

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER ELEVEN

ANNUAL REPORT

HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES AND NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS

For the Year Ended December 31, 2021
and From Date of Creation Through December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Capital expenditures	\$ 1,333	\$ 6,550,283
Developer Grants and Incentives	644,259	5,313,314
Administration	26,399	278,907
Professional Services	1,518	168,385
Interest and fiscal charges	197,401	1,036,779
Debt issuance costs and discounts	<u>35,328</u>	<u>200,052</u>
 Total Project Costs	 <u>\$ 906,238</u>	 <u>\$ 13,547,720</u>
PROJECT REVENUES		
Tax increments	\$ 1,566,624	\$ 3,189,327
Investment Income	2	69,768
Exempt computer aid	-	-
Sale of Property	-	62,501
Premium on Debt Issuance	<u>-</u>	<u>183,656</u>
 Total Revenues	 <u>\$ 1,566,626</u>	 <u>\$ 3,505,252</u>
 NET COST RECOVERABLE THROUGH TAX INCREMENTS	 <u>\$ (660,388)</u>	 <u>\$ 10,042,468</u>
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$ 10,265,000
Less: fund balance		<u>222,532</u>
 NET COSTS RECOVERABLE THROUGH TAX INCREMENTS		 <u>\$ 10,042,468</u>

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HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS

For the Year Ended December 31, 2021
and From Date of Creation Through December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
SOURCES OF FUNDS		
Tax increments	\$ 1,566,624	\$ 3,189,327
Investment Income	2	69,768
Exempt computer aid	-	-
Sale of Property	-	62,501
Premium on Debt Issuance	-	183,656
Proceeds from long-term debt	<u>4,045,000</u>	<u>21,275,000</u>
 Total Sources	 <u>\$ 5,611,626</u>	 <u>\$ 24,780,252</u>
 USES OF FUNDS		
Capital expenditures	\$ 1,333	\$ 6,550,283
Developers grants and incentives	644,259	5,313,314
Administration	26,399	278,907
Professional Services	1,518	168,385
Interest and fiscal charges	197,401	1,036,779
Debt issuance costs	35,328	200,052
Principal on long-term debt	<u>4,410,000</u>	<u>11,010,000</u>
 Total Uses	 <u>\$ 5,316,238</u>	 <u>\$ 24,557,720</u>
 BEGINNING FUND BALANCE (DEFICIT)	 <u>\$ (72,856)</u>	 <u>\$ -</u>
 ENDING FUND BALANCE(DEFICIT)	 <u>\$ 222,532</u>	 <u>\$ 222,532</u>

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DETAILED SUMMARY OF PROJECT COSTS and From Date of Creation Through December 31, 2021

	<u>Actual</u>	<u>Project Plan Estimate</u>
PROJECT COSTS		
Streets	\$ 2,532,532	\$ 5,128,310
Stormwater	173,870	395,240
Water and Sewer Infrastructure	2,961,639	3,968,450
Land Assembly and deficits	867,851	1,575,000
Streetscape, retaining walls, walkways, wayfinding	14,391	2,100,000
Professional Services	168,385	-
Wayfinding	-	100,000
Development Grant and Incentives	5,313,314	10,400,000
Administration	278,907	137,000
Debt issuance costs	200,052	-
Interest Expense	<u>1,036,779</u>	<u>4,399,000</u>
TOTAL PROJECT COSTS	<u>\$ 13,547,720</u>	<u>\$ 28,203,000</u>

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ANNUAL SUMMARY OF PROJECT COSTS AND REVENUES From Date of Creation Through December 31, 2021

PROJECT COSTS	1	2	3	4	5	Totals	Project Plan
	2017	2018	2019	2020	2021		Estimate
Capital expenditures	\$ 3,039,910	\$ 2,994,067	\$ 426,199	\$ 88,774	\$ 1,333	\$ 6,550,283	\$ 13,267,000
Administrative (In-house)	116,096	81,217	24,262	30,933	26,399	278,907	137,000
Professional services	120,599	31,873	6,766	7,629	1,518	168,385	-
Development grants/Incentives			3,975,016	694,039	644,259	5,313,314	10,400,000
Interest and fiscal charges		191,213	311,992	336,173	197,401	1,036,779	4,399,000
Debt issuance costs	60,236	38,681		65,807	35,328	200,052	-
Total Costs	\$ 3,336,841	\$ 3,337,051	\$ 4,744,235	\$ 1,223,355	\$ 906,238	\$ 13,547,720	\$ 28,203,000
PROJECT REVENUES							
Tax increments			\$ 42,551	\$ 1,580,152	\$ 1,566,624	\$ 3,189,327	
Exempt computer aid						-	
Intergovernmental grants						-	
Other grants						-	
Special assessments & charges						-	
Investment income	2,961	54,591	11,226	988	2	69,768	
Premium on debt issuance	133,782			49,874		183,656	
Sale of Property	37,500	1		25,000		62,501	
Miscellaneous						-	
Total Revenues	\$ 174,243	\$ 54,592	\$ 53,777	\$ 1,656,014	\$ 1,566,626	\$ 3,505,252	\$ -

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NOTE 1 – Tax Increment District Information:

The **City of Wausau** Tax Incremental District Number Eleven (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 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:

- a. Enhance the development and foster renewal of industrial sites within and adjacent to the District.
- b. Accommodate new industries and the expansion of existing industries in the business park.
- c. Increase the employment opportunities available in the community.
- d. Increase per capita income in the community.
- e. Strengthen the economic well-being and economic diversity of the City.
- f. Provide appropriate financial incentives to encourage business expansion and attraction, thereby facilitating the creation of new jobs and increased tax base.
- g. Improve infrastructure, attractiveness and amenities of the business park to remain competitive within the market.
- h. 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 and redevelopment.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
District # 11	07/11/2017	07/11/2032	07/11/2037

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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 12/31/2021
2017E Taxable Note Anticipation Notes	\$6,600,000	6,600,000	\$0
2018C Taxable Note Anticipation Notes	\$4,005,000	4,005,000	\$0
2020B Taxable General Obligation Bonds	\$6,625,000	405,000	\$6,220,000
2021B Taxable General Obligation Bonds	\$4,045,000	\$0	\$4,045,000
	<u>\$21,275,000</u>	<u>\$11,010,000</u>	<u>\$10,265,000</u>

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

	TID 11 TOTAL		
	Principal	Interest	Total
2022	890,000	128,836	1,018,836
2023	795,000	117,163	912,163
2024	800,000	111,305	911,305
2025	810,000	102,310	912,310
2026	820,000	92,408	912,408
2027	835,000	82,875	917,875
2028	845,000	73,373	918,373
2029	850,000	62,521	912,521
2030	855,000	50,648	905,648
2031	865,000	37,813	902,813
2032	465,000	27,655	492,655
2033	470,000	20,408	490,408
2034	480,000	12,568	492,568
2035	485,000	4,244	489,244
	<u>10,265,000</u>	<u>924,126</u>	<u>11,189,126</u>

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NOTE 4 - Tax Increments

YEAR	TAX INCREMENT
2018	-
2019	42,551
2020	1,580,152
2021	1,566,624
	<u>3,189,327</u>

The amount to be generated in 2022 is \$1,725,725.

NOTE 5 – Developer Projects and Payments

The City has successfully negotiated the relocation of two industrial companies to the newly acquired property. Both Wausau Chemical and Great Lakes Cheese are currently located on the east side of the Wisconsin River immediately north of the downtown. Both of these companies will transfer their existing properties to the city for redevelopment. Statistics on these new developments is as follows:

Great Lakes Cheese:

- Facility and site investment of approximately \$50million
- Equipment investment of approximately \$28million
- Retain an employment base of 200
- Increase employment base of 100
- Construction to be completed in 2018
- City to contribute 50% of the increment generated over a period of 10 years not to exceed \$5,900,000
- City to provide an additional \$500,000 contingency for poor soils.
- City to convey their new project site for \$1

Wausau Chemical

- 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 – \$4,000,000 will be allocated to TID #11.

	Authorized	Paid
Great Lakes Cheese	\$ 6,400,000	\$ 1,338,298
Wausau Chemical (\$7,950,000 total)	4,000,000	3,975,016
	<u>\$ 10,400,000</u>	<u>\$ 5,313,314</u>

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CASH FLOW PROJECTION

Year	USES OF FUNDS				SOURCES OF FUNDS			Annual Surplus (Deficit)	Cumulative Balance
	Developer	Administrative	Capital	Debt	Tax	Other			
	Debt Service	Grant	Costs				Expenditures		
1 2017	\$60,237		\$116,096	\$3,160,509	\$6,600,000		\$174,243	\$3,437,401	\$3,437,402
2 2018	229,894		81,217	3,025,940	4,005,000		54,592	722,541	4,159,943
3 2019	311,992	3,975,016	24,262	432,965			42,551	11,226	(4,690,458)
4 2020	7,001,980	694,039	30,933	96,403	6,674,874	1,580,152	25,988	457,659	(72,856)
5 2021	4,642,729	644,259	26,549	2,701	4,045,000	1,566,624	2	295,388	222,532
ESTIMATED									
6 2022	1,018,836	785,000	16,650	350,000			1,729,617	200	(440,669)
7 2023	912,163	650,000	8,150				1,567,000		(3,313)
8 2024	911,305	650,000	8,000				1,567,000		(2,305)
9 2025	912,310	650,000	8,000				1,567,000		(3,310)
10 2026	912,408	650,000	8,000				1,567,000		(3,408)
11 2027	917,875	650,000	8,000				1,567,000		(8,875)
12 2028	918,373	650,000	8,000				1,567,000		(9,373)
13 2029	912,521	376,702	8,000				1,567,000	269,777	21,056
14 2030	905,648		8,000				1,567,000	653,352	674,408
15 2031	902,813		8,000				1,567,000	656,187	1,330,595
16 2032	492,655		8,000				1,567,000	1,066,345	2,396,940
17 2033	490,408		8,000				1,567,000	1,068,592	3,465,532
18 2034	492,568		8,000				1,567,000	1,066,432	4,531,964
19 2035	489,244		8,000				1,567,000	1,069,756	5,601,720
20 2036			8,000				1,567,000	1,559,000	7,160,720
20 2037			8,000				1,567,000	1,559,000	8,719,720
20 2038			8,000				1,567,000	1,559,000	10,278,720