

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER ELEVEN

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	\$ 426,199	\$ 6,460,176
Developer Grants and Incentives	3,975,016	3,975,016
Administration	24,262	221,575
Professional Services	6,766	159,238
Interest and fiscal charges	311,992	503,205
Debt issuance costs and discounts		98,917
	<u> </u>	<u> </u>
Total Project Costs	<u>\$ 4,744,235</u>	<u>\$ 11,418,127</u>
PROJECT REVENUES		
Tax increments	\$ 42,551	\$ 42,551
Investment Income	11,226	68,778
Exempt computer aid	-	-
Sale of Property	-	37,501
Premium on Debt Issuance	-	133,782
	<u> </u>	<u> </u>
Total Revenues	<u>\$ 53,777</u>	<u>\$ 282,612</u>
NET COST RECOVERABLE THROUGH TAX INCREMENTS	<u><u>\$ 4,690,458</u></u>	<u><u>\$ 11,135,515</u></u>
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$ 10,605,000
Less: fund balance		<u>(530,515)</u>
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS		<u><u>\$ 11,135,515</u></u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER ELEVEN

ANNUAL REPORT

HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS

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	\$ 42,551	\$ 42,551
Investment Income	11,226	68,778
Exempt computer aid	-	-
Sale of Property	-	37,501
Premium on Debt Issuance	-	133,782
Proceeds from long-term debt	-	10,605,000
	<u> </u>	<u> </u>
Total Sources	<u>\$ 53,777</u>	<u>\$ 10,887,612</u>
USES OF FUNDS		
Capital expenditures	\$ 426,199	\$ 6,460,176
Developers grants and incentives	3,975,016	3,975,016
Administration	24,262	221,575
Professional Services	6,766	159,238
Interest and fiscal charges	311,992	503,205
Debt issuance costs	-	98,917
Principal on long-term debt	-	-
	<u> </u>	<u> </u>
Total Uses	<u>\$ 4,744,235</u>	<u>\$ 11,418,127</u>
BEGINNING FUND BALANCE (DEFICIT)	<u>\$ 4,159,943</u>	<u>\$ -</u>
ENDING FUND BALANCE(DEFICIT)	<u>\$ (530,515)</u>	<u>\$ (530,515)</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER ELEVEN

ANNUAL REPORT

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	\$ 2,490,154	\$ 5,128,310
Stormwater	169,442	395,240
Water and Sewer Infrastructure	2,927,658	3,968,450
Land Assembly and deficits	867,851	1,575,000
Streetscape, retaining walls, walkways, wayfinding	5,071	2,100,000
Professional Services	159,238	-
Wayfinding	-	100,000
Development Grant and Incentives	3,975,016	10,400,000
Administration	221,575	137,000
Debt issuance costs	98,917	-
Interest Expense	503,205	4,399,000
TOTAL PROJECT COSTS	<u>\$ 11,418,127</u>	<u>\$ 28,203,000</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER ELEVEN

ANNUAL REPORT

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

<u>PROJECT COSTS</u>	1	2	3	Totals	Project Plan
	2017	2018	2019		Estimate
Capital expenditures	\$ 3,039,910	\$ 2,994,067	\$ 426,199	\$ 6,460,176	\$ 13,267,000
Administrative (In-house)	116,096	81,217	24,262	221,575	137,000
Professional services	120,599	31,873	6,766	159,238	-
Development grants/Incentives			3,975,016	3,975,016	10,400,000
Interest and fiscal charges		191,213	311,992	503,205	4,399,000
Debt issuance costs	60,236	38,681		98,917	-
Total Costs	\$ 3,336,841	\$ 3,337,051	\$ 4,744,235	\$ 11,418,127	\$ 28,203,000
<u>PROJECT REVENUES</u>					
Tax increments			42,551	\$ 42,551	
Exempt computer aid				-	
Intergovernmental grants				-	
Other grants				-	
Special assessments & charges				-	
Investment income	2,961	54,591	11,226	68,778	
Premium on debt issuance	133,782			133,782	
User fees				-	
Sale of Property	37,500	1		37,501	
Miscellaneous				-	
Total Revenues	\$ 174,243	\$ 174,243	\$ 174,243	\$ 282,612	\$ -

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER ELEVEN

ANNUAL REPORT

NOTE 1 – Tax Increment District Information:

The **City of Wausau** Tax Incremental District Number Eleven (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 # 11	07/11/2017	07/11/2032	07/11/2037

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER ELEVEN

ANNUAL REPORT

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		Balance 12/31/2019
	Borrowed	Repaid	
2017E Taxable Note Anticipation Notes	\$6,600,000		\$6,600,000
2018C Taxable Note Anticipation Notes	\$4,005,000		\$4,005,000
	<u>\$10,605,000</u>	<u>\$0</u>	<u>\$10,605,000</u>

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

	Principal	Interest	Total
2020		336,173	336,173
2021		336,173	336,173
2022	6,600,000	237,173	6,837,173
2023	4,005,000	69,087	4,074,087
	<u>\$ 10,605,000</u>	<u>\$ 978,606</u>	<u>\$ 11,583,606</u>

NOTE 3 - Valuation of District

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

YEAR	EQUALIZED VALUATION	PERCENTAGE CHANGE
2017	\$1,386,400	
2018	2,980,000	114.95%
2019	61,254,900	1955.53%

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER ELEVEN

ANNUAL REPORT

NOTE 4 - Tax Increments

YEAR	TAX INCREMENT
2018	\$0
2019	42,551
	\$42,551

The amount to be generated in 2020 is \$1,580,152.

NOTE 5 – Developer Projects and Payments

The City has successfully negotiated the relocation of two industrial companies to the newly acquired property. Both Wausau Chemical and Great Lakes Cheese are currently located on the east side of the Wisconsin River immediately north of the downtown. Both of these companies will transfer their existing properties to the city for redevelopment. Statistics on these new developments is as follows:

Great Lakes Cheese:

- Facility and site investment of approximately \$50million
- Equipment investment of approximately \$28million
- Retain an employment base of 200
- Increase employment base of 100
- Construction to be completed in 2018
- City to contribute 50% of the increment generated over a period of 10 years not to exceed \$5,900,000
- City to provide an additional \$500,000 contingency for poor soils.
- City to convey their new project site for \$1

Wausau Chemical

- Facility and site investment of approximately \$10 million
- Construction to be completed by June 1, 2019
- City to convey project site of 15 acres for \$1
- City to contribute \$7,950,000 to defray construction and relocation – \$4,000,000 will be allocated to TID #11.

	Authorized	Paid
Great Lakes Cheese	\$ 6,400,000	
Wausau Chemical (\$7,950,000 total)	4,000,000	3,975,016
	\$ 10,400,000	\$ 3,975,016

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER ELEVEN

ANNUAL REPORT

CASH FLOW PROJECTION

Year	USES OF FUNDS					SOURCES OF FUNDS			Annual Surplus (Deficit)	Cumulative Balance
	Existing Debt Service	Future Debt and Refinancing	Developer Grant	Administrative Costs	Capital Expenditures	Debt Proceeds	Tax Increment	Other Income		
1 2017	\$60,237			\$116,096	\$3,160,509	\$6,600,000		\$174,243	\$3,437,401	\$3,437,402
2 2018	229,894			81,217	3,025,940	4,005,000		54,592	722,541	4,159,943
3 2019	311,992		3,975,016	24,262	432,965		42,551	11,226	(4,690,458)	(530,515)
ESTIMATED										
4 2020	336,173		785,000	8,150	99,825		1,580,152		351,005	(179,511)
5 2021	336,173		785,000	8,000			1,722,000		592,828	413,317
6 2022	10,773,086		829,000	8,000		10,600,000	1,814,000		803,914	1,217,230
7 2023	-	1,200,000	829,000	8,000			1,814,000		(223,000)	994,230
8 2024	-	1,200,000	785,000	8,000			1,814,000		(179,000)	815,230
9 2025	-	1,200,000	785,000	8,000			1,814,000		(179,000)	636,230
10 2026	-	1,200,000	785,000	8,000			1,814,000		(179,000)	457,230
11 2027	-	1,200,000	405,000	8,000			1,814,000		201,000	658,230
12 2028	-	1,200,000		8,000			1,782,000		574,000	1,232,230
13 2029	-	1,200,000		8,000			1,782,000		574,000	1,806,230
14 2030	-	1,200,000		8,000			1,782,000		574,000	2,380,230
15 2031	-	1,200,000		8,000			1,782,000		574,000	2,954,230
16 2032	-	1,200,000		8,000			1,782,000		574,000	3,528,230
17 2033	-	-		8,000			1,782,000		1,774,000	5,302,230
18 2034	-	-		8,000			1,782,000		1,774,000	7,076,230
19 2035	-	-							-	7,076,230
20 2036	-	-							-	7,076,230
TOTAL	\$12,047,555	\$12,000,000	9,963,016	\$341,725	6,719,239	21,205,000	\$26,702,703	\$240,061		