

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN

ANNUAL REPORT

HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES AND NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS

For the Year Ended December 31, 2014
and From Date of Creation Through December 31, 2014

	<u>Year Ended</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Capital expenditures	\$ 2,595	\$ 5,369,456
Developer Payments	-	438,484
Tax sharing Town of Stettin	-	100,289
Administration	7,002	130,218
Engineering and design	-	131,535
Interest and fiscal charges	87,976	801,761
Payment to refunded debt escrow	-	4,468
Debt issuance costs and discounts	-	40,360
	<u> </u>	<u> </u>
Total Project Costs	<u>\$ 97,573</u>	<u>\$ 7,016,571</u>
PROJECT REVENUES		
Tax increments	\$ 416,819	\$ 2,339,423
Special assessment taxes	-	320,126
Exempt computer aid	11,111	72,147
Interest on special assessments	-	32,043
Investment income	-	4,862
Other Income	25	25
Premium on debt issuance	-	12,007
	<u> </u>	<u> </u>
Total Revenues	<u>\$ 427,955</u>	<u>\$ 2,780,633</u>
NET COST RECOVERABLE THROUGH TAX INCREMENTS		<u><u>\$ 4,235,938</u></u>
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$ 2,458,995
Less: fund balance (deficit)		<u>(1,776,943)</u>
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS		<u><u>\$ 4,235,938</u></u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN

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HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS

For the Year Ended December 31, 2014
and From Date of Creation Through December 31, 2014

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	\$ 416,819	\$ 2,339,423
Special assessment taxes	-	320,126
Exempt computer aid	11,111	72,147
Interest on special assessments	-	32,043
Investment income	-	4,862
Other Income	25	25
Premium on debt issuance	-	12,007
Proceeds from long-Term debt	-	5,788,067
	<u>\$ 427,955</u>	<u>\$ 8,568,700</u>
Total Sources		
 USES OF FUNDS		
Capital expenditures	2,595	\$ 5,369,456
Developer Payments	-	438,484
Tax sharing Town of Stettin	-	100,289
Administration	7,002	130,218
Engineering and design	-	131,535
Interest and fiscal charges	87,976	801,761
Debt issuance costs and discounts	-	40,360
Payment to refunded debt escrow	-	4,468
Principal on long-term debt	583,141	3,329,072
	<u>\$ 680,714</u>	<u>\$ 10,345,643</u>
Total Uses		
BEGINNING FUND BALANCE (DEFICIT)	<u>\$ (1,524,184)</u>	<u>\$ -</u>
ENDING FUND BALANCE(DEFICIT)	<u><u>\$ (1,776,943)</u></u>	<u><u>\$ (1,776,943)</u></u>

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DETAILED SUMMARY OF PROJECT COSTS

From Date of Creation Through December 31, 2014

	<u>Actual</u>	<u>Project Plan Estimate</u>
PROJECT COSTS		
Capital Expenditures		
Street construction/reconstruction/Streetscape	\$ 4,259,628	\$ 3,919,000
Storm water management systems	17,697	280,000
Utility extensions/relocations	165,209	685,000
Street lighting, signage and signalization	247,625	300,000
Parking lot construction	125,285	150,000
Land acquisition, write downs, right of way and relocation	545,049	420,000
Sidewalk	6,369	-
Professional services	2,595	270,400
Taxsharing Town of Stettin	100,289	
Administration, and organizational	130,218	362,940
Developers grants and incentives	438,484	1,979,712
Engineering and design	131,535	320,000
Debt issuance costs and discount	40,359	60,600
Interest and fiscal charges	801,761	2,003,188
Other	4,468	
TOTAL PROJECT COSTS	<u>\$ 7,016,571</u>	<u>\$ 10,750,840</u>

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PROJECT COSTS	1	2	3	4	5	6	7	8	9	Totals	Project Plan Estimate
	2006	2007	2008	2009	2010	2011	2012	2013	2014		Estimate
Capital expenditures	\$ 251,449	\$ 587,430	\$ 3,324,128	\$ 960,673	\$ 173,275	\$ 51,357	\$ 852	\$ 17,697	\$ 2,595	\$ 5,369,456	\$ 5,754,000
Administrative (In-house)	8,963	43,501	7,223	5,006	16,716	17,500	11,718	12,589	7,002	130,218	362,940
Professional services	89,786	41,749								131,535	590,400
Development grants/Incentives		23,484	62,253	148,268	146,044	130,267	107,864	438,484	87,976	438,484	1,979,712
Interest and fiscal charges								95,605		801,761	2,003,188
Interest on advance										-	
Transfer out to other funds										-	
Discount on long-term debt		2,209			234			14,583		17,026	
Debt issuance costs	2,454	2,351	10,024	8,144	361		4,468			27,802	60,600
Refunds to overlying taxing jurisdictions			80,231	20,058						100,289	
Environmental costs										-	
Real property assembly costs										-	
Total Costs	\$ 352,652	\$ 700,724	\$ 3,483,859	\$ 1,142,149	\$ 336,630	\$ 199,124	\$ 124,902	\$ 578,958	\$ 97,573	\$ 7,016,571	\$ 10,750,840
PROJECT REVENUES											
Tax increments			\$ 100,046	\$ 389,929	\$ 349,929	\$ 392,106	\$ 367,717	\$ 322,877	\$ 416,819	\$ 2,339,423	
Exempt computer aid			6,079	7,849	10,541	13,500	10,871	12,196	11,111	72,147	
Intergovernmental grants											
Other grants											
Special assessments & charges			142,006	62,576	36,267	40,846	32,317	6,114		320,126	
Interest on special assessments				10,649	10,581	6,804	3,459	550		32,043	
Investment income		4,418								4,862	
Transfer in from other funds											
Premium on long-term debt								12,007		12,007	
User fees											
Sale of Land									25		
Miscellaneous											
Others: Specify											
Total Revenues	\$ -	\$ 4,418	\$ 248,575	\$ 471,003	\$ 407,318	\$ 453,256	\$ 414,364	\$ 353,744	\$ 427,955	\$ 2,780,633	\$ -

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN

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NOTE 1 – Tax Increment District Information:

The **City of Wausau** Tax Incremental District Number Seven (the "District") was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the district. The tax on the increased value is called a tax increment.

Project costs may not be incurred longer than 5 years prior to the mandated termination date of the district. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until 20 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the municipality.

Project plan and District objectives are:

- Promote commercial development along the I-39 corridor,
- Encourage business attraction, retention and expansion,
- Increase property tax base,
- Increase employment opportunities within the community,
- Increase the per capita income in the community,
- Increase the availability of properly located, adequately serviced commercial and business sites.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
District # 7	1/11/2006	1/10/2021	1/10/2026

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NOTE 2 - Long-term Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Notes borrowed to finance District expenditures will be retired by current available resources or by tax increments generated by the TIF fund. If those revenues are not sufficient, payments will be made by future tax levies.

	Original Amount Borrowed	Repaid	Balance 12/31/2014
2006A General Obligation Note	\$ 350,000	\$ 350,000	\$ -
2007A General Obligation Note	469,962	328,507	141,455
2008A General Obligation Note	3,655,000	2,200,000	1,455,000
2009A General Obligation Note	680,000	330,000	350,000
2010A General Obligation Note	78,000	20,000	58,000
2012B General Obligation Note	110,105	40,565	69,540
2013B General Obligation Note	445,000	60,000	385,000
	<u>\$ 5,788,067</u>	<u>\$ 3,329,072</u>	<u>\$ 2,458,995</u>

Aggregate maturities of all long-term debt relating to the District is as follows:

	PRINCIPAL	INTEREST	TOTAL
2015	567,227	67,865	635,092
2016	566,617	50,036	616,653
2017	532,151	32,334	564,485
2018	500,000	15,394	515,394
2019	125,000	5,545	130,545
2020	48,000	3,350	51,350
2021	40,000	2,400	42,400
2022	40,000	1,600	41,600
2023	40,000	600	40,600
	<u>2,458,995</u>	<u>179,124</u>	<u>2,638,119</u>

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NOTE 3 - Valuation of District

Annual valuation and percentage change for the District is as follows:

YEAR	EQUALIZED VALUATION	PERCENTAGE CHANGE
Base Value	\$29,525,900	-
2007	33,464,200	13.34%
2008	45,606,100	36.28%
2009	43,049,900	-5.60%
2010	44,101,100	2.44%
2011	43,069,800	-2.34%
2012	41,341,000	-4.01%
2013	44,562,100	7.79%
2014	49,545,600	11.18%

NOTE 4 - Tax Increments

Annual tax increments generated by the District are as follows:

YEAR	TAX INCREMENT
2008	\$ 100,046
2009	389,929
2010	349,929
2011	392,106
2012	367,717
2013	322,877
2014	416,819
	\$ 2,339,423

The amount to be generated in 2015 is \$532,544.

NOTE 5 – Plan Amendments

Project Plan Amendment Number One was approved on September 26, 2012. This amendment increased costs and added projects to the project plan. In addition the plan authorizes project costs within the ½ mile buffer zone. The amendment increased total project costs by \$2,415,000.

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NOTE 6 – Developer Grants

The City of Wausau entered into a development agreement on October 16, 2012 with 2800 Stewart Avenue, LLC for the development of 2800 Stewart Avenue. This parcel, totaling slightly over 11 acres, was a DOT remnant parcel after the State of Wisconsin Interstate Exchange project completion. The State left the parcel with significant development challenges including lack of utilities, overhead power line obstructions, ingress and egress restrictions and excess fill discarded during the construction project. The developer has agreed to develop approximately 85,000 square feet of retail/office facilities. Total project completion with a value of \$10.5 million is due by January 1, 2020 along with the creation of 50 full time and 20 part time positions. In exchange, the City of Wausau is providing a developer grant for water, sewer, stormwater, grading, retaining walls, utility work on a 250' access road not to exceed \$443,770. Under a separate development agreement, the City of Wausau agreed to pay an additional \$1,035,942 for a developer funded site improvements including access drive, grading and utilities. This grant will be funded out of tax increment and other available funds.

	Authorized	Paid
Stewart Avenue LLC	\$ 443,770	\$ 438,484
Stewart Avenue LLC	1,035,942	-
Total	\$ 1,479,712	\$ 438,484

**TAX INCREMENTAL DISTRICT NUMBER SEVEN
CASH FLOW PROJECTION**

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN

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Year	USES OF FUNDS			SOURCES OF FUNDS				Annual Surplus (Deficit)	Cumulative Balance	
	Existing Annual Debt Service	Administrative, Organization, & Discretionary Costs	Developer Incentives	Other Project Costs	Other Income	Special Assessment Income	Debt Proceeds			Tax** Increment
ACTUAL										
1 2006	\$2,454	\$8,963		\$341,235			\$350,000		(\$2,652)	(\$2,652)
2 2007	\$62,953	\$43,501		\$629,179	\$4,418		\$469,962		(\$261,253)	(\$263,905)
3 2008	\$153,820	\$7,223		\$3,404,359	\$6,523	\$142,006	\$3,655,000	\$100,046	\$338,173	\$74,268
4 2009	\$607,955	\$5,006		\$980,731	\$7,849	\$73,225	\$680,000	\$389,929	(\$442,689)	(\$368,421)
5 2010	\$663,182	\$16,716		\$173,275	\$10,541	\$46,848	\$78,000	\$349,929	(\$367,855)	(\$736,276)
6 2011	\$647,328	\$17,500		\$51,357	\$13,500	\$47,650		\$392,106	(\$262,929)	(\$999,205)
7 2012	\$735,028	\$11,718		\$852	\$10,871	\$35,776	\$110,105	\$367,717	(\$223,129)	(\$1,222,334)
8 2013	\$631,824	\$12,589	\$438,484	\$17,697	\$24,203	\$6,664	\$445,000	\$322,877	(\$301,850)	(\$1,524,184)
9 2014	\$671,117	\$7,002		\$2,595	\$11,136			\$416,819	(\$252,759)	(\$1,776,943)
ESTIMATED										
10 2015	\$635,092	\$17,000	\$75,000 *	\$260,000	\$10,000			\$532,544	(\$444,548)	(\$2,221,491)
11 2016	\$616,653	\$17,000	\$75,000 *		\$10,000			\$535,207	(\$163,446)	(\$2,384,937)
12 2017	\$564,485	\$17,000	\$75,000 *		\$10,000			\$579,235	(\$67,250)	(\$2,452,187)
13 2018	\$515,394	\$17,000	\$36,000 *		\$10,000			\$582,131	\$23,737	(\$2,428,450)
14 2019	\$130,545	\$17,000	\$36,000 *		\$10,000			\$585,042	\$411,497	(\$2,016,953)
15 2020	\$51,350	\$17,000	\$36,000 *		\$10,000			\$587,967	\$493,617	(\$1,523,336)
16 2021	\$42,400	\$17,000	\$160,000 *		\$10,000			\$716,787	\$507,387	(\$1,015,949)
17 2022	\$41,600		\$160,000 *		\$10,000			\$720,371	\$528,771	(\$487,178)
18 2023	\$40,600		\$160,000 *		\$10,000			\$723,973	\$533,373	\$46,195
19 2024			\$160,000 *		\$10,000			\$727,593	\$577,593	\$623,788
20 2025			\$62,942 *		\$10,000			\$731,231	\$678,289	\$1,302,077
21 2026					\$10,000			\$734,887	\$744,887	\$2,046,964
TOTAL	\$6,813,780	\$249,218	\$1,474,426	\$5,861,280	\$209,041	\$352,169	\$5,788,067	\$10,096,391		

*estimated payout schedule of developer agreement Stewart Avenue LLC

** Increment estimated to increase based upon developer commitments