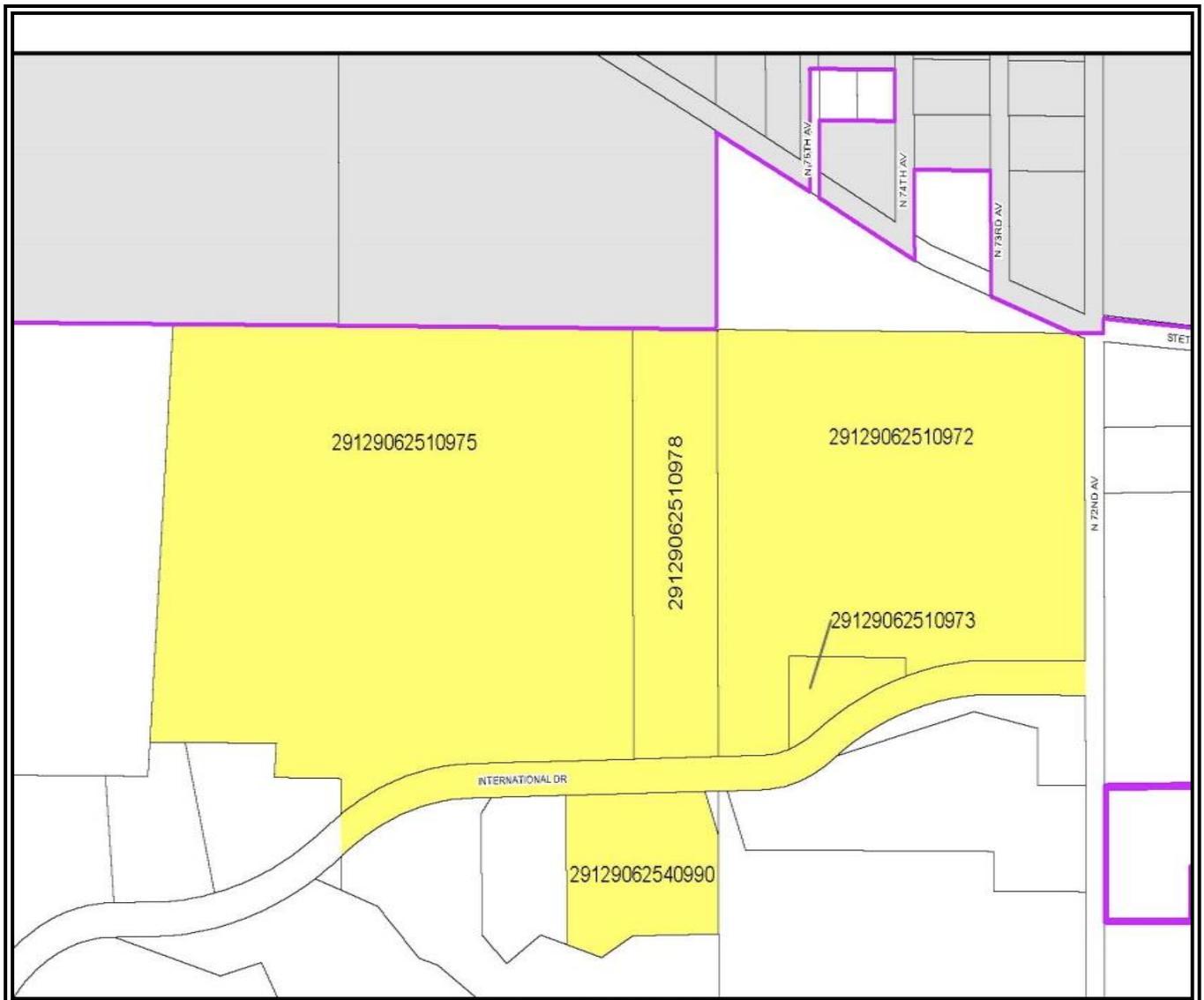


CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

ANNUAL REPORT



December 31, 2019

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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>
PROJECT COSTS		
Capital expenditures	\$ -	\$ 3,253,119
Development grants	-	7,703,410
Administration	150	408,423
Professional services		75,676
Donation to TID #3	1,119,579	5,175,863
Interest and fiscal charges		1,837,466
Debt issuance costs	-	82,525
	<u> </u>	<u> </u>
Total Project Costs	<u>\$ 1,119,729</u>	<u>\$ 18,536,482</u>
PROJECT REVENUES		
Tax increments	\$ 912,859	\$ 16,989,664
Omitted Taxes		22,964
Special assessment taxes	-	48,466
Special assessment interest income	-	6,346
Investment income	-	17,359
Grant income	-	256,414
Miscellaneous income	150,093	637,068
Exempt computer aid	56,777	558,201
	<u> </u>	<u> </u>
Total Revenues	<u>\$ 1,119,729</u>	<u>\$ 18,536,482</u>
NET COST RECOVERABLE THROUGH TAX INCREMENTS		<u><u>\$ -</u></u>
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$ -
Less: fund balance (Deficit)		<u>-</u>
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS		<u><u>\$ -</u></u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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>
SOURCES OF FUNDS		
Tax increments	\$ 912,859	\$ 16,989,664
Omitted Taxes		22,964
Special assessment taxes		48,466
Special assessment interest income		6,346
Grant income		256,414
Investment income		17,359
Exempt computer aid	56,777	558,201
Miscellaneous income	150,093	637,068
Proceeds from long-term debt		9,936,877
	<u> </u>	<u> </u>
Total Sources	<u>\$ 1,119,729</u>	<u>\$ 28,473,359</u>
USES OF FUNDS		
Capital expenditures		\$ 3,253,119
Development grants		7,703,410
Administration	150	408,423
Donation to TID #3	1,119,579	5,175,863
Professional services		75,676
Interest and fiscal charges		1,837,466
Debt issuance costs		82,525
Principal on long-term debt		9,936,877
	<u> </u>	<u> </u>
Total Uses	<u>\$ 1,119,729</u>	<u>\$ 28,473,359</u>
BEGINNING FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>
ENDING FUND BALANCE(DEFICIT)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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		
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	408,423	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>1,837,466</u>	<u>4,120,231</u>
TOTAL PROJECT COSTS	<u>\$ 13,360,619</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, 2019

PROJECT COSTS	13 2009	14 2010	15 2011	16 2012	17 2013	18 2014	19 2015	20 2016	21 2017	22 2018	23 2019	Totals	Project Plan Estimate
Capital expenditures			\$ 257,197	\$ 25,000								\$ 3,253,119	\$ 6,987,800
Administrative (In-house)	17,945	17,292	18,104	28,332	17,934	48,470	9,311	1,150	150	150	150	408,423	1,016,914
Professional services					1,151	20,335	28,363					75,676	166,800
Development grants/Incentives	39,473	41,620		290,000	160,000	650,000	600,000					7,703,410	5,047,000
Interest and fiscal charges	313,910	286,678	152,428	142,089	38,648	28,923	21,028	13,598	4,774			1,837,466	4,120,231
Debt issuance costs		34,709										82,525	76,200
Donations to TTD #3								1,434,277	1,321,470	1,300,537	1,119,579	5,175,863	6,385,000
Total Costs	\$ 371,328	\$ 380,299	\$ 427,729	\$ 485,421	\$ 217,733	\$ 747,728	\$ 658,702	\$ 1,449,025	\$ 1,326,394	\$ 1,300,687	\$ 1,119,729	\$ 18,536,482	\$ 23,799,945
PROJECT REVENUES													
Tax increments	\$ 719,479	\$ 1,254,271	\$ 1,217,583	\$ 1,222,984	\$ 1,217,831	\$ 1,234,760	\$ 1,185,556	\$ 1,307,235	\$ 1,452,126	\$ 1,126,450	\$ 912,859	\$ 16,989,664	
Exempt computer aid	24,753	28,861	78,014	59,961	42,158	53,308	40,872	42,171	43,359	43,997	56,777	558,201	
Intergovernmental grants												256,414	
Special assessments & charges												48,466	
Interest on special assessments	9,693	19,387										6,346	
Investment income	2,617	239										17,359	
Miscellaneous			1,455										
Others: Clawback Payments						125		22,964					
Total Revenues	\$ 756,542	\$ 1,303,665	\$ 1,297,052	\$ 1,282,945	\$ 1,259,989	\$ 1,288,193	\$ 1,337,470	\$ 1,499,145	\$ 1,611,394	\$ 1,300,687	\$ 1,119,729	\$ 18,536,482	\$ -

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

ANNUAL REPORT

ANNUAL SUMMARY OF PROJECT COSTS AND REVENUES
From Date of Creation Through December 31, 2018

	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	11 2007	12 2008
PROJECT COSTS												
Capital expenditures	\$ 471,299	\$ 143,719	\$ 1,000	102	6,625	\$ 205,105	\$ 1,497,660	\$ 616,676	\$ 25,936		\$ 3,277	\$ 6,250
Administrative (In-house)		79,952					76,075	49,405			37,276	
Professional services										11,543	14,284	
Development grants/incentives		38,895	26,835	23,955	20,955	17,895	14,775	153,268	142,289	2,588,611	2,847,591	486,115
Interest and fiscal charges										133,864	128,701	133,958
Debt issuance costs	9,451						9,706	28,659				
Donations to TID #3												
Total Costs	\$ 480,750	\$ 262,566	\$ 27,835	\$ 24,057	\$ 27,580	\$ 223,000	\$ 1,598,216	\$ 848,008	\$ 168,225	\$ 2,734,018	\$ 3,031,129	\$ 626,323
PROJECT REVENUES												
Tax increments		\$ 235,626	\$ 299,260	\$ 299,260	\$ 337,279	\$ 339,040	\$ 379,179	\$ 505,905	\$ 478,079	\$ 474,090	\$ 519,865	\$ 570,207
Exempt computer aid				2,775	1,983	1,565		1,393	6,235	2,984	5,892	21,143
Intergovernmental grants									1,500	160,000	94,914	
Other grants												
Special assessments & charges												19,386
Interest on special assessments												3,490
Investment income	3,576							11,421				
Miscellaneous											2,884	
Others: Clawback Payments												
Total Revenues	\$ 3,576	\$ -	\$ 235,626	\$ 302,035	\$ 339,262	\$ 340,605	\$ 379,179	\$ 518,719	\$ 485,814	\$ 637,074	\$ 623,555	\$ 614,226

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
District # 5	7/8/1997	7/8/2015	3/10/2020

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		Balance 12/31/2019
	Amount Borrowed	Repaid	
1997 General Obligation Note, Call date April 1, 2005	\$540,000	\$540,000	-
2003 General Obligation Note, Call date April 1, 2013	2,000,000	2,000,000	-
2004B General Obligation Note, Call date April 1, 2009	1,500,000	1,500,000	-
2007 State Trust Fund Loan, Call date annually March 15th	2,956,877	2,956,877	-
2007 State Trust Fund Loan, Call date annually March 15th	500,000	500,000	-
2010B Refunding Issue	2,440,000	2,440,000	-
Total	\$9,936,877	\$9,936,877	\$0

NOTE 3 - Valuation of District

The City reduced the size of the district which is reflected in the decline of the equalized valuation below. 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%
2016	53,242,300	10.51%
2017	41,644,100	-21.78%
2018	34,287,800	-17.66%
2019	34,353,200	0.19%

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

ANNUAL REPORT

NOTE 4 - Tax Increments

Annual tax increments generated by the District are as follows:

<u>YEAR</u>	<u>TAX INCREMENT</u>
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
2016	1,307,235
2017	1,452,126
2018	1,126,450
2019	912,859
	<u>\$16,989,664</u>

The amount to be generated in 2020 is \$906,709.

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

ANNUAL REPORT

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

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 expenditure period ended without payment on this obligation.

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 expenditure period ended without payment on this obligation.

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 was used to offset property acquisition and the second grant of \$50,000 defrayed 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 84th 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.

A summary of development payments is as follows:

	Authorized	Paid
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	-
	\$ 7,918,420	\$ 7,703,410

NOTE 7 – District Termination

On March 10th, the Common Council voted to terminate the district. Based upon this termination timing the increment will be returned to the taxing jurisdiction beginning with the January 1, 2020 values.

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

ANNUAL REPORT

PROJECTED CASH FLOW

Year	USES OF FUNDS				SOURCES OF FUNDS			Annual Surplus (Deficit)	Increment Donatin to TID #3	Cumulative Balance
	Total Annual Debt Service	Administrative, Organization & Discretionary Costs	Developer Incentives	Capital Expenditures	Debt Proceeds	Tax Increment	Other Income			
ACTUAL										
1 1997	\$9,451			\$471,299	\$540,000		\$3,576	\$62,826		\$62,826
2 1998	\$38,895	\$79,952		\$143,719				(\$262,566)		(\$199,740)
3 1999	\$86,835			\$1,000		\$235,626		\$147,791		(\$51,949)
4 2000	\$83,955	\$102				\$299,260	\$2,775	\$217,978		\$166,029
5 2001	\$80,955	\$6,625				\$337,279	\$1,983	\$251,682		\$417,711
6 2002	\$77,895			\$205,105		\$339,040	\$1,565	\$57,605		\$475,316
7 2003	\$84,481	\$76,075		\$1,497,660	\$2,000,000	\$379,179		\$720,963		\$1,196,279
8 2004	\$272,815	\$49,405		\$616,676	\$1,500,000	\$505,905	\$12,814	\$1,079,823		\$2,276,102
9 2005	\$404,361			\$25,936		\$478,079	\$7,735	\$55,517		\$2,331,619
10 2006	\$398,510		\$2,588,611	\$11,543		\$474,090	\$162,984	(\$2,361,590)		(\$29,971)
11 2007	\$400,921	\$37,276	\$2,847,591	\$17,561	\$2,206,760	\$519,865	\$103,690	(\$473,034)		(\$503,005)
12 2008	\$400,352		\$486,115	\$6,250	\$1,250,117	\$570,207	\$44,019	\$971,626		\$468,621
13 2009	\$820,657	\$17,945	\$39,473			\$719,479	\$37,063	(\$121,533)		\$347,088
14 2010	\$3,719,878	\$17,292	\$41,620		\$2,440,000	\$1,254,271	\$49,394	(\$35,125)		\$311,963
15 2011	\$693,239	\$18,104		\$257,197		\$1,217,583	\$79,469	\$328,512		\$640,475
16 2012	\$2,421,459	\$28,332	\$290,000	\$25,000		\$1,222,984	\$59,961	(\$1,481,846)		(\$841,371)
17 2013	\$548,886	\$17,934	\$160,000	\$1,151		\$1,217,831	\$42,158	\$532,018		(\$309,353)
18 2014	\$458,923	\$48,470	\$650,000	\$20,335		\$1,234,760	\$53,433	\$110,465		(\$198,888)
19 2015	\$281,028	\$37,674	\$600,000			\$1,185,556	\$151,914	\$418,768		\$219,880
20 2016	\$283,598	\$1,150				\$1,307,236	\$191,909	\$1,214,397	\$1,434,277	-
21 2017	\$289,774	\$150				\$1,452,126	\$159,268	\$1,321,470	\$1,321,470	-
22 2018		\$150				\$1,126,450	\$174,237	\$1,300,537	\$1,300,537	-
23 2019		\$150				\$912,859	\$206,871	\$1,119,580	\$1,119,580	-
ESTIMATED										
24 2020		\$2,150				\$906,709	\$320,800	\$1,225,359	\$1,225,359	-
	<u>\$11,856,868</u>	<u>\$438,936</u>	<u>\$7,703,410</u>	<u>\$3,300,432</u>	<u>\$9,936,877</u>	<u>17,896,374</u>	<u>1,867,618</u>	<u>\$6,401,223</u>	<u>\$6,401,223</u>	