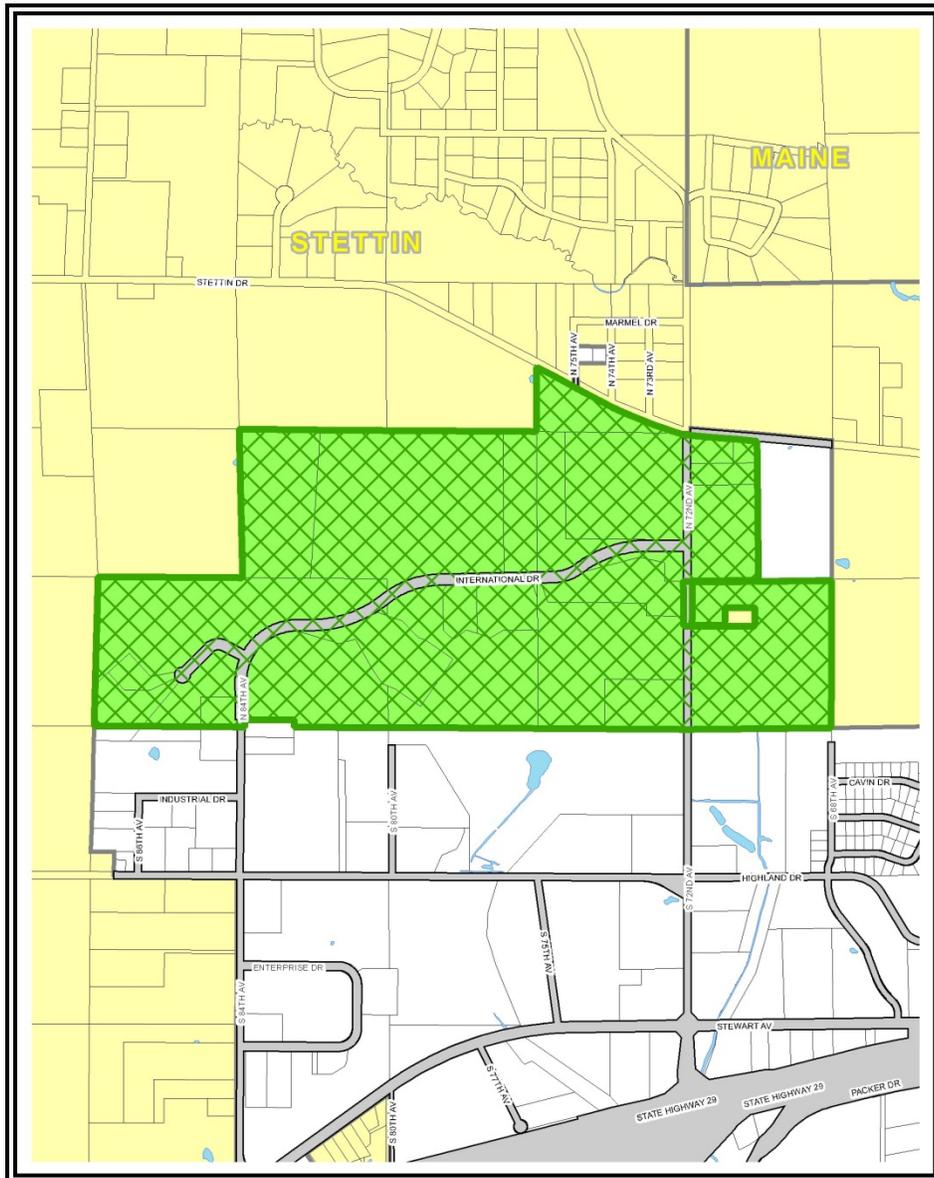


# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

## ANNUAL REPORT



WAUSAU FINANCE

December 31, 2015

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

## ANNUAL REPORT

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

For the Year Ended December 31, 2015  
and From Date of Creation Through December 31, 2015

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b>PROJECT COSTS</b>		
Capital expenditures	\$ -	\$ 3,253,119
Development grants	600,000	7,703,410
Administration	9,311	406,823
Professional services	28,363	75,676
Interest and fiscal charges	21,028	1,819,094
Debt issuance costs	-	82,525
	<u>        </u>	<u>        </u>
Total Project Costs	<u>\$ 658,702</u>	<u>\$ 13,340,647</u>
<b>PROJECT REVENUES</b>		
Tax increments	\$ 1,185,556	\$ 12,190,994
Special assessment taxes	-	48,466
Special assessment interest income	-	6,346
Investment income	-	17,359
Grant income	-	256,414
Miscellaneous income	111,042	114,051
Exempt computer aid	40,872	371,897
	<u>        </u>	<u>        </u>
Total Revenues	<u>\$ 1,337,470</u>	<u>\$ 13,005,527</u>
<b>NET COST RECOVERABLE THROUGH TAX INCREMENTS</b>		<u><u>\$ 335,120</u></u>
<b>RECONCILIATION OF RECOVERABLE COSTS</b>		
General obligation debt		\$ 555,000
Less: fund balance (Deficit)		<u>219,880</u>
<b>NET COSTS RECOVERABLE THROUGH TAX INCREMENTS</b>		<u><u>\$ 335,120</u></u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

## ANNUAL REPORT

For the Year Ended December 31, 2015  
and From Date of Creation Through December 31, 2015

	Year Ended	From Date of Creation
<b>SOURCES OF FUNDS</b>		
Tax increments	\$ 1,185,556	\$ 12,190,994
Special assessment taxes	-	48,466
Special assessment interest income	-	6,346
Grant income	-	256,414
Investment income	-	17,359
Exempt computer aid	40,872	371,897
Miscellaneous income	111,042	114,051
Proceeds from long-term debt	-	9,936,877
	<u>\$ 1,337,470</u>	<u>\$ 22,942,404</u>
<b>USES OF FUNDS</b>		
Capital expenditures	\$ -	\$ 3,253,119
Development grants	600,000	7,703,410
Administration	9,311	406,823
Professional services	28,363	75,676
Interest and fiscal charges	21,028	1,819,094
Debt issuance costs	-	82,525
Principal on long-term debt	260,000	9,381,877
	<u>\$ 918,702</u>	<u>\$ 22,722,524</u>
<b>BEGINNING FUND BALANCE (DEFICIT)</b>	<u>\$ (198,888)</u>	<u>\$ -</u>
<b>ENDING FUND BALANCE(DEFICIT)</b>	<u>\$ 219,880</u>	<u>\$ 219,880</u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

## ANNUAL REPORT

### DETAILED SUMMARY OF PROJECT COSTS

From Date of Creation Through December 31, 2015

	<u>Actual</u>	<u>Project Plan Estimate</u>
<b>PROJECT COSTS</b>		
Capital expenditures		
Street construction/improvements	\$ 1,619,682	\$ 2,956,390
Storm water drainage facilities	753,745	690,600
Land		30,000
Utility services construction	869,247	1,673,910
Site preparation	-	336,900
Building	10,445	800,000
Pedestrian Trail	-	250,000
Development grants	7,703,410	5,047,000
Administration	406,823	1,016,914
Professional services	75,676	166,800
Other Costs		250,000
Debt issuance costs	82,525	76,200
Interest and fiscal charges	<u>1,819,094</u>	<u>4,120,231</u>
<b>TOTAL PROJECT COSTS</b>	<u>\$ 13,340,647</u>	<u>\$ 17,414,945</u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

## ANNUAL REPORT

### ANNUAL SUMMARY OF PROJECT COSTS AND REVENUES From Date of Creation Through December 31, 2015

PROJECT COSTS	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
Capital expenditures	\$ 471,299	\$ 143,719	\$ 1,000			\$ 205,105	\$ 1,497,660	\$ 616,676	\$ 25,936	
Administrative (In-house)		79,952		102	6,625		76,075	49,405		
Professional services										11,543
Development grants/Incentives		38,895	26,835	23,955	20,955	17,895	14,775	153,268	142,289	2,588,611
Interest and fiscal charges										133,864
Discount on long-term debt										
Principal on long-term debt			60,000	60,000	60,000	60,000	60,000	90,888	262,072	264,646
Debt issuance costs	9,451						9,706	28,659		
Refunds to overlying taxing jurisdictions										
Real property assembly costs										
<b>Total Costs</b>	<b>\$ 480,750</b>	<b>\$ 262,566</b>	<b>\$ 87,835</b>	<b>\$ 84,057</b>	<b>\$ 87,580</b>	<b>\$ 283,000</b>	<b>\$ 1,658,216</b>	<b>\$ 938,896</b>	<b>\$ 430,297</b>	<b>\$ 2,998,664</b>
<b>PROJECT REVENUES</b>										
Tax increments			\$ 235,626	\$ 299,260	\$ 337,279	\$ 339,040	\$ 379,179	\$ 505,905	\$ 478,079	\$ 474,090
Exempt computer aid				2,775	1,983	1,565		1,393	6,235	2,984
Intergovernmental grants									1,500	160,000
Other grants										
Special assessments & charges								11,421		
Interest on special assessments										
Investment income										
Transfer in from other funds										
Proceeds from long-term debt	540,000						2,000,000	1,500,000		
Premium on long-term debt										
User fees										
Sale of Land										
Miscellaneous										
Others: Loan Repayments										
<b>Total Revenues</b>	<b>\$ 543,576</b>	<b>\$ -</b>	<b>\$ 235,626</b>	<b>\$ 302,035</b>	<b>\$ 339,262</b>	<b>\$ 340,605</b>	<b>\$ 2,379,179</b>	<b>\$ 2,018,719</b>	<b>\$ 485,814</b>	<b>\$ 637,074</b>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

## ANNUAL REPORT

### ANNUAL SUMMARY OF PROJECT COSTS AND REVENUES From Date of Creation Through December 31, 2015

<u>PROJECT COSTS</u>	11 2007	12 2008	13 2009	14 2010	15 2011	16 2012	17 2013	18 2014	19 2015	Totals	Project Plan Estimate
Capital expenditures	\$ 3,277	\$ 6,250	\$ 39,473	\$ 17,292	\$ 257,197	\$ 25,000	17,934	48,470	9,311	\$ 3,292,592	\$ 6,987,800
Administrative (In-house)	37,276		17,945	18,104	28,332		17,934	48,470	9,311	406,823	1,016,914
Professional services	14,284						1,151	20,335	28,363	75,676	166,800
Development grants/Incentives	2,847,591	486,115		41,620	290,000		160,000	650,000	600,000	7,663,937	5,047,000
Interest and fiscal charges	128,701	133,958	313,910	286,678	152,428	142,089	38,648	28,923	21,028	1,819,094	4,120,231
Discount on long-term debt										-	
Principal on long-term debt	272,220	266,394	506,747	3,398,491	540,811	2,279,370	510,238	430,000	260,000	9,381,877	76,200
Debt issuance costs				34,709						82,525	
Refunds to overlying taxing jurisdictions										-	
Real property assembly costs										-	
<b>Total Costs</b>	<b>\$ 3,303,349</b>	<b>\$ 892,717</b>	<b>\$ 878,075</b>	<b>\$ 3,778,790</b>	<b>\$ 968,540</b>	<b>\$ 2,764,791</b>	<b>\$ 727,971</b>	<b>\$ 1,177,728</b>	<b>\$ 918,702</b>	<b>\$ 22,722,524</b>	<b>\$ 17,414,945</b>
<b>PROJECT REVENUES</b>											
Tax increments	\$ 519,865	\$ 570,207	\$ 719,479	\$ 1,254,271	\$ 1,217,583	\$ 1,222,984	\$ 1,217,831	\$ 1,234,760	\$ 1,185,556	\$ 12,190,994	
Exempt computer aid	5,892	21,143	24,753	28,861	78,014	59,961	42,158	53,308	40,872	371,897	
Intergovernmental grants	94,914									256,414	
Other grants										-	
Special assessments & charges		19,386	9,693	19,387						48,466	
Interest on special assessments		3,490	2,617	239						6,346	
Investment income				907	1,455					17,359	
Transfer in from other funds										-	
Proceeds from long-term debt										-	
Premium on long-term debt	2,206,760	1,250,117		2,440,000						9,936,877	
User fees										-	
Sale of Land								125		-	
Miscellaneous	2,884									114,051	
Others: Loan Repayments										-	
<b>Total Revenues</b>	<b>\$ 2,830,315</b>	<b>\$ 1,864,343</b>	<b>\$ 756,542</b>	<b>\$ 3,743,665</b>	<b>\$ 1,297,052</b>	<b>\$ 1,282,945</b>	<b>\$ 1,259,989</b>	<b>\$ 1,288,193</b>	<b>\$ 1,337,470</b>	<b>\$ 22,942,404</b>	<b>\$ -</b>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

## ANNUAL REPORT

### NOTE 1 – Tax Increment District Information:

The **City of Wausau** Tax Incremental District Number Five (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 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 23 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:

- Increase employment opportunities within the community,
- Increase the per capita income in the community,
- Increase the industrial property tax base,
- Increase the availability of properly located, adequately serviced industrial sites,
- Accommodate new industries and the expansion of existing industries in the industrial park.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
<b>District # 5</b>	7/8/1997	7/8/2015	7/8/2020

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

## ANNUAL REPORT

### 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 12/31/2015
1997 General Obligation Note, Call date April 1, 2005	\$540,000	\$540,000	\$0
2003 General Obligation Note, Call date April 1, 2013	2,000,000	2,000,000	0
2004B General Obligation Note, Call date April 1, 2009	1,500,000	1,500,000	0
2007 State Trust Fund Loan, Call date annually March 15th	2,956,877	2,956,877	0
2007 State Trust Fund Loan, Call date annually March 15th	500,000	500,000	0
2010B Refunding Issue	2,440,000	1,885,000	555,000
<b>Total</b>	<u>\$9,936,877</u>	<u>\$9,381,877</u>	<u>\$555,000</u>

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

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2016	270,000	13,598	283,598
2017	285,000	4,774	289,774
	<u>\$ 555,000</u>	<u>\$ 18,372</u>	<u>\$ 573,372</u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

## ANNUAL REPORT

**NOTE 3 - Valuation of District**

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

YEAR	EQUALIZED VALUATION	PERCENTAGE CHANGE
1997	105,900	-
1998	8,316,200	7752.88%
1999	10,622,200	27.73%
2000	11,962,200	12.62%
2001	12,263,000	2.51%
2002	13,872,700	13.13%
2003	18,785,600	35.41%
2004	17,650,900	-6.04%
2005	18,300,700	3.68%
2006	20,733,000	13.29%
2007	22,632,000	9.16%
2008	30,044,500	32.75%
2009	48,849,000	62.59%
2010	45,633,600	-6.58%
2011	45,419,600	-0.47%
2012	44,938,400	-1.06%
2013	44,916,500	-0.05%
2014	44,942,200	0.06%
2015	48,176,800	7.20%

**NOTE 4 - Tax Increments**

Annual tax increments generated by the District are as follows:

YEAR	TAX INCREMENT
1999	\$235,626
2000	299,260
2001	337,279
2002	339,040
2003	379,179
2004	505,905
2005	478,079
2006	474,090
2007	519,865
2008	570,207
2009	719,479
2010	1,254,271
2011	1,217,583
2012	1,222,984
2013	1,217,831
2014	1,234,760
2015	1,185,555
	\$12,190,993



# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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## ANNUAL REPORT

**NOTE 4 - Tax Increments continued.**

The amount to be generated in 2016 is \$1,307,235.

**NOTE 5 - Amendment to District**

In 2001, Tax Increment District Five was amended by the Wausau Common Council and Joint Review Board to expand the Wausau West Business and Industrial Park, modify the project plan and increase estimated project plan costs by \$1,844,525.

In 2007, Tax Increment District Five was amended by the Wausau Common Council and Joint Review Board to expand the Wausau West Business and Industrial Park and increased estimated project plan costs by \$8,631,000.

In September 2012, Tax Increment District Five was amended by the Wausau Common Council and Joint Review Board. This amendment provided for \$840,000 of additional project costs within ½ mile radius of the district's boundaries. Specifically, the project costs include development grants, incentives and revolving loan funds of \$590,000 and the construction of a pedestrian trail for \$250,000.

In December of 2015 Tax Increment District Five was amended by the Wausau Common Council. The amendment removed territory from the district and designated the district a donor district to Tax Increment District Number Three.

**NOTE 6 – Developer Agreements**

On September 13, 2005, the City of Wausau entered into a development agreement with Wausau Business Incubator, Inc. to construct, own, and operate a new incubator in Tax Increment District Number Five in exchange for a cash grant of \$3,250,000. This grant was funded by tax increment district funds of \$2,250,000 and grants of \$254,914 along with a federal grant of \$1,000,000 obtained by the City of Wausau Community Development Authority. This agreement was amended in 2007, 2010 and 2012 to provide additional funding for the facility in the amounts of \$500,000, 41,620 and \$290,000. Total expenses paid through December 31, 2012 are \$3,336,533.

On August 20, 2007 the City of Wausau entered into a development agreement with Scannell Properties #92 LLC to construct, own, and operate a manufacturing facility of approximately 370,000 square foot and a total value (including land) of approximately nineteen million dollars. In addition, the agreement provided for a facility workforce of 450 employees. In exchange for the development, the City of Wausau made a cash grant payment of an amount not to exceed \$2,957,000. Total grant payments were \$2,956,877.

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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## ANNUAL REPORT

### **NOTE 6 – Developer Agreements continued**

The City of Wausau entered into a development agreement on September 11, 2007 with Polywood Fabrication (developer). The developer agreed to construct an 80,000 square foot manufacturing facility with an approximate value of \$3,000,000 along with retaining 200 full-time equivalent jobs and creating 100 new jobs within 60 months from the date of the agreement. In exchange for this development, the City agreed to make a maximum contribution of \$152,887 to reimburse the developer for costs of project improvements. The contributions along with interest at a rate of 5.00% will be paid out of tax increments or any other available funds. The Contribution remained outstanding at December 31, 2015.

The City of Wausau entered into a development agreement on February 13, 2007 with Packaging Tape, Inc. (developer). The developer agreed to construct a 3,000 square foot manufacturing facility with an approximate value of \$2,650,000 along with creating 12 new jobs within 60 months from the date of the agreement. In exchange for this development, the City agreed to make a maximum contribution of \$62,000 to reimburse the developer for costs of project improvements. The contributions along with interest at a rate of 5.00% will be paid out of tax increments or any other available funds. The Contribution remained outstanding at December 31, 2015.

The City of Wausau entered into a development agreement in November 2013 with Southern Stretch Forming – Wisconsin, Inc. Southern Stretch agreed to purchase 7555 Stewart Avenue, operate a manufacturing facility, purchase equipment with a total cost of \$250,000, invest in exterior improvements of \$25,000 and create nine full time jobs by November 30, 2018. In exchange for this development the City agreed to provide two separate grants totaling \$160,000. One grant of \$110,000 will be used to offset property acquisition and the second grant of \$50,000 will defray equipment costs.

The City of Wausau entered into a development agreement in November 2013 with CAG Industrial Inc. for the purpose of redeveloping 305 S 84<sup>th</sup> Avenue from a warehousing facility to manufacturing use for the start-up company, Ordered Motion Systems, Inc. In exchange for the City of Wausau's \$650,000 developer payment the developer and owner agreed to make improvements including: re-lamping, office upgrades, crane erection, loading dock building addition and expansion and rehabilitation of parking and driving surfaces. The total improvement budget presented was \$892,385. In addition, Ordered Motion, Systems, Inc. signed a ten year lease and executed a document acknowledging their expectation to create 25 FTE's by December 31, 2014 and 50 FTE's by December 31, 2018 and placing equipment within the property valued at \$3.9 million by January 1, 2019.

The City of Wausau entered into a development agreement with Apogee Wausau Group to relocate Colorado operations to the City of Wausau facility. The City of Wausau provided Apogee Wausau Group a developer payment of \$500,000 to offset relocation costs, manufacturing expansion and related product line start-up costs and losses. In exchange Apogee Wausau Group will move its Colorado operations to the City of Wausau and create 124 full time positions by June 1, 2017.

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

## ANNUAL REPORT

**NOTE 6 – Developer Agreements continued**

On January 27, 2015, the City of Wausau Common Council authorized the donation of 4.2 acres of City owned property located within Tax Increment District 5 along with a \$100,000 ten year forgivable equipment loan to Composite Envisions, LLC. This

A summary of development payments to date is as follows:

	<u>Authorized</u>	<u>Paid</u>
Wausau Business Incubator	\$3,336,533	\$3,336,533
Scannell, Wausau Window and Wall	2,957,000	2,956,877
Southern Stretch Forming - Wisconsin, Inc.	160,000	160,000
CAG, Industrial	650,000	650,000
Polywood Fabrication	152,887	-
Apogee Wausau Group	500,000	500,000
Composite Envisions, LLC	100,000	100,000
Packaging Tape, Inc.	62,000	-
	<u>\$7,918,420</u>	<u>\$7,703,410</u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

## ANNUAL REPORT

### CITY OF WAUSAU TAX INCREMENTAL DISTRICT NUMBER FIVE PROJECTED CASH FLOW

Year	USES OF FUNDS				SOURCES OF FUNDS							Annual Surplus (Deficit)	Cumulative Balance
	Total Annual Debt Service	Administrative, Organization & Discretionary Costs	Developer Incentives	Capital Expenditures	TID #3 Donations	Debt Proceeds	Special Assessment Income	Tax Increment	Other Income				
<b>ACTUAL</b>													
1997	\$9,451			\$471,299		\$540,000			\$3,576			\$62,826	\$62,826
1998	\$38,895	\$79,952		\$143,719								(\$262,566)	(\$199,740)
1999	\$86,835			\$1,000							\$235,626	\$147,791	(\$51,949)
2000	\$83,955	\$102							\$2,775		\$299,260	\$217,978	\$166,029
2001	\$80,955	\$6,625							\$1,983		\$337,279	\$251,682	\$417,711
2002	\$77,895			\$205,105					\$1,565		\$339,040	\$57,605	\$475,316
2003	\$84,481	\$76,075		\$1,497,660		\$2,000,000			\$12,814		\$379,179	\$720,963	\$1,196,279
2004	\$272,815	\$49,405		\$616,676		\$1,500,000			\$505,905		\$505,905	\$1,079,823	\$2,276,102
2005	\$404,361			\$25,936					\$7,735		\$478,079	\$55,517	\$2,331,619
2006	\$398,510		\$2,588,611	\$11,543					\$162,984		\$474,090	(\$2,361,590)	(\$29,971)
2007	\$400,921	\$37,276	\$2,847,591	\$17,561		\$2,206,760			\$103,690		\$519,865	(\$473,034)	(\$503,005)
2008	\$400,352		\$486,115	\$6,250		\$1,250,117		\$22,876	\$21,143		\$570,207	\$971,626	\$468,621
2009	\$820,657	\$17,945		\$39,473				\$12,310	\$24,753		\$719,479	(\$121,533)	\$347,088
2010	\$3,719,878	\$17,292	\$41,620			\$2,440,000		\$19,626	\$29,768		\$1,254,271	(\$35,125)	\$311,963
2011	\$693,239	\$18,104		\$257,197					\$79,469		\$1,217,583	\$328,512	\$640,475
2012	\$2,421,459	\$28,332	\$290,000	\$25,000					\$59,961		\$1,222,984	(\$1,481,846)	(\$841,371)
2013	\$548,886	\$17,934	\$160,000	\$1,151					\$42,158		\$1,217,831	\$532,018	(\$309,353)
2014	\$458,923	\$48,470	\$650,000	\$20,335					\$53,433		\$1,234,760	\$110,465	(\$198,888)
2015	\$281,028	\$9,311	\$600,000	\$28,363					\$151,914		\$1,185,556	\$418,768	\$219,880
<b>ESTIMATED</b>													
2016	\$283,598				\$1,433,257				\$189,739		\$1,307,235	(\$219,880)	(\$0)
2017	\$289,774				\$803,268				\$161,042		\$932,000	\$0	(\$0)
2018					\$1,093,042				\$161,042		\$932,000	\$0	(\$0)
2019					\$1,093,042				\$161,042		\$932,000	\$0	(\$0)
2020					\$1,093,042				\$161,042		\$932,000	\$0	(\$0)
2021		\$5,000			\$1,088,042				\$161,042		\$932,000	\$0	(\$0)
<b>TOTAL</b>	<b>11,856,868</b>	<b>411,823</b>	<b>7,663,937</b>		<b>\$6,603,693</b>	<b>9,936,877</b>	<b>54,812</b>	<b>18,158,229</b>	<b>1,754,670</b>				