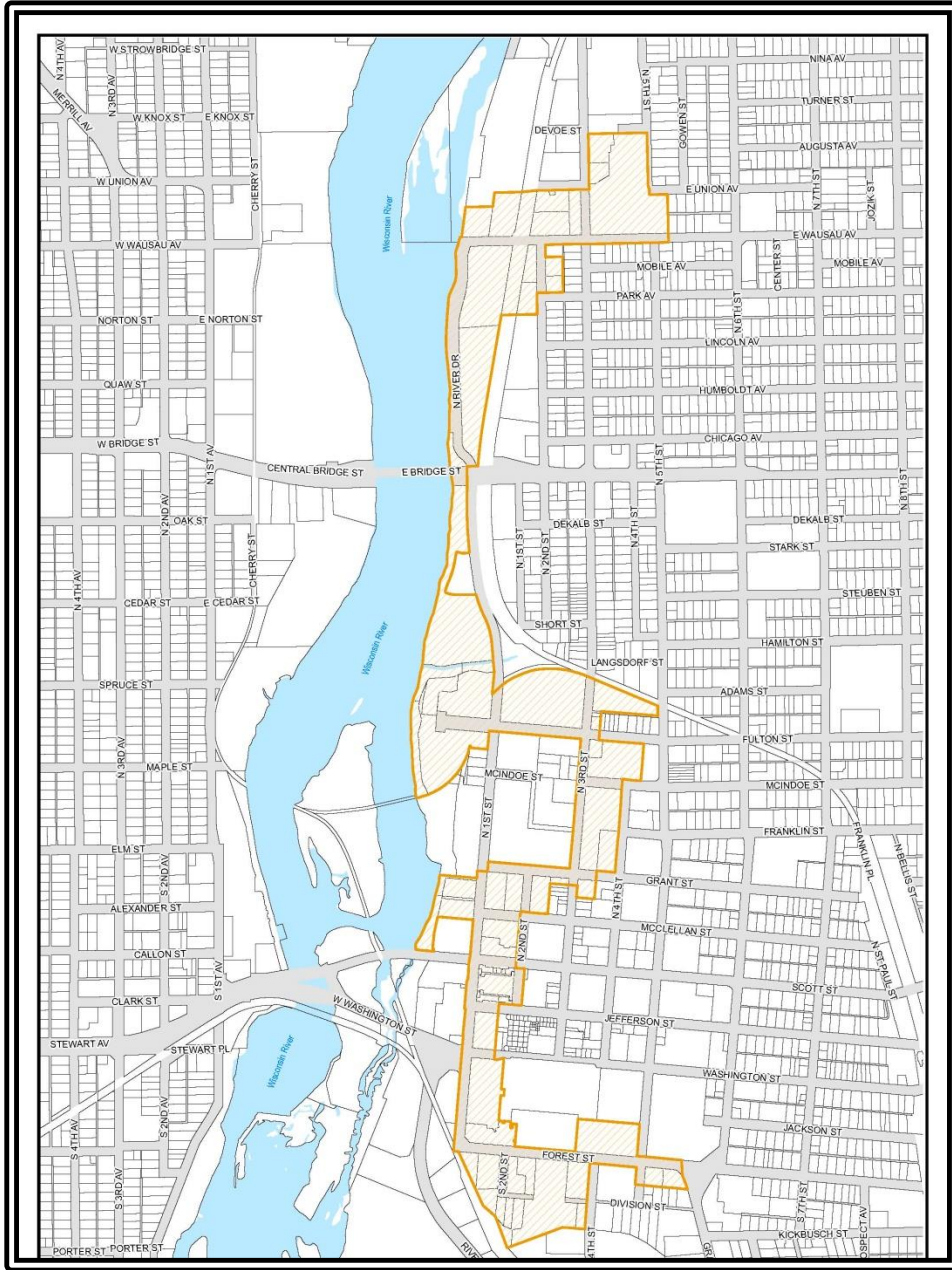


CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

ANNUAL REPORT



WAUSAU FINANCE

December 31, 2021

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

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	\$ 70,874	\$ 836,192
Developer Grants and Incentives	1,279,303	5,267,261
Real Property Acquisition and Deficits	-	418,677
Administration	87,118	187,704
Professional Services	49,685	300,685
Interest and fiscal charges	120,743	372,908
Debt issuance costs and discounts	49,346	93,407
		-
Total Project Costs	<u>\$ 1,657,069</u>	<u>\$ 7,476,834</u>
PROJECT REVENUES		
Tax Increments	\$ -	\$ -
Grant Income	-	\$ 186,505
Special Assessment Taxes	-	4,090
Special Assessment Interest Income	-	474
Investment Income	309	106,529
Exempt Computer Aid	-	-
Sale of Property	-	89,000
Premium on Debt Issuance	-	16,553
Miscellaneous Income	364	33,347
Total Revenues	<u>\$ 673</u>	<u>\$ 436,498</u>
NET COST RECOVERABLE THROUGH TAX INCREMENTS	<u>\$ 1,656,396</u>	<u>\$ 7,040,336</u>
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$ 4,325,000
Less: fund balance (deficit)		<u>(1,100,336)</u>
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS		<u>\$ 5,425,336</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

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	\$ -	\$ -
Grant Income	-	186,505
Special assessment taxes	-	4,090
Special assessment interest income	-	474
Investment Income	309	106,529
Exempt computer aid	-	-
Sale of Property	-	89,000
Miscellaneous Income	364	33,347
Premium on Debt Issuance	-	16,553
Proceeds from long-term debt	<u>5,650,000</u>	<u>9,975,000</u>
 Total Sources	 <u>\$ 5,650,673</u>	 <u>\$ 10,411,498</u>
 USES OF FUNDS		
Capital expenditures	\$ 70,874	\$ 836,192
Developers grants and incentives	1,279,303	5,267,261
Real Property Acquisition Deficits	-	418,677
Administration	87,118	187,704
Professional Services	49,685	300,685
Interest and fiscal charges	120,743	372,908
Debt issuance costs	49,346	93,407
Principal on long-term debt	<u>4,035,000</u>	<u>4,035,000</u>
 Total Uses	 <u>\$ 5,692,069</u>	 <u>\$ 11,511,834</u>
 BEGINNING FUND BALANCE (DEFICIT)	 <u>\$ (1,058,940)</u>	 <u>\$ -</u>
 ENDING FUND BALANCE(DEFICIT)	 <u>\$ (1,100,336)</u>	 <u>\$ (1,100,336)</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

ANNUAL REPORT

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	\$ 133,154	\$ 2,000,000
Parking and Skywalk Facilities	556,502	14,000,000
Professional Services	300,685	-
Development Grant and Incentives	5,267,261	12,996,545
Real Property Acquisition Deficits	565,213	2,260,000
Administration	187,704	520,000
Interest and Fiscal Charges	372,908	6,794,884
Debt Issuance Costs and Discounts	<u>93,407</u>	<u>-</u>
 TOTAL PROJECT COSTS	 <u>\$ 7,476,834</u>	 <u>\$ 38,571,429</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

ANNUAL REPORT

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

	1	2	3	4	5		Project Plan
PROJECT COSTS	2017	2018	2019	2020	2021	Total	Estimate
Capital expenditures			\$ 359,470	\$ 405,848	\$ 70,874	\$ 836,192	\$ 16,000,000
Administrative (In-house)	14,742	17,793	38,106	29,945	87,118	187,704	520,000
Professional services	81,748	53,129	66,920	49,203	49,685	300,685	
Development grants/Incentives			3,974,984	12,974	1,279,303	5,267,261	12,996,545
Real property acquisition deficits	125,860	34,886	257,931		-	418,677	2,260,000
Interest and fiscal charges			113,992	138,173	120,743	372,908	6,794,884
Debt issuance costs		38,681		5,380	49,346	93,407	
Total Costs	\$ 222,350	\$ 144,489	\$ 4,811,403	\$ 641,523	\$ 1,657,069	7,476,834	\$ 38,571,429
PROJECT REVENUES							
Tax increments						\$ -	
Intergovernmental grants			150,900	35,605		186,505	
Special assessments & charges		4,564				4,564	
Investment income		7,204	98,355	661	309	106,529	
Sale of Land			89,000			89,000	
Premium on Debt Issuance				16,553		16,553	
Miscellaneous			27,983	5,000	364	33,347	
Total Revenues	\$ -	\$ 11,768	\$ 366,238	\$ 57,819	\$ 673	436,498	\$ -

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

ANNUAL REPORT

NOTE 1 – Tax Increment District Information:

The **City of Wausau** Tax Incremental District Number Twelve (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.
- e. Improve the Housing Stock within the central core.
- 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 district's strategic location within the Central Business District and proximity to the Interstate Corridor.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
District # 12	7/18/2017	7/18/2039	7/18/2044

The city amended the district boundaries in 2020 to eliminate the negative increment and to adjust for parcel needs.

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

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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
2018C Taxable Note Anticipation Notes	\$4,005,000	4,005,000	\$0
2020D Promissory Note	\$320,000	30,000	\$290,000
2021B Taxable General Obligation Bond	\$5,650,000		\$5,650,000
	<u>\$9,975,000</u>	<u>\$4,035,000</u>	<u>\$5,940,000</u>

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2022	\$ 30,000	\$	91,265	\$	121,265
2023	700,000		74,375		774,375
2024	705,000		70,410		775,410
2025	700,000		65,105		765,105
2026	700,000		58,475		758,475
2027	310,000		52,825		362,825
2028	315,000		48,515		363,515
2029	320,000		43,718		363,718
2030	325,000		38,560		363,560
2031	290,000		33,425		323,425
2032	295,000		28,305		323,305
2033	305,000		22,753		327,753
2034	310,000		16,755		326,755
2035	315,000		10,348		325,348
2036	320,000		3,520		323,520
	<u>\$ 5,940,000</u>	\$	<u>658,354</u>	\$	<u>6,598,354</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

ANNUAL REPORT

NOTE 3 - Valuation of District

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

YEAR	EQUALIZED VALUATION	PERCENTAGE CHANGE
2017	\$32,285,000	
2018	23,866,700	-26.07%
2019	24,348,300	2.02%
2020	24,402,300	0.22%
2021	24,807,900	1.66%

In 2022, the district will recognize its first increment of \$323,071.

NOTE 4 – Developer Projects and Payments

The project plan anticipates development projects and payments within the district and the ½ mile boundary.

- The city entered into a developer agreement with Macndon Ventures LLC for the redevelopment of 2401 and 2403 N 3rd Street. These properties will be redeveloped for the use of the Wisconsin Woodchucks. The total city commitment for developer payments is \$95,000 based upon 75% of the available increment for a period of ten years. The developer will invest \$1,000,000 in property improvements. In exchange the city will provide a \$95,000 grant payable over a period of 10 years based on 75% of available tax increment.
- The city amended their development agreement with WOZ, Inc on November 24, 2020. The amendment provides up to \$3.5 million for demolition, site preparation and façade restoration as outlined in the redevelopment plan. The plan requires the demolition of the Wausau Center Mall, Sears, and JC Penney’s anchor stores, re-establish the street grid; creates public space and anticipates future mixed-use development. In addition, the city agreed to construct public infrastructure.
- The city entered into a developer agreement with Wausau Chemical for the redevelopment of their sites located in Tax Increment District Eleven and the relocation to Tax Increment District Number Twelve. Major terms of the developer agreement include:
 - 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 –allocated to TID #11 and #12.

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER TWELVE

ANNUAL REPORT

- The city entered into a development agreement with Riverlife Wausau LLC. Phase 1 for the construction of apartment building on the city riverfront property. The agreement calls for the city to provide for a \$100,000 tax increment grant equal to 49% of the increment generated payable over a two-year period. The first payment is due in 2022 for increment generated on the 1/1/2021 assessment.
- The city entered into a development agreement with Riverlife Condos LLC for October 30, 2020, for the construction of condos on the city riverfront property. The agreement was amended January 12, 2022. The agreement as amended calls for the city to provide for a \$485,000 tax increment grant calculated on 70% of the property tax increment in 5 annual installments. In addition, in the agreement also provides for a \$50,000 clean-up grant for removal and disposal of contaminated soils. Project completion is May 31, 2023. The first annual increment payment is November of the year following the year the project is completed.

	Authorized	Paid
Macndon LLC	\$ 95,000	\$ 24,112
Riverlife Condos LLC	\$ 535,000	\$ -
Riverlife Wausau LLC	\$ 100,000	\$ -
WOZ	\$ 3,500,000	\$ 1,268,165
Wausau Chemcial	4,000,000	3,974,984
	<u>\$ 8,230,000</u>	<u>\$ 5,267,261</u>

The Wausau Chemical developer payment represents a forgivable loan. The amount outstanding on 12/31/2021 was \$5,678,571. Of this amount \$2,839,270 is allocated to Tax Increment District Twelve.