \$521,000 loan, deferred for 18 months, payable at an annual percentage rate of 2.75% over a 15 year period; and

WHEREAS, the City of Wausau will further facilitate the development project by issuing a \$54,000 grant for exterior landscaping, payable on a reimbursement basis; and

WHEREAS, WOW agrees to pay property taxes based on a minimum value of \$1,400,000; and create 8 full time jobs and 32 part time jobs; and

WHEREAS, the City of Wausau's Economic Development Committee retains full and final approval on all interior and exterior design elements; and

WHEREAS, the facility is located within the boundaries of Tax Increment District Number Three; and

WHEREAS, the project plan objectives of TID #3 are:

- To eliminate predominantly open and under-utilized areas which contribute to blight in the Central Business District and impair the sound growth of the community.
- To help prevent the recurrence of blight and blighting conditions through public and private investments within the tax incremental district.
- To carry out "rehabilitation or conservation work", as defined in 66.435(3).
- To enhance the property value and development potential of properties within and adjacent to the tax incremental district.
- To strengthen the economic well-being of the tax incremental district area and the Central Business District.
- To identify feasible and appropriate means of undertaking and financing the improvements outlined in this project plan.
- To increase employment opportunities available in the community.
- To increase total and per capita income in the community.
- To help implement the Redevelopment plan and any amendments to the plan.

WHEREAS, the Finance Committee and Economic Development Committee have reviewed the developer incentive request and find the following:

- That the WOW business development would not occur without the financial assistance from the City of Wausau financed from Tax Increment District Number Three.
- That the financial assistance will be supported by a developer agreement signed by Wausau On The Water, Inc.
- The developer incentives for construction, equipment and landscaping and related startup costs are an eligible expense under the tax increment financing laws;
- That this project furthers the purposes of Tax Increment Financing and the objectives of the Tax Increment District Number Three Project Plan objectives;
- That payment of the City's assistance to WOW is necessary and convenient to effectuate the purposes for which Tax Increment District Number Three was created and to implement its project plan; and

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

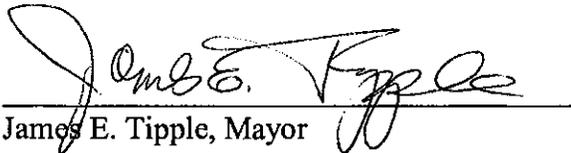
1. That the Common Council of the City of Wausau finds the following:
 - That the WOW business development would not occur without the financial assistance from the City of Wausau financed from Tax Increment District Number Three.

- That the financial assistance will be supported by a developer agreement signed by Wausau On The Water, Inc.
 - The developer incentives for construction, equipment and landscaping and related startup costs are an eligible expense under the tax increment financing laws;
 - That this project furthers the purposes of Tax Increment Financing and the objectives of the Tax Increment District Number Three Project Plan objectives;
 - That payment of the City's assistance to WOW is necessary and convenient to effectuate the purposes for which Tax Increment District Number Three was created and to implement its project plan; and
2. That the Mayor is authorized and directed to work on behalf of the City of Wausau to prepare a development agreement and a ground lease and that final approval of the agreement is delegated to the Economic Development Committee.
 3. That the Finance Director and proper City officials are here by authorized to modify the budget for Tax Increment District Number Three Fund and publish the budget modification in the official newspaper as required.

141-342897200	Developer Payments- Loan	\$521,000
141-342897200	Developer Payments – Grant	\$54,000
141-342889120	Proceeds from Notes	\$575,000

4. That the City Clerk mail a copy of the executed Developer Agreement to the Joint Review Board Members.

Approved:



 James E. Tipple, Mayor