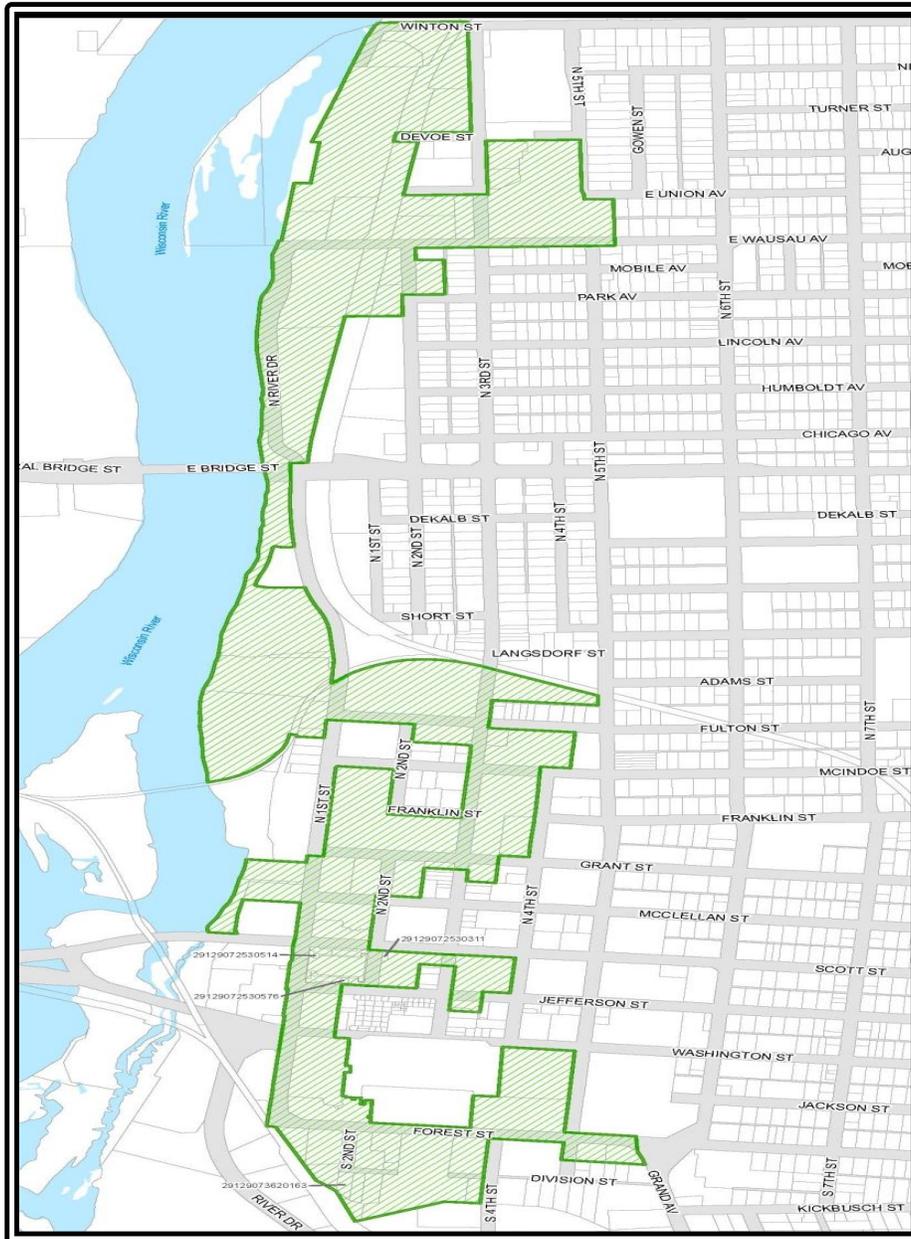


# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

## ANNUAL REPORT



WAUSAU FINANCE

December 31, 2019

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

## ANNUAL REPORT

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>
<b>PROJECT COSTS</b>		
Capital expenditures	\$ 359,470	\$ 359,470
Developer Grants and Incentives	3,974,984	3,974,984
Real Property Acquisition and Deficits	257,931	418,677
Administration	38,106	70,641
Professional Services	66,920	201,797
Interest and fiscal charges	113,992	113,992
Debt issuance costs and discounts		<u>38,681</u>
 Total Project Costs	 <u>\$ 4,811,403</u>	 <u>\$ 5,178,242</u>
<b>PROJECT REVENUES</b>		
Tax increments	\$ -	\$ -
Grant Income	150,900	150,900
Special assessment taxes		4,090
Special assessment interest income		474
Investment Income	98,355	105,559
Exempt computer aid	-	-
Sale of Property	89,000	89,000
Miscellaneous Income	<u>27,983</u>	<u>27,983</u>
 Total Revenues	 <u>\$ 366,238</u>	 <u>\$ 378,006</u>
 <b>NET COST RECOVERABLE THROUGH TAX INCREMENTS</b>	 <u>\$ 4,445,165</u>	 <u>\$ 4,800,236</u>
<b>RECONCILIATION OF RECOVERABLE COSTS</b>		
General obligation debt		\$ 4,005,000
Less: fund balance (deficit)		<u>(795,236)</u>
 <b>NET COSTS RECOVERABLE THROUGH TAX INCREMENTS</b>		 <u>\$ 4,800,236</u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

## 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

	Year Ended	From Date of Creation
<b>SOURCES OF FUNDS</b>		
Tax increments	\$ -	\$ -
Special assessment taxes	-	4,090
Special assessment interest income	-	474
Grant income	150,900	150,900
Investment income	98,355	105,559
Exempt computer aid	-	-
Miscellaneous income	27,983	27,983
Sale of property	89,000	89,000
Proceeds from long-term debt		4,005,000
Total Sources	<u>\$ 366,238</u>	<u>\$ 4,383,006</u>
<b>USES OF FUNDS</b>		
Capital expenditures	\$ 359,470	\$ 359,470
Developers grants and incentives	3,974,984	3,974,984
Real Property Acquisition Deficits	257,931	418,677
Administration	38,106	70,641
Professional Services	66,920	201,797
Interest and fiscal charges	113,992	113,992
Debt issuance costs	-	38,681
Principal on long-term debt	-	-
Total Uses	<u>\$ 4,811,403</u>	<u>\$ 5,178,242</u>
BEGINNING FUND BALANCE (DEFICIT)	<u>\$ 3,649,929</u>	<u>\$ -</u>
ENDING FUND BALANCE(DEFICIT)	<u>\$ (795,236)</u>	<u>\$ (795,236)</u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

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## 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		\$ 2,000,000
Parking and Skywalk Facilities	359,470	14,000,000
Professional Services	201,797	-
Development Grant and Incentives	3,974,984	12,996,545
Real Property Acquisition Deficits	418,677	2,260,000
Administration	70,641	520,000
Financing Costs	<u>152,673</u>	<u>6,794,884</u>
 TOTAL PROJECT COSTS	 <u>\$ 5,178,242</u>	 <u>\$ 38,571,429</u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

## ANNUAL REPORT

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

<b><u>PROJECT COSTS</u></b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total</b>	<b>Project Plan</b>
	<b>2017</b>	<b>2018</b>	<b>2019</b>		<b>Estimate</b>
Capital expenditures			\$ 359,470		\$ 16,000,000
Administrative (In-house)	14,742	17,793	38,106	70,641	520,000
Professional services	81,748	53,129	66,920	201,797	
Development grants/Incentives			3,974,984	3,974,984	12,996,545
Real property acquisition deficits	125,860	34,886	257,931	418,677	2,260,000
Interest and fiscal charges			113,992	113,992	6,794,884
Debt issuance costs		38,681		38,681	
<b>Total Costs</b>	<b>\$ 222,350</b>	<b>\$ 144,489</b>	<b>\$ 4,811,403</b>	<b>5,178,242</b>	<b>\$ 38,571,429</b>
<b><u>PROJECT REVENUES</u></b>					
Tax increments					
Intergovernmental grants			150,900	150,900	
Special assessments & charges		4,564		4,564	
Investment income		7,204	98,355	105,559	
Sale of Land			89,000	89,000	
Miscellaneous			27,983	27,983	
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 11,768</b>	<b>\$ 366,238</b>	<b>378,006</b>	<b>\$ -</b>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

## ANNUAL REPORT

**NOTE 1 – Tax Increment District Information:**

The **City of Wausau** Tax Incremental District Number Twelve (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 27 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. Eliminate blight and foster urban renewal through public and private investment.
- b. Enhance the development potential of private property within and adjacent to the District.
- c. Facilitate the relocation of land uses along the river that are no longer compatible to the economic restructuring of the River Edge Corridor.
- d. Further the objectives of the River Edge Trail Plan, Wausau MPO Bicycle and Pedestrian Plan.
- e. Improve the Housing Stock within the central core.
- f. Promote retention, expansion, and attraction through the development of an improved area, thereby facilitating the creation of new jobs and increased tax base.
- g. Increase per capita income in the community.
- h. Strengthen the economic well-being and economic diversity of the Central Business District.
- i. Improve infrastructure such as streets, parking facilities and streetscape that supports commercial district.
- j. Provide appropriate financial incentives to encourage business expansion.
- k. 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.
- l. Maximize the districts strategic location within the Central Business District and proximity to the Interstate Corridor.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
<b>District # 12</b>	7/18/2017	7/18/2039	7/18/2044

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

## 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 Borrowed	Repaid	Balance 12/31/2019
2018C Taxable Note Anticipation Notes	\$4,005,000		\$4,005,000
	<u>\$4,005,000</u>	<u>\$0</u>	<u>\$4,005,000</u>

	Principal	Interest	Total
2020		138,173	138,173
2021		138,173	138,173
2022		138,173	138,173
2023	4,005,000	69,087	4,074,087
	<u>\$4,005,000</u>	<u>\$ 483,606</u>	<u>\$ 4,488,606</u>

**NOTE 3 - Valuation of District**

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

YEAR	EQUALIZED VALUATION	PERCENTAGE CHANGE
2017	\$32,285,000	
2018	23,866,700	-26.07%
2019	24,348,300	2.02%

The District currently has a negative increment value and no taxes are generated.

**NOTE 4 – Developer Projects and Payments**

The City entered into a developer agreement with Macndon Ventures LLC for the redevelopment of 2401 and 2403 N 3<sup>rd</sup> Street. These properties will be redeveloped for the use of the Wisconsin Woodchucks.

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

## ANNUAL REPORT

### NOTE 4 - Continued

The developer will invest \$1,000,000 in property improvements. In exchange the City will provide a \$95,000 grant payable over a period of 10 years based on 75% of available tax increment.

The City entered into a developer agreement with Wausau Chemical for the redevelopment of their sites located in Tax Increment District Eleven and the relocation to Tax Increment District Number Twelve. Major terms of the developer agreement include:

- 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 – \$3,950,000 will be allocated to TID #11.

The City entered into a developer agreement with Great Lakes Cheese for Tax Increment District 11. As part of that agreement Great Lakes Cheese is conveying their properties located within Tax Increment District 12 on the riverfront to the City for redevelopment purposes.

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

## ANNUAL REPORT

### CASH FLOW PROJECTION

Year	USES OF FUNDS				SOURCES OF FUNDS			Annual Surplus (Deficit)	Cumulative Balance
	Future Debt and Refinancing	Developer Grant	Administrative Costs	Capital Expenditures	Debt Proceeds	Other Revenue	Tax Increment		
1 2017			\$96,490	\$125,860				(\$222,350)	(\$222,350)
2 2018	38,681		17,793	88,015	4,005,000	11,768		3,872,279	3,649,929
3 2019	113,992	3,974,984	38,106	684,321		366,238		(4,445,165)	(795,236)
<b>ESTIMATED</b>									
4 2020	138,173	16,482	11,150	634,900	785,000			(15,705)	(810,941)
5 2021	218,173	16,482	20,000					(254,655)	(1,065,596)
6 2022	218,173	16,482	20,000				81,000	(173,655)	(1,239,251)
7 2023	149,087	16,482	20,000				381,000	195,431	(1,043,820)
8 2024	561,000	12,590	20,000				462,000	(131,590)	(1,175,410)
9 2025	561,000		20,000				462,000	(119,000)	(1,294,410)
10 2026	561,000		20,000				462,000	(119,000)	(1,413,410)
11 2027	561,000		20,000				462,000	(119,000)	(1,532,410)
12 2028	561,000		20,000				462,000	(119,000)	(1,651,410)
13 2029	561,000		20,000				462,000	(119,000)	(1,770,410)
14 2030	561,000		20,000				462,000	(119,000)	(1,889,410)
15 2031	481,000		20,000				462,000	(39,000)	(1,928,410)
16 2032	481,000		20,000				462,000	(39,000)	(1,967,410)
17 2033	481,000		20,000				462,000	(39,000)	(2,006,410)
18 2034									
19 2035									
20 2036									
<b>TOTAL</b>	<b>\$6,246,279</b>	<b>4,053,502</b>	<b>\$423,539</b>	<b>1,533,096</b>	<b>4,790,000</b>	<b>378,006</b>	<b>\$5,082,000</b>		