

CITY OF WAUSAU TAX INCREMENT DISTRICT FIVE PROJECT PLAN AMENDMENT #3



Plan Commission Public Hearing: September 10, 2012
Adopted by Plan Commission: September 10, 2012
Approved by Common Council: September 25, 2012
Approved by the Joint Review Board: September 26, 2012

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OVERVIEW

DISTRICT HISTORY AND PURPOSE

Tax Increment District “TID” 5 was created July 31, 1997 to promote industry, job creation and tax base enhancements. The original project plan listed the following objectives:

- Increase the employment opportunities available in the community.
- Increase the per capita income in the community.
- Increase the industrial property tax base for all taxing jurisdictions.
- Increase the availability of properly located, adequately serviced industrial sites.
- Accommodate new industries and the expansion of existing industries in the Industrial Park by extending and upgrading the needed infrastructure.
- Installing and financing the improvements necessary to market the industrial land within Tax Increment District Five.

PRIOR AMENDMENTS

The District was previously amended June 2001 and September 2007. Amendment Number One incorporated 90 acres of newly acquired property within the district, while Amendment Number Two added 100 acres. Plan amendments increased project plan costs in the amounts of \$1,844,525 and \$6,640,000 respectively. The state law governing tax increment district financing currently allows communities to add territory to an existing tax increment district four times during the life of the district.

PROPOSED AMENDMENT

The purpose of this amendment is to incur project costs within a one-half mile radius of the district’s boundaries as allowed by 66.1105(2)(f)1.m.

In the past the City’s focus in this district was the development and support of industrial space. In response to the economy, the changing manufacturing landscape throughout the United States, and site selection preferences; the City’s recent efforts have been to reposition the industrial park as a business campus. This repositioning is critical to prepare for the next business cycle and remain competitive for business expansion. The business campus must be ready to meet corporate expectations which focus on corporate image, mixed-use parks, smaller footprint facilities, technology infrastructure, immediate property and facility availability, skilled work force, developer incentives, and business park amenities.

This proposed amendment will provide for developer incentives and the development of a pedestrian trail within the half mile boundaries of the district. In particular the City of Wausau is interested in expending dollars to attract new business and tenants to vacant industrial facilities. Currently there are nine vacant facilities along with many vacant lots for sale within the City of Wausau Business Campus.

One property currently available is the “old” Fiskars facility located at 8300 Highland Drive. The facility was constructed for Fiskars in 1994. The 384,256 square foot building is located on 22.42 acres of land. The building contains 27,954 square feet of office space and 356,569 square feet of industrial or warehousing space. The building has been vacant since the company moved its operations to Mississippi in May 2011 eliminating 51 jobs. It is unlikely that another tenant can be secured to utilize space of this magnitude thus the building should be subdivided to reposition the facility for multiple tenants.

STATEMENT OF KIND, NUMBER AND LOCATION OF THE PROPOSED PUBLIC WORKS OR IMPROVEMENTS WITHIN THE DISTRICT AND ESTIMATED LIST OF PROJECT COSTS

The additional project costs to be incurred will be funded with tax increment are:

Developer Grants, Incentives and Revolving Loan Fund	\$ 590,000
Pedestrian Trail	<u>250,000</u>
	<u>\$ 840,000</u>

- DEVELOPER GRANTS, INCENTIVES AND REVOLVING LOAN FUNDS - include loans or grants related to relocation costs, facility or site improvements, training, technology investment or other incentives. Written developer agreements will be executed, approved by the Common Council and disseminated as required by Wisconsin Statute. It is expected that the City will establish a revolving loan fund at McDevco to provide business relocation, growth or enhancement funds. Properties within the district and ½ mile buffer zone would be eligible.
- PEDESTRIAN TRAIL - The City of Wausau promotes the Wausau Business Campus to maximize the quality and number of businesses in the area. To enhance the Campus as a whole, a pedestrian trail will be developed as shown on Page 8. The trail is located within Tax Increment District Number Five and the ½ mile boundaries. The trail will have markers that demonstrate historically important business accomplishments and natural components of the trail will be highlighted. The construction of the trail is attributable to the emphasis employers are making on wellness and fits in with the culture of the Campus where employees are already walking. The trails also promote safety to stay on designated trail ways and avoid heavy truck traffic areas.

ECONOMIC FEASIBILITY STUDY

The cash flow projection below demonstrates the projected increment will cover existing obligations and expected project costs as well as the costs outlined in this plan amendment. The Cash deficit generated in 2012 is due to the early retirement of debt callable in 2012. The cash deficit will be funded on a short term basis through an interfund loan from the General Fund.

This amendment provides for project costs outside the district boundaries and as such no new increment is generated. Based upon existing allocation of increment and the proposed plan amendment cost of \$840,000 the impact to the overlying jurisdiction is:

City	32.27%	\$271,068
County	19.11%	160,524
School District	41.17%	345,828
Technical College	7.45%	62,580
		<u>\$840,000</u>

TAX INCREMENTAL DISTRICT NUMBER FIVE PROJECTED CASH FLOW

CITY OF WAUSAU TAX INCREMENT DISTRICT FIVE PROJECT PLAN AMENDMENT #3 | 8/20/2012

Year	USES OF FUNDS				2012 Amendment		SOURCES OF FUNDS		
	Existing Amended Plan				Developer Grants and Revolving Loan Funds	Capital Expenditures	Tax Increment	Annual Surplus (Deficit)	Cumulative Balance
	Total Annual Debt Service	Administrative, Organization & Discretionary Costs	Developer Grant	Capital Expenditures					
2012	\$2,421,459	\$18,000		\$25,000			\$1,282,945	(\$1,181,514)	(\$541,038)
2013	\$451,862	\$18,000	\$180,000		90,000		\$1,289,360	\$549,498	\$8,460
2014	\$458,923	\$18,000	\$214,887		500,000		\$1,295,807	\$103,997	\$112,457
2015	\$281,028	\$18,000		\$250,000		250,000	\$1,302,286	\$503,258	\$615,715
2016	\$283,598								
2017	\$289,774								
2018									
2019									
2020									

2015 Possible Closure

METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED

The City will finance the proposed projects with annual increment generated. No additional borrowing is anticipated. The City retains the authority to evaluate the cash flow and adjust its financing plan as needed.

TERMINATION OF THE DISTRICT

Based upon the financial projections presented above the district would be eligible for termination in 2015.

PROPOSED CHANGES IN ZONING ORDINANCES, MASTER PLAN, MAP, BUILDING CODES AND CITY ORDINANCES

The project elements proposed in this Amendment conform to the objectives and conceptual recommendations contained in the City of Wausau Comprehensive Plan. No changes to zoning ordinances, master plan, building codes, map and city ordinances appear to be necessary to implement the Amendment.

LIST OF NON-PROJECT COSTS

No additional non-project costs have been identified.

PROPOSED PLAN FOR RELOCATING ANY DISPLACED PERSONS OR BUSINESSES

The purpose of this amendment is to incur project costs within a one-half mile radius of the district's boundaries as allowed by 66.1105(2)(f)1.m. Based upon the scope of the amendment, no relocation of displaced persons or businesses will be necessary.

ORDERLY DEVELOPMENT OF THE CITY OF WAUSAU

Continued investment, development and repositioning of properties and facilities within the Wausau Business Campus contributes to the orderly development within the City as it maximizes the utilization of existing infrastructure and utilities and deters further sprawl. The projects considered in this plan amendment are consistent with the City of Wausau Comprehensive Plan as well as existing development in the business campus.

SUMMARY OF FINDINGS

- That development projected to occur would not occur or would not occur in the manner, at the values, or within the timeframe desired by the City without the plan amendment,
- That the economic benefits of amending the district, as measured by increased employment, business and personal income, and property value, are insufficient to compensate for the cost of the improvements,
- That the benefits of the plan outweigh the anticipated tax increments to be paid by the property owners in the overlying taxing jurisdictions.

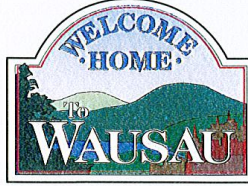
MAP SHOWING EXISTING USES AND CONDITIONS

A map depicting the Existing Uses and Conditions of property within the District was included in the original project plan. Since the scope of this Amendment is limited to incurring project costs outside the district no changes to the map are necessary.

MAPS SHOWING PROPOSED IMPROVEMENTS AND USES

The map detailing the one-half mile buffer is presented on Page 7. The proposed pedestrian trail is located on page 8.

OPINION OF THE CITY ATTORNEY ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105



Office of the City Attorney

Anne L. Jacobson
City Attorney

Tara G. Alfonso
Assistant City Attorney

September 21, 2012

Wausau Common Council Members
Joint Review Board Members
407 Grant Street
Wausau WI 54403

Re: Project Plan Tax Incremental District Number Five, Amendment Three

Ladies and Gentlemen:

As City Attorney, I have reviewed the Project Plan Amendment #3 of Tax Increment District Number 5, pursuant to Wis. Stats. S. 66.1105(4)(f). The public hearing was held on September 10, 2012, and on the same date, the Planning Commission approved Plan Amendment # 3 for said Tax Increment District. This approval and recommendation was preceded by proper notice to those persons set forth in Wis. Stats. S. 66.1105(4) and Class II notices published in the Wausau Daily Herald, as required by Wis. Stats. S. 66.1105(4).

Subsequent to said public hearing and recommendation, the City Council will consider, pursuant to a duly posted agenda, on September 25, 2012, approval of Plan Amendment #3 of Tax Increment District Number 5, pursuant to Wis. Stats. S. 66.1105(4)(gm).

Based upon my review of the Plan Amendment and the information presented to me, I find the Amended Plan to be complete and compliant with Wisconsin Statutes. It should be noted that the Plan was amended to include additional projects and costs outside the District, but within the ½ mile buffer zone.

This correspondence should be attached to and made a part of the Project Plan.

Very truly yours,

CITY OF WAUSAU

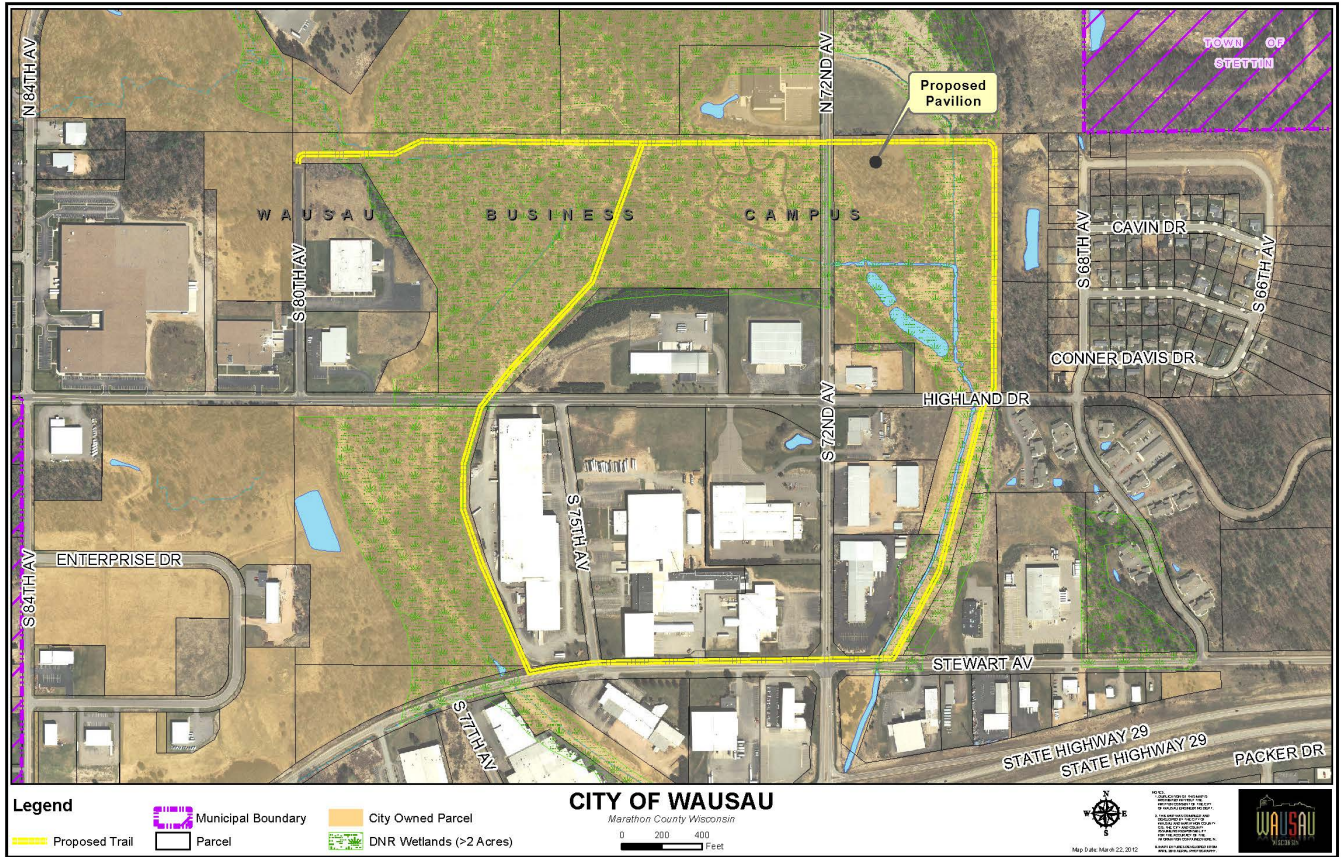
A handwritten signature in cursive script, appearing to read "Anne L. Jacobson".

Anne L. Jacobson
City Attorney

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MAP SHOWING PEDESTRIAN WALK WAY

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RESOLUTION OF THE COMMON COUNCIL

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

JOINT RESOLUTION OF THE PLAN COMMISSION, ECONOMIC DEVELOPMENT AND FINANCE COMMITTEES	
Approving the Project Plan Amendment of Tax Increment District Number Five (TID #5)	
Committee Action:	Plan Comm: Approved 4-0 Econ Dev: Approved 3-0 Finance: Approved 5-0
Fiscal Impact:	The project plan is not an expenditure commitment
File Number:	97-0404
Date Introduced:	September 25, 2012

WHEREAS, the City of Wausau has followed a policy of promoting business, community amenities, and industrial development activities and improving infrastructure within the City; and

WHEREAS, the City's Economic Development strategy focuses on the attraction, retention and sustainability of business, community amenities, and industrial development activities and improving infrastructure to increase the property tax base and add new jobs; and

WHEREAS, on September 10, 2012 the Plan Commission held a public hearing on approving the Tax Increment District Number Five project plan amendment to allow for the inclusion of project costs within a ½ mile buffer zone of the existing district boundaries; and

WHEREAS, prior to publication of the public hearing notice, a copy of said notice was sent via certified mail to the Superintendent of the Wausau School District, the President of Northcentral Technical College, and the Marathon County Administrator; and

WHEREAS, the Plan Commission adopted the amended project plan for the Tax Incremental District Number Five; and

WHEREAS, the Finance Committee and Economic Development Committee have reviewed the plan amendment and concur with the summary of findings as required by Wisconsin Statute 66.1105(4m)(c) including:

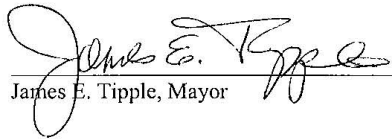
- That development projected to occur would not occur or would not occur in the manner, at the values, or within the timeframe desired by the City without the plan amendment,
- That the economic benefits of amending the district, as measured by increased employment, business and personal income, and property value, are insufficient to compensate for the cost of the improvements,
- That the benefits of the plan outweigh the anticipated tax increments to be paid by the property owners in the overlying taxing jurisdictions.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Wausau, under the powers granted by the authority of the Tax Increment Law, as follows:

1. That the improvement of the area included in Tax Incremental District Number Five is likely to enhance the value of real property in the district over time;
2. That the project costs in the project plan amendment directly serve to promote development consistent with the purpose for which the district was created;

3. That the appropriate City officials shall provide the Joint Review Board with the information needed to prepare findings relative to approving the project plan amendment; and
4. That the City Clerk, City Treasurer, and City Assessor shall complete and submit the necessary forms to the Wisconsin Department of Revenue as may be required by that agency to formally approve the plan amendment of Tax Incremental District Number Five.

Approved:


James E. Tipple, Mayor

RESOLUTION OF THE JOINT REVIEW BOARD

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE JOINT REVIEW BOARD
Approving the Project Plan Amendment for Tax Incremental Financing District Number Five, City of Wausau (TID #5)
Date Introduced: 9/26/2012

WHEREAS, the City of Wausau, Marathon County, Wisconsin seeks authorization to amend the project plan of Tax Increment District Number Five, (the "District"); and

WHEREAS, this plan has received the necessary approvals by the Wausau Plan Commission and Common Council; and

WHEREAS, Wisconsin Statutes, Section 66.1105 requires that a Joint Review Board, (the "Board") shall convene no later than 30 days after receipt of the council approval to consider the proposed plan amendments; and

WHEREAS, the Board has reviewed the Project Plan amendment presented by the City of Wausau attached to this resolution; and

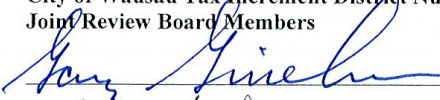
WHEREAS, the Board has evaluated the amendment based upon the criteria established in Wisconsin Statutes, Section 66.1105(4m)(c)1. and found the following to be true


- That development projected to occur would not occur or would not occur in the manner, at the values, or within the timeframe desired without the project plan amendment,
- That the economic benefits of modifying the project plan, as measured by increased employment, business and personal income, and property value, are insufficient to compensate for the cost of the improvements,
- That the benefits of the plan outweigh the anticipated tax increments to be paid by the property owners in the overlying taxing jurisdictions.


NOW, THEREFORE, BE IT RESOLVED by the Joint Review Board of the City of Wausau that the Project Plan Amendment of Tax Increment District Number Five be approved,

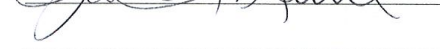
BE IT FURTHER RESOLVED, that this executed resolution be signed by at least three members of the Board and submitted to the City of Wausau no later than seven days after Board action.

Passed and Approved
City of Wausau Tax Increment District Number Five
Joint Review Board Members









Representing

City of Wausau

Citizen Member

Marathon County

Northcentral Technical College

Wausau School District