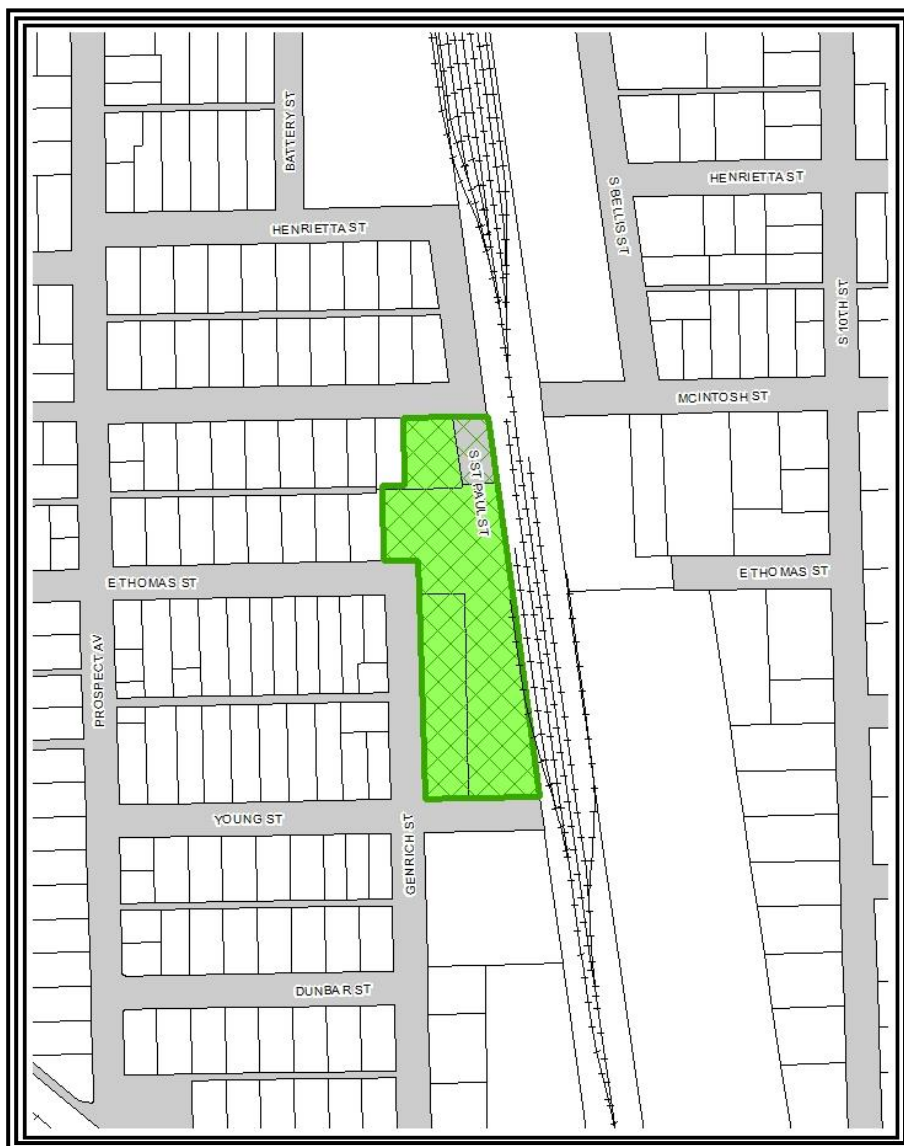


CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE



WAUSAU FINANCE

December 31, 2021

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, 2021
and From Date of Creation Through December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Capital expenditures	\$ 150	\$ 6,590
Developer Grants and Incentives	-	600,000
Administration	2,222	22,817
Interest and fiscal charges	4,125	67,186
Debt issuance costs and discounts	-	28,140
	<u> </u>	<u> </u>
Total Project Costs	\$ 6,497	\$ 724,733
PROJECT REVENUES		
Tax increments	\$ 25,286	\$ 159,825
Loan Repayments	14,529	149,331
Other Interest Income	5,530	43,833
Other Developer Payments	-	18,379
Personal property aid	3,233	3,233
Exempt computer aid	320	3,868
Premium on Debt Issuance	-	1,300
	<u> </u>	<u> </u>
Total Revenues	\$ 48,898	\$ 379,769
NET COST RECOVERABLE THROUGH TAX INCREMENTS	<u>\$ (42,401)</u>	<u>\$ 344,964</u>
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$ 120,000
Less: fund balance (deficit)		<u>(224,964)</u>
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS		<u>\$ 344,964</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, 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	\$ 25,286	\$ 159,825
Loan Repayments	14,529	149,331
Other Interest Income	5,530	43,833
Other Developer Payments	-	18,379
Personal property aid	3,233	3,233
Exempt computer aid	320	3,868
Premium on Debt Issuance	-	1,300
Proceeds from long-term debt	-	630,000
Total Sources	<u>\$ 48,898</u>	<u>\$ 1,009,769</u>
USES OF FUNDS		
Capital expenditures	\$ 150	\$ 6,590
Developers grants and incentives	-	600,000
Administration	2,222	22,817
Interest and fiscal charges	4,125	67,186
Debt issuance costs and discounts	-	28,140
Principal on long-term debt	60,000	510,000
Total Uses	<u>\$ 66,497</u>	<u>\$ 1,234,733</u>
BEGINNING FUND BALANCE (DEFICIT)	<u>\$ (207,365)</u>	<u>\$ -</u>
ENDING FUND BALANCE(DEFICIT)	<u>\$ (224,964)</u>	<u>\$ (224,964)</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

ANNUAL REPORT

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

	<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	22,817	33,500
Contractual Services	6,590	-
Interest and fiscal Charges	67,186	-
Financing Costs	<u>28,140</u>	<u>120,000</u>
 TOTAL PROJECT COSTS	 <u>\$ 724,733</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, 2021

	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021	Totals	Project Plan Estimate
PROJECT COSTS												
Capital expenditures		\$ 3,318			\$ 1,440	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 5,358	\$ 160,000
Administrative (In-house)	5,739	2,743	2,284	554	2,267	2,071	1,694	1,642	1,601	2,222	22,817	33,500
Professional services	1,232										1,232	
Development grants/Incentives	132,196	467,804			9,674	8,861	7,935	6,798	5,520	4,125	600,000	600,000
Interest and fiscal charges											67,186	120,000
Debt issuance costs		28,140									28,140	
Total Costs	\$ 139,167	\$ 502,005	\$ 16,152	\$ 10,959	\$ 11,941	\$ 12,372	\$ 9,779	\$ 8,590	\$ 7,271	\$ 6,497	\$ 724,733	\$ 913,500
PROJECT REVENUES												
Tax increments				\$ 12,130	\$ 24,240	\$ 22,946	\$ 22,890	\$ 27,457	\$ 24,876	\$ 25,286	\$ 159,825	
Exempt computer aid			39	101	175	308	312	558	2,055	320	3,868	
Personal property aid										3,233	3,233	
Premium on long-term debt		1,300									1,300	
Loan Repayments Principal				48,086	40,269	17,014	16,638	12,795		14,529	149,331	
Loan Repayments Interest				9,448	7,659	7,284	7,202	6,710		5,530	43,833	
Other Development Payments				18,379							18,379	
Total Revenues	\$ -	\$ 1,300	\$ 39	\$ 88,144	\$ 72,343	\$ 47,552	\$ 47,042	\$ 47,520	\$ 26,931	\$ 48,898	\$ 379,769	\$ -

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
District # 9	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 12/31/2021
2013B General Obligation Note	630,000	510,000	120,000
	\$630,000	\$510,000	\$120,000

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

	PRINCIPAL	INTEREST	TOTAL
2022	60,000	2,580	62,580
2023	60,000	885	60,885
	120,000	3,465	123,465

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%
2020	2,233,900	2.71%
2021	1,860,600	-16.71%

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
2020	24,876
2021	25,286
	\$ 159,825

The amount to be generated in 2022 is \$16,411.

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. 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.

	Authorized	Paid	Loan Balance 12/31/2021
Bull Falls Brewery, LLC			
Grant	\$ 200,000	\$ 200,000	
Loan	400,000	400,000	270,775
	\$ 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 Brewery has continued to struggle with loan payments. The COVID pandemic increased their financial difficulties. The Council recognized and responded to the challenges created by COVID precautions and authorized loan deferrals through June of 2021. Monthly payments have resumed.

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		
ACTUAL									
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)
2020	\$65,520	\$1,751		\$0	\$2,055		\$24,876	(\$40,340)	(\$207,365)
2021	\$64,125	\$2,372		\$20,059	\$3,553		\$25,286	(\$17,599)	(\$224,964)
ESTIMATED									
2022	\$62,580	\$2,150		\$26,007	\$2,055		\$16,411	(\$20,257)	(\$245,221)
2023	\$60,885	\$2,150		\$26,000	\$2,055		\$18,500	(\$16,480)	(\$261,701)
2024		\$2,150		\$26,000	\$2,055		\$24,750	\$50,655	(\$211,046)
2025		\$2,150		\$26,000	\$2,055		\$24,750	\$50,655	(\$160,391)
2026		\$2,150		\$26,000	\$2,055		\$24,750	\$50,655	(\$109,736)
2027		\$2,150		\$26,000	\$2,055		\$24,750	\$50,655	(\$59,081)
2028		\$2,150		\$26,000	\$2,055		\$24,750	\$50,655	(\$8,426)
2029				\$26,000	\$2,055		\$24,750	\$52,805	\$44,379
2030				\$26,000	\$2,055		\$24,750	\$52,805	\$97,184
TOTAL	\$700,651	\$72,597	\$600,000	\$427,171	\$43,975	\$631,300	\$367,986		