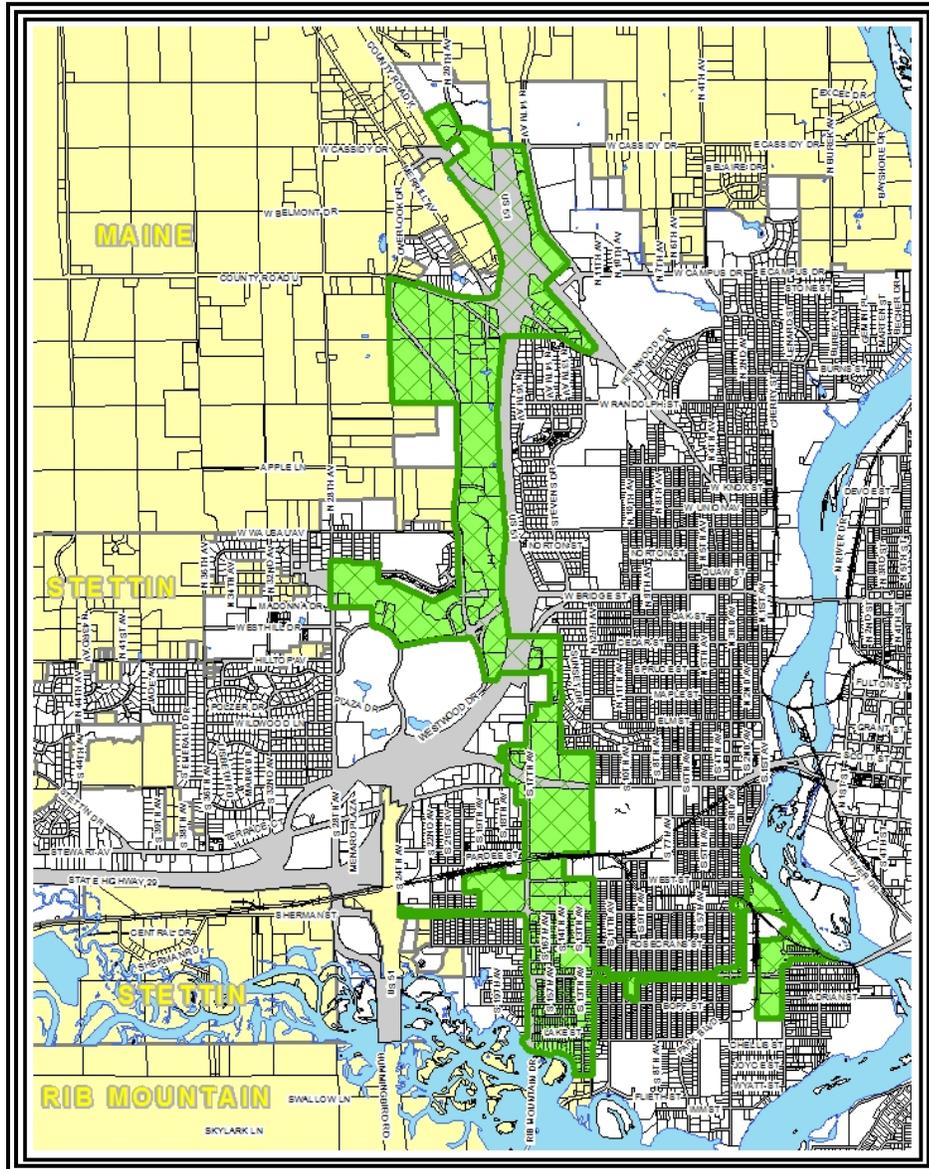


CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SIX



WAUSAU FINANCE

December 31, 2015

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SIX

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>
PROJECT COSTS		
Capital expenditures	\$ 300,311	\$ 8,783,318
Administration	33,173	397,350
Development Grants	294,311	2,657,926
Interest and fiscal charges	74,525	590,246
Tax Payment to the Town of Maine	-	65,000
Excessive Taxes returned to Walgreens	119,415	119,415
Debt issuance costs and discounts	-	84,461
	<u>\$ 821,735</u>	<u>\$ 12,697,716</u>
PROJECT REVENUES		
Tax increments	\$ 1,507,029	\$ 8,248,302
Special assessments	35,011	262,445
Exempt computer aid	85,647	613,916
Other income	22,854	25,711
Interest on special assessments	4,594	14,764
Investment income		25,133
Premium on Debt Issuance		55,333
	<u>\$ 1,655,135</u>	<u>\$ 9,245,604</u>
NET COST RECOVERABLE THROUGH TAX INCREMENTS		<u><u>\$ 3,452,112</u></u>
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$3,026,010
Less: fund balance (deficit)		<u>(426,102)</u>
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS		<u><u>\$ 3,452,112</u></u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SIX

ANNUAL REPORT

HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS

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

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	\$ 1,507,029	\$ 8,248,302
Special Assessments	35,011	262,445
Exempt computer aid	85,647	613,916
Other income	22,854	25,711
Interest on Special Assessments	4,594	14,764
Investment Income	-	25,133
Proceeds from long-term debt	-	5,949,445
Premium on Debt Issuance	-	55,333
	<u>\$ 1,655,135</u>	<u>\$ 15,195,049</u>
USES OF FUNDS		
Capital expenditures	\$ 300,311	\$ 8,783,318
Administration	33,173	397,350
Development Grants	294,311	2,657,926
Interest and fiscal charges	74,525	590,246
Tax Payment to the Town of Maine	-	65,000
Excessive Taxes returned to Walgreens	119,415	119,415
Debt issuance costs and discount	-	84,461
Principal on long-term debt	628,657	2,923,435
	<u>\$ 1,450,392</u>	<u>\$ 15,621,151</u>
BEGINNING FUND BALANCE	<u>\$ (630,845)</u>	<u>\$ -</u>
ENDING FUND BALANCE	<u>\$ (426,102)</u>	<u>\$ (426,102)</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SIX

ANNUAL REPORT

DETAILED SUMMARY OF PROJECT COSTS

From Date of Creation Through December 31, 2015

	<u>Actual</u>	<u>Project Plan Estimate</u>
PROJECT COSTS		
Capital expenditures		
Street construction/reconstruction	\$ 6,781,318	\$ 12,750,732
Storm water management systems	199,646	780,950
Sidewalk	97,508	100,000
Utility extensions/relocations	154,078	1,063,200
Street lighting, signage and signalization	31,999	510,000
Park and pedestrian ways	-	195,000
Land acquisition, rightdowns and right of way	1,011,136	11,430,593
Relocation, site development, and remediation	18,078	2,795,000
Professional services	489,555	1,209,990
Residential Blight Elimination and Redevelopment	-	250,000
Developer grants	2,657,926	1,228,670
Contingencies	-	1,147,850
Administration	397,350	808,410
Debt issuance costs and discounts	84,461	162,325
Interest and fiscal charges	590,246	5,289,296
Other	184,415	-
TOTAL PROJECT COSTS	<u>\$ 12,697,716</u>	<u>\$ 39,722,016</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SIX

ANNUAL REPORT

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

PROJECT COSTS	1 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014	11 2015	Totals	Project Plan Estimate
Capital expenditures	\$ 1,359,450	\$ 324,758	\$ 19,633	\$ 97,084	\$ 322,547	\$ 265,954	\$ 1,213,855	\$ 3,407,909	\$ 218,219	\$ 53,219	\$ 7,282,628	\$ 16,797,732	
Administrative (In-house)	82,793	14,395	18,028	56,664	12,276	29,845	31,929	30,329	43,797	44,120	33,173	397,349	808,410
Professional services	2,772	2,772	905	183,962	984	38,323	67,507	61,138	48,561	96,715	169,878	489,555	1,209,990
Development grants/Incentives		56,407	46,159	78,174	37,051	32,321	257,466	340,876	455,939	571,777	294,311	2,657,926	1,228,670
Interest and fiscal charges							37,663	58,977	67,888	101,081	74,525	590,246	5,289,296
Discount on long-term debt					1,200							1,200	
Debt issuance costs		8,744			1,851		5,376	67,290				83,261	162,325
Refunds to overlying taxing jurisdictions								65,000				65,000	
Excessive taxes returned to Walgreens											119,415	119,415	
Real property assembly costs			55,486	106,749			122,191	608,744	40,203	549	77,214	1,011,136	14,225,593
Total Costs	\$ 1,445,015	\$ 407,076	\$ 140,211	\$ 522,633	\$ 603,906	\$ 426,087	\$ 788,086	\$ 2,378,919	\$ 4,131,587	\$ 1,032,461	\$ 821,735	\$ 12,697,716	\$ 39,722,016
PROJECT REVENUES													
Tax increments	\$ 449,635	\$ 520,672	\$ 730,190	\$ 858,034	\$ 991,225	\$ 1,059,794	\$ 955,238	\$ 1,176,485	\$ 1,507,029	\$ 8,248,302			
Exempt computer aid	73,290	37,998	34,058	60,686	60,188	86,372	79,826	95,851	85,647	613,916			
Intergovernmental grants													
Other grants													
Special assessments & charges				28,719	6,046	6,046	7,715	5,428	72,920	100,560	35,011	262,445	
Interest on special assessments				2,177	1,632	1,088	690	55	235	4,293	4,594	14,764	
Investment income	14,567	3,615			778	2,277	3,896					25,133	
Transfer in from other funds													
Premium on long-term debt								55,333				55,333	
User fees													
Sale of Land													
Miscellaneous			180									230	
Others: Loan Repayments								50		2,627	22,854	25,481	
Total Revenues	\$ 14,567	\$ 3,615	\$ 523,105	\$ 589,566	\$ 771,926	\$ 926,632	\$ 1,062,095	\$ 1,155,545	\$ 1,163,602	\$ 1,379,816	\$ 1,655,135	\$ 9,245,604	\$ -

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SIX

ANNUAL REPORT

NOTE 1 – Tax Increment District Information:

The **City of Wausau** Tax Incremental District Number Six (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 property tax base,
- Increase the availability of properly located, adequately serviced industrial and business sites,
- Accommodate and encourage new industries and the expansion of existing industry and business.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
District # 6	5/11/2005	5/11/2023	5/11/2028

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SIX

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		Balance 12/31/2015
		Repaid	
2005A General Obligation Note	\$1,539,475	\$1,539,475	\$0
2010A General Obligation Note	\$400,000	\$200,000	\$200,000
2011A General Obligation Note	\$1,244,970	\$498,960	\$746,010
2012B General Obligation Note	\$700,000	\$225,000	\$475,000
2013A General Obligation Note	\$2,065,000	\$460,000	\$1,605,000
	<u>\$5,949,445</u>	<u>\$2,923,435</u>	<u>\$3,026,010</u>

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

Schedule of Maturities			
	Principal	Interest	Total
2016	434,740	62,291	497,031
2017	434,740	53,451	488,191
2018	434,740	44,495	479,235
2019	434,740	35,287	470,027
2020	433,930	25,692	459,622
2021	388,120	16,451	404,571
2022	265,000	9,050	274,050
2023	200,000	3,000	203,000
	<u>\$3,026,010</u>	<u>\$249,717</u>	<u>\$3,275,727</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SIX

ANNUAL REPORT

NOTE 3 - Valuation of District

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

YEAR	EQUALIZED VALUATION	PERCENTAGE CHANGE
2005	\$17,932,100	-
2006	\$39,655,100	121.14%
2007	\$42,219,200	6.47%
2008	\$51,835,100	22.78%
2009	\$54,884,200	5.88%
2010	\$58,568,400	6.71%
2011	\$67,791,800	15.75%
2012	\$114,664,700	69.14%
2013	\$122,149,700	6.53%
2014	\$136,362,600	11.64%
2014	\$138,977,200	1.92%

NOTE 4 - Tax Increments

Annual tax increments generated by the District are as follows:

YEAR	TAX INCREMENT
2007	\$449,635
2008	\$520,672
2009	\$730,190
2010	\$858,034
2011	\$991,225
2012	\$1,059,794
2013	\$955,238
2014	\$1,176,485
2014	<u>\$1,507,029</u>
	<u><u>\$8,248,302</u></u>

The amount to be generated in 2016 is \$1,620,763.

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SIX

ANNUAL REPORT

NOTE 5 – Developer Agreements

The City of Wausau entered into a development agreement with Aspirus Wausau Hospital, Inc. to develop commercial sites within Tax Incremental District Number Six including doctors' offices and other medical facilities. In exchange the City agreed to construct a public road, related sidewalks, utilities, and street lighting.

The City of Wausau entered into a development agreement with River Valley State Bank and Rolland Lokre to develop commercial sites within Tax Incremental District Number Six along 17th Avenue. In exchange for this development, the city agreed to purchase land for the dedication of a public street and central storm water detention pond. The developer constructed the infrastructure and dedicated it to the City in exchange for a cash grant in the amount of the construction costs. In addition, to facilitate this commercial development, the City agreed to install a turn lane on 17th Avenue and relocate certain utilities.

The City of Wausau entered into a development agreement on February 13, 2008 with Financial Way LLC (developer). The developer agreed to construct a multi-story commercial office facility along with 250 stalls of surface parking with an estimated value of \$5,900,000. In addition, the developer agreed that the project leased to Samuels Group, Inc and other tenants would create 25 new full time jobs by December 31, 2008. In exchange for this development, the City agreed to make a maximum contribution of \$250,000 to reimburse the developer for costs of project improvements. The contributions along with interest at a rate of 6.25% will be paid out of tax increments or any other available funds. The contribution of \$250,000 plus interest of \$4,896 was paid in 2009.

The City of Wausau entered into a development agreement on March 4, 2009 with Union Station II, LLC and 411 Westwood Drive, LLC (developer). The developer agreed to construct Rasmussen College building, parking area, and related facilities with an estimated value of \$3,000,000. In addition, the developer agreed that the project, leased to Rasmussen College, Inc., would create 35 new full time jobs within 36 months of occupancy. In exchange for this development, the City agreed to pay 38.66% of site development costs not to exceed \$455,550. The contributions will be paid out of tax increment or any other available funds. To date, the city has made four payments on this agreement totaling \$399,519. In addition, under a separate development agreement, the City agreed to advance funds to the same developer to construct a private access road for said Rasmussen College development in an amount not to exceed \$298,698. The developer will reimburse the City said advance without interest no later than 10 years or the development of adjacent lots 2 and 3.

The City of Wausau entered into a development agreement with Wausau Stewart LLC for the redevelopment of property located on 17th Avenue for the construction of a Walgreens. The development will eliminate blight, provide increased property values and provide increased employment. The City agreed to fund development costs totaling \$178,670 for right of way and easements acquisition from the State of Wisconsin and utility relocation. The actual development payment issued in 2011 was \$175,835.

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SIX

ANNUAL REPORT

NOTE 5 – Developer Agreements continued

The City of Wausau entered into a development agreement with Wausau Window and Wall Systems to assist with the demolition of their facility located on 17th Avenue. The agreement stipulates that the City will contribute actual net demolition costs to a maximum amount of \$400,000. The City paid \$259,670 in 2012 which fulfilled this obligation.

The City of Wausau entered into a development agreement with Kocourek Automotive Group for the development of 4.79 acres along 20th Avenue, County Road K and I-39. Kocourek Automotive Group will construct a car dealer with a value of not less than \$4.25 million dollars and provide a workforce of 30 full time equivalent jobs. In exchange, the City agreed to commit \$200,000 for site improvements. The contributions have been fully paid from tax increment of the project.

The City of Wausau entered into a development agreement with Kocourek Automotive Group for the development of a Subaru dealership with a value of not less than \$3,000,000 and provide 25 full time equivalent jobs. In exchange, the City agreed to commit \$150,000 for site improvements. The contributions will be paid out of future tax increment or any other available funds. In addition, the City offered a \$50,000 loan with interest established at the city's borrowing rate. No payments have been made to date.

The City of Wausau entered into a development agreement with Ghidorzi Companies for the development of 1700 and 1708 Stewart Avenue for the construction of a Panera Bread Company and two additional retail spaces totaling approximately 8,324 square feet. In exchange the City of Wausau provided a developer grant in the amount of \$171,216 to offset demolition, landfill, utility relocation, asbestos testing and abatement, streetscape and bike/pedestrian access costs. The City paid \$169,535 in 2013 which fulfilled this obligation.

The City of Wausau entered into a development agreement with Briq's Soft Serve LLC and SPDW Properties, LLC for the development of 1605 Merrill Avenue and the related relocation of the Briqs Soft Serve Shop. The development agreement specifies that the developer will construct a ice cream shop with a minimum value of \$650,000 on January 1, 2014. In addition, Briqs agreed to employ not less than 1 full time equivalent and 15 part time employees by June 1, 2014. In exchange for this development the City of Wausau provided a developer grant of \$55,000 and a ten year project loan of \$55,000. These funds have been disbursed.

The City of Wausau entered into a development agreement with 1703 Arlington Lane, LLC. This development agreement facilitated site preparation costs at 1717 Arlington Lane which is currently owned by the City of Wausau. The city's owned lot along with adjacent properties of 1703, 1801 and 1809 Arlington Lane are all located adjacent to Interstate I39 within the boundaries of the district. These properties have significant grade changes which would have resulted in development challenges. The City and the developer worked together to transport excess fill generated by the State of Wisconsin CTH U/K project to this site and install a retaining wall. These improvements prepare these properties for redevelopment and reduced transportation costs for the road project. The agreement anticipated charges of \$100,000 in 2013 and \$299,175 in 2014. Total payments totaled \$390,810.

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SIX

ANNUAL REPORT

The City of Wausau entered into a development agreement with Thunder Lube, Inc. dated July, 15, 2013 for the development of 1610 Sheridan Road and relocation of Thunder Lube, Inc. from its current Thomas Street location. The City is financing a \$25,000 grant and \$75,000 loan at a variable interest rate due over 15 years. In exchange Thunder Lube, Inc will construct a 4,200 square foot facility including parking and landscape with a minimum value of \$475,000. The grant and loan have been fully disbursed.

The City entered into an agreement with Wausau World Market on August 1, 2015 located at 828 S 3rd Avenue and 821 S 5th Avenue. World Market redeveloped the properties to accommodate a year-around market-place facility, Asian market and deli. In exchange, the City agreed to enter into two loans. The first loan is a \$25,000 reducing loan carrying an interest rate of 3.3% for 60 months. The principal amount of \$5,000 and accrued interest will be forgiven annually in the first five years as long as the developer is compliant with terms of the agreement and third party lender obligations. The second loan is \$100,000 loan with an interest rate of 3.3% for 15 years after the deferral period. The deferral period is the earlier of March 1, 2016 or 50% occupancy.

A summary of development agreement payments is as follows:

		<u>Authorized</u>	<u>Paid</u>
17th Avenue Developers LLC	Grant	\$ 200,000	\$ 188,859
Financial Way	Grant	250,000	250,000
Rasmussen College	Grant/Loan	754,248	698,217
Walgreens	Grant	178,670	175,835
Kocourek Automotive Group	Grant	200,000	200,000
Kocourek Automotive Group	Grant/Loan	200,000	-
Ghidorzi Companies	Grant	171,216	169,535
Briq's Soft Serve LLC and SPDW Properties, LLC	Grant/Loan	110,000	110,000
Thunder Lube, Inc.	Grant/Loan	100,000	100,000
1703 Arlington Lane, LLC	Grant	399,175	390,810
Wausau Window and Wall Systems	Grant	400,000	259,670
World Market	Grant/Loan	<u>125,000</u>	<u>115,000</u>
		<u>\$ 3,088,309</u>	<u>\$ 2,657,926</u>

In conjunction with redevelopment and development projects the Common Council authorized the following loans outstanding:

	<u>Term</u>	<u>Interest Rate</u>	<u>Deferral Period</u>	<u>Balance Outstanding</u>
Briq's Soft Serve, LLC	10 Years	2.75%	6 months	\$ 49,100
Thunder Lube, Inc.	15 Years	2.00%	7 Years	75,000
World Market	15 Years	3.30%	2 months	100,000
World Market - forgivable	5 Years	3.30%	5 Years	25,000
Union Stations LLC	10 years	0%	10 years	<u>298,698</u>
				<u>\$ 547,798</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SIX

ANNUAL REPORT

NOTE 6 – Project Plan Amendments

Amendment Number One was approved by the Common Council on June 8, 2010. The amendment increased project costs, modified the project plan and changed the district boundaries. In addition, the plan includes expenditures within the ½ mile buffer zone outside the district. The total increase in the project plan is \$11,903,756.

Amendment Number Two was approved by the Common Council on June 21, 2011 and the Joint Review Board on July 13th, 2011. The amendment increased project costs, modified the project plan and changed the boundaries. In addition, this project plan proposes to spend funds within the ½ mile buffer zone outside the district. The total increase in the project plan was \$15,181,670.

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SIX

ANNUAL REPORT

TID #6 CASH FLOW PROJECTIONS

Year	USES OF FUNDS					SOURCES OF FUNDS					Annual Surplus (Deficit)	Cumulative Balance
	Total Annual Debt Service	Administrative, Thomas St Debt Retirement	Organization, & Discretionary Costs	Developer Incentives	Capital Expenditures	Other Income	Loan Repayments	Special Assessme nt Income	Debt Proceeds	Tax Increment		
ACTUAL												
2005			\$82,793		\$1,362,222	\$14,567			\$1,539,475		\$109,027	\$109,027
2006	\$185,737		\$14,395		\$327,530	\$3,615					(\$524,047)	(\$415,020)
2007	\$178,803		\$18,028		\$76,024	\$73,470				\$449,635	\$250,250	(\$164,770)
2008	\$188,711		\$56,664	\$183,962	\$203,833	\$37,998		\$30,896		\$520,672	(\$43,604)	(\$208,374)
2009	\$187,783		\$12,276	\$553,595	\$984	\$34,058		\$7,678		\$730,190	\$17,288	(\$191,086)
2010	\$192,133		\$29,845		\$360,870	\$61,464		\$7,134	\$400,000	\$858,034	\$743,784	\$552,698
2011	\$243,819		\$31,929	\$257,466	\$455,652	\$62,465		\$8,405	\$1,244,970	\$991,225	\$1,318,199	\$1,870,897
2012	390,527		\$30,329	\$340,876	\$1,948,737	\$90,268		\$5,483	\$700,000	\$1,059,794	(\$854,924)	\$1,015,973
2013	557,757		\$43,797	\$455,939	\$3,496,673	\$135,209		\$73,155	\$2,065,000	\$955,238	(\$1,325,564)	(\$309,591)
2014	\$769,690		\$44,120	\$571,777	\$315,483	\$98,478		\$104,853		\$1,176,485	(\$321,254)	(\$630,845)
ESTIMATED												
2015	\$703,182		\$152,588	\$294,311	\$300,311	\$85,647	\$22,854	\$39,605		\$1,507,029	\$204,743	(\$426,102)
2016	\$497,031		\$560,150	\$206,032	\$4,633,168	\$75,000	\$14,657	\$31,350	\$4,500,000	\$1,620,763	\$345,389	(\$80,713)
2017	\$488,191	\$530,000	\$43,450		\$5,267,000	\$75,000	\$14,657	\$30,760	\$5,267,000	\$1,500,000	\$558,776	\$478,063
2018	\$479,235	\$1,205,000	\$43,450			\$60,000	\$14,657			\$1,500,000	(\$153,028)	\$325,035
2019	\$470,027	\$1,205,000	\$43,450			\$60,000	\$310,355			\$1,500,000	\$151,878	\$476,913
2020	\$459,622	\$1,205,000	\$18,000			\$60,000	\$14,657			\$1,500,000	(\$107,965)	\$368,948
2021	\$404,571	\$1,205,000	\$18,000			\$60,000	\$14,657			\$1,500,000	(\$52,914)	\$316,034
2022	\$274,050	\$1,205,000	\$18,000			\$60,000	\$14,657			\$1,500,000	\$77,607	\$393,641
2022	\$203,000	\$1,205,000	\$18,000			\$60,000	\$15,282			\$1,500,000	\$149,282	\$542,923
2023		\$1,205,000	\$18,000			\$60,000	\$9,961			\$1,500,000	\$346,961	\$889,884
2024		\$1,205,000	\$18,000			\$60,000	\$9,961			\$1,500,000	\$346,961	\$1,236,845
2025		\$1,205,000	\$18,000			\$60,000	\$9,961			\$1,500,000	\$346,961	\$1,583,806
TOTAL	6,873,869	11,375,000	1,333,264	2,863,958	18,748,487	1,387,239	466,316	339,319	15,716,445	24,869,065		

2016

Thomas Street	
Land Acquisition, relocation, demolition	\$4,500,000
Design Engineering	\$100,000
Stewart Avenue and 17th Avenue Intersection	
Final DOT payment	\$33,168
Capital Outlay	\$4,633,168
Developer Payments	
Rasmussen College	\$56,032
Kocourek Automotive Group	\$150,000
	\$206,032
Other Professional Services and Administration	\$560,150

2017

Thomas Street	
Street Improvements	\$5,267,700