



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

## OFFICIAL NOTICE AND AGENDA

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

Meeting of:	<b>FINANCE COMMITTEE</b>
Date/Time:	<b>Tuesday, February 9, 2016 at 6:00 PM</b>
Location:	<b>City Hall, <del>2nd Floor Board Room</del> Council Chambers</b>
Members:	David Oberbeck (C), Karen Kellbach, Dave Nutting, Bill Nagle, Robert Mielke

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

Presenter

- |   |  | Presenter |
|---|--|-----------|
| 1 | Public Comment on matters appearing on the agenda.   |           |
| 2 | Minutes of previous meeting(s). (1/18/16 & 1/26/16)  |           |
| 3 | Discussion and possible action regarding approval of Land Lease for construction of a 60' X 66' hangar in the west hangar development area at the Wausau Downtown Airport - Dr. Siebert  | Chmiel    |
| 4 | Discussion and possible action regarding Preliminary December 2015 General Fund Monthly Financial Report   | Groat     |
| 5 | Discussion and possible action regarding an update on the status of work performed under contract between VSGI and City-County Information Technology Commission (CCITC) involving the purchase of assessment software   | Klein     |
| 6 | Discussion and Possible Action on Proposed Terms of the Development Agreement with CBL & Associates for the Wausau Center Mall Property and related financial aspects and budget modification.   | Schock    |
| 7 | <b>POSSIBLE CLOSED SESSION</b> pursuant to Section 19.85(1)(g) of the Wisconsin Statutes for conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved, relating to review of legal options available to CCITC   |           |
| 8 | <b>CLOSED SESSION</b> pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, regarding mall reinvigoration and related public/private partnership, city financial incentives and loans, the project plan amendment of Tax Increment Districts #3 and #5, and the authorization of related legal services. |           |
| 9 | <b>RECONVENE INTO OPEN SESSION</b> to take any action deemed necessary on the closed session   | item      |

Adjournment

David Oberbeck, Chair

**IMPORTANT: THREE (3) MEMBERS NEEDED FOR A QUORUM:** If you are unable to attend the meeting, please notify Mary by calling (715)261-6621 or via email [mgoede@ci.wausau.wi.us](mailto:mgoede@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 2/04/16 @ 4:00 PM

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

**SPECIAL FINANCE COMMITTEE**

Date and Time: Monday, January 18, 2016 @ 4:15 pm., Board Room

Members Present: Oberbeck (C), Mielke, Kellbach, and Nutting (*entered at 4:30*)

Members Excused: Nagle

Others Present: Tipple, Wagner, Jacobson, Klein, Giese, Ray, Rubow, Henrichs, 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 Oberbeck.

**Discussion and possible action regarding status of work performed under contract between VSGI and City-County Information Technology Commission (CCITC) involving the purchase of assessment software.**

Gerry Klein reviewed the budget document from the committee packet. He noted VSGI has invoiced us for the next payment of \$30,800 on October 31, 2015 for go live, which has not been paid because we have not gone live. In addition to that, we would still owe them \$53,900 plus any additional travel, which would be considered final acceptance.

Klein reviewed the timeline and key events to date, also included in the packet. He indicated the project was delayed by VSGI to February 2016 and we told them they need to be complete by the end of the year, which they were unable to do. The most recent letter from VSGI indicates they will give us a new project plan in spring with completion of the project June 30, 2016. He noted the setup of tables to model current values, training for staff on how to modify the tables, the personal property module, export of the PAD data that has been accepted by the state, the mobile home module, and the interface to our tax billing system all are not done. He stated he had a document to review in closed session. Jacobson explained the termination provisions of the contract stated under Chapter 8 and indicated she could provide further legal information in closed session.

**CLOSED SESSION pursuant to Section 19.85(1)(g) Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved, relating to review of legal options available to CCITC.**

Motion by Mielke, second by Kellbach to convene in closed session. Roll Call Vote: Ayes – Kellbach, Mielke, Oberbeck. Motion carried 3-0.

Meeting adjourned in closed session at 5:20 pm.

## **FINANCE COMMITTEE**

Date and Time: Tuesday, January 26, 2016 @ 6:00 pm., Board Room

Members Present: Oberbeck (C), Mielke, Nagle, Kellbach

Members Excused: Nutting

Others Present: Groat, Hite, Hanson, Lindman, Jacobson, Tipple, Czarapata, Neal, Wagner, Gisselman, Chmiel, Goede and media.

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 Oberbeck.

### **Public Comment**

None.

### **Minutes of previous meeting(s). (1/12/16)**

Motion by Kellbach, second by Mielke to approve the minutes of previous meetings (1/12/16). Motion carried 4-0.

### **Sole Source Request Fire Department Thermal Imaging Cameras \$43,000**

Paul Czarapata explained we received four bids and the sole source provider is actually the low bid in the process, however, they are the only distributor for the product we selected in State of Wisconsin, so if they want multiple bids we would have to go nationwide.

Motion by Nagle, second by Mielke to approve the sole source request of the Fire Department for Thermal Imaging Cameras. Motion carried 4-0.

### **Budget Modification Human Resources**

Myla Hite stated the work has become more complex with becoming self-insured, so in order to serve the needs of the city we approached the Human Resources Committee with a request that we require a different minimum higher level qualification for the Senior Human Resources Analyst position, which is an Intermediary License. This license requires that individuals sit for an examination and take continuing education units of 24 hours in a two year period to maintain a level of professionalism. With the addition of that minimum qualification with the compensation plan that was adopted by the Council, it changes the point factors for that particular position which changes the range. She stated the Council approved \$100,000 in the budget, part for pay-for-performance and part for compensation plan administration. She indicated this would be a compensation plan administration action taking the money and moving it into the HR budget in order to fund it.

Motion by Nagle, second by Mielke to approve the budget modification for the Senior Human Resources Analyst position. Motion carried 4-0.

### **Consider funding for Organizational Efficiency Study**

Oberbeck stated one of his original concerns was the level that we would do this organizational efficiency study and that we would get the expertise required. The HR Committee looked at the options regarding bringing in a person that would have a black belt to aid in discussion and guide the process. He noted Myla Hite had a green belt. He indicated the HR Committee stated they would like to see more involvement from the black belt to lead the green belt to attaining a black belt. Wagner commented bringing this outside source in from the Technical College to do this is something that will help us move forward for understanding the departments.

Motion by Mielke, second by Kellbach to approve the funding for Organizational Efficiency Study. Motion carried 4-0.

### **Budget Modification for Motor Pool Enterprise Lease Program**

Groat stated they approved this at a previous meeting, but initially she thought we would be entering into a capital lease which then would be an asset, but it is actually being managed as an operating lease. The resolution now not only authorizes us to enter into that operating lease, but also contains a modification to move the funds out of the capital into the lease expense. Wagner pointed out this is budget neutral.

Motion by Nagle, second by Mielke to approve the budget modification for Motor Pool Enterprise Lease Program. Motion carried 4-0.

**Discussion and possible action regarding November 2015 General Fund Monthly Financial Report**

Groat presented the November 2015 General Fund Monthly Financial Report, noting the good news is our expenses have been tracking significantly lower than last year mainly due to lack of snow for the Public Works Department. The report can be viewed online: <http://www.ci.wausau.wi.us/Departments/Finance/MonthlyReports.aspx>

**Budget Modification for Water Main relocation for Airport Hangar Construction Dr Siebert**

John Chmiel indicated Dr. Siebert would like to build a hangar at the Wausau Airport in the west hangar development area; there are only two available locations left. He stated we had pre-approved hangars in those locations but they were for a different size; Dr. Siebert would like to build a bigger hangar. He explained because it is larger it interferes with the water and sewer lines across that property. The city will earn more revenue because of the land lease square footage increase and greater value of the hangar. Dr. Siebert proposes that we split the cost for the relocation of the water 50/50 and the Airport Committee approved. He requested a transfer of funds from capital projects.

Chmiel stated Dr. Siebert's lease will be on the next Finance Committee agenda and he requested that it go to Council immediately following Finance because it will have gone through Airport, Finance, a public hearing and the Utility Commission prior to that.

Motion by Nagle, second by Mielke to approve the budget modification for water main relocation for airport hangar construction. Motion carried 4-0.

**Adjourn**

Motion by Mielke, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:15 p.m.

**RESOLUTION OF FINANCE COMMITTEE**

Authorizing the execution of Airport Ground Lease-Robson Summit LLC

Committee Action: Approved \_\_\_\_\_

Fiscal Impact: Annual lease and tax revenues and estimated \$9,394.00 cost to relocate water main

**File Number:**

**Date Introduced:**

**RESOLUTION**

**WHEREAS**, your Airport Committee, at their June 15, 2015 meeting, approved construction of a 60' x 60' hangar in the Wausau Downtown Airport hangar development area by Derrick Siebert; and

**WHEREAS**, your Airport Committee, at their \_\_\_\_\_, 2016 meeting, approved an amended hangar dimension of 60' X 66'; and

**WHEREAS**, the proposed location of the hangar will require relocation of a municipal water line for an estimated cost of \$18,788.00, such cost proposed to be shared equally between the City and Derrick Siebert/Robson Summit LLC, as tenant; and,

**WHEREAS**, your Airport Committee, at their September 9, 2015 meeting, approved relocation of the municipal water line to accommodate a proposed amended hangar dimension of 60' X 66' contingent upon availability of funds for the City to share half the cost of such relocation; and,

**WHEREAS**, the Finance Committee, at their January 26, 2016 meeting, has reviewed and recommends that the City fund \$9,394.00 as its share of the cost for relocation of a municipal water line to accommodate the construction from the Airport Capital Projects Fund; and,

**WHEREAS**, your Plan Commission, at their January 19, 2016 meeting, approved a conditional use permit to allow the hangar construction; and

**WHEREAS**, the Wausau Water Works Commission, at their February 2, 2016 meeting has approved relocation of the municipal water line; and,

**WHEREAS**, the Engineering Department does not believe location and construction of the hangar will have any negative affect upon a gravity sewer main which will not be relocated to accommodate construction and will remain in place until such time as said gravity sewer main might fail and require replacement and at which time costs of relocation the sewer main would be born solely by the City; and,

**WHEREAS**, your Finance Committee, at their February 9, 2016 meeting, approved entering into a ground lease with Robson Summit LLC, a Wisconsin limited liability company, a copy of which lease is attached and incorporated herein by reference, and in general, provides for a twenty (20) year least

with the opportunity for renewal, a lease payment of 12¢ per square foot adjusted annually, a payment to the City of real estate taxes as a building on lease land.

**NOW, THEREFORE, BE IT RESOLVED**, by the Common Council of the City of Wausau that the proper City officials are hereby authorized and directed to execute the original of the attached standard ground lease between the City of Wausau and Robson Summit LLC (Derrick Siebert), allowing for construction of the aforementioned hangar which additionally provides for relocation of a municipal water line, with 50% of the estimated costs of the relocation to be paid by the City, and permits the gravity sewer main to remain in place until such time as it may fail and require replacement.

**BE IT FURTHER RESOLVED** that the City fund \$9,394.00 as its share of the cost for relocation of the municipal water line to accommodate the construction from the Airport Capital Projects Fund.

Approved:

---

James E. Tipple, Mayor

## AIRPORT GROUND LEASE

THIS AGREEMENT, made and entered in this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the City of Wausau, a Wisconsin municipal corporation, hereinafter referred to as "CITY," and Robson Summit LLC, a Wisconsin limited liability company, PO Box 1012, Wausau., Wisconsin 54402, hereinafter referred to as "TENANT";

WITNESSETH:

WHEREAS, CITY owns and operates an airport within the corporate limits of the City of Wausau known as the Wausau Downtown Airport, hereinafter referred to as "Airport"; and

WHEREAS, TENANT wishes to lease a parcel of land on Airport described in "Exhibit A," hereinafter referred to as "parcel," and TENANT wishes to construct an airplane hangar for the storage of aircraft and their appurtenances and for TENANT's use on that parcel.

NOW, THEREFORE, for and in consideration of the rents, covenants, and agreements herein contained, CITY and TENANT agree as follows:

1. Premises. CITY hereby leases to TENANT the parcel described in "Exhibit A," attached hereto.

TENANT shall construct within one (1) year of the date first above written, improvements in accordance with the plans and specs on said parcel described in "Exhibit A," attached hereto. All improvements, now and any in the future, must meet all applicable state and local building codes, and shall be approved by CITY. TENANT shall use the improvements and premises solely for aircraft storage and as a maintenance hangar including related office and lounge facilities, for storage of personal-use vehicles, and other uses consistent with and in furtherance of air transportation. TENANT shall comply with "storage" regulations which may be adopted, from time-to-time, by CITY.

Within sixty (60) days after the completion of the building, OWNER shall complete preparation of appropriate excavation and installation of base course in preparation for asphalt pavement extending from the building to the taxiway and from the existing asphalt to the south to the existing vehicle access road to the north. OWNER shall pay for 100 percent of the preparation and base course, and CITY shall pay for the asphalt and the cost of laying the asphalt down. All site preparations for the road shall be done pursuant to CITY specifications and shall be approved by CITY prior to CITY paving the area.

2. Lease Fees. TENANT shall pay to CITY for the lease of the parcel twelve cents (12¢) per square foot (60' x 66' feet) per year, which payment shall be paid to the City Treasurer on an annual basis no later than the 5th day of January in the year for which the payment is due. The payment for 2016 shall be prorated and shall reflect the months from the date of occupancy to the end of the year. (Taxes shall reflect the improvements as of the legal date of assessment value [currently January 1]). This lease amount shall be adjusted annually to reflect the change in the Consumer Price Index from September 30 the previous year.

3. Term of Agreement. The initial term of this Agreement shall be for a period of twenty (20) years commencing on the date above first written. This lease shall be automatically renewed, without notice from either party, on identical terms for a like successive term, unless either party shall, at least forty-five (45) days before the expiration of the lease, notify the other in writing of the termination of the lease.

4. Utilities and Taxes. TENANT agrees to pay all utilities, taxes, and phone bills, including but not limited to bills for electricity, gas, sewer, and water. TENANT agrees to install or cause to be installed on the leased premises meters for all utilities to be used on the leased premises and to pay any and all costs and expenses incurred as a result of the installation and use of such utilities.

5. Improvements. Except as provided in paragraph 1, TENANT shall not make any structural alterations, additions or improvements to the building or leased premises without the consent of CITY, which consent will not unreasonably be withheld, in those cases where TENANT provides it with plans and specifications for the same evidencing alterations, additions, and improvements of substantially the same appearance, standards, and quality as the construction specified in paragraph 1 and there is sufficient, in the opinion of CITY, land for the improvements. TENANT shall have the right to make, without CITY's consent, such nonstructural alterations, additions, and improvements to the building and leased premises that TENANT desires in order to conduct its operations on the leased premises.

6. Compliance with Laws. TENANT shall at all times comply with the airport rules and regulations, federal, state, and municipal laws, ordinances, codes, and other regulatory measures, now in existence or as may be hereafter modified and amended, applicable to the specific type of operation contemplated by it. TENANT shall procure and maintain during the term of this agreement all licenses, permits, and other similar authorizations required for the conduct of its aircraft operations.

7. Liens. TENANT agrees to promptly pay all sums legally due and payable on account of any labor performed on or materials furnished for the leased premises. TENANT shall not permit any liens to be placed against the leased premises on account of labor performed or material furnished; and in the event such a lien is placed against the leased premises, TENANT agrees to save CITY harmless from any and all such asserted claims and liens and to remove or cause to be removed any and all such asserted claims or liens as soon as reasonably possible.

8. Development. CITY reserves the right to further develop or improve the landing and public areas, including ramp space of the airport, as it sees fit regardless of the desires or views of TENANT and without interference or hindrance; provided, however, that no such development or improvement shall for a period in excess of sixty (60) days limit or violate TENANT's rights under this lease agreement or otherwise violate any federal, state, or local law, ordinance, rule, or regulation.

9. Subordination. This lease agreement shall be subordinate to the provisions of any existing or future agreement between CITY and the United States Government relative to the operation or maintenance of the airport, the execution of which has been, or may be, required as a

condition precedent to the expenditure of federal funds for the development of the airport. Should the effect of any such agreement with the United States Government be to take the leased premises or building or any portion of either or substantially destroy the commercial value of either, then, within thirty (30) days after the occurrence of such event, CITY shall terminate this lease agreement and purchase the building from TENANT, which purchase price shall be the fair market value of the building as of the day of the "taking."

10. Air and Noise. CITY hereby reserves for the use and benefit of the public, the right of aircraft to fly in the airspace overlying the leased premises, together with the right of said aircraft to cause such noise as may be inherent in the operation of aircraft landing at, taking off from, or operating on or in the vicinity of the airport, and the right to pursue all operations of the airport; provided, however, that no such rights or the exercise thereof shall limit or violate TENANT's rights under this lease agreement.

11. Restrictions on Obstructions. CITY reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent TENANT from erecting, or permitting to be erected, any building or other structure on the airport, which, in the opinion of CITY, would limit the usefulness of the airport, or constitute a hazard to aircraft.

12. Assignment. Subject to paragraph 25, TENANT shall not assign its rights and obligations under this lease agreement nor assign any part of the leased premises to a third party, but may sublet the leased premises to a third party without CITY approval, provided that the leased premises is used solely for aircraft storage.

13. Automobile Parking Lot. TENANT and TENANT's guests may use the parking lot area along with other members of the public and individuals utilizing the Airport.

14. Signs. TENANT agrees that no signs, lighting or advertising matter shall be erected without the written consent of CITY.

15. Insurance. TENANT shall maintain on the parcel and its improvements fire and extended coverage insurance in an amount at least equal to the assessed valuation of the improvements as well as liability coverage with a minimum combined single limit in an amount not less than \$1 million dollars of liability per occurrence for Bodily Injury and Property Damage. The liability coverage amount shall be raised by TENANT when and as necessary, during the term of the lease, to correspond to requirements of CITY.

16. Hold Harmless. TENANT agrees to indemnify and hold harmless CITY, its employees, agents, officers and officials, whether hired, appointed or elected, free and harmless from and against any and all judgments, damages, losses, costs, claims, expenses, suits, demands, deaths, actions and/or causes of action to which they may be exposed by reason of injury or injuries to anyone or of the death or deaths of anyone, or by reason of any personal injury and/or real property damage, or by reason of any other liability imposed by law or by anything or by anyone else upon the above-referenced entities and/or individuals as the result of and/or due to TENANT's operations on the demised premises or on any premises owned by CITY and adjacent thereto and/or as a result of and/or due to the presence of TENANT on the demised premises or on premises

owned by CITY and adjacent thereto, and/or due to the existence of this Agreement; specifically included within this indemnification and hold harmless section are attorneys' fees and other costs of defense which may be sustained by and/or occasioned to the above-referenced entities and/or individuals.

17. Release. TENANT agrees to release CITY, its employees, agents, officers and officials, whether hired, appointed or elected, from and against any and all judgments, damages, losses, costs, claims, expenses, suits, demands, deaths, actions and/or causes of action of any kind or of any nature which may be sustained or to which they may be exposed by reason of injury or injuries to anyone or of the death or deaths of anyone, or by reason of any personal injury and/or real property damage, or by reason of any other liability imposed by law or by anything or by anyone else upon the above-referenced entities and/or individuals as the result of and/or due to TENANT's operations on the demised premises or on any premises owned by CITY and adjacent thereto and/or as a result of and/or due to the presence of TENANT on the demised premises or on premises owned by CITY and adjacent thereto, and/or due to the existence of this Agreement; specifically included within this release section are attorneys' fees and other costs of defense which may be sustained by and/or occasioned to the above-referenced entities and/or individuals.

18. Rights in Common with Others. TENANT shall have the right, in common with others authorized so to do, to use all common areas of Airport, including runways, taxiways, aprons, roadways, parking lots, and any other common areas.

19. Obligations of CITY.

A. CITY shall relocate the municipal water line from its current location beneath the proposed improvement to be constructed on the parcel as depicted on Exhibit A. The actual location of the municipal water line shall be at the discretion of the CITY. Prior to CITY relocating the municipal water line TENANT shall provide CITY an engineered site drawing showing actual and proposed location of TENANT's improvements and utilities. Relocation of the municipal water line shall be completed before construction of the improvement on the parcel depicted on Exhibit A, not later than May 31, 2016, provided TENANT has furnished CITY with engineered site drawings showing the actual and proposed location of TENANT's improvements and utilities by April 10, 2016. The cost for relocating the municipal water line shall be shared equally by CITY and TENANT. TENANT shall thereafter be solely responsible for the costs of bringing utilities from the water and sewer line to the improvement to be constructed on the parcel.

B. CITY shall plow snow promptly and as necessary for the operation of an airport, on the runways, hangar areas, tie-down areas, and any areas in the parking lot necessary for use by TENANT. CITY shall plow to within six (6) feet of TENANT's hangar door.

C. CITY shall maintain the surface of the runways, hangar areas, tie-down areas, and necessary areas of the parking lot in a condition which is reasonable, taking into consideration the required use.

20. City's Right of Entry. CITY shall have the right to, upon 24 hours' notice, inspect the premises during normal business hours in the company of TENANT or an agent or employee of TENANT for the purpose of examining the same and to ascertain if they are in good and safe repair and in compliance with the requirements contained herein, including compliance with all federal, state and local codes. In the event of an emergency, CITY shall have the right to enter the premises without advance notice to TENANT.

21. Acceptance of Premises. TENANT, by the execution of this Agreement, represents that it has inspected Airport and the leased parcel, and that it accepts the condition of the same as they now exist, subject to CITY's obligation to relocate the municipal water line, and fully assumes all risks incident to the use thereof.

22. Outside Storage and Removal of Trash. TENANT will not store in a location susceptible to view by the public, any equipment, materials, supplies, or damaged or partially dismantled aircraft or other vehicles on the leased or adjacent premises. Any screens or other devices used to keep equipment, materials or supplies from view shall be subject to prior consent by CITY.

TENANT further agrees to remove or cause to be removed, at TENANT's expense, any trash, garbage or debris generated by TENANT's use of the leased premises and agrees not to deposit any trash, garbage or debris on any part of Airport or the leased premises except temporarily in connection with collection or removal of the same.

23. Repair of Premises. TENANT shall, at its expense, keep, maintain, and repair the leased premises, the building and all improvements in good condition subject to normal wear and tear. Included in TENANT's obligations is cutting grass, weeds and other vegetation. In the event TENANT fails to comply with this subparagraph, CITY shall give notice to TENANT specifying the nature of TENANT's failure. In the event that TENANT fails within thirty (30) days of CITY's notice to cure such failure, CITY shall have the option either to cure such failure and to assess the costs thereof against TENANT, or to terminate this Agreement upon five (5) days' notice to TENANT. TENANT hereby agrees to pay any and all such assessments, including all costs, disbursements and reasonable attorneys' fees incurred by CITY in curing such failure within thirty (30) days after CITY's demand therefor.

24. Security. The parties hereby agree that TENANT assumes all responsibility and obligation for providing security on the leased premises.

25. Title and Right of First Refusal to Leasehold Improvements. TENANT shall retain the title to all buildings and other improvements constructed by TENANT on the leased premises. During the term of the lease, ownership may be transferable by TENANT upon CITY's written approval, which shall not be unreasonably withheld.

26. Termination of Lease. Upon termination at the end of the 20-year term, any successive terms, or as provided in paragraph 28, TENANT shall have the following options:

A. At TENANT's option, all buildings and improvements may be removed from the leased premises at no cost to the CITY. TENANT shall restore leased premises to orderly condition.

B. At TENANT'S option, all buildings and improvements located on the leased premises may be sold. CITY shall have the first right to purchase such buildings and improvements. In the event TENANT receives a bona fide written offer to purchase said buildings and improvements from a third party, CITY shall have the first right to purchase said buildings and improvements at the same price and on the same terms and conditions as are contained in such an offer to purchase. In the event CITY elects not to exercise its option of first right of refusal to purchase the buildings and improvements, the party purchasing said buildings and improvements will agree to lease the premises from the CITY, upon terms acceptable to CITY.

27. Cancellation by CITY. CITY may cancel this Agreement by giving TENANT sixty (60) days' advance, written notice upon or after any one of the following events of default:

A. The failure of TENANT to pay rent in the amount and at the times and in the manner herein provided, and where such failure shall continue for thirty (30) days or more after written notice thereof shall have been given to TENANT.

B. The abandonment by TENANT of the leased premises, except in connection with its surrender to an approved assignee, sublessee, mortgagee, or other party succeeding to TENANT's interests or portion thereof hereunder.

C. The default by TENANT in the performance of any covenant or agreement required herein to be performed by TENANT, and TENANT's failure to commence and diligently continue to correct such default after written notice of the default given by CITY, as above provided.

Failure of CITY to declare this Agreement terminated upon the default of TENANT for any of the reasons set out above shall not operate to bar or destroy the right of CITY to cancel this Agreement by reason of any subsequent violation of the terms of this Agreement. Further, the acceptance of rental by CITY for any period after a default of any of the terms, covenants or conditions by TENANT shall not be deemed a waiver of any right on the part of CITY to cancel this agreement.

Upon cancellation by CITY, CITY shall have the right to enter upon premises and building and, at its option, commence an action to take title.

28. Termination by TENANT. TENANT may terminate this Lease in the event CITY ceases operation of the Airport as a municipal airport.

29. Force Majeure. If, by reason of force majeure, either party is unable, in whole or in part, to carry out the agreements of such party on its part herein contained, such party shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes; lockout or threats of orders of any kind of the government of the United States or of Wisconsin, or any of their

departments, agencies or officials, or any civil (except, in the case of CITY only, CITY) or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government (except, in the case of CITY only, CITY) and people; civil disturbances; explosions; damage, loss, breakage or accident to the buildings, leased premises or Airport; partial or entire failure of utilities; or any other cause or event not reasonably within the control of such party, it being agreed that the settlement strikes, lockouts and other industrial disturbances shall be entirely within the discretion of such party and such party shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties in such matters when such course is, in the judgment of such party, unfavorable to such party.

30. Nothing in this lease shall serve to transfer title to the land in any manner, from CITY to TENANT.

31. TENANT shall pay to CITY real estate taxes on the building and other improvements, as "Building on Leased Land."

32. Notices. All notices required herein shall be in writing and shall be deemed given when mailed by registered or certified mail, postage prepaid, properly addressed to the party to be notified as follows:

If to TENANT:

Robson Summit LLC  
PO Box 1012  
Wausau, WI 54402

with a copy to:

Attorney Thomas J. Brunner  
PO Box 317  
Greenville, WI 54942

If to CITY:

City Clerk  
407 Grant Street  
Wausau, WI 54403

32. Sewer Line. The parties acknowledge that a municipal sewer line is currently located beneath the improvements intended to be constructed on the parcel as indicated on Exhibit A in the approximate location as set forth on Exhibit B attached hereto. The parties agree that if the existing sewer line ever fails and needs to be replaced, that the existing sewer line may be abandoned in place and an alternate sewer line will be relocated and rerouted so that it is not beneath the improvements to be constructed on the parcel as indicated on Exhibit A. All costs associated with replacing and relocating the sewer line will be the CITY's sole responsibility. CITY has the right to perform spot repairs to the existing sewer line using trenchless technology for repairs that do not require replacement of the existing sewer line.

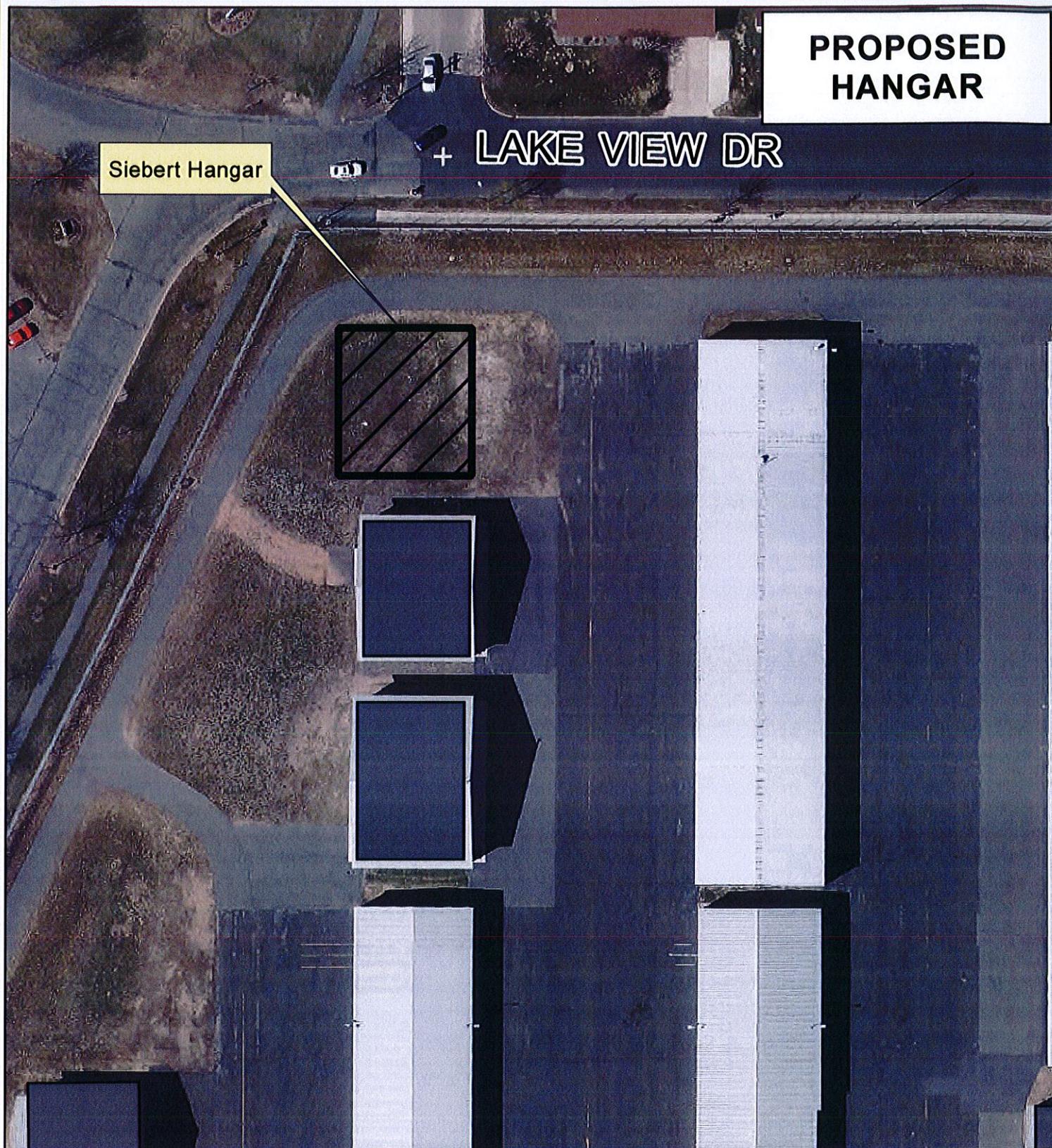
THE REMAINDER OF THE PAGE LEFT BLANK INTENTIONALLY



# PROPOSED HANGAR

Siebert Hangar

+ LAKE VIEW DR



## Wausau Downtown Airport

City of Wausau  
Marathon County Wisconsin



- NOTES
1. DUPLICATION OF THIS MAP IS PROHIBITED WITHOUT THE WRITTEN CONSENT OF THE CITY OF WAUSAU ENGINEERING DEPT.
  2. THIS MAP WAS COMPILED AND DEVELOPED BY THE CITY OF WAUSAU AND MARATHON COUNTY GIS. THE CITY AND COUNTY ASSUME NO RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.
  3. MAP FEATURES DEVELOPED FROM APRIL 2015 AERIAL PHOTOGRAPHY.

Edit Date: January 21, 2016  
Map Date: January 21, 2016

0 30 60 Feet

 Completed Expansion  
 Future Expansion





## AIRPORT COMMITTEE

Time and Place: Wednesday, September 9th, 2015 at 6:00 p.m. at the Wausau Downtown Airport Terminal Conference Room

Members Present: Nagle, Mohr, Mielke, Gehrt, Kellbach, Abitz,

Members Excused: Prehn

Others Present: John Chmiel, Airport Manager, Josh Holbrook Becher Hoppe, Dr. Derrick Siebert, Bill Siebert

In accordance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and copy sent to the Daily Herald in the proper manner.

Chairman Nagle called the meeting to order at 6:00 p.m.

### Public Comment

No public comments were made.

### Discussion and Possible Action Regarding Hangar Construction Request in West Hangar Development Area – Chmiel/Siebert

Chmiel explained that the Siebert hangar construction in the west hangar development area has already been approved for a dimension of 60' X 60'. Because of the hangar door size to accommodate the aircraft dimensions that Dr. Siebert will own, the hangar size must grow to 60' X 66'. Therefore the airport committee must approve the revised dimension.

Dr. Siebert presented the committee with a map and then explained that the new dimension causes the building to be built over existing sewer piping and water main. The City water department has determined that the sewer is deep enough that it will not be a problem to build over. The water main however will be an issue. Sean Gehin and the water department have determined that the water main will need to be moved for a cost of \$18,000 with work done by the City.

Dr. Siebert then presented the airport committee with a spreadsheet which presented the income earning potential for the City of different sized hangars constructed in this west hangar development area lot. Specifically compared were 60' X 48' and 60' X 66' hangars, specifically property tax income over a 20-year land lease at the airport. Dr. Siebert explained that he is a hometown boy and that even though the lease for the hangar is 20 years, his plans are to renew beyond that limit when the time comes. Dr. Siebert wants Wausau Downtown Airport to be his home airport. Conservative estimates means the difference in dimensions is a \$13,000+ revenue increase to the City over the 20 year period. Dr. Siebert proposed that the City split the cost of moving the water main. The City responsibility would be \$9,000.

Nagle questioned whether the hangar could be shift to the east to clear the main. Chmiel stated that was not an option since it would narrow the taxiway to the north making snow removal down that taxiway difficult and it would not adhere to FAA recommended dimensions. Chmiel stated that Siebert did have other options to not incur the water main cost: 1. Shrink the size of the proposed hangar; 2. Wait, and build his hangar in the east hangar development area in 2017. Chmiel stated that should the committee commit the City to splitting costs with Siebert that finance director MaryAnne Groat would need to be consulted to determine where the \$9000 would come from since there is not contingencies built into the airport operating budget for that amount.

Siebert stated he liked the west location and was not interested in waiting or building in the east area. Chmiel questioned how far into the hangar the water main crossed. Siebert stated 10'. Gehrt asked for clarification of the sewer and water lines on the map. Nagle explained that water mains are under pressure, but sewer lines are not under pressure and that is why it is critical to move the water line. Chmiel asked Siebert if he would be interested in the other lot in the west hangar area. Siebert stated that he was not.

Chmiel and Siebert confirmed that the area west of the proposed Siebert location will be re-graded next year to improve drainage to the south. Abitz questioned whether DPW had included funding for the water main relocate.

Nagle pointed out that even a smaller hangar may have the same water main issue and the property is flawed. Nagle stated that he supported the City investment. Mohr made a motion to approve the \$9000 City investment to pay for half the cost of moving the water main, contingent upon MaryAnne Groat finding the money. Abitz second. All approved, motion passed 6-0.

### Discussion and Possible Action to Approve Preliminary East Hangar Development Area Plan – Becher Hoppe

Josh from Becher Hoppe presented a display of the layout of the proposed phase I East Hangar Development Area. Josh explained that the original layout had to be scrapped because new FAA guidelines have been created regarding turn radii for taxiways. Becher Hoppe and the BOA had tried to negotiate a different outcome but were unable to get the Chicago ADO to budge.

Nagle questioned the new FAA criteria. Josh explained that when large aircraft follow the taxiway centerline with the nose gear during a turn the main landing gear does not follow the same path. It is similar to a semi truck making a turn at an intersection. There have been problems with large aircraft exiting the taxiway on to the grass and getting stuck. We are unlikely to see aircraft of that size at Wausau, but the criteria is based on airports like O'hare in Chicago and the FAA takes a "cookie cutter" approach to airports and therefore the same criteria applies to Wausau.

This change means the main taxiway to the East Hangar area must be shifted 150 ft. to the south. That means costs will increase because more asphalt, aggregate, grading, etc. Chmiel pointed out that the distance from the proposed hangars will be 150 feet further away from the taxiway increasing the City's cost every time a hangar is constructed. This criteria change adds 50%

more asphalt to the project. Mohr questioned the layout of the taxiway and why the proposed east taxiway does not join up directly (without a turn) to the existing taxiway "B". Josh stated that is still an option, but that he proposed the turn layout because he felt it would reduce confusion at the intersection for pilots. The cost may be more to go straight to "B" since the lighting on that taxiway would need to be readjusted completely.

The small bonus is that a larger dimension hangars could possibly be accommodated because of the taxiway shift. Chmiel questioned whether the hangars could be brought closer to the taxiway rather than in the positions originally proposed for the east development area. There is a line on the currently approved Airport Layout Plan called the building restriction line (BRL). That line can be moved but an FAA approved change would have to take place on the Airport Layout Plan.

Chmiel stated that the current hangar development plan is to pursue phase I in 2016. Phases II or III will most likely not happen for about 10 years or more. It is likely that an ALP update will be required within the next 10 years by the FAA. When the ALP update is necessary, the BRL shift to the south can be made at that time. That could allow even more hangars to be constructed in the East hangar area than originally proposed.

Abitz questioned how these changes might impact the Kocourek hangar construction. Josh and Chmiel confirmed that these changes will not impact the Kocourek project.

Chmiel proposed that the airport committee approve this concept if they feel comfortable with it. Then Chmiel would like to organize a presentation to the southeast side neighborhood group to get their input on the project, since modifications which could be neighbor friendly may be able to be considered. Chmiel and Holbrook agreed that it would be better to make changes to the plan, if necessary, prior to giving it to the BOA/FAA for final approval.

Mielke made a motion to approve the phase I plan of the East Hangar Development area as presented by Becher Hoppe. Mohr second. All approved 6-0.

Chmiel commented that it would probably be good to invite the airport committee and the airport tenants to the presentation to the southeast side neighborhood group for their input. Gehrt stated that it will be important to point out at that presentation the recent growth of the airport, the companies that benefit from the airport, and the benefits to the City of hangar expansion since the general public is not often aware of the airport's positive impact on the community in so many ways. Chmiel also stated that he will explain at the meeting the benefits of an "airport access agreement" and how that could possibly increase adjacent property values.

### Consider Minutes of Previous Meeting, June 23rd, 2015

Mielke made a motion to approve the minutes. Mohr second. All approved 6-0.

### Discussion and Possible Action Regarding Approval of FAA RCO Office Lease at the Wausau Downtown Airport - Alfonso

There is not a lease for the committee to review or approve. The City Attorney has requested that the FAA remove the electrical service requirements from the lease proposed by the FAA for the office facility. The FAA has not yet responded to that request and therefore the Airport Committee cannot approve. No action taken.

### Discussion regarding Modification of Airport Minimum Standards to Allow Aspirus/PHI Helicopter Air Ambulance Operations – Alfonso/Chmiel

During the negotiations with Dr. Burt to provide pilot medical services at the airport, discussion of the minimum standards ordinance for the airport and how it had to be modified to include this aeronautical service also occurred. The airport committee was questioned about whether the ordinance had been modified to include the “air ambulance service” provided by the Aspirus Medevac helicopter operation.

Tara Alfonso contacted the Wisconsin Bureau of Aeronautics (BOA) about modifying the ordinance to include the Aspirus service. The BOA stated that the FAA does not require that this kind of service be included in the ordinance. The FAA does not consider “air ambulance” to be an “aeronautical service”. And, although Aspirus Medevac is based at the airport, it does not provide their services at the airport. It is no different than a corporation owning an airplane based at the airport for corporate transport only for its personnel. Since it is not an aeronautical service, it does not need to be addressed by the minimum standards ordinance. Dr. Burt’s pilot medical examinations are considered an aviation service.

If another air ambulance service decided to move to the airport (and now there were two air ambulance services located at the airport), the City could at that time decide if they wanted to add a description of this service to the ordinance to provide a fair playing field.

Abitz stated that the medical organizations are working together more. No action taken.

### Airport Manager Report – Chmiel

Chmiel explained the airport manager report and placed on file. Chmiel explained that the Hamburger Night concept may be promoted nation-wide by EAA. 30% of Wisconsin airports are participating in Hamburger Night. Minnesota and Michigan are organizing Hamburger Nights for 2016. AirVenture Cup 2015 was such a success that they have already committed to returning in 2016.

Abitz also stated that Krist Oil told her that they have received great service at the Wausau Airport when they fly in to do business at the airport. Gehrt stated that the airport should get the same attention that many of the big events and areas receive in the Wausau area and that it doesn’t get the attention that it deserves.

## Airport Budget Review – Groat

Groat was unable to attend. No action taken.

Mielke moved to adjourn the meeting, second by Abitz. Motion carried unanimously and meeting adjourned at 6:56 p.m.

Respectfully Submitted by John P. Chmiel, Airport Manager

**CBL/J II, LLC**  
**Wausau, Wisconsin**  
**Term Sheet**

Purpose	Financing from the City of Wausau to re-tenant vacant JC Penney space with Younkers and to potentially fund tenant allowances for future tenants.
Unsecured Note	<p>A \$4,100,000.00 loan for tenant improvements incurred in connection with the relocation of Younkers into the approximately 85,756 square foot, vacant JC Penney's facility. Loan funds to be released to borrower upon: execution of a new ten (10) year lease with Younkers upon terms reasonably acceptable to the City. The borrower under the note will not be the ground lessee of the City Center, but rather the ground lessee's parent company: CBL/J II, LLC. The note will be unsecured<sup>1</sup>.</p> <p>Non-binding commitment from the City to make loans in the future for up to an additional \$8,000,000.00 conditioned upon CBL's ability to secure new leases from retailers. Any additional loans will be subject to the City's review and approval of all the terms and provisions thereof, including but not limited to the City's review and approval of the new tenants, the improvements or other projects to be funded by such loans.</p>
Draw Schedule	TIF Loan shall be placed into a construction escrow with a local title company and disbursed no more frequently than monthly upon receipt of invoices for completed work or delivered materials, together with appropriate lien waivers for such work or materials.

---

<sup>1</sup> The note will initially be unsecured, but CBL will agree to cause its subsidiary (as the ground lessee of the Wausau Center) to either (1) pay off this note or (2) provide a junior mortgage to the City upon any refinancing of the property. Although this loan is unsecured at CBL's demand, the City's ground lease does in many respects grant the City remedies similar those found in a mortgage. For instance, if the ground lessee fails to perform under the terms of the ground lease, the City would have eviction rights which are similar (in many respects) to a lender's ability to foreclose.

	The City's disbursement shall be subject to a ten (10%) percent retainage which will be released to CBL only upon Younkers occupying the JC Penney space and opening for business.
Term	20-Years
Interest Rate	2% per annum. Interest only payments must be made quarterly.
Principal Repayment	Borrower shall make one annual principal payment, if any, equal to 75% of excess cash flow with a balloon payment in year 20 of the remaining, outstanding principal.
	Upon the refinancing of the ground lessee's existing CMBS debt, CBL agrees to: (1) pay down the TIF Loan in whole or in part, and/or (2) provide the City with a junior mortgage recorded against the CBL's interest in Wausau Center in an amount equal to the then outstanding balance of the Note. Annual principal payments of excess cash flow beginning 1/1/18.
Excess Cash Flow	This will be defined as net operating income (revenues less operating expenses) Less: debt service payments to mortgage lender Less: lesser of (i) actual capital expenditures (amortized over their useful life on a straight line basis) and tenant allowances or (ii) \$300,000 for both capital expenditure (amortized over their useful life on a straight line basis) and tenant allowance. Capital expenditures in excess of \$300,000 during any one year shall not be carried forward. Principal payments made from CBL's excess cash flow shall be subject to an annual audit at the CBL's expense.
TIF	Any excess increment available from TIF districts #3 and #5 will be used to defray the City's expenses incurred in connection with the loan - i.e. its interest and principal expense.
Marketing Funds	Commencing in 2016, City agrees to reimburse CBL for up to One Hundred Thirty Five Thousand

and No/100 Dollars (\$135,000) in bona fide marketing expenses incurred promoting Wausau Center on a per annum basis over a period of three (3) consecutive calendar years. The marketing expenses shall be subject to the review and approval of the Wausau River District Board of Directors and the Wausau City Council. These expenses shall include salary/benefits for full time staff person located in Wausau, signage, annual contributions to the Wausau River District and, within the first year, expenses related to architectural renderings and vision plans of the Wausau Center's potential redevelopment.

Commencing in 2019, CBL covenants and agrees to expend One Hundred Thirty Five Thousand and No/100 Dollars (\$135,000) in bona fide marketing expenses incurred promoting Wausau Center on a per annum basis over a period of three (3) consecutive calendar years.

CBL shall attend quarterly meetings with the City to discuss the expenditure of the marketing funds. CBL shall provide the City with a comprehensive report on Wausau Center's operations, including but not limited to, copies of all rent rolls, operating income and expense reports, updates on leasing efforts and reports on any redevelopment plans.

#### Parking Amendment

Beginning in 2016, CBL and the ground lessee shall execute an amendment to the Parking Agreement with the following provisions: (1) reduce annual parking payments to \$50,000 for a period of five years; and the City may: (2) install LED lighting in the parking structure, (3) eliminate free parking for weekday arrivals after 6:00 p.m. and increase parking rates, (4) install CBL approved advertising in the parking ramps, and (5) implement a cashier-less parking system.

#### Ground Lease Rent Abatement

Upon the opening of Younkers, abatement of annual base ground rent applicable to the Younkers space to \$1 per annum and a total abatement of the percentage rent with regard to the Younkers space.

The foregoing abatement shall last only so long as Younkers is open for business in 100% of the space. Furthermore, the abatement of base ground rent and percentage rent shall expire upon the earlier of (1) the tenth (10<sup>th</sup>) anniversary of the note or (2) the fifth (5<sup>th</sup>) anniversary of the note if the Wausau Center hits certain financial covenants indicative of a healthy, profitable recovery. The ground lessee shall continue paying pursuant to the ground lease all taxes, insurance and maintenance expenses<sup>2</sup>.

---

<sup>2</sup> In the event the Younkers space is vacated, the base rent and percentage rent ground lease payments shall resume. Failure of the ground lessee to make its required ground lease payments could result in the ground lessee's eviction and, subject to the rights of the ground lessee's lender, the City's re-possession of the buildings on the City's land.

December 16, 2015

# Project Plan for the Territory & Project Plan Amendment of Tax Incremental District No. 3



## CITY OF WAUSAU, WISCONSIN

Organizational Joint Review Board Meeting Held:	December 15, 2015
Public Hearing Held:	December 15, 2015
Consideration for Approval by Plan Commission:	December 15, 2015
Consideration for Adoption by Common Council:	Scheduled for: December 22, 2015
Consideration for Approval by the Joint Review Board:	Scheduled for: January 4, 2016



# Tax Incremental District No. 3 Territory & Project Plan Amendment

## City of Wausau Officials

### Common Council

James Tipple	Mayor
William Nagle	Council Member
Romey Wagner	Council Member
David Nutting	Council Member
Tom Neal	Council Member
Gary Gisselman	Council Member
Keene Winters	Council Member
Lisa Rasmussen	Council Member
Karen Kellbach	Council Member
David Oberbeck	Council Member
Sherry Abitz	Council Member
Robert Mielke	Council Member

### City Staff

Toni Rayala	City Clerk
Maryanne Groat	Finance Director
Anne Werth	Community Development Director
Brad Lenz	City Planner
Anne Jacobson	City Attorney

### Plan Commission

Mayor James Tipple	Phil Valitchka
Eric Lindman	Tom Atwell
David Oberbeck	Bruce Bohlken



## Standing Joint Review Board

Gary Gisselman

Audrey Jensen

Jane Kittel

Robert Tess

John Opolka

City Representative

Marathon County

Northcentral Technical College District

Wausau School District

Public Member



# Table of Contents

EXECUTIVE SUMMARY.....	5
TYPE AND GENERAL DESCRIPTION OF DISTRICT.....	9
PRELIMINARY MAP OF ORIGINAL DISTRICT BOUNDARY AND TERRITORY AMENDMENT AREA IDENTIFIED.....	11
MAP SHOWING EXISTING USES AND CONDITIONS WITHIN THE TERRITORY TO BE ADDED.....	12
PRELIMINARY PARCEL LIST AND ANALYSIS WITHIN THE TERRITORY TO BE ADDED.....	<b>ERROR! BOOKMARK NOT DEFINED.</b>
EQUALIZED VALUE TEST.....	14
STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS.....	15
MAP SHOWING PROPOSED IMPROVEMENTS AND USES WITHIN THE TERRITORY TO BE ADDED.....	20
DETAILED LIST OF ADDITIONAL PROJECT COSTS.....	21
ECONOMIC FEASIBILITY STUDY, FINANCING METHODS, AND THE TIME WHEN COSTS OR MONETARY OBLIGATIONS RELATED ARE TO BE INCURRED.....	23
ANNEXED PROPERTY.....	31
ESTIMATE OF ADDITIONAL PROPERTY TO BE DEVOTED TO RETAIL BUSINESS.....	31
PROPOSED ZONING ORDINANCE CHANGES.....	31
PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF WAUSAU ORDINANCES.....	31
RELOCATION.....	32
ORDERLY DEVELOPMENT AND/OR REDEVELOPMENT OF THE CITY OF WAUSAU.....	32
LIST OF ESTIMATED NON-PROJECT COSTS.....	32
OPINION OF ATTORNEY FOR THE CITY OF WAUSAU ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES 66.1105.....	33
CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS.....	34

# SECTION 1: Executive Summary

---

## Description of District

### Type of District, Size and Location

Tax Incremental District (“TID”) No. 3 (the “TID” or “District”) is an existing blighted area district, which was created by a resolution of the City of Wausau (“City”) Common Council adopted on September 1, 1994 (the “Creation Resolution”).

### Amendments

The District was previously amended in 2000 and 2007 whereby a resolution was adopted to add additional territory to the District, and to amend the list of projects to be undertaken. These amendments were the first and second of four territory amendments permitted for this District.

The District was previously amended in 2010, whereby a resolution was adopted to amend the list of projects to be undertaken.

The District was previously amended in 2013 with special legislation with Wisconsin Act 32 which enables the District to undergo five territory amendments and extend its maximum life by ten years, as well as extend its expenditure period.

### Introduction

The impetus for this project plan amendment is the reinvigoration and redevelopment of the Wausau Center Mall. The Mall was constructed in 1983 and in 2001 it was sold to CBL and Associates Properties, Inc., one of the largest owners and developers of shopping centers in the United States. CBL renovated the facilities common space and food court in 2006. The mall, along with the three anchor properties, encompasses 423,556 square feet and supports approximately 65 specialty stores. The facility has four owners: the City is the owner of the land and the two parking ramps, Sears owns and operates the Sears anchor building, the Younkers building is owned by an independent absent landlord and CBL owns the vacated JC Penney building and the mall. Wausau Center supports about 500 jobs, generates about \$240,000 in sales tax for the County and is one of the highest assessed properties in the City.

The closing of the JC Penney store has left a large vacancy within the mall and has also opened the door for other specialty stores to vacate their lease and/or reduce their lease payments due to co-tenancy language. Increased vacancies within the mall will create growing financial difficulties and an environment where new tenants will be unwilling to locate here. While this is cause for alarm; the vacancy creates a great opportunity to restructure and adapt the property to meet the tastes and habits of today’s shoppers. Current retail and shopping center trends favor mixed use facilities combining activities such as housing, hotels, fitness centers, office space, theaters, restaurants and entertainment. In addition these facilities have become lifestyle centers which feature outdoor spaces.

CBL has proposed a multi-phased redevelopment that relies on loans from the City to finance the improvements. Their vision is to upgrade tenant spaces, attract new national retail, entertainment and mixed use tenants. This requires a redesign of some areas to incorporate a junior fashion anchor, restaurant and the connection to outdoor spaces. CBL has indicated that the loans will be repaid through increased profitability of the facility. Specifically, CBL proposes the following:

### Phase 1

Younkens is seeking to move into the vacated JC Penney's site which is slightly smaller at 85,756 square feet versus their current 100,564 square feet. Existing owners of the Younkens site have been unwilling to negotiate more realistic lease terms and the shop is operating under a temporary lease. Younkens' management has indicated that they will leave the Wausau area if they are unable to relocate to the JC Penney space. This relocation is considered desirable because Sears and Younkens will then anchor the longest corridor of specialty shops in the mall. CBL has proposed to accomplish the Younkens relocation with the following loan:

- A 20 year loan at 2% interest in the amount of \$4.1 million to renovate the existing JC Penney space and to accommodate the relocation of Younkens to this newly renovated site. Younkens and CBL have negotiated a long term lease for this newly renovated site. Lease payments made to CBL would be used to repay the City's loan.

### Phase 2

- Additional 20 year loans at 2% interest in an amount not to exceed \$8 million. These loans would be used for significant redevelopment opportunities such as adding entertainment, junior fashion anchor and restaurants.

### Phase 3

- Redevelopment of the current Younkens and perhaps Sears sites. This phase is not included within this project plan.

### Improved Profitability

- Concessions of the annual ground lease paid to the city.
- Reduction in the annual parking fee paid to the City.
- Developer payments of \$135,000 for a three year period to bolster marketing efforts.

In addition to the loans and the marketing developer payments, the project plan includes \$450,000 of parking improvements and \$650,000 of street improvements. The \$450,000 will be used to make improvements to the attached parking structures including installation of cashier-less parking technology, LED upgrades and other improvements designed to improve the parking experience within the garages. The \$650,000 of street improvements will support the central business district.

### Purposes of this Amendment

To further facilitate development and/or redevelopment within areas adjacent to the District, the City desires to amend its boundaries to add territory. A map, located in Section 3 of this plan, identifies the Territory to be added and its geographic relationship to the existing District's boundaries.

This amendment will cause territory to be added to the District, providing incentive and opportunities for additional private development and redevelopment.

This amendment will modify the categories, locations or costs of the Projects to be undertaken, providing incentive and opportunities for additional private development and redevelopment.

This amendment will allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as permitted under Wisconsin Statutes Section 66.1105(2)(f)1.n.

### Estimated Total Project Expenditures

The City anticipates making project expenditures of approximately \$13.7M to undertake projects in the amendment areas as listed in this Project Plan. Due to its significance, for presentation purposes, the construction of parking garages included within the original project plan have been including in the financial projections within this project plan amendment in the amount of \$12.0M. It is anticipated that the remaining and additional projects will be completed in several phases. The Expenditure Period of this District terminates on September 1, 2026. The remaining and additional projects to be undertaken pursuant to this Project Plan are expected to be financed with a combination of debt instruments including general obligation bond and developer bonds, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of project financing by phase is located in Section 10 of this plan.

### Economic Development

As a result of the amendment of this District, the City projects that additional land and improvements value of approximately \$6.5M will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the amended area(s) and within the original District boundaries. This analysis excludes property value growth due to the residential and mixed use projects currently under consideration on the Riverfront. A table detailing assumptions as to the timing of new development and redevelopment, and associated values is located in Section 10 of this plan. In addition, the amendment of the District is expected to result in further economic benefits as detailed in the Summary of Findings hereafter.

### Expected Termination of District

TID No. 3 has a maximum statutory life of 36 years, and must close not later than September 1, 2031, resulting in a final collection of increment in budget year 2032. Pre-amendment cash flow projections considering only existing increment value and assuming no additional projects are undertaken anticipate total cumulative revenues that will exceed total liabilities by the year 2030, enabling the District to close one year earlier than its maximum life. Based on the Economic Feasibility Study located in Section 10 of this Plan, amendment of the District would not shift the projected closure year from 2030.

## Summary of Findings

As required by Wisconsin Statutes Section 66.1105, and as documented in this Project Plan Amendment and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” amendment of this District, the additional development projected to occur within the amendment areas as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner at the values, or within the timeframe desired by the City.** In making this determination, the City has considered the following information:
  - The City has conducted an independent review of the intended developer’s sources and uses proforma for the initial proposed development project. This review has concluded that a public investment of approximately \$13.7M is required to enable the development to occur in the

manner desired by the City, while providing the developer a fair and reasonable return on their investment.

- Some sites proposed for development and/or redevelopment have become vacant over the last several years. Given that the sites are unlikely to redevelop it is the judgment of the City that the use of tax incremental financing (“TIF”) will be required to provide the necessary infrastructure and inducements to encourage development on the sites consistent with that desired by the City.
- The City has been working with a consultant for the purpose of retaining the viability of the Wausau Center Mall, and the consultant’s work has indicated the need to infuse capital into the Mall. Without said capital infusion, it is likely that the Mall’s value will continue to degrade.

2. **The economic benefits of amending the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered the following information:

- As demonstrated in the Economic Feasibility Section of this Project Plan, the total tax increments projected to be collected are more than sufficient to pay for the actual and proposed Project Costs within the original District and the amended areas. On this basis alone, the finding is supported.

3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**

- If approved, the boundary amendment would become effective for valuation purposes as of January 1, 2016. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the amendment area due to new construction, renovation or appreciation of property values occurring after January 1, 2016 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
- Given that additional development is not likely to occur or in the same manner without the use of tax incremental financing (see finding # 1), and since the District will generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the City reasonably concludes that the overall additional benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not amended. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix A of the Project Plan.

4. Not less than 50% by area of the real property within the District, as amended, is a blighted area within the meaning of Wisconsin Statutes Section 66.1105(2)(ae)1. Furthermore, at the time of adoption of the Creation Resolution for this District, and any subsequent resolutions amending its boundaries, any property standing vacant for seven years immediately preceding adoption of the resolution(s) did not comprise more than 25% of the total area in the District as required by Wisconsin Statutes Section 66.1105(4)(gm)1.

5. Based upon the findings, as stated above, and the original findings as stated in the Creation Resolution, the District remains declared a blighted area District based on the identification and classification of the property included within the District.
6. The Project Costs of the District relate directly to promoting the elimination of blight consistent with the purpose for which the District was created.
7. The improvements to be made within the territory incorporated by this Amendment are likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of the taxable property within the territory to be added to the District by this amendment, plus the value increment of all other existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that less than 35% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
10. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

## SECTION 2: Type and General Description of District

---

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on September 1, 1994 by resolution of the Common Council. The District's valuation date, for purposes of establishing base value, was January 1, 1994.

The existing District is a "Blighted Area District," created on a finding that at least 50%, by area, of the real property within the District was blighted. The District will remain in compliance with this finding after the addition of the Territory identified in this Amendment. In addition, the District will remain in compliance with the "vacant land test," which requires that property standing vacant for seven years immediately preceding adoption of the Creation Resolution for this District will not comprise more than 25% of the area in the District in compliance with Wisconsin Statutes Section 66.1105(4)(gm)1. The Preliminary Parcel list found in Section 5 of this plan provides a calculation demonstrating continued compliance with both the 50% test and the 25% test.

Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a City to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. As a result of the special legislation enacted regarding this TID, the City was granted one additional territory amendment, bringing the total allowable to five. The boundaries of the District have been amended twice prior to this Amendment.

This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan, or any component of previously adopted Project Plan Amendments, unless specifically stated. All components of the original Project Plan, and its previously adopted Project Plan Amendments, remain in effect.

The purpose of the Amendment is to facilitate development within areas adjacent to the existing District. The amendment to the District boundaries and the Project Plan will enable the City to install additional public improvements, and to make additional necessary related expenditures that will create development and/or redevelopment opportunities consistent with the original purposes for which the District was created. The amendment is also to update and/or provide for the undertaking of additional expenditures.







## SECTION 6: Equalized Value Test

The following calculations demonstrate that the City is in compliance with Wisconsin Statutes Section 66.1105(4)(gm)4.c., which requires that the equalized value of the Territory to be added to the District, plus the value increment of the District being amended, plus the value increment of all other existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the Territory to be incorporated by this Amendment, plus the increment value of TID No. 3, plus the value increment of all other existing tax incremental districts within the City, totals \$234,343,621. This value is less than the maximum of \$316,061,916 in equalized value that is permitted for the City of Wausau. The City is therefore in compliance with the statutory equalized valuation test and may proceed with amendment of this District.

<b>City of Wausau</b>	
<b>Tax Increment District #3</b>	
<b>Valuation Test Compliance Calculation</b>	
Creation Date	9/1/1994
	2015 Valuation Data Currently Available
Total EV (TID In)	2,633,849,300
12% Test	316,061,916
Increment of Existing TIDs	
TID #3	77,100,700
TID #5	47,802,700
TID #6	59,267,700
TID #7	21,000,900
TID #8	7,112,500
TID #9	886,400
TID #10	2,467,500
Total Existing Increment	215,638,400
Projected Base of New or Amended District	18,705,221
Total Value Subject to 12% Test	234,343,621
Compliance	<b>PASS</b>

## SECTION 7:

# Statement of Kind, Number and Location of Proposed Public Works and Other Projects

---

The following is a list of public works and other TIF-eligible projects that the City has implemented, or expects to implement, within the original District or within the Territory to be incorporated by this Amendment. Any costs directly or indirectly related to the public works and other projects are considered "Project Costs" and eligible to be paid with tax increment revenues of the District.

## Property, Right-of-Way and Easement Acquisition

### Property Acquisition for Development and/or Redevelopment

In order to promote and facilitate development and/or redevelopment the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for development and/or redevelopment. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development and/or redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in Wisconsin Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

### Acquisition of Rights-of-Way

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

### Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

### Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

## Site Preparation Activities

### Environmental Audits and Remediation

The City has conducted extensive environmental studies and remediation work within the original TID area. It is not expected that significant study will be needed in the amended area. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

## Demolition

In order to make sites suitable for development and/or redevelopment, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

## Site Grading

Land within the District may require grading to make it suitable for development and/or redevelopment, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

## Utilities

### Sanitary Sewer System Improvements

To allow development and/or redevelopment to occur, the City may construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, are an eligible project cost under Section 66.1105(2)(f)1 k.

### Water System Improvements

To allow development and/or redevelopment to occur, the City may construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs.

### Stormwater Management System Improvements

Development and/or redevelopment within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the City may construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District.

### Electric Service

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of

existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

### **Gas Service**

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.

### **Communications Infrastructure**

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

## **Streets and Streetscape**

### **Street Improvements**

There are inadequate street improvements serving areas of the District. To allow development and/or redevelopment to occur, the City may need to construct and/or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

### **Parking Lots/Structures**

The original and amended TID plans call for the expansion of parking facilities within the TID area. It is anticipated that the City will construct additional parking lots and/or structured parking facilities and improvements to existing parking facilities to facilitate economic development and/or redevelopment.

### **Streetscaping and Landscaping**

In order to attract development and/or redevelopment consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

## **CDA Type Activities**

### **Contribution to Community Development Authority**

As provided for in Wisconsin Statutes Sections 66.1105(2)(f)1.h and 66.1333(13), the City may provide funds to its CDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA for this purpose are eligible Project Costs.

### **Loan/Grant Program**

To encourage private redevelopment consistent with the objectives of this Plan, the City may provide

loans and/or matching grants to eligible property owners in the District. Loan and/or matching grant recipients will be required to sign an agreement specifying the nature of the property improvements to be made. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies or as otherwise specified.

## Miscellaneous

### Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

### Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The project plan amendment anticipated \$650,000 for street and sidewalk improvements.

### Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

### Administrative Costs

The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees in connection with the implementation of the Plan.

### Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

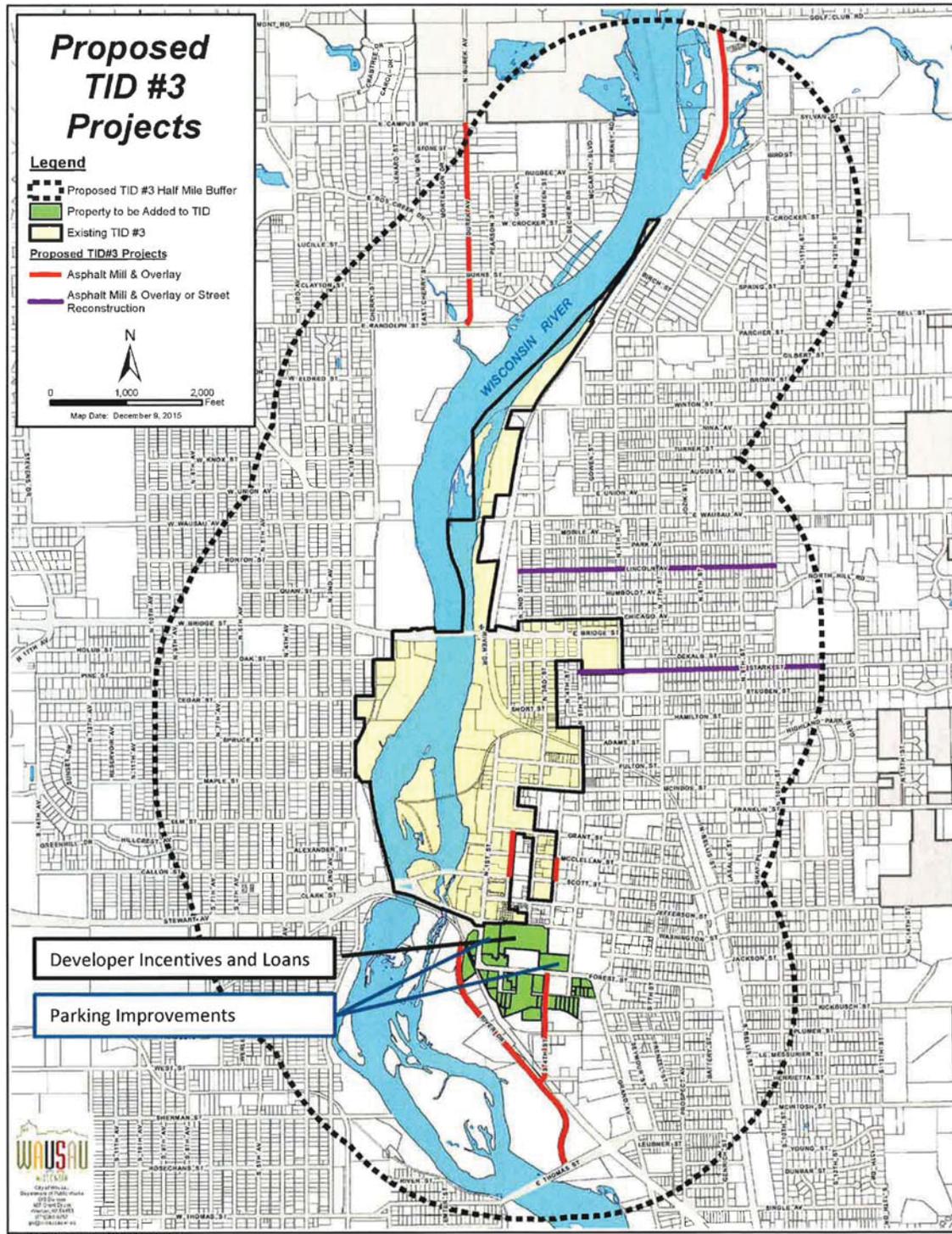
With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, site preparation, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages, and other expenses are included as Project Costs.

In the event any of the public works project expenditures are not reimbursable out of the special tax increment finance fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan Amendment.

**The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.**

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and as outlined in this Plan or the original Project Plan. To the extent the costs benefit the City outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received by the City in connection with the implementation of this Plan.

# SECTION 8: Map Showing Proposed Improvements and Uses Within The Territory To Be Added



## SECTION 9: Detailed List of Additional Project Costs

---

This Section contains information relative to the specific projects and expenditures that the City anticipates it will undertake or make within the Territory to be incorporated into the District by this Amendment.

All costs are based on 2015 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2015 and the time of construction. The City also reserves the right to increase certain Project Costs to the extent others are reduced or not implemented without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

**This Plan is not meant to be a budget, nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Common Council, without further amending this Plan.**

# Wausau

## Ward District #3

### Project List

Phase II 2017	Phase III 2018	Phase IV 2019	Phase V	Total (Note 1)
000,000	5,000,000			12,100,000
135,000	135,000			405,000
				450,000
25,000	25,000			75,000
			650,000	650,000
<u>160,000</u>	<u>5,160,000</u>	<u>0</u>	<u>650,000</u>	<u>13,680,000</u>

## SECTION 10: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

---

The information and exhibits contained within this Section demonstrate that the District, as proposed to be amended by the addition of territory, will remain economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the remaining projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the remaining projects in multiple phases, and can adjust the timing of implementation as needed to coincide with the pace of private development and/or redevelopment. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.
- The development anticipated to occur as a result of the continued implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development and/or redevelopment expected to occur, 2) an updated projection of tax increments to be collected resulting from that development and/or redevelopment and other economic growth within the District, and 3) an updated cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

### Available Financing Methods

The following is a list of the types of obligations the City may choose to utilize.

#### General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of projects included within this Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN). As of the date of this plan, the City has a G.O. debt limit of \$131,692,465, of which \$84,353,890 is currently unused and could be made available to finance Project Costs.

#### Bonds Issued to Developers (“Pay as You Go” Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and, therefore, do not count against the City’s statutory borrowing capacity.

## Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City, or as a form of lease revenue bond by its Community Development Authority (CDA) or by a Redevelopment Authority (RDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City's statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

## Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of its various utility systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible Project Costs in an equal amount.

## Special Assessment "B" Bonds

The City has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City's statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

## Plan Implementation

As stated in the original project plan, projects identified will provide the necessary anticipated governmental services and/or development incentives to the remaining district. The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements, if any. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Projects identified will provide the necessary anticipated governmental services and/or development incentives to the additional territory. It is anticipated these expenditures will be made in a phased approach beginning in 2016. However, public debt and expenditures should be made at the pace private development and/or redevelopment occurs to assure increment is sufficient to cover expenses. The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective. In any event, all additional Project Costs are to be incurred within the period specified in Wisconsin Statutes Section 66.1105(6)(am).

It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement these agreements might include levying of special assessments against benefited properties.

The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.

**If financing as outlined in this Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.**

# Implementation and Financing Timeline

City of Wausau					
Tax Increment District #3					
Estimated Financing Plan					
	Taxable G.O. Note 2016	Taxable G.O. Note 2017	Taxable G.O. Note 2018	G.O. Promissory Note Year	Totals
<b>Projects</b>					
Phase I	4,100,000			450,000	4,550,000
Phase II		3,000,000			3,000,000
Phase III			5,000,000		5,000,000
Phase IV					0
Phase V				650,000	650,000
Less Funds on Hand				(1,100,000)	
<b>Total Project Funds</b>	<b>4,100,000</b>	<b>3,000,000</b>	<b>5,000,000</b>	<b>0</b>	<b>13,200,000</b>
<b>Estimated Finance Related Expenses</b>					
Financial Advisor	16,500	16,500	16,500		
Bond Counsel	12,000	12,000	12,000		
Rating Agency Fee	10,000	10,000	10,000		
Paying Agent	675	675	675		
Underwriter Discount	8.00 33,360 8.00	24,480 8.00	40,600 8.00	0	
Debt Service Reserve					
Capitalized Interest					
<b>Total Financing Required</b>	4,172,535	3,063,655	5,079,775	0	
Estimated Interest	0.25% (5,125) 0.25%	(3,750) 0.25%	(6,250) 0.25%	0	
Assumed spend down (months)	6	6	6	6	
Rounding	2,590	95	1,475	0	
<b>Net Issue Size</b>	<b>4,170,000</b>	<b>3,060,000</b>	<b>5,075,000</b>	<b>0</b>	<b>12,305,000</b>
<b>Notes:</b>					

# Development Assumptions & Increment Projections

## City of Wausau

### Tax Increment District #3

#### Tax Increment Projection Worksheet

Type of District	Blighted Area		Base Value	42,718,700	Apply to Base Value
Creation Date	September 1, 1994		Appreciation Factor	1.00%	
Valuation Date	Jan 1,	1994	Base Tax Rate	\$26.60	
Max Life (Years)	27		Rate Adjustment Factor		
Expenditure Periods/Termination	22	9/1/2016	See Notes		
Revenue Periods/Final Year	27	2022	See Notes		
Extension Eligibility/Years	Yes	0		Tax Exempt Discount Rate	3.50%
Recipient District	Yes			Taxable Discount Rate	5.00%

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
20	2013			70,248,100	2015	\$26.60	1,868,669	939,129	704,282
21	2014	6,852,600		77,100,700	2016	\$26.60	2,050,955	1,935,013	1,440,456
22	2015		771,007	77,871,707	2017	\$26.60	2,071,465	2,906,842	2,148,586
23	2016	1,750,000	778,717	80,400,424	2018	\$26.60	2,138,731	3,876,298	2,844,896
24	2017	0	804,004	81,204,428	2019	\$26.60	2,160,118	4,822,337	3,514,679
25	2018	0	812,044	82,016,473	2020	\$26.60	2,181,719	5,745,525	4,158,947
26	2019	0	820,165	82,836,637	2021	\$26.60	2,203,537	6,646,414	4,778,671
27	2020	0	828,366	83,665,004	2022	\$26.60	2,225,572	7,525,542	5,374,787
28	2021	0	836,650	84,501,654	2023	\$26.60	2,247,828	8,383,435	5,948,193
29	2022	0	845,017	85,346,670	2024	\$26.60	2,270,306	9,220,607	6,499,756
30	2023	0	853,467	86,200,137	2025	\$26.60	2,293,009	10,037,556	7,030,306
31	2024	0	862,001	87,062,138	2026	\$26.60	2,315,939	10,834,773	7,540,645
32	2025	0	870,621	87,932,760	2027	\$26.60	2,339,098	11,612,733	8,031,543
33	2026	0	879,328	88,812,087	2028	\$26.60	2,362,489	12,371,902	8,503,740
34	2027	0	888,121	89,700,208	2029	\$26.60	2,386,114	13,112,733	8,957,948
35	2028	0	897,002	90,597,210	2030	\$26.60	2,409,975	13,835,670	9,394,853
36	2029	0	905,972	91,503,182	2031	\$26.60	2,434,075	14,541,144	9,815,114
37	2030	0	915,032	92,418,214	2032	\$26.60	2,458,416	15,229,579	10,219,366
<b>Totals</b>	<b>8,602,600</b>		<b>13,567,514</b>		<b>Future Value of Increment</b>		<b>40,418,016</b>		

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Special Legislation to keep district open for 36 years, sunseting on September 1, 2031, with final revenue collected in 2032

Expenditures			Balances			Year
Capital Expenses	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	
		0	0	(3,248,091)	17,883,447	2014
413,815	50,000	2,553,948	(608,399)	(3,856,490)	16,088,447	2015
	35,000	2,076,961	(11,976)	(3,868,466)	14,433,447	2016
	35,000	2,121,240	25,554	(3,842,912)	12,678,447	2017
	35,000	2,984,053	(769,929)	(4,612,842)	10,023,447	2018
	35,000	2,183,972	49,615	(4,563,227)	8,103,447	2019
	35,000	2,165,985	89,327	(4,473,900)	6,158,000	2020
	35,000	1,697,161	580,191	(3,893,710)	4,640,000	2021
0,000,000	35,000	12,834,736	(10,533,898)	(14,427,608)	3,955,000	2022
	35,000	525,627	1,771,132	(12,656,477)	3,565,000	2023
	35,000	525,055	1,798,610	(10,857,867)	3,165,000	2024
	35,000	523,713	1,827,151	(9,030,716)	2,755,000	2025
	35,000	526,065	1,852,297	(7,178,418)	2,330,000	2026
	35,000	522,130	1,884,022	(5,294,396)	1,895,000	2027
	35,000	527,370	1,906,883	(3,387,512)	1,440,000	2028
	35,000	521,745	1,940,901	(1,446,612)	975,000	2029
	35,000	416,876	2,074,483	627,871	600,000	2030
	35,000	635,000	1,885,645	2,513,516	0	2031
	35,000	35,000	2,514,700	5,028,216	0	2032
413,815	642,410	33,376,635				Total

										Balances			
7 CBL Phase II 5,000		Proposed 2018 CBL Phase III 5,075,000			Misc Capital	Marketing		Total					
Rate	Interest	Dated Date:			Expenses	Assistance	Admin.	Expenditures	Annual	Cumulative	Principal Outstanding	Year	
		Principal	Est. Rate	Interest									
							75,000	0	0		4,170,000	2014	
								75,000	(75,000)	(75,000)	4,170,000	2015	
					450,000	135,000		741,375	(741,563)	(816,563)	4,170,000	2016	
						135,000		683,875	(685,916)	(1,502,479)	6,830,000	2017	
5.0%	130,838					135,000		1,124,338	(5,678)	(1,508,157)	11,180,000	2018	
5.0%	117,113	505,000	4.50%	217,013				1,686,781	32,264	(1,475,894)	9,945,000	2019	
5.0%	103,388	505,000	4.50%	194,288				1,634,394	148,335	(1,327,559)	8,710,000	2020	
5.0%	89,663	505,000	4.50%	171,563				1,606,538	160,362	(1,167,197)	7,450,000	2021	
5.0%	75,938	505,000	4.50%	148,838				1,577,744	173,356	(993,841)	6,165,000	2022	
5.0%	62,213	505,000	4.50%	126,113				1,572,544	162,790	(831,051)	4,830,000	2023	
5.0%	48,488	510,000	4.50%	103,275				1,521,294	203,247	(627,804)	3,490,000	2024	
5.0%	34,763	510,000	4.50%	80,325				1,464,931	243,817	(383,987)	2,150,000	2025	
5.0%	20,925	510,000	4.50%	57,375				898,300	799,758	415,771	1,330,000	2026	
5.0%	6,975	510,000	4.50%	34,425				861,400	159,146	574,917	510,000	2027	
5.0%	0	510,000	4.50%	11,475	650,000			1,171,475	(476,931)	97,986	0	2028	
5.0%	0		4.50%	0				0	173,151	271,137	0	2029	
5.0%	0		4.50%	0				0	173,584	444,722	0	2030	
5.0%	0	0	4.50%	0				0	174,018	618,740	0	2031	
5.0%	0		4.50%	0				0	174,453	793,193	0	2032	
	690,300	5,075,000		1,144,688	1,100,000	405,000	75,000	16,619,988				Total	

Expenditures			Balances			
CBL TID Expenditures	Parking Ramp	Total Expenditures	Annual	Cumulative	Principal Outstanding	Year
			0	(3,248,091)	22,053,447	2014
75,000		2,846,600	(901,051)	(4,149,142)	20,258,447	2015
741,375		2,818,336	433,576	(3,715,566)	22,773,447	2016
683,875		2,961,490	297,985	(3,417,581)	23,678,447	2017
1,124,338		4,264,765	186,136	(3,231,445)	25,373,447	2018
1,686,781		4,027,128	1,057,026	(2,174,419)	22,218,447	2019
1,634,394		3,956,754	1,215,247	(959,172)	19,038,000	2020
1,606,538	12,000,000	3,754,449	1,421,207	462,035	15,960,000	2021
1,577,744		14,950,105	(10,825,061)	(10,363,025)	13,590,000	2022
1,572,544		2,620,796	1,483,242	(8,879,784)	11,465,000	2023
1,521,294		2,553,974	1,565,050	(7,314,734)	9,325,000	2024
1,464,931		2,481,269	1,648,070	(5,666,664)	7,175,000	2025
898,300		1,901,990	2,243,100	(3,423,564)	5,530,000	2026
861,400		1,944,280	1,550,065	(1,873,499)	3,775,000	2027
1,171,475		2,240,845	954,366	(919,133)	2,310,000	2028
0		1,044,995	1,656,027	736,894	1,345,000	2029
0		921,376	1,807,647	2,544,541	470,000	2030
0		502,563	2,255,080	4,799,621	0	2031
0		0	2,728,321	7,527,942	0	2032
16,619,988	12,000,000	55,791,712				Total

00,000 borrowing

## SECTION 11: Annexed Property

---

There are no lands within the Territory proposed to be included within the District by this amendment that were annexed by the City on or after January 1, 2004.

## SECTION 12: Estimate of Additional Property to be Devoted to Retail Business

---

The City estimates that less than 35% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.

## SECTION 13: Proposed Zoning Ordinance Changes

---

The City does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Amended Project Plan.

## SECTION 14: Proposed Changes in Master Plan, Map, Building Codes and City of Wausau Ordinances

---

It is expected that this Plan will be complementary to the City's Master Plan. There are no proposed changes to the Master Plan, map, building codes or other City ordinances for the implementation of this Plan.

## SECTION 15: Relocation

---

It is not anticipated there will be a need to relocate persons or businesses in conjunction with this Plan. In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the City will follow applicable Wisconsin Statutes Section chapter 32.

## SECTION 16: Orderly Development and/or Redevelopment of the City of Wausau

---

This amendment contributes to the orderly development and/or redevelopment of the City by providing the opportunity for continued growth in tax base, job opportunities and general economic activity. Failure to undertake improvements to the Wausau Center Mall will ensure continued value degradation of the mall property.

## SECTION 17: List of Estimated Non-Project Costs

---

Non-Project Costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds.

SECTION 18:  
Opinion of Attorney for the City of Wausau Advising  
Whether the Plan is Complete and Complies with  
Wisconsin Statutes 66.1105

---

December 16, 2015

**SAMPLE**

Mayor James Tipple  
City of Wausau  
407 Grant Street  
Wausau, Wisconsin 54403

**RE: City of Wausau, Wisconsin Tax Incremental District No. 3 Amendment**

Dear Mayor:

As City Attorney for the City of Wausau, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Section 66.1105 of the Wisconsin Statutes. This opinion is provided pursuant to Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

Attorney Anne Jacobson  
City of Wausau

Exhibit A:  
**Calculation of the Share of Projected Tax Increments  
 Estimated to be Paid by the Owners of Property in the  
 Overlying Taxing Jurisdictions**

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.

Revenue Year	County	Municipality	School District	Technical College	Total	Revenue Year							
2015	343,209	742,740	702,066	80,655	1,868,669	2015							
2016	376,688	815,193	770,551	88,522	2,050,955	2016							
2017	380,455	823,345	778,257	89,408	2,071,465	2017							
2018	392,810	850,081	803,529	92,311	2,138,731	2018							
2019	396,738	858,582	811,564	93,234	2,160,118	2019							
2020	400,705	867,168	819,680	94,166	2,181,719	2020							
2021	404,712	875,840	827,877	95,108	2,203,537	2021							
2022	408,759	884,598	836,155	96,059	2,225,572	2022							
2023	412,847	893,444	844,517	97,020	2,247,828	2023							
2024	416,975	902,379	852,962	97,990	2,270,306	2024							
2025	421,145	911,402	861,492	98,970	2,293,009	2025							
2026	425,356	920,516	870,107	99,959	2,315,939	2026							
2027	429,610	929,722	878,808	100,959	2,339,098	2027							
2028	433,906	939,019	887,596	101,969	2,362,489	2028							
2029	438,245	948,409	896,472	102,988	2,386,114	2029							
2030	442,628	957,893	905,437	104,018	2,409,975	2030							
2031	447,054	967,472	914,491	105,058	2,434,075	2031							
2032	451,524	977,147	923,636	106,109	2,458,416	2032							
<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="border: none;"></td> <td style="border: none; text-align: center;">7,423,367</td> <td style="border: none; text-align: center;">16,064,951</td> <td style="border: none; text-align: center;">15,185,196</td> <td style="border: none; text-align: center;">1,744,503</td> <td style="border: none; text-align: center;">40,418,016</td> <td style="border: none;"></td> </tr> </table>								7,423,367	16,064,951	15,185,196	1,744,503	40,418,016	
	7,423,367	16,064,951	15,185,196	1,744,503	40,418,016								

Notes:

The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.