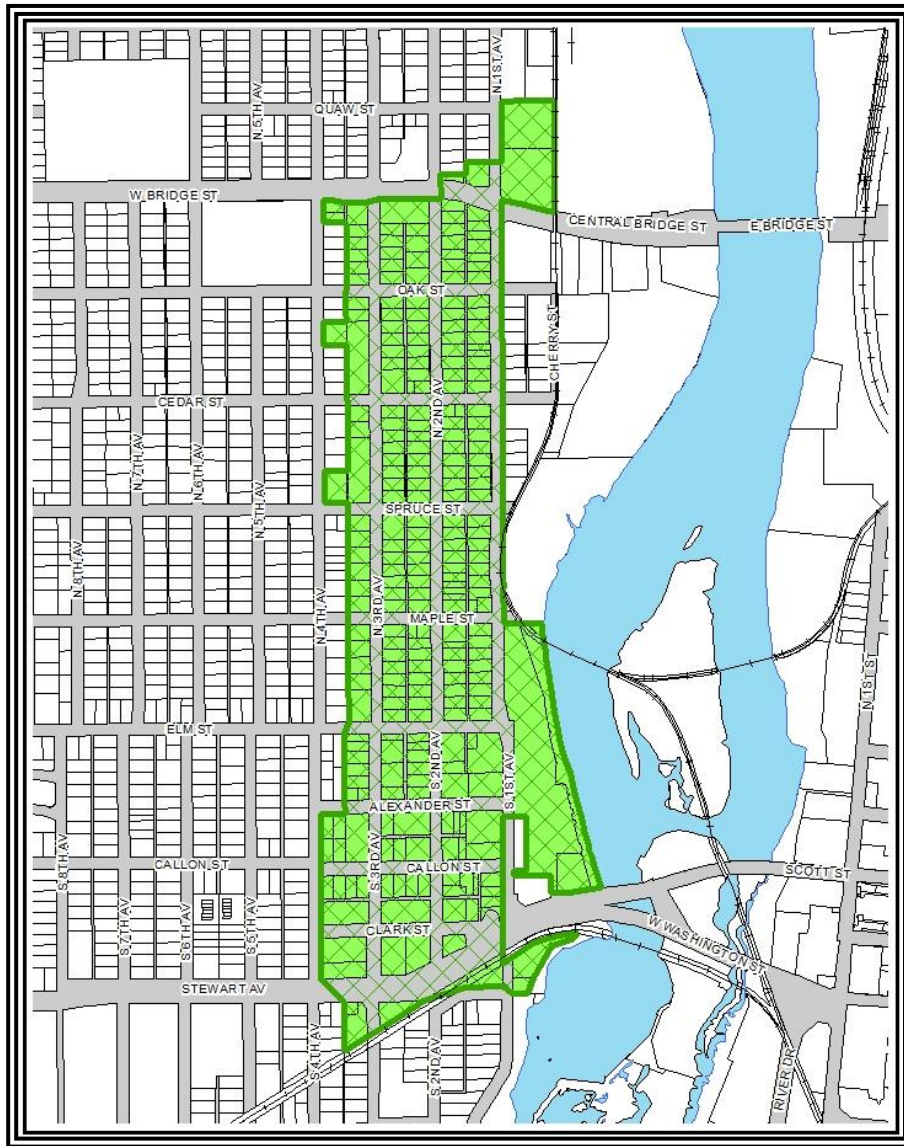


CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT



WAUSAU FINANCE

December 31, 2021

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

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital expenditures	\$ 102,790	\$ 4,583,515
Developer Grants and Incentives	390,178	2,328,460
Administration	30,924	325,096
Professional Services	4,784	430,195
Debt Issuance Costs	-	37,372
Excessive Tax Settlement Payments	-	42,835
Interest and fiscal charges	112,874	362,487
Debt Discount	-	36,565
	<u>\$ 641,550</u>	<u>\$ 8,146,525</u>
PROJECT REVENUES		
Tax increments	\$ 194,635	\$ 1,251,195
Exempt computer aid	196,762	1,580,923
Personal property aid	52,890	52,890
Loan repayments	961	961
Other interest	2,359	2,359
Interest Income	1,895	30,312
Special Assessments	-	42,631
Premium on long term notes	-	141,121
Other Miscellaneous Revenue	-	2,126
	<u>\$ 449,502</u>	<u>\$ 3,104,518</u>
	<u>\$ 192,048</u>	<u>\$ 5,042,007</u>
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$ 4,275,168
Less: fund balance (deficit)		(766,839)
		<u>\$ 5,042,007</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT

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

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	\$ 194,635	\$ 1,251,195
Interest Income	1,895	30,312
Exempt computer aid	196,762	1,580,923
Personal property aid	52,890	52,890
Loan repayments	961	961
Other interest	2,359	2,359
Special Assessments	-	42,631
Premium on long term notes	-	141,121
Other Miscellaneous Revenue	-	2,126
Transfer In from TID 3 debt proceed reallocation	-	933,168
Proceeds from long-term debt	-	5,605,000
	<u>\$ 449,502</u>	<u>\$ 9,642,686</u>
USES OF FUNDS		
Capital expenditures	\$ 102,790	\$ 4,583,515
Developers grants and incentives	390,178	2,328,460
Administration	30,924	325,096
Professional Services	4,784	430,195
Debt issuance costs	-	37,372
Excessive Tax Settlement Payments	-	42,835
Interest and fiscal charges	112,874	362,487
Debt Discount	-	36,565
Transfer out debt proceed reallocation	-	385,000
Principal on long-term debt	638,000	1,878,000
	<u>\$ 1,279,550</u>	<u>\$ 10,409,525</u>
BEGINNING FUND BALANCE (DEFICIT)	<u>\$ 63,209</u>	<u>\$ -</u>
ENDING FUND BALANCE(DEFICIT)	<u><u>\$ (766,839)</u></u>	<u><u>\$ (766,839)</u></u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT

ANNUAL REPORT

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

	Actual	Project Plan Estimate
PROJECT COSTS		
Streets	\$ 4,207,029	\$ 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	413,864	570,000
Residential Redevelopment	-	300,000
Developer Grants and Incentives	2,328,460	2,285,000
Professional Services	179,183	110,000
Administration	325,096	1,433,500
Financing Costs	21,007	-
Excessive Tax Settlement Payments	42,835	-
Interest and Fiscal Charges	378,852	2,073,585
Discount on long-term debt	36,565	-
TOTAL PROJECT COSTS	\$ 8,146,525	\$13,397,085

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT

ANNUAL REPORT

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

PROJECT COSTS	1	2	3	4	5	6	7	8	9	9	Totals	Project Plan Estimate
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
Capital expenditures												
Administration	7,801	10,390	5,717	\$ 52,719	\$ 1,616,172	\$ 20,540	\$ 115,318	\$ 1,354,330	\$ 1,158,794	\$ 102,790	\$ 4,420,663	\$ 7,495,000
Professional services		7,681	38,957	10,642	91,376	14,549	9,813	32,018	111,866	30,924	325,096	1,433,500
Development grants/Incentives				16,115	5,085	5,027	3,873	1,963	95,698	4,784	179,183	110,000
Interest and fiscal charges			372	8,957	275,000	57,500	34,542	45,866	1,559,916	390,178	2,328,460	2,285,000
Interest on advance					23,441	44,714		35,378	102,209	112,874	362,487	2,073,585
Discount on long-term debt					2,054			26,344	8,167	-	36,565	
Debt issuance costs				10,513	3,193			16,365	7,301	-	37,372	
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	4,956	5,630	131	154	-	413,864	
Total Costs	\$ 7,801	\$ 18,071	\$ 242,082	\$ 106,438	\$ 2,257,621	\$ 147,286	\$ 169,176	\$ 1,512,395	\$ 3,044,105	\$ 641,550	\$ 8,146,525	\$ 13,397,085
PROJECT REVENUES												
Tax increments				\$ 140,328	\$ 194,502	\$ 111,771	\$ 113,098	\$ 257,077	\$ 239,784	\$ 194,635	\$ 1,251,195	
Exempt computer aid			183,660	195,509	201,817	189,329	192,113	197,938	223,795	196,762	1,580,923	
Personal property aid										52,890	52,890	
Intergovernmental grants												
Other grants												
Special assessments & charges					24,576	8,906	3,486	2,112	3,551		42,631	
Investment income					5,575	246	289	11,827	10,480	1,895	30,312	
Premium on long-term debt				3,732				89,919	47,470		141,121	
User fees												
Sale of land										961	961	
Loan repayments										2,359	4,485	
Miscellaneous									2,001			
Total Revenues	\$ -	\$ -	\$ 183,660	\$ 339,694	\$ 426,470	\$ 310,252	\$ 308,986	\$ 558,873	\$ 527,081	\$ 449,502	\$ 3,104,518	\$ -

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 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 # 8	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		12/31/2021
	Borrowed	Repaid	
2014 Foundation Loan	\$ 190,000	190,000	\$ -
2016 Foundation Loan	200,000	200,000	-
2015 A Promissory Note	1,020,000	590,000	430,000
2016 C General Obligation Bond	1,488,168	298,000	1,190,168
2019 A General Obligation Note	2,335,000	515,000	1,820,000
2020 D General Obligation Note	920,000	85,000	835,000
	<u>\$ 6,153,168</u>	<u>\$ 1,878,000</u>	<u>\$ 4,275,168</u>

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

Schedule of Maturities			
	Principal	Interest	Total
2022	613,000	89,170	702,170
2023	613,000	75,253	688,253
2024	642,000	60,799	702,799
2025	642,168	45,660	687,828
2026	375,000	34,818	409,818
2027	380,000	26,922	406,922
2028	385,000	18,908	403,908
2029	390,000	10,663	400,663
2030	145,000	4,687	149,687
2031	50,000	2,113	52,113
2032	40,000	650	40,650
	<u>\$ 4,275,168</u>	<u>\$ 369,643</u>	<u>\$ 4,644,811</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT

ANNUAL REPORT

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%
2020	43,117,700	-3.09%
2021	66,093,100	53.29%

NOTE 4 - Tax Increments

YEAR	TAX INCREMENT
2015	\$ 140,328
2016	194,502
2017	111,771
2018	113,098
2019	257,077
2020	239,784
2021	194,635
	\$ 1,251,195

In 2022 the district will recognize increment in the amount of \$646,578.

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 10th, 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 3rd Avenue. The redevelopment includes the reconstruction of a Schierl gas station and creation of a subway and the

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER EIGHT

ANNUAL REPORT

NOTE 6 – Developer Agreements continued

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 FTEs 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.

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. This agreement was amended leaving the terms as follows:

- to terminate the existing ground lease and parking agreements
- to provide a \$1,000,000 loan which will be retired through a payment at ROW dedication and then payments of \$110,000 annually.
- to provide an annual \$327,000 TID grant in 2020
- to sell Sears to WOZ for \$1
- Provide the developer the option to purchase the Penney’s Parking Ramps

On July 16, 2020, the city entered into a developer agreement with Nidus Holding Company LLC and JayJeet M Govardhan to renovate the Plaza Hotel. The developer will divide the existing parcel into three new parcels. Two will be redeveloped with new construction. The hotel parcel will be redeveloped. The Developer will invest \$1.4 million in the project. In exchange the city provided a \$190,000 loan with an interest rate of 1.5% paid in equal installments over 72 months beginning August of 2021.

On April 14, 2020, the Common Council authorized a developer agreement for the 2 phased construction of multi-family housing on the newly divided Plaza Hotel parcel. The terms of the authorization require the developer invest \$17 million of construction costs. In exchange, the city will provide a \$450,000 grant to offset demolition and improvements. In addition, the city will provide tax increment allocation for each phase of the project. Phase 1 the city will provide no more than \$450,000 over a period not to exceed 5 years computed as 50% of available increment. Phase 2 the city will provide no more than \$800,000 over a period not to exceed 7 years computed as 70% of the available increment.

	Authorized	Paid		Projected								Total	
		12/31/2020	12/31/2021	2022	2023	2024	2025	2026	2027	2028	2029		
Lokre Development	G	1,700,000	350,000	100,000	104,000	249,600	249,600	249,600	179,600	145,600	72,000	1,700,000	
1401 Elm Street LLC	G	601,520	-	204,045	175,000	175,000	47,475	-	-	-	-	601,520	
Nidus Holding Co	G	50,000	-	50,000	-	-	-	-	-	-	-	50,000	
Nidus Holding Co	L	190,000	190,000	-	-	-	-	-	-	-	-	190,000	
Wausau Opportunity Zone	L	1,000,000	1,000,000	-	-	-	-	-	-	-	-	1,000,000	
Wausau Opportunity Zone	G	2,289,000	327,000	-	-	-	-	-	-	-	-	327,000	
TFB MI -LLC	L	275,000	275,000	-	-	-	-	-	-	-	-	275,000	
TFB MI - LLC	G	287,500	146,282	40,178	45,000	45,000	11,040	-	-	-	-	287,500	
Total		\$ 6,393,020	\$ 1,938,282	\$ 390,178	\$ 399,045	\$ 324,000	\$ 435,640	\$ 297,075	\$ 249,600	\$ 179,600	\$ 145,600	\$ 72,000	\$ 4,431,020

G= Grant
L= Loan

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	Developer Payments	CVS Tax Claim	Capital Expenditures	Net Debt Proceeds	Other Income	Tax Increment			
ACTUAL											
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		1,356,174	2,767,210	211,879	257,077	1,451,478	1,707,065
9	2020	712,677	496,866	1,559,916		1,254,646	967,470	1,172,995	239,784	(1,643,856)	63,209
10	2021	750,874	31,074	390,178		107,423		254,866	194,635	(830,048)	(766,839)
ESTIMATED											
11	2022	702,170	18,000	270,000				238,098	646,578	(105,494)	(872,333)
12	2023	688,253	6,000	324,000				373,808	615,590	(28,855)	(901,188)
13	2024	702,799	6,000	435,640				373,808	823,590	52,959	(848,229)
14	2025	687,828	6,000	297,075				373,808	823,590	206,495	(641,734)
15	2026	409,818	6,000	249,600				373,808	823,590	531,980	(109,754)
16	2027	406,922	6,000	179,600				367,909	823,590	598,977	489,223
17	2028	403,908	6,000	145,600				359,651	823,590	627,733	1,116,956
18	2029	400,663	6,000	72,000				249,651	823,590	594,578	1,711,534
19	2030	149,687	6,000					249,651	823,590	917,554	2,629,088
20	2031	52,113	6,000					524,651	823,590	1,290,128	3,919,216
21	2032	40,650						249,651	823,590	1,032,591	4,951,807
TOTAL		\$6,900,766	\$803,285	\$4,301,975	\$42,835	\$5,008,282	\$5,699,680	\$6,383,597	\$9,925,673		