

December 16, 2015

Project Plan for the Territory & Project Plan Amendment of Tax Incremental District No. 5



CITY OF WAUSAU, WISCONSIN

Organizational Joint Review Board Meeting Held:	December 15, 2015
Public Hearing Held:	December 15, 2015
Consideration for Approval by Plan Commission:	December 15, 2015
Consideration for Adoption by Common Council:	Scheduled for: December 22, 2015
Consideration for Approval by the Joint Review Board:	Scheduled for: January 4, 2016

Tax Incremental District No. 5 Territory & Project Plan Amendment

City of Wausau Officials

Common Council

James Tipple	Mayor
William Nagle	Council Member
Romey Wagner	Council Member
David Nutting	Council Member
Tom Neal	Council Member
Gary Gisselman	Council Member
Keene Winters	Council Member
Lisa Rasmussen	Council Member
Karen Kellbach	Council Member
David Oberbeck	Council Member
Sherry Abitz	Council Member
Robert Mielke	Council Member

City Staff

Toni Rayala	City Clerk
Maryanne Groat	Finance Director
Anne Werth	Community Development Director
Brad Lenz	City Planner
Anne Jacobson	City Attorney

Plan Commission

Mayor James Tipple	Phil Valitchka
Eric Lindman	Tom Atwell
David Oberbeck	Bruce Bohlken



Standing Joint Review Board

Gary Gisselman

Audrey Jensen

Jane Kittel

Robert Tess

John Opolka

City Representative

Marathon County

Northcentral Technical College District

Wausau School District

Public Member



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SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 5 (the “TID” or “District”) is an existing industrial district, which was created by a resolution of the City of Wausau (“City”) Common Council adopted on July 8, 1997(the “Creation Resolution”).

Amendments

The Donor District was previously amended in 2001 and 2007, whereby a resolution was adopted to add additional territory to the District, and to amend the list of projects to be undertaken. These amendments were the first and second of four territory amendments permitted for this District.

The Donor District was previously amended in 2012, whereby a resolution was adopted to amend the list of projects to be undertaken.

Purpose of this Amendment

The City proposes to remove specified parcels from the District whose inclusion is no longer necessary for District cash flow purposes. This will enable the City and other overlying taxing jurisdictions to receive the benefit of the release of the associated incremental value into the general tax base beginning in 2017. Subtracting the territory would not alter the closure date of the district, however congruently to this amendment, the City is also looking to share increment revenue with another tax increment district. A map, located in Section 3 of this plan, identifies the Territory to be removed and its geographic relationship to the existing District’s boundaries.

Summary of Findings

As required by Wisconsin Statutes Section 66.1105, and as documented in this Project Plan Amendment and the exhibits contained and referenced herein, the following findings are made: Since the purpose of this amendment is solely to subtract property, these tests cannot be applied in the conventional way. The Joint Review Board has previously concluded that these tests have been met. Accordingly, the City finds that it is reasonable to conclude these tests continue to be satisfied.

- The project costs will not change as a result of this amendment.
- There are no additional improvements as a result of this amendment.

SECTION 2: Type and General Description of District

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on July 8, 1997by resolution of the Common Council. The District’s valuation date, for purposes of establishing base value, was January 1, 1997.

The existing District is an “Industrial District,” created on a finding that at least 50%, by area, of the real property within the District was zoned and suitable for industrial sites within the meaning of Wisconsin Statutes Section 66.1101. The District will remain in compliance with this finding after the subtraction of the Territory identified in this Amendment. The Preliminary Parcel list found in Section 5 of this plan provides a calculation demonstrating continued compliance with the 50% test.

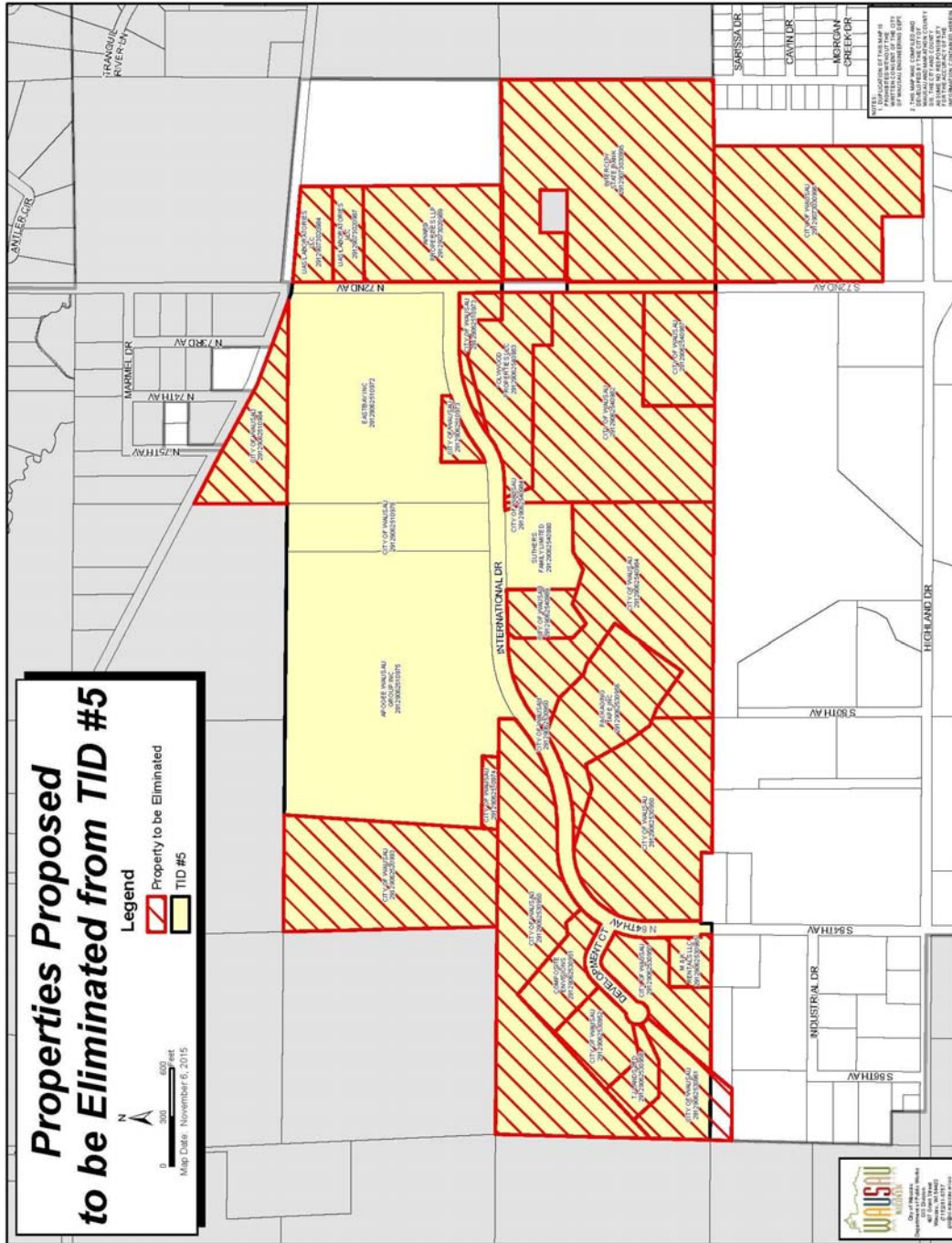
Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a City to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the District have been amended twice prior to this Amendment.

This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan, or any component of previously adopted Project Plan Amendments, unless specifically stated. All components of the original Project Plan, and its previously adopted Project Plan Amendments, remain in effect.

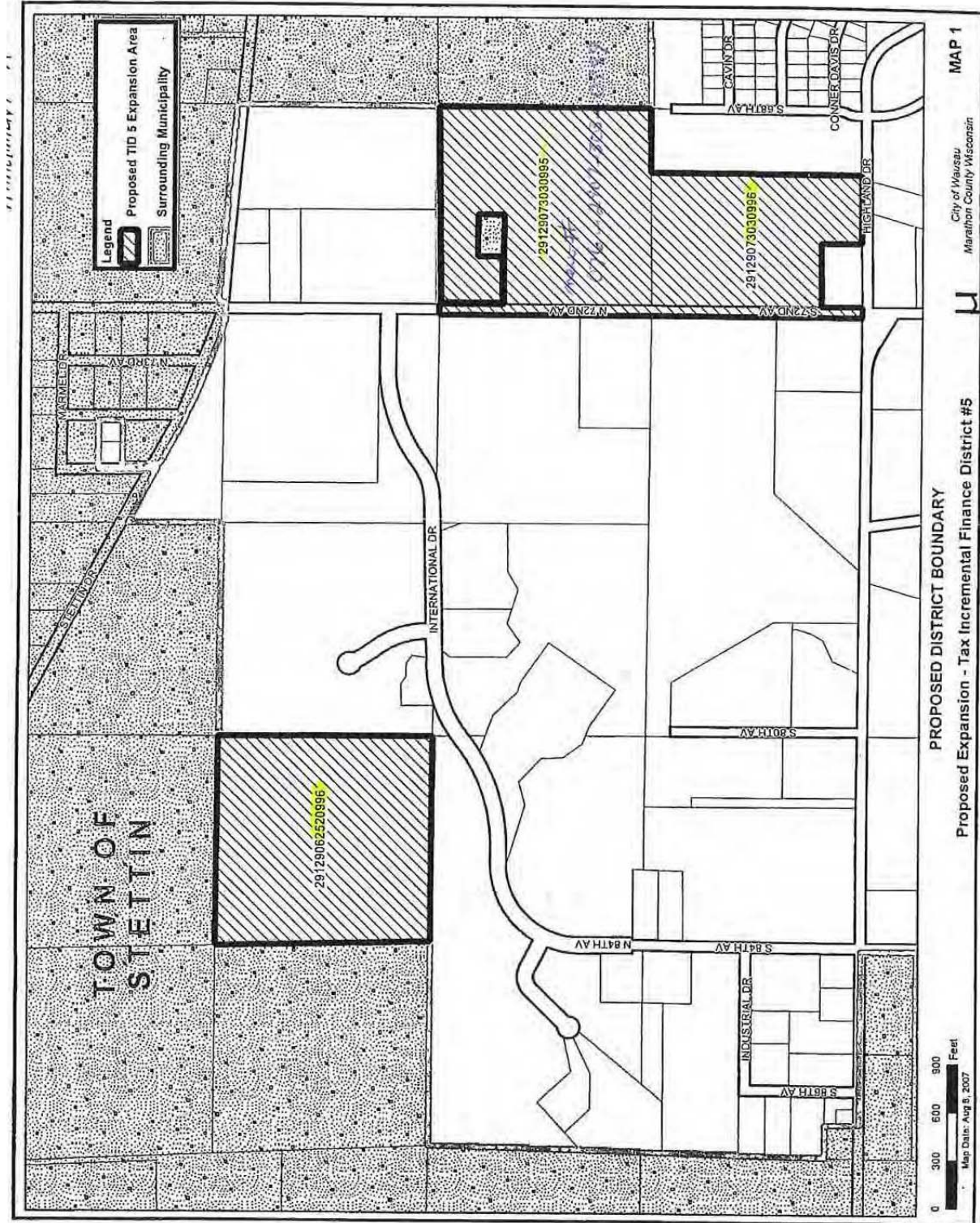
The purpose of the Amendment is to remove specified parcels from the District whose inclusion is no longer necessary for District cash flow purposes. This will enable the City and other overlying taxing jurisdictions to receive the benefit of the release of the associated incremental value into the general tax base beginning in 2017. Subtracting the identified Territory would not alter the anticipated closure date, however congruent to this effort the City is also contemplating sharing increment revenues with another tax increment district.

A map depicting the boundaries of the District is found in Section 3 of this Plan. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution, the District remains an Industrial District based on the identification and classification of the property included within the District.

SECTION 3: Preliminary Maps of Original District Boundary and Territory Amendment Area Identified



Current TID 5 Boundary.
 Reflects 1997 creation, 2001 & 2007 Territory Amendments to Add Property



SECTION 4: Map Showing Existing Uses and Conditions Within The Territory Remaining

There will be no change to the existing uses and conditions within the District as a result of this amendment. A copy of this map can be found in the Original and/or Amended Project Plan Documents.

SECTION 5: Preliminary Parcel List and Analysis Within The Territory Remaining

See last page in this document – Exhibit B.

SECTION 6: Equalized Value Test

No additional territory will be added to the District. Demonstration of compliance with the equalized value test is not required for this Amendment.

SECTION 7: Statement of Kind, Number and Location of Proposed Public Works and Other Projects

The project costs will not change, nor are there any additional improvements as a result of this amendment. The statement of kind, number and location of proposed public works and other projects as documented in the Original and/or Amended Project Plan Documents remains in effect.

SECTION 8: Map Showing Proposed Improvements and Uses Within The Territory Remaining

There will be no change to the proposed improvements or uses within the District as a result of this amendment. A copy of this map can be found in the Original and/or Amended Project Plan Documents.

SECTION 9: Detailed List of Project Costs

The project costs will not change, nor are there any additional improvements as a result of this amendment. The statement of kind, number and location of proposed public works and other projects as documented in the Original and/or Amended Project Plan Documents remains in effect. It is not anticipated that any additional costs will be incurred with this district.

SECTION 10: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

There will be no additional project financing as part of this amendment.

Implementation and Financing Timeline

There are no proposed changes to the projects or projects costs identified in the Original and/or Amended Project Plan documents.

Increment Revenue Projections

City of Wausau											
Tax Increment Projection Worksheet											
Tax Increment District # 5											
Type of District	Ind (Pre 10-1-04)		Base Value	108,914	Apply to Base Value						
Creation Date	July 8, 1997		Appreciation Factor	1.00%							
Valuation Date	Jan 1,	1997	Base Tax Rate	\$26.60							
Max Life (Years)	23		Rate Adjustment Factor								
Expenditure Periods/Termination	18	7/8/2015									
Revenue Periods/Final Year	23	2021									
Extension Eligibility/Years	Yes	0	Tax Exempt Discount Rate								
Recipient District	No		Taxable Discount Rate	1.50%							
Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation		
16	2012	0	2013	0	2014	\$26.60	1,184,828	1,184,828	933,681		
17	2013	0	2014	445,424	2015	\$26.60	1,185,511	2,370,339	1,854,095		
18	2014	0	2015	445,681	2016	\$26.60	1,271,552	3,641,891	2,826,719		
19	2015	(11,016,295)	2016	478,027	2017	\$26.60	978,518	4,620,409	3,564,138		
20	2016	0	2017	367,864	2018	\$26.60	988,304	5,608,713	4,297,924		
21	2017	0	2018	371,543	2019	\$26.60	998,187	6,606,900	5,028,096		
22	2018	0	2019	375,258	2020	\$26.60	1,008,168	7,615,068	5,754,670		
23	2019	0	2020	379,011	2021	\$26.60	1,018,250	8,633,318	6,477,666		
Totals		(11,016,295)	2,862,808	Future Value of Increment	8,633,318						

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Cash Flow

City of Wausau Tax Increment District # 5 Cash Flow Projection												
Year	Projected Revenues			Expenditures				Balances				
	Tax Increments	Interest Earnings/ (Cost)	Total Revenues	2010 B Refunding		Other	Other Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	Year
				Dated Date: Principal	Est. Rate	Interest						
2014	1,185,511		1,185,511	260,000		21,028		0	904,483	(198,888)	815,000	2014
2015	1,271,552		1,271,552	270,000		13,598	10,000	281,028	977,954	705,595	555,000	2015
2016	978,518		978,518	285,000		4,774		293,598	688,744	1,683,549	285,000	2016
2017	988,304		988,304					289,774	988,304	2,372,294	0	2017
2018	998,187		998,187					0	998,187	3,360,597		2018
2019	1,008,168		1,008,168					0	1,008,168	4,358,784		2019
2020	1,018,250		1,018,250					0	1,018,250	5,366,952		2020
2021								0	1,018,250	6,385,202		2021
Total	7,448,490	0	7,448,490	815,000		39,400	10,000	864,400	0	0	815,000	Total

Projected TID Closure

Notes:

SECTION 11: Annexed Property

No territory will be added to the District.

SECTION 12: Estimate of Remaining Property to be Devoted to Retail Business

The City estimates that less than 35% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.

SECTION 13: Proposed Zoning Ordinance Changes

The City does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Amended Project Plan. And any real property within the District that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District.

SECTION 14: Proposed Changes in Master Plan, Map, Building Codes and City of Wausau Ordinances

It is expected that this Plan will be complementary to the City's Master Plan. There are no proposed changes to the Master Plan, map, building codes or other City ordinances for the implementation of this Plan.

SECTION 15: Relocation

It is not anticipated there will be a need to relocate persons or businesses in conjunction with this Plan. In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the City will follow applicable Wisconsin Statutes Section chapter 32.

SECTION 16: Orderly Development and/or Redevelopment of the

This amendment will have no impact on the viability of the original District Project Plan as it relates to the orderly development and/or redevelopment of the City.

SECTION 17: List of Estimated Non-Project Costs

Non-Project Costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds.

Examples would include:

A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.

A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.

Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

The City does not expect to incur any non-project costs in the implementation of this Project Plan.

SECTION 18:
Opinion of Attorney for the City of Wausau Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105

December 17, 2015

SAMPLE

Mayor James E. Tipple
City of Wausau
407 Grant Street
Wausau, Wisconsin 54403

RE: City of Wausau, Wisconsin Tax Incremental District No. 5 Amendment

Dear Mayor:

As City Attorney for the City of Wausau, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Section 66.1105 of the Wisconsin Statutes. This opinion is provided pursuant to Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

Attorney Anne Jacobson
City of Wausau

Exhibit A:
**Calculation of the Share of Projected Tax Increments
 Estimated to be Paid by the Owners of Property in the
 Overlying Taxing Jurisdictions**

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.											
Statement of Taxes Data Year:		2014		Percentage							
County	12,741,256			18.37%							
Technical College	2,994,215			4.32%							
Municipality	27,573,426			39.75%							
School District of Wausau	26,063,439			37.57%							
Total	69,372,336										
Revenue Year	County	Municipality	School District of Wausau	Technical College	Total	Revenue Year					
2014	217,611	470,934	445,144	51,139	1,184,828	2014					
2015	217,737	471,205	445,401	51,168	1,185,511	2015					
2016	233,539	505,404	477,727	54,882	1,271,552	2016					
2017	179,719	388,932	367,633	42,234	978,518	2017					
2018	181,517	392,821	371,309	42,657	988,304	2018					
2019	183,332	396,749	375,022	43,083	998,187	2019					
2020	185,165	400,717	378,773	43,514	1,008,168	2020					
2021	187,017	404,724	382,560	43,949	1,018,250	2021					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">1,585,637</td> <td style="text-align: center;">3,431,485</td> <td style="text-align: center;">3,243,569</td> <td style="text-align: center;">372,627</td> <td style="text-align: center;">8,633,318</td> </tr> </table>							1,585,637	3,431,485	3,243,569	372,627	8,633,318
1,585,637	3,431,485	3,243,569	372,627	8,633,318							
Notes: The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.											

Exhibit B:
Preliminary Parcel List and Analysis Within The Territory Remaining

City of Wausau, WI																				Assessment Roll Classification? <small>(Residential = Class 1, Commercial = Class 2, Manufacturing = Class 3, Ag = Class 4, Undeveloped = Class 5, Ag Forest = Class 5M, Forest = Class 6, Other = Class 7 & Exempt = X)</small>																							
TID NO. 5 Industrial Boundary Subtraction and Sharing Amendment																																											
Base Property Information - Parcels to Remain as TID 5																																											
Parcel Number	Street Address	Owner	Acreage	Annexed Post 1/1/04? <small>...Indicate date</small>	Municipally Owned? <small>...Indicate Specific Parcel Property Use</small>	Assessment Information				Creation Equalized Value				January 1, 2015 Equalized Value				District Classification					District Classification																				
						Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Industrial (Zoned and Suitable)	Commercial/ Business	Existing Residential	Newly Platted Residential	Suitable for Mixed Use	Blighted	Rehab/ Conservation	Vacant																
291-2906-251-0975	7800 International Drive	APOGEE WAUSAU GROUP	48.695	08/14/2007 Town of Stettin	No	999,700	14,567,700	791,000	16,358,400	100.52%	71,257	0	0	71,257	100.52%	994,500	14,491,600	786,800	16,272,900	49.725				49.73			48.70	3															
291-2906-251-0978	7750 International Drive	CITY OF WAUSAU	8.530	No	Stormwater Retention Pond				0	100.52%	0	0	0	0	100.52%	0	0	0	0	8.53				8.53			8.53	3															
291-2906-251-0972	500 N 72nd Avenue	EASTBAY INC.	22.781	No	No	496,200	11,800,200	6,871,200	19,167,600	100.52%	13,658	0	0	13,658	100.52%	493,609	11,738,587	6,835,323	19,067,519		22.781			22.78			22.78	2															
291-2906-254-0990	7801 International Drive	SUTHERS FAMILY	5.23	No	No	105,100	1,264,800	193,100	1,563,000	100.52%	24,000	0	0	24,000	100.52%	104,600	1,258,200	192,100	1,554,900					5.23			5.23	3															
Total Acreage			85.24			1,601,000	27,632,700	7,855,300	37,089,000		108,915	0	0			1,592,709	27,488,387	7,814,223		63.485	22.781	0	0	86.266	0	0	85.237																
										Confirmed Base Value 108,915				Revised Value (Increment & Base) 36,895,319																													
																		74.48%					26.73%			0.00%			0.00%			101.21%			0.00%			0.00%			100.00%		