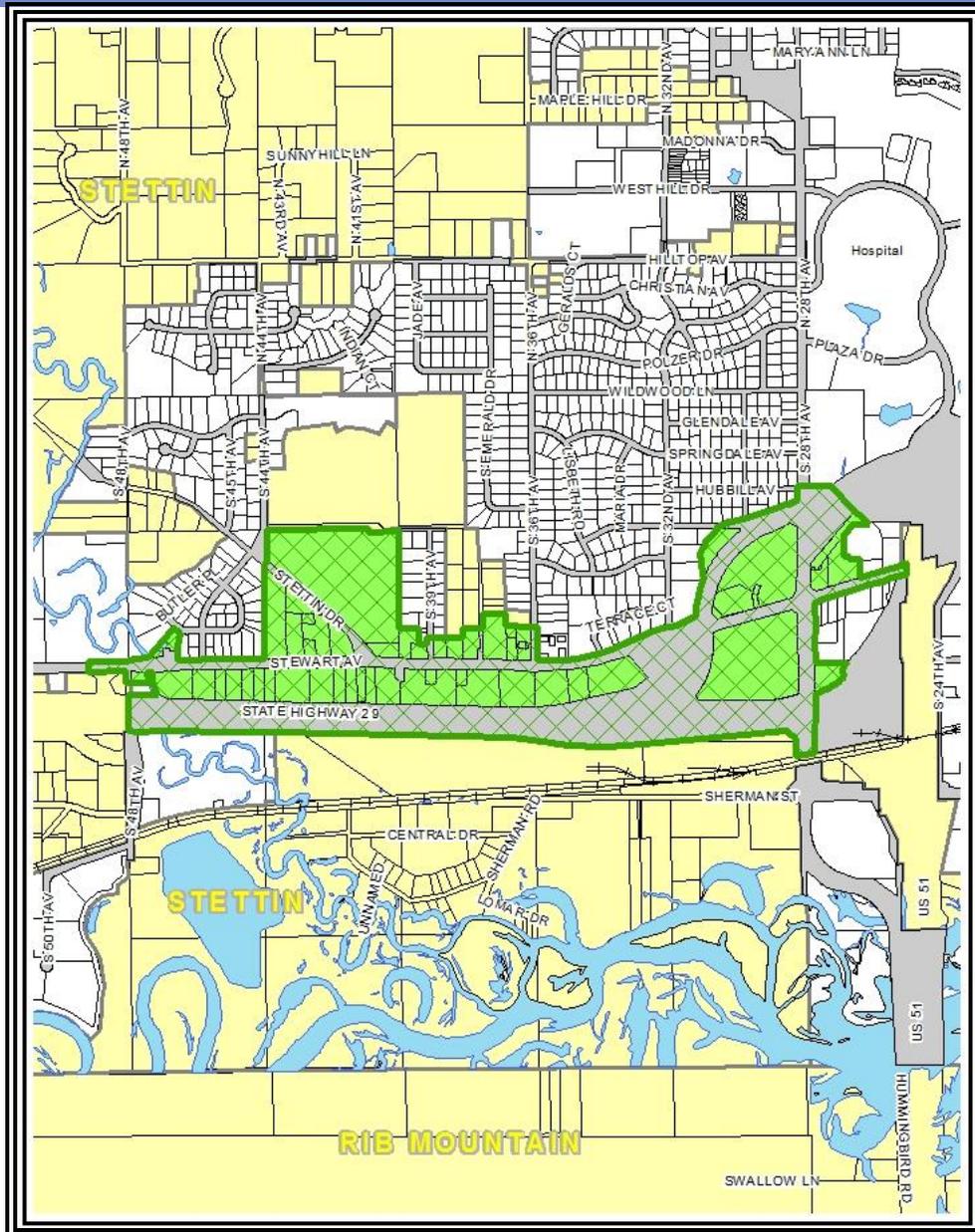


CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN



WAUSAU FINANCE

December 31, 2019

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN

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

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital expenditures		\$ 5,407,303
Developer Payments	435,942	949,426
Tax sharing Town of Stettin	-	100,289
Administration	4,775	156,872
Professional Services	276	157,240
Excessive Tax Settlement Payment		96,136
Interest and fiscal charges	5,545	955,064
Payment to refunded debt escrow	-	4,468
Debt issuance costs and discounts	-	40,360
	\$ 446,538	\$ 7,867,158
PROJECT REVENUES		
Tax increments	\$ 774,874	\$ 5,701,599
Special assessment taxes	-	320,126
Exempt computer aid	19,796	127,549
Interest on special assessments	-	32,043
Investment income	-	4,862
Other Income		32,025
Premium on debt issuance	-	12,007
	\$ 794,670	\$ 6,230,211
NET COST RECOVERABLE THROUGH TAX INCREMENTS		\$ 1,636,947
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$ 168,000
Less: fund balance (deficit)		(1,468,947)
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS		\$ 1,636,947

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN

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	\$ 774,874	\$ 5,701,599
Special assessment taxes	-	320,126
Exempt computer aid	19,796	127,549
Interest on special assessments	-	32,043
Investment income	-	4,862
Other Income	-	32,025
Premium on debt issuance	-	12,007
Proceeds from long-Term debt	-	5,923,067
	<u> </u>	<u> </u>
Total Sources	\$ 794,670	\$ 12,153,278
USES OF FUNDS		
Capital expenditures	-	\$ 5,407,303
Developer Payments	435,942	949,426
Tax sharing Town of Stettin	-	100,289
Administration	4,775	156,872
Professional Services	276	157,240
Excessive Tax Settlement Payment	-	96,136
Interest and fiscal charges	5,545	955,064
Debt issuance costs and discounts	-	40,360
Payment to refunded debt escrow	-	4,468
Principal on long-term debt	125,000	5,755,067
	<u> </u>	<u> </u>
Total Uses	\$ 571,538	\$ 13,622,225
BEGINNING FUND BALANCE (DEFICIT)	<u>\$ (1,692,079)</u>	<u>\$ -</u>
ENDING FUND BALANCE(DEFICIT)	<u><u>\$ (1,468,947)</u></u>	<u><u>\$ (1,468,947)</u></u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN

ANNUAL REPORT

DETAILED SUMMARY OF PROJECT COSTS

For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Project Plan Estimate</u>
PROJECT COSTS		
Capital Expenditures		
Street construction/reconstruction/Streetscape	\$ 4,260,069	\$ 3,919,000
Storm water management systems	57,697	280,000
Utility extensions/relocations	165,209	685,000
Street lighting, signage and signalization	247,625	300,000
Parking lot construction	125,285	150,000
Land acquisition, write downs, right of way and relocation	545,049	420,000
Sidewalk	6,369	-
Professional services	25,707	270,400
Taxsharing Town of Stettin	100,289	-
Administration, and organizational	156,872	362,940
Excessive Tax Settlement Payment	96,136	
Developers grants and incentives	949,426	1,979,712
Engineering and design	131,533	320,000
Debt issuance costs and discount	40,360	60,600
Interest and fiscal charges	955,064	2,003,188
Other	4,468	-
TOTAL PROJECT COSTS	<u>\$ 7,867,158</u>	<u>\$ 10,750,840</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN

ANNUAL REPORT

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

PROJECT COSTS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals	Project Plan Estimate
Capital expenditures	\$ 251,449	\$ 587,430	\$ 3,324,128	\$ 960,673	\$ 173,275	\$ 51,357	\$ 852	\$ 17,697	\$ 2,595	\$ 40,000	\$ 440				\$ 5,409,896	\$ 5,754,000
Administrative (fr-house)	8,963	43,501	7,223	5,006,673	16,716	17,500	11,718	12,589	7,002	9,619	5,700	2,807	3,753	4,775	156,872	362,940
Professional services	89,786	41,749								1,432	150	96,136	150	276	154,647	590,400
Excessive Tax Settlement Payment															96,136	
Development grants/incentives								438,484		75,000						
Interest and fiscal charges		23,484	62,253	148,268	146,044	130,267	107,864	95,605	87,976	60,424	49,386	32,113	5,835	435,942	949,426	1,979,712
Discount on long-term debt		2,209			234											
Debt issuance costs		2,454	10,024	8,144				14,583								
Refunds to overlying taxing jurisdictions			80,231	20,058	361	4,468									27,802	60,600
Total Costs	\$ 352,652	\$ 700,724	\$ 3,483,859	\$ 1,142,149	\$ 336,630	\$ 199,124	\$ 124,902	\$ 578,958	\$ 97,573	\$ 186,475	\$ 55,676	\$ 152,160	\$ 9,738	\$ 446,538	\$ 7,867,158	\$ 10,750,840
PROJECT REVENUES																
Tax increments																
Exempt computer aid																
Intergovernmental grants																
Special assessments & charges																
Interest on special assessments																
Investment income																
Premium on long-term debt																
Miscellaneous																
Total Revenues	\$ -	\$ 4,418	\$ 248,575	\$ 471,003	\$ 407,318	\$ 453,256	\$ 414,364	\$ 353,744	\$ 427,955	\$ 540,583	\$ 614,743	\$ 535,127	\$ 964,455	\$ 794,670	\$ 6,230,211	\$ -

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN

ANNUAL REPORT

NOTE 1 – Tax Increment District Information:

The **City of Wausau** Tax Incremental District Number Seven (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 a 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:

- Promote commercial development along the I-39 corridor,
- Encourage business attraction, retention and expansion,
- Increase property tax base,
- Increase employment opportunities within the community,
- Increase the per capita income in the community,
- Increase the availability of properly located, adequately serviced commercial and business sites.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
District # 7	1/10/2006	1/10/2021	1/10/2026

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN

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		Balance 12/31/2019
	Borrowed	Repaid	
2006A General Obligation Note	\$ 350,000	\$ 350,000	\$ -
2007A General Obligation Note	469,962	469,962	-
2008A General Obligation Note	3,655,000	3,655,000	-
2009A General Obligation Note	680,000	680,000	0
2010A General Obligation Note	78,000	70,000	8,000
2012B General Obligation Note	110,105	110,105	-
2013A General Obligation Note	445,000	285,000	160,000
2014A General Obligation Note	135,000	135,000	-
	<u>\$ 5,923,067</u>	<u>\$ 5,755,067</u>	<u>\$ 168,000</u>

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

	PRINCIPAL	INTEREST	TOTAL
2020	48,000	3,350	51,350
2021	40,000	2,400	42,400
2022	40,000	1,600	41,600
2023	40,000	600	40,600
	<u>168,000</u>	<u>7,950</u>	<u>175,950</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN

ANNUAL REPORT

NOTE 3 - Valuation of District

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

YEAR	EQUALIZED VALUATION	PERCENTAGE CHANGE
Base Value	\$29,525,900	-
2007	33,464,200	13.34%
2008	45,606,100	36.28%
2009	43,049,900	-5.60%
2010	44,101,100	2.44%
2011	43,069,800	-2.34%
2012	41,341,000	-4.01%
2013	44,562,100	7.79%
2014	49,545,600	11.18%
2015	50,526,800	1.98%
2016	48,662,900	-3.69%
2017	64,740,300	33.04%
2018	58,546,000	-9.57%
2019	68,348,900	16.74%

NOTE 4 - Tax Increments

Annual tax increments generated by the District are as follows:

YEAR	TAX INCREMENT
2008	\$ 100,046
2009	389,929
2010	349,929
2011	392,106
2012	367,717
2013	322,877
2014	416,819
2015	532,544
2016	574,301
2017	525,634
2018	954,823
2019	774,874
	\$ 5,701,599

The amount to be generated in 2020 is \$1,024,683.

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN

ANNUAL REPORT

NOTE 5 – Plan Amendments

Project Plan Amendment Number One was approved on September 26, 2012. This amendment increased costs and added projects to the project plan. In addition the plan authorizes project costs within the ½ mile buffer zone. The amendment increased total project costs by \$2,415,000.

NOTE 6 – Developer Grants

The City of Wausau entered into a development agreement on October 16, 2012 with 2800 Stewart Avenue, LLC for the development of 2800 Stewart Avenue. This parcel, totaling slightly over 11 acres, was a DOT remnant parcel after the State of Wisconsin Interstate Exchange project completion. The State left the parcel with significant development challenges including lack of utilities, overhead power line obstructions, ingress and egress restrictions and excess fill discarded during the construction project. The developer has agreed to develop approximately 85,000 square feet of retail/office facilities. Total project completion with a value of \$10.5 million is due by January 1, 2020 along with the creation of 50 full time and 20 part time positions. In exchange, the City of Wausau is providing a developer grant for water, sewer, stormwater, grading, retaining walls, utility work on a 250’ access road not to exceed \$443,770. Under a separate development agreement, the City of Wausau agreed to pay an additional \$1,035,942 for a developer funded site improvements including access drive, grading and utilities. This grant will be funded out of tax increment and other available funds.

	Authorized	Paid To Date	2020 Budget
Stewart Avenue LLC	\$ 443,770	\$ 438,484	
Stewart Avenue LLC	1,035,942	510,942	285,000
Total	\$ 1,479,712	\$ 949,426	\$ 285,000



CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER SEVEN

ANNUAL REPORT

CASH FLOW PROJECTION

Year	USES OF FUNDS					SOURCES OF FUNDS				Annual Surplus (Deficit)	Cumulative Balance	
	Existing Annual Debt Service	Proposed Debt Issue	Administrative, Organization, & Discretionary Costs	Developer Incentives	Other Project Costs	Other Income	Special Assessment Income	Debt Proceeds	Tax Increment			
ACTUAL												
1 2006	\$2,454		\$8,963		\$341,235			\$350,000			(\$2,652)	(\$2,652)
2 2007	\$62,953		\$43,501		\$629,179	\$4,418		\$469,962			(\$261,253)	(\$263,905)
3 2008	\$153,820		\$7,223		\$3,404,359	\$6,523	\$142,006	\$3,655,000	\$100,046		\$338,173	\$74,268
4 2009	\$607,955		\$5,006		\$980,731	\$7,849	\$73,225	\$680,000	\$389,929		(\$442,689)	(\$368,421)
5 2010	\$663,182		\$16,716		\$173,275	\$10,541	\$46,848	\$78,000	\$349,929		(\$367,855)	(\$736,276)
6 2011	\$647,328		\$17,500		\$51,357	\$13,500	\$47,650		\$392,106		(\$262,929)	(\$999,205)
7 2012	\$735,028		\$11,718		\$852	\$10,871	\$35,776	\$110,105	\$367,717		(\$223,129)	(\$1,222,334)
8 2013	\$631,824		\$12,589	\$438,484	\$17,697	\$24,203	\$6,664	\$445,000	\$322,877		(\$301,850)	(\$1,524,184)
9 2014	\$671,117		\$7,002		\$2,595	\$11,136			\$416,819		(\$252,759)	(\$1,776,943)
10 2015	\$631,954		\$9,619	\$75,000	\$41,432	\$8,039			\$532,544		(\$217,422)	(\$1,994,365)
11 2016	\$613,851		\$5,850		\$440	\$40,442			\$574,301		(\$5,398)	(\$1,999,763)
12 2017	\$562,113		\$2,807		\$117,240	\$9,493			\$525,634		(\$147,033)	(\$2,146,796)
13 2018	\$505,835		\$3,903			\$9,632			\$954,823		\$454,717	(\$1,692,079)
14 2019	\$130,545		\$5,051	\$435,942		\$19,796			\$774,874 *	\$223,132		(\$1,468,947)
ESTIMATED												
15 2020	\$51,350		\$8,150	\$229,738	\$1,400,000	\$26,267		\$1,400,000	\$1,024,683	\$761,712		(\$707,235)
16 2021	\$42,400	\$500,000	\$4,000	\$295,262		\$20,000			\$1,124,683	\$303,021		(\$404,214)
17 2022	\$41,600	\$500,000	\$4,000			\$20,000			\$1,324,683	\$799,083		\$394,869
18 2023	\$40,600	\$500,000	\$4,000			\$20,000			\$1,324,683	\$800,083		\$1,194,952
19 2024									\$1,324,683	\$1,324,683		\$2,519,635
20 2025									\$1,324,683	\$1,324,683		\$3,844,318
TOTAL	\$6,795,909	\$1,500,000	\$177,598	\$1,474,426	\$7,160,392	\$262,710	\$352,169	\$7,188,067	\$13,149,697			

* Tax Revenue reduced due to assessment disputes

2020	
Street Improvements	\$1,100,000
Streetscape	\$200,000
Parking Improvements	\$100,000
	\$1,400,000