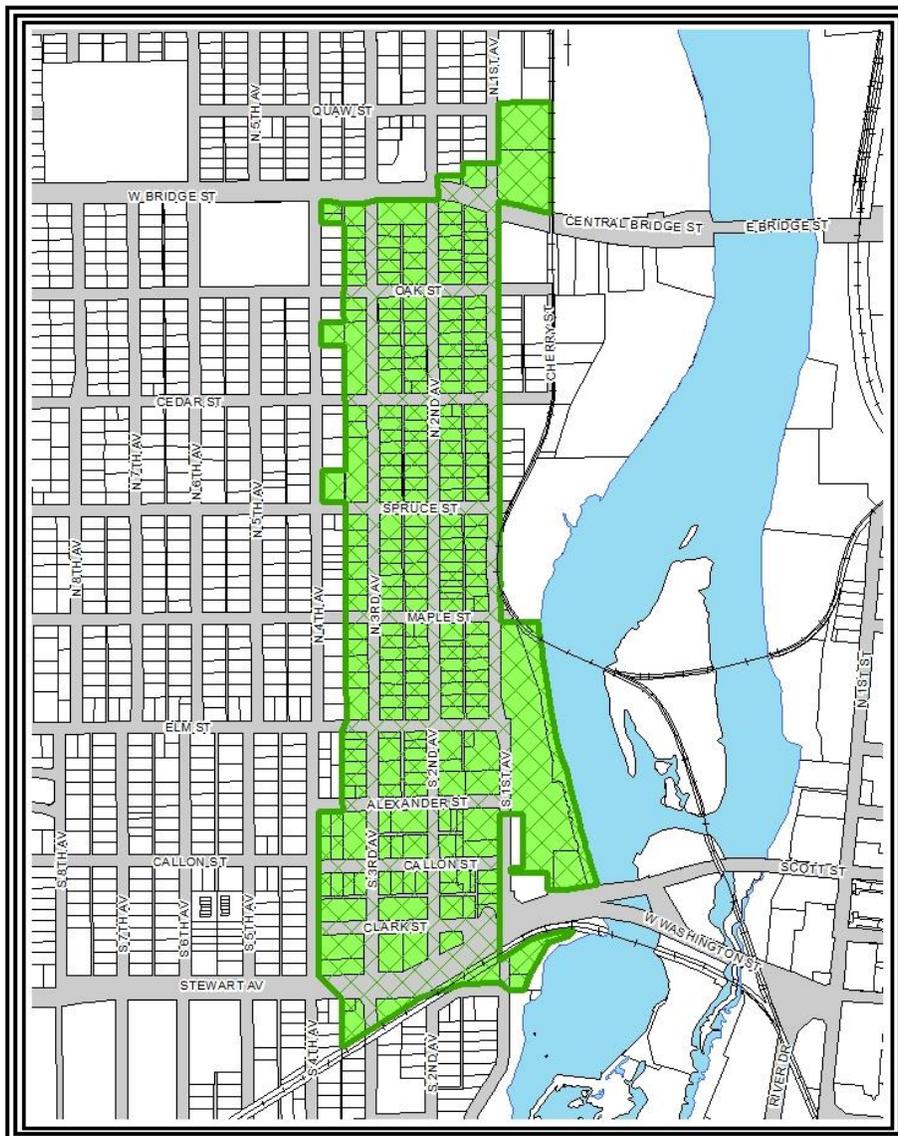


# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT



WAUSAU FINANCE

December 31, 2019

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT

## 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>
<b>PROJECT COSTS</b>		
Capital expenditures	\$ 1,354,461	\$ 3,384,530
Developer Grants and Incentives	45,866	378,366
Administration	32,018	182,306
Professional Services	1,963	266,960
Debt Issuance Costs	16,365	30,071
Excessive Tax Settlement Payments		42,835
Interest and fiscal charges	35,378	147,404
Debt Discount	<u>26,344</u>	<u>28,398</u>
Total Project Costs	<u>\$ 1,512,395</u>	<u>\$ 4,460,870</u>
<b>PROJECT REVENUES</b>		
Tax increments	\$ 257,077	\$ 816,776
Exempt computer aid	197,938	1,160,366
Interest Income	11,827	17,937
Special Assessments	2,112	39,080
Premium on long term notes	89,919	93,651
Other Miscellaneous Revenue	<u>-</u>	<u>125</u>
Total Revenues	<u>\$ 558,873</u>	<u>\$ 2,127,935</u>
<b>NET COST RECOVERABLE THROUGH TAX INCREMENTS</b>	<u>\$ 953,522</u>	<u>\$ 2,332,935</u>
<b>RECONCILIATION OF RECOVERABLE COSTS</b>		
General obligation debt		\$ 4,040,000
Less: fund balance (deficit)		<u>1,707,065</u>
<b>NET COSTS RECOVERABLE THROUGH TAX INCREMENTS</b>		<u>\$ 2,332,935</u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT

## 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>SOURCES OF FUNDS</b>		
Tax increments	\$ 257,077	\$ 816,776
Interest Income	11,827	17,937
Exempt computer aid	197,938	1,160,366
Special Assessments	2,112	39,080
Premium on long term notes	89,919	93,651
Other Miscellaneous Revenue	-	125
Proceeds from long-term debt	<u>2,720,000</u>	<u>4,685,000</u>
 Total Sources	 <u>\$ 3,278,873</u>	 <u>\$ 6,812,935</u>
 <b>USES OF FUNDS</b>		
Capital expenditures	\$ 1,354,461	\$ 3,384,530
Developers grants and incentives	45,866	378,366
Administration	32,018	182,306
Professional Services	1,963	266,960
Debt issuance costs	16,365	30,071
Excessive Tax Settlement Payments	-	42,835
Interest and fiscal charges	35,378	147,404
Debt Discount	26,344	28,398
Principal on long-term debt	<u>315,000</u>	<u>645,000</u>
 Total Uses	 <u>\$ 1,827,395</u>	 <u>\$ 5,105,870</u>
 BEGINNING FUND BALANCE (DEFICIT)	 <u>\$ 255,587</u>	 <u>\$ -</u>
 ENDING FUND BALANCE(DEFICIT)	 <u><u>\$ 1,707,065</u></u>	 <u><u>\$ 1,707,065</u></u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT

## ANNUAL REPORT

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

	<u>Actual</u>	<u>Project Plan Estimate</u>
<b>PROJECT COSTS</b>		
Streets	\$ 2,945,445	\$ 1,175,000
Storm Sewer	187,736	-
Parking	5,358	4,330,000
River Edge Improvements	-	890,000
Streetscape and Public Art	20,540	230,000
Acquisition, Demolition, Relocation	-	-
Site Preparation	413,710	570,000
Residential Redevelopment	-	300,000
Developer Grants and Incentives	378,366	2,285,000
Professional Services	78,701	110,000
Administration	182,306	1,433,500
Financing Costs	13,706	-
Excessive Tax Settlement Payments	42,835	-
Interest and Fiscal Charges	163,769	2,073,585
Discount on long-term debt	28,398	-
<b>TOTAL PROJECT COSTS</b>	<u>\$ 4,460,870</u>	<u>\$13,397,085</u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT

## ANNUAL REPORT

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

<b>PROJECT COSTS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>Totals</b>	<b>Project Plan Estimate</b>
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>		
Capital expenditures				\$ 52,719	\$ 1,616,172	\$ 25,496	\$ 120,948	\$ 1,354,461	\$ 3,169,796	\$ 7,495,000
Administration	7,801	10,390	5,717	10,642	91,376	14,549	9,813	32,018	182,306	1,433,500
Professional services		7,681	38,957	16,115	5,085	5,027	3,873	1,963	78,701	110,000
Development grants/incentives					275,000	57,500		45,866	378,366	2,285,000
Interest and fiscal charges			372	8,957	23,441	44,714	34,542	35,378	147,404	2,073,585
Interest on advance									-	
Transfer out to other funds									-	
Discount on long-term debt					2,054			26,344	28,398	
Debt issuance costs				10,513	3,193			16,365	30,071	
Excessive Tax Settlement Payments					42,835				42,835	
Refunds to overlying taxing jurisdictions									-	
Environmental costs									-	
Real property assembly costs			197,036	7,492	198,465				402,993	
<b>Total Costs</b>	<b>\$ 7,801</b>	<b>\$ 18,071</b>	<b>\$ 242,082</b>	<b>\$ 106,438</b>	<b>\$ 2,257,621</b>	<b>\$ 147,286</b>	<b>\$ 169,176</b>	<b>\$ 1,512,395</b>	<b>\$ 4,460,870</b>	<b>\$ 13,397,085</b>
<b>PROJECT REVENUES</b>										
Tax increments				\$ 140,328	\$ 194,502	\$ 111,771	\$ 113,098	\$ 257,077	\$ 816,776	
Exempt computer aid			183,660	195,509	201,817	189,329	192,113	197,938	1,160,366	
Intergovernmental grants									-	
Other grants									-	
Special assessments & charges					24,576	8,906	3,486	2,112	39,080	
Investment income					5,575	246	289	11,827	17,937	
Transfer in from other funds									-	
Premium on long-term debt				3,732				89,919	93,651	
User fees									-	
Sale of Land									-	
Miscellaneous				125					125	
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 183,660</b>	<b>\$ 339,694</b>	<b>\$ 426,470</b>	<b>\$ 310,252</b>	<b>\$ 308,986</b>	<b>\$ 558,873</b>	<b>\$ 2,127,935</b>	<b>\$ -</b>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT

## ANNUAL REPORT

### NOTE 1 – Tax Increment District Information:

The City of Wausau Tax Incremental District Number Eight (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 and the Near West Side Master Plan.
- e. Improve the Housing Stock.
- 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 # 8</b>	4/10/2012	4/10/2034	4/10/2039

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT

## 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	12/31/2019
2014 Foundation Loan	\$ 190,000	190,000	\$ -
2016 Foundation Loan	200,000		200,000
2015 A Promissory Note	1,020,000	390,000	630,000
2016 C General Obligation Bond	555,000	65,000	490,000
2019 A General Obligation Note	2,720,000		2,720,000
	<u>\$ 4,685,000</u>	<u>\$ 645,000</u>	<u>\$ 4,040,000</u>

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

<b>Schedule of Maturities</b>			
	Principal	Interest	Total
2020	595,000	93,306	688,306
2021	370,000	78,199	448,199
2022	385,000	68,515	453,515
2023	385,000	58,388	443,388
2024	405,000	47,732	452,732
2025	410,000	37,781	447,781
2026	330,000	29,875	359,875
2027	335,000	22,825	357,825
2028	340,000	15,675	355,675
2029	345,000	8,313	353,313
2030	50,000	3,738	53,738
2031	50,000	2,113	52,113
2032	40,000	650	40,650
	<u>\$ 4,040,000</u>	<u>\$ 467,110</u>	<u>\$ 4,507,110</u>

**NOTE 3 - Valuation of District**

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

YEAR	EQUALIZED VALUATION	PERCENTAGE CHANGE
2012	\$35,408,900	
2013	35,157,500	-0.71%
2014	40,684,200	15.72%
2015	42,521,400	4.52%
2016	39,478,200	-7.16%
2017	39,580,000	0.26%
2018	45,036,800	13.79%
2019	44,493,800	-1.21%

**NOTE 4 - Tax Increments**

YEAR	TAX INCREMENT
2015	\$ 140,328
2016	194,502
2017	111,771
2018	113,098
2019	257,077
	<u>\$ 816,776</u>

In 2020 the District will recognize increment in the amount of \$239,784.

**NOTE 5 - Excessive Assessment Claim**

CVS Pharmacy located within the boundaries of Tax Increment District Number Eight has filed a claim for excessive 2015 assessment. The City reached an agreement on the claim in 2015 which resulted in an excessive tax refund of \$42,835.

**NOTE 6 – Developer Agreements**

On January 10<sup>th</sup>, 2016 the City of Wausau entered into a development agreement with TFB – M1 – LLC for the redevelopment of property located at 308 Stewart Avenue and 404 S 3<sup>rd</sup> Avenue. The redevelopment includes the reconstruction of a Schierl gas station and creation of a subway and the conversion of an old health clinic into apartments. The developer committed to invest \$3,000,000 of improvements into the property, and the employment of 15 FTE’s by December 31, 2020. In exchange the City agreed to provide a 15 year, \$275,000 interest free loan along with a \$287,500 grant paid over a period of five years beginning September 1, 2017 from available tax increment. The loan was disbursed in full in 2016.

	Authorized	Paid	2019 Budget
TFB MI -LLC Loan	\$ 275,000	\$ 275,000	
TFB MI - LLC Grant	<u>287,500</u>	<u>57,500</u>	<u>39,000</u>
Total	<u>\$ 562,500</u>	<u>\$ 332,500</u>	<u>\$ 39,000</u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT

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## ANNUAL REPORT

### **NOTE 6** – Developer Agreements continued

On January 17, 2020, the City of Wausau entered into a developer agreement with Wausau Opportunity Zone, Inc. to facilitate the purchase of the Wausau Center Mall. WOZ purchased the Wausau Center Mall. The City agreed to the following:

- to terminate the existing ground lease and parking agreements
- to provide a \$1,000,000 forgivable loan
- to provide an annual \$327,000 TID grant for a period of no more than 7 years
- to sell Sears to WOZ for \$1
- Provide the developer the option to purchase the Sears and Penneys Parking Ramps

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT

## ANNUAL REPORT

### CASH FLOW PROJECTIONS

Year	USES OF FUNDS						SOURCES OF FUNDS			Annual Surplus (Deficit)	Cumulative Balance	
	Annual Projected Debt Service	Administrative, Organization & Discretionary Costs	Schierl Developer Payments	Elm Street Developer Grant	CVS Tax Claim	Capital Expenditures	Net Debt Proceeds	Other Income	Tax Increment			
<b>ACTUAL</b>												
1	2012		\$7,801								(\$7,801)	(\$7,801)
2	2013		10,390			7,681					(18,071)	(25,872)
3	2014	372	5,717			235,993	190,000	183,660			131,578	105,706
4	2015	8,957	21,155			76,326	1,020,000	199,366	140,328		1,253,256	1,358,962
5	2016	118,441	96,623	275,000		42,835	1,819,722	755,000	231,968	194,502	(1,171,151)	187,811
6	2017	154,714	19,576	57,500			25,496		198,481	111,771	52,966	240,777
7	2018	159,542	9,813	-			124,821		195,888	113,098	14,810	255,587
8	2019	350,378	32,270	45,866			1,356,172	2,767,210	211,877	257,077	1,451,478	1,707,065
<b>ESTIMATED</b>												
9	2020	688,306	10,150	57,500			2,269,510		1,151,054	239,784	(1,634,628)	72,437
10	2021	629,125	6,000	57,500	39,592				197,938	294,439	(239,840)	(167,403)
11	2022	632,105	6,000	57,500	118,774				197,938	373,621	(242,820)	(410,223)
12	2023	621,978	6,000	11,634	118,774				197,938	373,621	(186,827)	(597,050)
13	2024	625,626	6,000		118,774				197,938	373,621	(178,841)	(775,891)
14	2025	625,549	6,000		118,774				197,938	373,621	(178,764)	(954,655)
15	2026	533,942	6,000		86,832				197,938	373,621	(55,215)	(1,009,870)
16	2027	357,825	6,000						197,938	373,621	207,734	(802,136)
17	2028	355,675	6,000						197,938	373,621	209,884	(592,252)
18	2029	353,313	6,000						197,938	373,621	212,246	(380,006)
19	2030	53,738	6,000						197,938	373,621	511,821	131,815
20	2031	52,113	6,000						465,000	373,621	780,508	912,323
21	2032	40,650	6,000						190,000	373,621	516,971	1,429,294
<b>TOTAL</b>		<b>\$6,362,349</b>	<b>\$285,495</b>	<b>\$562,500</b>	<b>\$601,520</b>	<b>\$42,835</b>	<b>\$5,915,721</b>	<b>\$4,732,210</b>	<b>\$5,006,674</b>	<b>\$5,460,830</b>		

2020 Capital Expenditures

WOZ Mall Forgivable Loan	\$1,000,000
Final 1st Avenue Project Costs	969,510
18th Avenue Reconstruction	<u>300,000</u>
Total	<u><u>\$2,269,510</u></u>