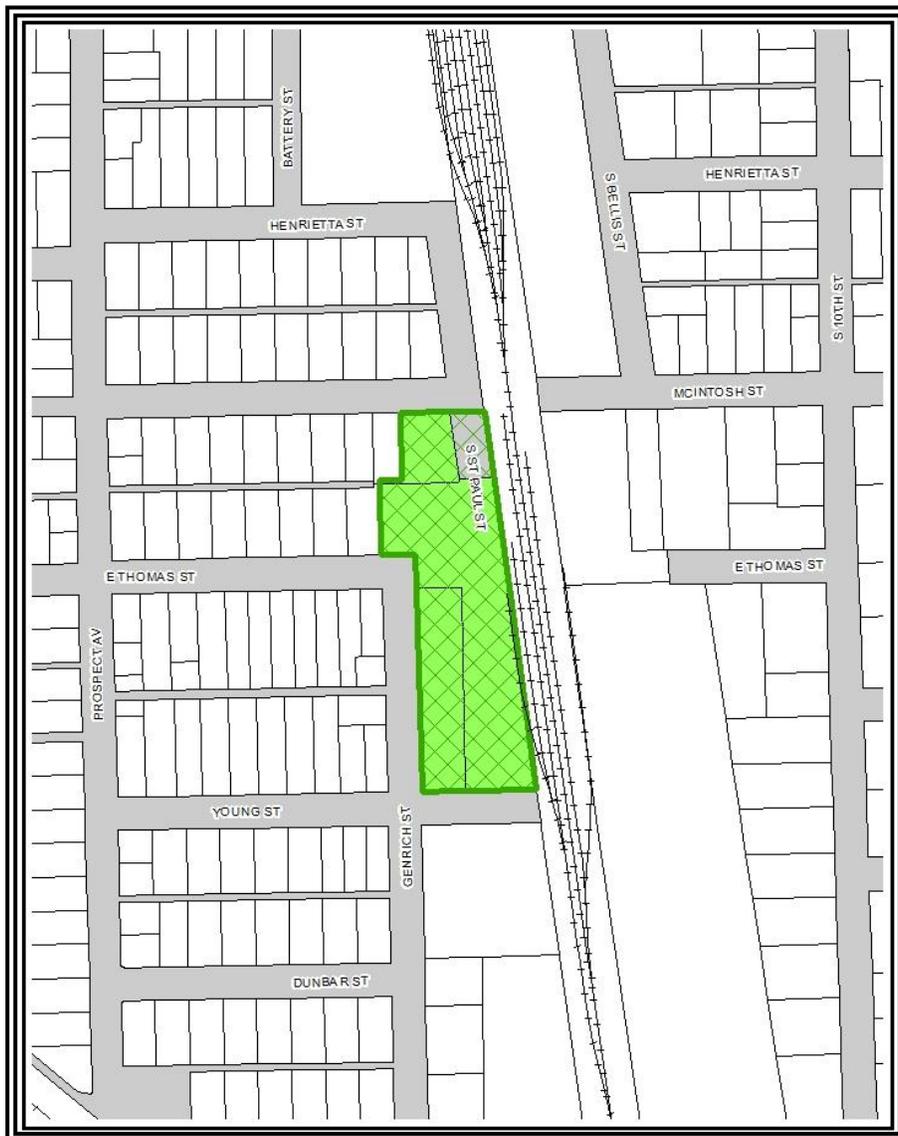


# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE



WAUSAU FINANCE

December 31, 2019

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

## 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	\$ 150	\$ 6,290
Developer Grants and Incentives	-	600,000
Administration	1,642	18,994
Interest and fiscal charges	6,798	57,541
Debt issuance costs and discounts	-	28,140
	<u>          </u>	<u>          </u>
Total Project Costs	<u>\$ 8,590</u>	<u>\$ 710,965</u>
<b>PROJECT REVENUES</b>		
Tax increments	\$ 27,457	\$ 109,663
Loan Repayments	12,795	134,802
Other Interest Income	6,710	38,303
Other Developer Payments	-	18,379
Exempt computer aid	558	1,493
Premium on Debt Issuance	-	1,300
	<u>          </u>	<u>          </u>
Total Revenues	<u>\$ 47,520</u>	<u>\$ 303,940</u>
<b>NET COST RECOVERABLE THROUGH TAX INCREMENTS</b>	<u>\$ (38,930)</u>	<u>\$ 407,025</u>
<b>RECONCILIATION OF RECOVERABLE COSTS</b>		
General obligation debt		\$ 240,000
Less: fund balance (deficit)		<u>(167,025)</u>
<b>NET COSTS RECOVERABLE THROUGH TAX INCREMENTS</b>		<u>\$ 407,025</u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

## 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>
<b>SOURCES OF FUNDS</b>		
Tax increments	\$ 27,457	\$ 109,663
Loan Repayments	12,795	134,802
Other Interest Income	6,710	38,303
Other Developer Payments	-	18,379
Exempt computer aid	558	1,493
Premium on Debt Issuance	-	1,300
Proceeds from long-term debt	-	630,000
Total Sources	<u>\$ 47,520</u>	<u>\$ 933,940</u>
<b>USES OF FUNDS</b>		
Capital expenditures	\$ 150	\$ 6,290
Developers grants and incentives	-	600,000
Administration	1,642	18,994
Interest and fiscal charges	6,798	57,541
Debt issuance costs and discounts	-	28,140
Principal on long-term debt	65,000	390,000
Total Uses	<u>\$ 73,590</u>	<u>\$ 1,100,965</u>
BEGINNING FUND BALANCE (DEFICIT)	<u>\$ (140,955)</u>	<u>\$ -</u>
ENDING FUND BALANCE(DEFICIT)	<u><u>\$ (167,025)</u></u>	<u><u>\$ (167,025)</u></u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

## ANNUAL REPORT

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

	<u>Actual</u>	<u>Project Plan Estimate</u>
PROJECT COSTS		
Utility Infrastructure	\$ -	\$ 60,000
Residential Redevelopment	-	100,000
Developer Grants and Incentives	600,000	600,000
Administration	18,994	33,500
Contractual Services	6,290	-
Interest and fiscal Charges	57,541	-
Financing Costs	<u>28,140</u>	<u>120,000</u>
 TOTAL PROJECT COSTS	 <u>\$ 710,965</u>	 <u>\$913,500</u>

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

## ANNUAL REPORT

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

<u>PROJECT COSTS</u>	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	Totals	Project Plan Estimate		
Capital expenditures	\$	3,318			\$	1,440	\$	150	\$	5,058	\$	160,000
Administrative (In-house)	5,739	2,743	2,284	554	2,267	2,071	1,694	1,642	18,994	1,232	33,500	
Professional services	1,232								1,232			
Development grants/Incentives	132,196	467,804							600,000		600,000	
Interest and fiscal charges			13,868	10,405	9,674	8,861	7,935	6,798	57,541		120,000	
Debt issuance costs		28,140							28,140			
<b>Total Costs</b>	<b>\$ 139,167</b>	<b>\$ 502,005</b>	<b>\$ 16,152</b>	<b>\$ 10,959</b>	<b>\$ 11,941</b>	<b>\$ 12,372</b>	<b>\$ 9,779</b>	<b>\$ 8,590</b>	<b>\$ 710,965</b>	<b>\$ 913,500</b>		
<u>PROJECT REVENUES</u>												
Tax increments				\$12,130	\$24,240	\$22,946	\$22,890	\$ 27,457	\$ 109,663			
Exempt computer aid			39	101	175	308	312	558	1,493			
Premium on long-term debt		1,300							1,300			
Loan Repayments Principal				48,086	40,269	17,014	16,638	12,795	134,802			
Loan Repayments Interest				9,448	7,659	7,284	7,202	6,710	38,303			
Other Development Payments				18,379					18,379			
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 1,300</b>	<b>\$ 39</b>	<b>\$ 88,144</b>	<b>\$ 72,343</b>	<b>\$ 47,552</b>	<b>\$ 47,042</b>	<b>\$ 47,520</b>	<b>\$ 303,940</b>	<b>\$ -</b>		

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

## 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. Improve the housing stock.
- d. Provide appropriate financial incentives to encourage business expansion and attraction, thereby facilitating the creation of new jobs and increased tax base.
- e. Increase per capita income in the community.
- f. Strengthen the economic well-being and economic diversity of the Central City.
- g. 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.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
<b>District # 9</b>	9/25/2012	9/25/2034	9/25/2039

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

## 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 district. If those revenues are not sufficient, payments will be made by future tax levies.

	Original Amount Borrowed	Repaid	Balance 12/31/2019
2013B General Obligation Note	630,000	390,000	240,000
	<u>\$630,000</u>	<u>\$390,000</u>	<u>\$240,000</u>

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

	PRINCIPAL	INTEREST	TOTAL
2020	60,000	5,520	65,520
2021	60,000	4,125	64,125
2022	60,000	2,580	62,580
2023	60,000	885	60,885
	<u>240,000</u>	<u>13,110</u>	<u>253,110</u>

### NOTE 3 - Valuation of District

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

YEAR	EQUALIZED VALUATION	PERCENTAGE CHANGE
2012	\$1,232,400	
2013	1,055,300	-14.37%
2014	1,688,400	59.99%
2015	2,118,800	25.49%
2016	2,067,800	-2.41%
2017	2,076,600	0.43%
2018	2,260,700	8.87%
2019	2,174,900	-3.80%

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

## ANNUAL REPORT

**NOTE 4 - Tax Increments**

Annual tax increments generated by the District are as follows:

YEAR	TAX INCREMENT
2015	\$ 12,130
2016	24,240
2017	22,946
2018	22,890
2019	27,457
	\$ 109,663

The amount to be generated in 2020 is \$24,876.

**NOTE 5 – Developer Agreements**

The City of Wausau entered into a development agreement on November 23, 2012 with Bull Falls Brewery, LLC. The developer agreed to design, develop and construct an addition to their current building for the production of beer. The developer purchased additional abutting properties, razed the buildings in preparation for the construction. The properties values after constructed shall equal or exceed \$1,600,000. In return the City of Wausau performed the following: vacated a street, and relocated a sanitary manhole, water hydrant and upgraded 30 feet of water main. In addition the City provided financial assistance in the form of a \$200,000 grant for property acquisition and site demolition and preparation and a \$400,000 loan. At December 31, 2013 Loan and grant funds had been disbursed in full.

	Authorized	Paid
Bull Falls Brewery, LLC		
Grant	\$ 200,000	\$ 200,000
Loan	400,000	400,000
	\$ 600,000	\$ 600,000

The initial loan terms provided for a 10 year amortization with a two year deferral and interest at 2.36%. The Common Council authorized modified loan terms in 2017 to establish a new 15 year amortization. The impact of the new terms reduced the monthly payments from \$4,792.82 to \$2,167.24

The loan balance at December 31, 2019:

	Term	Interest Rate	Balance Outstanding
Bull Falls Brewery, LLC	10 Years	2.36%	\$ 285,283

# CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

## ANNUAL REPORT

### CASH FLOW PROJECTIONS

Year	USES OF FUNDS			SOURCES OF FUNDS				Annual Surplus (Deficit)	Cumulative Balance
	Existing Annual Debt Service	Administrative, Organization, & Discretionary Costs	Developer Incentives	Loan Repayments	Other Income	Debt Proceeds	Tax Increment		
<b>ACTUAL</b>									
2012		\$6,971	\$132,196					(\$139,167)	(\$139,167)
2013		\$34,201	\$467,804			\$631,300		\$129,295	(\$9,872)
2014	\$78,868	\$2,284			\$39			(\$81,113)	(\$90,985)
2015	\$75,405	\$554		\$57,534	\$18,480		\$12,130	\$12,185	(\$78,800)
2016	\$74,674	\$2,267		\$47,928	\$175		\$24,240	(\$4,598)	(\$83,398)
2017	\$73,861	\$3,511		\$24,298	\$308		\$22,946	(\$29,820)	(\$113,218)
2018	\$72,935	\$1,844		\$23,840	\$312		\$22,890	(\$27,737)	(\$140,955)
2019	\$71,798	\$1,792		\$19,505	\$558		\$27,457	(\$26,070)	(\$167,025)
<b>ESTIMATED</b>									
2020	\$65,520	\$3,150		\$8,000	\$500		\$24,876	(\$35,294)	(\$202,319)
2021	\$64,125	\$3,150		\$22,000	\$500		\$24,750	(\$20,025)	(\$222,344)
2022	\$62,580	\$3,150		\$22,000	\$500		\$24,750	(\$18,480)	(\$240,824)
2023	\$60,885	\$3,150		\$22,000	\$500		\$24,750	(\$16,785)	(\$257,609)
2024		\$3,150		\$22,000	\$500		\$24,750	\$44,100	(\$213,509)
2025		\$3,150		\$22,000	\$500		\$24,750	\$44,100	(\$169,409)
2026		\$3,150		\$22,000	\$500		\$24,750	\$44,100	(\$125,309)
2027		\$3,150		\$22,000	\$500		\$24,750	\$44,100	(\$81,209)
2028		\$3,150		\$22,000	\$500		\$24,750	\$44,100	(\$37,109)
2029				\$22,000	\$500		\$24,750	\$47,250	\$10,141
2030				\$22,000	\$500		\$24,750	\$47,250	\$57,391
<b>TOTAL</b>	<b>\$700,651</b>	<b>\$81,774</b>	<b>\$600,000</b>	<b>\$401,105</b>	<b>\$25,372</b>	<b>\$631,300</b>	<b>\$382,039</b>		