

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TEN

ANNUAL REPORT

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

For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	<u>Year Ended</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Capital expenditures	\$ -	\$ 544,637
Developer Grants and Incentives		1,325,000
Administration	4,458	94,812
Professional Services	150	4,780
Interest and fiscal charges	35,873	163,182
Debt issuance costs and discounts	-	<u>17,786</u>
Total Project Costs	<u>\$ 40,481</u>	<u>\$ 2,150,197</u>
PROJECT REVENUES		
Tax increments	\$ 246,322	\$ 574,499
Exempt computer aid	17,841	83,404
Miscellaneous Revenue	20,000	20,000
Premium on Debt Issuance	-	<u>35,047</u>
Total Revenues	<u>\$ 284,163</u>	<u>\$ 712,950</u>
NET COST RECOVERABLE THROUGH TAX INCREMENTS	<u>\$ (243,682)</u>	<u>\$ 1,437,247</u>
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$ 1,305,000
Less: fund balance (deficit)		<u>(132,247)</u>
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS		<u>\$ 1,437,247</u>

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For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	<u>Year Ended</u>	<u>From Date of Creation</u>
SOURCES OF FUNDS		
Tax increments	\$ 246,322	\$ 574,499
Exempt computer aid	17,841	83,404
Miscellaneous Revenue	20,000	20,000
Premium on Debt Issuance	-	35,047
Proceeds from long-term debt	-	1,535,000
	<u> </u>	<u> </u>
Total Sources	\$ 284,163	\$ 2,247,950
USES OF FUNDS		
Capital expenditures	\$ -	\$ 544,637
Developers grants and incentives	-	1,325,000
Administration	4,458	94,812
Professional Services	150	4,780
Interest and fiscal charges	35,873	163,182
Debt issuance costs	-	17,786
Principal on long-term debt	105,000	230,000
	<u> </u>	<u> </u>
Total Uses	\$ 145,481	\$ 2,380,197
BEGINNING FUND BALANCE (DEFICIT)	<u>\$ (270,929)</u>	<u>\$ -</u>
ENDING FUND BALANCE(DEFICIT)	<u>\$ (132,247)</u>	<u>\$ (132,247)</u>

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DETAILED SUMMARY OF PROJECT COSTS and From Date of Creation Through December 31, 2019

	<u>Actual</u>	<u>Project Plan Estimate</u>
PROJECT COSTS		
Streets	\$ 513,963	\$ 1,022,000
Stormwater	30,674	-
Streetscape, retaining walls, walkways	-	300,000
Professional Services	4,780	-
Wayfinding	-	85,000
Site Preparation	-	115,000
Development Grant and Incentives	1,325,000	710,000
Administration	94,812	36,200
Financing Costs	<u>180,968</u>	<u>293,800</u>
TOTAL PROJECT COSTS	<u>\$ 2,150,197</u>	<u>\$ 2,562,000</u>

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ANNUAL SUMMARY OF PROJECT COSTS AND REVENUES From Date of Creation Through December 31, 2019

PROJECT COSTS	1 2013	2 2014	3 2015	4 2016	5 2017	6 2018	7 2019	Totals	Project Plan Estimate
Capital expenditures		\$ 201,909	\$ 240,276		\$ 102,452			\$ 544,637	\$ 1,522,000
Administrative (In-house)	1,000	32,338	41,293	1,952	10,041	3,730	4,458	94,812	36,200
Professional services			288	4,192		150	150	4,780	
Development grants/Incentives			1,200,000	125,000				1,325,000	710,000
Interest and fiscal charges			42,672	44,300	39,223	1,114	35,873	163,182	293,800
Debt issuance costs			17,786					17,786	
Total Costs	\$ 1,000	\$ 234,247	\$ 1,542,315	\$ 175,444	\$ 151,716	\$ 4,994	\$ 40,481	\$ 2,150,197	\$ 2,562,000
PROJECT REVENUES									
Tax increments			\$ 14,795	\$ 67,477	\$ 116,070	\$ 129,835	\$ 246,322	\$ 574,499	
Exempt computer aid			18,206	15,388	15,868	16,101	17,841	83,404	
Miscellaneous			35,047				20,000	55,047	
Total Revenues	\$ -	\$ -	\$ 68,048	\$ 82,865	\$ 131,938	\$ 145,936	\$ 284,163	\$ 712,950	\$ -

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NOTE 1 – Tax Increment District Information:

The **City of Wausau** Tax Incremental District Number Ten (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 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:

- a. Enhance the development and foster renewal of industrial sites within and adjacent to the District.
- b. Accommodate new industries and the expansion of existing industries in the business park.
- c. Increase the employment opportunities available in the community.
- d. Increase per capita income in the community.
- e. Strengthen the economic well-being and economic diversity of the City.
- f. Provide appropriate financial incentives to encourage business expansion and attraction, thereby facilitating the creation of new jobs and increased tax base.
- g. Improve infrastructure, attractiveness and amenities of the business park to remain competitive within the market.
- h. Reduce the financial risk to the taxpayer by timing the implementation of the Project Plan with the creation of additional property value through business expansions and redevelopment.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
District # 10	9/10/2013	9/10/2028	9/10/2033

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NOTE 2 - Long-term Debt

All general obligation bonds payable are backed by the full faith and credit of the City. Notes borrowed to finance District expenditures will be retired by current available resources or by tax increment generated by the TID fund. If those revenues are not sufficient, interfund temporary transfers will be utilized.

	Original Amount Borrowed	Repaid	Balance 12/31/2019
2014B Community Development Bond	\$310,000	\$60,000	\$250,000
2015B Corporate Purpose Bonds	\$1,225,000	\$170,000	\$1,055,000
	<u>\$1,535,000</u>	<u>\$230,000</u>	<u>\$1,305,000</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	105,000	33,773	138,773
2021	110,000	31,410	141,410
2022	115,000	28,723	143,723
2023	115,000	26,029	141,029
2024	120,000	23,210	143,210
2025	120,000	20,211	140,211
2026	120,000	16,910	136,910
2027	125,000	13,235	138,235
2028	130,000	9,410	139,410
2029	135,000	5,435	140,435
2030	110,000	1,705	111,705
	<u>\$ 1,305,000</u>	<u>\$ 210,051</u>	<u>\$ 1,515,051</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
2013	\$46,509,200	
2014	47,065,400	1.20%
2015	48,180,500	2.37%
2016	49,938,800	3.65%
2017	50,501,400	1.13%
2018	54,938,100	8.79%
2019	56,367,200	2.60%

NOTE 4 - Tax Increments

YEAR	TAX INCREMENT
2015	\$14,795
2016	67,477
2017	116,070
2018	129,835
2019	246,322
	\$574,499

The amount to be generated in 2020 is \$281,204.

NOTE 5 – Developer Projects and Payments

On September 9th, 2014 the City of Wausau entered into a developer agreement with Apogee Wausau Group, Inc. to provide incentives for the expansion of Linetec, Inc. The City agreed to make a developer payment of \$1,200,000 in exchange for the addition of 118,000 square feet and a construction cost of at least \$5,000,000 and equipment of \$10,000,000. In addition, Linetec will create and maintain additional full time positions annually until 2019 when the cumulative additions total 93.

On June 15th, 2016 the City of Wausau entered into a developer agreement with PI/Wausau Coated Enterprises 3 LLC for the redevelopment 7801-7811 Stewart Avenue. The City agreed to make a developer payment of \$125,000 to reimburse hard construction costs of the project. In addition, the developer agreed to create and maintain at least 30 new FTE jobs. The developer failed meet all requirements and paid \$20,000 back to the City in 2019 based upon the claw back provisions.

Grants	Authorized	Paid
PI/Wausau Coated Enterprises 3 LLC	\$ 125,000	\$ 125,000
Linetec	1,200,000	1,200,000
	\$ 1,325,000	\$ 1,325,000

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CASH FLOW PROJECTION

Year	USES OF FUNDS				SOURCES OF FUNDS			Annual Surplus (Deficit)	Cumulative Balance
	Debt Service	Administrative & Fiscal Charges	Developer Grant	Capital Expenditures	Debt Proceeds	Other Revenue	Existing Increment		
ACTUAL									
1	2013		\$1,000					(\$1,000)	(\$1,000)
2	2014		\$37,464		\$201,909	\$310,000		\$70,627	\$69,627
3	2015	\$20,285	\$41,581	\$1,200,000	\$240,276	\$1,225,000	\$33,001	(\$244,141)	(\$174,514)
4	2016	\$44,300	\$1,953	125,000	4,191		\$82,865	(\$92,579)	(\$267,093)
5	2017	\$59,223	\$10,041		102,452		\$131,938	(\$39,778)	(\$306,871)
6	2018	\$106,114	\$3,880				16,101	\$35,942	(\$270,929)
7	2019	\$140,873	\$4,608				37,841	\$246,322	(\$132,247)
ESTIMATED									
8	2020	\$138,773	\$3,150				43,220	\$281,204	\$182,501
9	2021	\$141,410	\$4,000		120,000		40,000	\$280,000	\$54,590
10	2022	\$143,723	\$4,000		120,000		40,000	\$280,000	\$52,277
11	2023	\$141,029	\$4,000		120,000		40,000	\$280,000	\$54,971
12	2024	\$143,210	\$4,000		120,000		40,000	\$280,000	\$52,790
13	2025	\$140,211	\$4,000		120,000		40,000	\$280,000	\$55,789
14	2026	\$136,910	\$4,000		120,000		40,000	\$280,000	\$59,090
15	2027	\$138,235	\$4,000				40,000	\$280,000	\$177,765
16	2028	\$139,410	\$4,000				40,000	\$280,000	\$176,590
17	2029	\$140,435	\$4,000						(\$144,435)
18	2030	\$111,705	\$4,000						(\$115,705)
TOTAL		<u>\$1,885,846</u>	<u>\$142,677</u>	<u>\$1,325,000</u>	<u>\$1,268,828</u>	<u>\$1,535,000</u>	<u>\$417,162</u>	<u>\$3,145,165</u>	