*** All present are expected to conduct themselves in accordance with our City's Core Values ***

# OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

Meeting of: **ECONOMIC DEVELOPMENT COMMITTEE**
Date/Time: **Tuesday, November 4, 2020 at 5:15 p.m.**
Location: **City Hall, Council Chambers**
**Members:** Tom Neal (C) , Lisa Rasmussen, Sarah Watson, Becky McElhaney and Tom Kilian

## AGENDA ITEMS FOR CONSIDERATION (All items listed may be acted upon)

1 Approval of the Minutes from 10/06/2020

2 Discussion and Possible Action on the amendment to the Development Agreement with Wausau Opportunity Zone (WOZ) for the redevelopment of the Wausau Center Mall property.

3 Discussion and Possible Action approving the project plan amendment 3 of Tax Incremental District #7 to serve as a donor district to Tax Incremental District #12.

4 **CLOSED SESSION** pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session:

• Amendment to the Development Agreement with Wausau Opportunity Zone (WOZ) for the redevelopment of the Wausau Center Mall property.

5 **RECONVENE** into Open Session to Take Action on Closed Session Items, If Necessary

6 Updates
• Wausau Center Mall Planning
• Aedifix Builds proposals for the Riverlife area and North 2nd Street/Near North neighborhood.

7 Adjournment

It is likely that members of, and a quorum of the Council and/or members of other committees of the Common Council of the City of Wausau will be in attendance at the above-mentioned meeting to gather information. **No action will be taken by any such groups.**

**This Notice was posted at City Hall and emailed to the Media on 10/30/2020**

Due to the COVID-19 pandemic, this meeting is being held in person and via teleconference. Members of the media and the public may attend in person, subject to the social distancing rules of maintaining at least 6 feet apart from other individuals, or by calling 1-408-418-9388. The Access Code is **146 036 6753**. Password is **wausau** Individuals appearing in person will either be seated in the Council Chambers or an overfill room, subject to the social distancing rules. Space available will be on a first come, first served basis. All public participants' phones will be muted during the meeting. Members of the public who do not wish to appear in person may view the meeting live over the internet at https://tinyurl.com/WausauCityCouncil, on the City of Wausau's YouTube Channel https://www.youtube.com/channel/UC-Nigpdco_i8sq5FbbJD_aw, live by cable TV, Channel 981, and a video is available in its entirety and can be accessed at https://www.youtube.com/channel/UC-Nigpdco_i8sq5FbbJD_aw af. Any person wishing to offer public comment who does not appear in person to do so, may e-mail Sean Fitzgerald at sean.fitzgerald@ci.wausau.wi.us with "Economic Devlopment Committee public comment" in the subject line prior to the meeting start. All public comment, either by email or in person, will be limited to items on the agenda at this time. The messages related to agenda items received prior to the start of the meeting will be provided to the Chair.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 (ADA), the City of Wausau will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs or activities. If you need assistance or reasonable accommodations in participating in this meeting or event due to a disability as defined under the ADA, please call the ADA Coordinator at (715) 261-6590 or ADAServices@ci.wausau.wi.us to discuss your accessibility needs. We ask your request be provided a minimum of 72 hours before the scheduled event or meeting. If a request is made less than 72 hours before the event the City of Wausau will make a good faith effort to accommodate your request.

Other Distribution: Media, Alderpersons, Mayor, City Departments

## ECONOMIC DEVELOPMENT COMMITTEE

| | |
|---|---|
| Date and Time: | Tuesday, October 6, 2020 at 5:15 p.m., Council Chambers |
| Committee Members Present: | Tom Neal (c), Lisa Rasmussen, Sarah Watson, Becky McElhaney and Tom Kilian |
| Others Present: | MaryAnne Groat, Anne Jacobson, Brad Lenz, Katie Rosenberg, Sean Fitzgerald, Deb Ryan, Dawn Herbst, Ann Werth, Tony Gibart and Michelle Van Krey. |

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner.

The Economic Development Committee meeting was called to order by Neal at 5:15 p.m.

**Agenda Item #1 Approval of the Minutes from 09/01/2020**

*Motion by Watson, second by Kilian to approve the minutes. Motion passed 5-0.*

**Agenda Item #2 Discussion and Possible Action on the proposal received by Cherry Tree Dental for a development in the Riverlife area.**

Fitzgerald reviewed the Cherry Tree Dental project as presented in the packet. Cherry Tree Dental President Jack Young spoke about the proposal and indicated his team incorporated much of the feedback the committee provided in previous meetings, including changes to building design, land purchase price and their request for city participation.

Young introduced Dr. Wen Sun, one of the clinic's dental partners, who spoke about her family's positive transition to the Wausau area as well as the importance of maintaining its clinic in the downtown. Dr. Frederick Prehn, another partner from the dental clinic, highlighted the proposed clinic's role in proving complementary medical services to those offered by Eye Clinic of Wisconsin and the proposed Aspirus clinic under construction.

Rasmussen complimented the modifications to the proposed design and indicated that her previous concerns about the project had all been addressed. Kilian indicated he feels the project serves a public purpose for this neighborhood. Mayor Rosenberg thanked the team from Cherry Tree Dental for its efforts to modify its original proposal into a project more consistent with the committee's guidance.

*Motion by Rasmussen, second by Kilian to approve the proposal received by Cherry Tree Dental. Motion passed 5-0.*

**Agenda Item #3 Discussion and Possible Action on the proposal received by Aedifix Holdings for development of multi-family housing in the Near North neighborhood along North 2nd and 3rd streets.**

Fitzgerald reviewed the Aedifix Holdings residential development project as presented in the packet, but noted the two parcels on North 3rd Avenue located above the Stinchfield Creek culvert would not be included in the project because it's being used as a public space. The developer also modified its proposal to offer $5,000 for each parcel rather than $1 for the seven parcels.

Rasmussen lauded the design aesthetic of the proposal and appreciated the developer amending its offer to purchase each parcel for $5,000 rather than the initial offer of $1. Rasmussen did cite concerns about the developer's request for city assistance given its apparent successes leasing and selling properties on Thomas Street and on North Third Street.

Neal indicated the project is located within his district and acknowledged it's a neighborhood in need of significant investment and upgrade.

McElhaney asked about the developer's request for the city to reconstruct North Second Street. Rasmussen explained that the Capital Investment & Street Maintenance committee has held off on reconstructing the street due to the recurring development in the neighborhood and a desire to wait until those development projects are further along.

Kilian asked Neal if there had been any concerns voiced by neighbors and other constituents. Neal acknowledged there had been none.

Neal recommended the city's negotiating position be taken up in closed session.

**Agenda Item #4 Discussion and Possible Action on the request for tax incremental finance support by Westside Warehousing for a $6.5 million expansion at 835 South 66th Avenue.**

Fitzgerald reviewed the Westside Warehousing industrial development expansion project as presented in the packet.

Jim Peter, co-owner of Westside Warehousing, explained the company's role in the product delivery supply chain for local manufacturers and outlined the company's need for an expanded facility in the industrial park.

Rasmussen indicated it's always been the city's goal to grow local industry. She felt the appreciation in property value provided a quick return on investment to justify the city's participation.

Kilian asked for clarification on Westside Warehousing's wages and benefits. Peter explained that forklift drivers are provided a living wage and continued training.

*Motion by Rasmussen, second by Watson to approve the proposed tax incremental financing plan for Westside Warehousing. Motion passed 5-0.*

**Agenda Item #5 Discussion and Possible Action on the issuance of a Request for Proposal (RFP) for the Thomas Street Phase 2 Remnant Parcels.**

Fitzgerald reviewed the staff recommendation for this project as outlined in the packet. He noted the proposed plan seeks development proposals to construct five or six single-family homes that would be sold to owner occupants on six residential parcels along East Thomas Street.

Neal asked for clarification on whether the alley to the north would become a street or serve as a private drive for the residential development. Werth indicated it will remain an alley, but it's undetermined whether the city would provide snow removal or if that would be the responsibility of the homeowners.

Rasmussen emphasized the RFP should stipulate that the houses should be constructed as slab-on-grade foundations without any basement excavation that would otherwise disturb the soil. Kilian agreed that slab-on-grade foundations would be appropriate for the neighborhood, and indicated the entire process to solicit neighbor input on this project is a step forward in the relationship between the city government and residents on the southwest side.

*Motion by Kilian, second by Rasmussen to direct community development staff to write and issue a request for proposal seeking developers for a single-family residential project on East Thomas Street. Motion passed 5-0.*

**Agenda Item #6 Discussion and possible action on creation and implementation of Wausau Poet Laureate Program.**

Mayor Rosenberg presented the resolution for creating and implementing a Poet Laureate program in Wausau. This program was modeled off a similar program in Tacoma, WA and will allow a panel created by the Wausau Arts Commission to accept applications and select a Poet Laureate to serve a two year term. The Poet Laureate will be paid $200 a year for sharing four poems per year with the community.

*Motion by Watson, second by Kilian to approve the resolution. Motion passed 5-0.*

**Agenda Item #7 Approving city's Waiver of First Right of Refusal to Repurchase property at 5801 Packer Drive from Ideal Properties of Central Wisconsin, LLC, f/k/a T & L Properties of Wausau, LLC to Gore Enterprises LLC**

Fitzgerald explained that the current owner of this property is in the process of selling it and during the title work it came up that because the City previously owned the property, the City has first right of refusal on the property. This City is not interested in owning the property and supports the private sale. Rasmussen explained that this was common practice with property in the Business Campus in an effort to give the City a chance to acquire properties back if needed for further development of the campus.

*Motion by Watson, second by Kilian to approve the first right of refusal. Motion passed 5-0.*

**Agenda Item #8 Presentation and discussion of Environmental Justice.**

Kilian introduced Tony Wilkin Gibart, executive director of Midwest Environmental Advocates, who offered a presentation by Webex on environmental justice.

**Agenda Item #9 CLOSED SESSION pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session:**

- **Proposal received for Aedifix Holdings in the Near North area of North 2nd and 3rd streets.**

*Motion by Rasmussen, second by Watson to go into closed session at 7:02 p.m. Motion passed 5-0.*

**ROLL CALL VOTE – Neal, Watson, McElhaney, Rasmussen and Kilian**
**Others Present: Fitzgerald, Lenz, Jacobson, Rosenberg, Werth, Groat and Herbst**

**Agenda Item #10 RECONVENE into Open Session to Take Action on Closed Session Items, If Necessary**

*Motion by Watson, second by Rasmussen to reconvene into open session at 7:23pm. Motion passed 5-0.*

**Action on Closed Session Items:** No action was taken on this item. The committee directed staff to continue negotiations with Aedifix Holdings on its proposal.

**Updates-given by Fitzgerald**

- **Wausau Center Mall Planning**

Fitzgerald indicated WOZ is holding its own public information meeting on October 8, 2020. The city is holding an official public hearing on October 13 at 5 p.m.

- **Aedifix Builds proposal for the Riverlife area.**

Fitzgerald said the developer asked that his proposal be delayed to the next economic development committee meeting.

- **Wausau Cares Loan and Grant Program for Small Businesses**

Fitzgerald reported 24 grants have been awarded for a total of $36,000, while six (6) loans have been awarded for a total of $66,414.

- **November 4 date schedule for regular ED Committee meeting**

This meeting date required a change due to a conflict with the counting of the ballots on election day.

**Adjournment**

*Motion by Watson, second by Kilian to adjourn the meeting. Motion passed 5-0.*

Adjournment Time: 7:27 p.m.

**TO: FINANCE COMMITTEE**

**FROM: MARYANNE GROAT**

**DATE: OCTOBER 8, 2020**

**RE: MALL REDEVELOPMENT UPDATE**

Since the last meeting Wausau Opportunity Zone, Inc. has worked to fine tune the project and now proposes financial adjustments that are beneficial to the City.

- Eliminate all future annual payments of $327,000. This reduces the city's obligation by $1,962,000.
- Surrender the option for possession of the Sears Parking Ramp.
- Agree to pay $660,000 of the forgivable loan through six annual payments of $110,000 beginning in 2022.
- Guarantee real estate taxes based upon an assessed value of $7,000,000 beginning 1/1/2024 for the taxes collected in 2025.

Attached are three TID 12 project financial projections along with the cash flow of TID #8.

The first titled, **"**1 Block Developed**,"** represents the financial impact when one block is developed with a value of $10,000,000. This is a conservative estimate as the developer expects the improvements to range from $18-$21 million. As noted above, $7,000,000 is guaranteed regardless of construction. The plan shows that increment from the project along with the TID 7 donations are sufficient to cover the costs. The financial projection includes $4.7million of debt issued with interest only in year one. Over the following three years 78% of the debt or $3,675,000 would be retired and the debt would be paid in full by 2029. Total interest projected at $342,191.

The second titled, "5 Block Build Out," represents the financial impact when all five blocks are redeveloped, each with a value of $10,000,000, over a period of 9 years. Again, this represents a conservative estimate as compared to the developer expectations of $18-21 million per block. In this scenario we are able to retire the associated debt early. This projection presents the tax generating power of the project with $21million of extra increment available versus the $4.6million of extra increment with the 1 block scenario.

Both scenarios take advantage of 3 years (2023-2025) of increment allocated from TID #7. To accomplish this donation/allocation the City would complete the legal steps required to amend the project plan of TID#7 to allow for increment allocation to TID #12. This process includes a

Plan Commission public hearing and approval, Joint Review Board approval and Common Council approval. TID #7 mandated closure is 2026. This allows for early closure in 2025, allocating a fourth year of increment or using the final increment for affordable housing. I recommend the increment allocation amendment because it will reduce the early deficits and allow for accelerated debt retirement which will in turn reduce interest expense costs. Another important point to note is that the project plan amendment provides the authority to allocate increment but doesn't require the City to do so. Annually, the council can evaluate whether the allocation is necessary and terminate the allocation as determined appropriate.

The third financial scenario reflects the full build out without using TID #7 increment. This financial picture presents financial deficits in years 2022-2028. Without the TID #7 increment principal retirement is reduced resulting in a longer amortization of the debt and more than double the interest costs.

I have also enclosed the cash flow of TID #8. This district funded the original $1,000,000 developer loan and the 2020 payment of $327,000. The cash flow shows that the district is capable of managing these costs and the new proposed changes including the elimination of the future annual payments and the loan repayment of $660,000.

# MALL REDEVELOPMENT TID 12
## 1 BLOCK DEVELOPED

| | | USES OF FUNDS | | | | | | SOURCES OF FUNDS | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **$4,700,000 Debt Issue** | | | | | | | **$10,000,000** | **TID 7** | | **Annual** | **Accumulated** |
| | Year | **Principal** | **Interest** | **Total** | **Developer Payments** | **Street Improvements** | **Total Uses of Funds** | **Debt Proceeds** | **Project Increment** | **Increment Donation** | **Total Sources of Funds** | **Surplus (Deficit)** | **Balance (Deficit)** |
| 1 | 2020 | | | - | | | - | | | | - | - | - |
| 2 | 2021 | | | - | 3,500,000 | 1,200,000 | 4,700,000 | 4,700,000 | | | 4,700,000 | - | - |
| 3 | 2022 | | 90,710 | 90,710 | | | 90,710 | | | | - | (90,710) | (90,710) |
| 4 | 2023 | 1,000,000 | 90,710 | 1,090,710 | | | 1,090,710 | | | 1,270,253 | 1,270,253 | 179,543 | 88,833 |
| 5 | 2024 | 1,200,000 | 71,410 | 1,271,410 | | | 1,271,410 | | | 1,324,683 | 1,324,683 | 53,273 | 142,106 |
| 6 | 2025 | 1,475,000 | 48,250 | 1,523,250 | | | 1,523,250 | | 263,700 | 1,324,683 | 1,588,383 | 65,133 | 207,239 |
| 7 | 2026 | 325,000 | 19,783 | 344,783 | | | 344,783 | | 266,337 | | 266,337 | (78,446) | 128,793 |
| 8 | 2027 | 365,000 | 13,510 | 378,510 | | | 378,510 | | 269,000 | | 269,000 | (109,510) | 19,283 |
| 9 | 2028 | 265,000 | 6,466 | 271,465 | | | 271,465 | | 271,690 | | 271,690 | 225 | 19,509 |
| 10 | 2029 | 70,000 | 1,352 | 71,352 | | | 71,352 | | 274,407 | | 274,407 | 203,055 | 222,564 |
| 11 | 2030 | | | | | | - | | 277,151 | | 277,151 | 277,151 | 499,715 |
| 12 | 2031 | | | | | | - | | 279,923 | | 279,923 | 279,923 | 779,638 |
| 13 | 2032 | | | | | | - | | 282,722 | | 282,722 | 282,722 | 1,062,360 |
| 14 | 2033 | | | | | | - | | 285,549 | | 285,549 | 285,549 | 1,347,910 |
| 15 | 2034 | | | | | | - | | 288,405 | | 288,405 | 288,405 | 1,636,314 |
| 16 | 2035 | | | | | | - | | 291,289 | | 291,289 | 291,289 | 1,927,603 |
| 17 | 2036 | | | | | | - | | 294,202 | | 294,202 | 294,202 | 2,221,805 |
| 18 | 2037 | | | | | | - | | 297,144 | | 297,144 | 297,144 | 2,518,949 |
| 19 | 2038 | | | | | | - | | 300,115 | | 300,115 | 300,115 | 2,819,064 |
| 20 | 2039 | | | | | | - | | 303,116 | | 303,116 | 303,116 | 3,122,180 |
| 21 | 2040 | | | | | | - | | 306,148 | | 306,148 | 306,148 | 3,428,328 |
| 22 | 2041 | | | | | | - | | 309,209 | | 309,209 | 309,209 | 3,737,537 |
| 23 | 2042 | | | | | | - | | 312,301 | | 312,301 | 312,301 | 4,049,838 |
| 24 | 2043 | | | | | | - | | 315,424 | | 315,424 | 315,424 | 4,365,262 |
| 25 | 2044 | | | | | | - | | 318,578 | | 318,578 | 318,578 | 4,683,840 |
| | | $4,700,000 | $342,191 | $5,042,190 | $3,500,000 | $1,200,000 | $9,742,190 | $4,700,000 | $5,806,411 | $3,919,619 | $14,426,030 | $4,683,840 | |

# MALL REDEVELOPMENT TID 12
# 5 BLOCK BUILD OUT

| | | USES OF FUNDS | | | | | | SOURCES OF FUNDS | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | $4,700,000 Debt Issue | | | | | | | | | | | |
| | Year | Principal | Interest | Total | Developer Payments | Street Improvements | Total Uses of Funds | Debt Proceeds | Full Build Out Increment | TID 7 Increment Donation | Total Sources of Funds | Annual Surplus (Deficit) | Accumulated Balance (Deficit) |
| 1 | 2020 | | | - | | | - | | - | | - | - | - |
| 2 | 2021 | | | - | 3,500,000 | 1,200,000 | 4,700,000 | 4,700,000 | - | | 4,700,000 | - | - |
| 3 | 2022 | | 90,710 | 90,710 | | | 90,710 | | - | | - | (90,710) | (90,710) |
| 4 | 2023 | 1,000,000 | 90,710 | 1,090,710 | | | 1,090,710 | | - | 1,270,253 | 1,270,253 | 179,543 | 88,833 |
| 5 | 2024 | 1,200,000 | 71,410 | 1,271,410 | | | 1,271,410 | | - | 1,324,683 | 1,324,683 | 53,273 | 142,106 |
| 6 | 2025 | 1,475,000 | 48,250 | 1,523,250 | | | 1,523,250 | | 263,700 | 1,324,683 | 1,588,383 | 65,133 | 207,239 |
| 7 | 2026 | 425,000 | 19,783 | 444,783 | | | 444,783 | | 266,337 | | 266,337 | (178,446) | 28,793 |
| 8 | 2027 | 475,000 | 11,580 | 486,580 | | | 486,580 | | 532,700 | | 532,700 | 46,120 | 74,913 |
| 9 | 2028 | 125,000 | 2,413 | 271,465 | | | 271,465 | | 538,027 | | 538,027 | 266,562 | 341,476 |
| 10 | 2029 | DEBT RETIRES EARLY | | | | | - | | 807,108 | | 807,108 | 807,108 | 1,148,583 |
| 11 | 2030 | | | | | | - | | 815,179 | | 815,179 | 815,179 | 1,963,762 |
| 12 | 2031 | | | | | | - | | 1,087,031 | | 1,087,031 | 1,087,031 | 3,050,793 |
| 13 | 2032 | | | | | | - | | 1,097,901 | | 1,097,901 | 1,097,901 | 4,148,693 |
| 14 | 2033 | | | | | | - | | 1,372,580 | | 1,372,580 | 1,372,580 | 5,521,273 |
| 15 | 2034 | | | | | | - | | 1,386,306 | | 1,386,306 | 1,386,306 | 6,907,579 |
| 16 | 2035 | | | | | | - | | 1,400,169 | | 1,400,169 | 1,400,169 | 8,307,748 |
| 17 | 2036 | | | - | | | - | | 1,414,170 | | 1,414,170 | 1,414,170 | 9,721,918 |
| 18 | 2037 | | | | | | - | | 1,428,312 | | 1,428,312 | 1,428,312 | 11,150,230 |
| 19 | 2038 | | | | | | - | | 1,442,595 | | 1,442,595 | 1,442,595 | 12,592,825 |
| 20 | 2039 | | | | | | - | | 1,457,021 | | 1,457,021 | 1,457,021 | 14,049,846 |
| 21 | 2040 | | | | | | - | | 1,471,591 | | 1,471,591 | 1,471,591 | 15,521,438 |
| 22 | 2041 | | | | | | - | | 1,486,307 | | 1,486,307 | 1,486,307 | 17,007,745 |
| 23 | 2042 | | | | | | - | | 1,501,170 | | 1,501,170 | 1,501,170 | 18,508,915 |
| 24 | 2043 | | | | | | - | | 1,516,182 | | 1,516,182 | 1,516,182 | 20,025,097 |
| 25 | 2044 | | | | | | - | | 1,531,344 | | 1,531,344 | 1,531,344 | 21,556,441 |
| | | $4,700,000 | $334,856 | $5,178,908 | $3,500,000 | $1,200,000 | $9,878,908 | $4,700,000 | $22,815,730 | $3,919,619 | $31,435,349 | $21,556,441 | |

# 5 BLOCK INCREMENT DETAIL

| | Year | $10,000,000 Block 4 Increment | $10,000,000 Block 3 Increment | $10,000,000 Block 2 Increment | $10,000,000 Block 1 Increment | $10,000,000 Block 5 Increment | Total |
|---|---|---|---|---|---|---|---|
| 1 | 2020 | | | | | | - |
| 2 | 2021 | | | | | | - |
| 3 | 2022 | | | | | | - |
| 4 | 2023 | | | | | | - |
| 5 | 2024 | | | | | | - |
| 6 | 2025 | 263,700 | | | | | 263,700 |
| 7 | 2026 | 266,337 | | | | | 266,337 |
| 8 | 2027 | 269,000 | 263,700 | | | | 532,700 |
| 9 | 2028 | 271,690 | 266,337 | | | | 538,027 |
| 10 | 2029 | 274,407 | 269,000 | 263,700 | | | 807,108 |
| 11 | 2030 | 277,151 | 271,690 | 266,337 | | | 815,179 |
| 12 | 2031 | 279,923 | 274,407 | 269,000 | 263,700 | | 1,087,031 |
| 13 | 2032 | 282,722 | 277,151 | 271,690 | 266,337 | | 1,097,901 |
| 14 | 2033 | 285,549 | 279,923 | 274,407 | 269,000 | 263,700 | 1,372,580 |
| 15 | 2034 | 288,405 | 282,722 | 277,151 | 271,690 | 266,337 | 1,386,306 |
| 16 | 2035 | 291,289 | 285,549 | 279,923 | 274,407 | 269,000 | 1,400,169 |
| 17 | 2036 | 294,202 | 288,405 | 282,722 | 277,151 | 271,690 | 1,414,170 |
| 18 | 2037 | 297,144 | 291,289 | 285,549 | 279,923 | 274,407 | 1,428,312 |
| 19 | 2038 | 300,115 | 294,202 | 288,405 | 282,722 | 277,151 | 1,442,595 |
| 20 | 2039 | 303,116 | 297,144 | 291,289 | 285,549 | 279,923 | 1,457,021 |
| 21 | 2040 | 306,148 | 300,115 | 294,202 | 288,405 | 282,722 | 1,471,591 |
| 22 | 2041 | 309,209 | 303,116 | 297,144 | 291,289 | 285,549 | 1,486,307 |
| 23 | 2042 | 312,301 | 306,148 | 300,115 | 294,202 | 288,405 | 1,501,170 |
| 24 | 2043 | 315,424 | 309,209 | 303,116 | 297,144 | 291,289 | 1,516,182 |
| 25 | 2044 | 318,578 | 312,301 | 306,148 | 300,115 | 294,202 | 1,531,344 |
| | | $5,806,411 | $5,172,409 | $4,550,899 | $3,941,635 | $3,344,376 | $22,815,730 |

# MALL REDEVELOPMENT TID 12
## 5 BLOCK BUILD OUT - NO TID 7 DONATION

| | | USES OF FUNDS | | | | | | SOURCES OF FUNDS | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | $4,700,000 Debt Issue | | | | | | | | | | | |
| | Year | Principal | Interest | Total | Developer Payments | Street Improvements | Total Uses of Funds | Debt Proceeds | Full Build Out Increment | TID 7 Increment Donation | Total Sources of Funds | Annual Surplus (Deficit) | Accumulated Balance (Deficit) |
| 1 | 2020 | | | - | | | - | | - | | - | - | - |
| 2 | 2021 | | | - | 3,500,000 | 1,200,000 | 4,700,000 | 4,700,000 | - | | 4,700,000 | - | - |
| 3 | 2022 | | 90,710 | 90,710 | | | 90,710 | | - | | - | (90,710) | (90,710) |
| 4 | 2023 | 200,000 | 90,710 | 290,710 | | | 290,710 | | - | - | - | (290,710) | (381,420) |
| 5 | 2024 | 200,000 | 86,850 | 286,850 | | | 286,850 | | - | - | - | (286,850) | (668,270) |
| 6 | 2025 | 200,000 | 82,990 | 282,990 | | | 282,990 | | 263,700 | - | 263,700 | (19,290) | (687,560) |
| 7 | 2026 | 200,000 | 79,130 | 279,130 | | | 279,130 | | 266,337 | | 266,337 | (12,793) | (700,353) |
| 8 | 2027 | 200,000 | 75,270 | 275,270 | | | 275,270 | | 532,700 | | 532,700 | 257,430 | (442,923) |
| 9 | 2028 | 200,000 | 71,410 | 271,410 | | | 271,410 | | 538,027 | | 538,027 | 266,617 | (176,305) |
| 10 | 2029 | 500,000 | 67,550 | 567,550 | | | 567,550 | | 807,108 | | 807,108 | 239,558 | 63,252 |
| 11 | 2030 | 800,000 | 57,900 | 857,900 | | | 857,900 | | 815,179 | | 815,179 | (42,721) | 20,531 |
| 12 | 2031 | 1,000,000 | 42,460 | 1,042,460 | | | 1,042,460 | | 1,087,031 | | 1,087,031 | 44,571 | 65,102 |
| 13 | 2032 | 1,200,000 | 23,160 | 1,223,160 | | | 1,223,160 | | 1,097,901 | | 1,097,901 | (125,259) | (60,158) |
| 14 | 2033 | | | - | | | - | | 1,372,580 | | 1,372,580 | 1,372,580 | 1,312,422 |
| 15 | 2034 | | | - | | | - | | 1,386,306 | | 1,386,306 | 1,386,306 | 2,698,728 |
| 16 | 2035 | | | - | | | - | | 1,400,169 | | 1,400,169 | 1,400,169 | 4,098,897 |
| 17 | 2036 | | | - | | | - | | 1,414,170 | | 1,414,170 | 1,414,170 | 5,513,067 |
| 18 | 2037 | | | - | | | - | | 1,428,312 | | 1,428,312 | 1,428,312 | 6,941,379 |
| 19 | 2038 | | | - | | | - | | 1,442,595 | | 1,442,595 | 1,442,595 | 8,383,974 |
| 20 | 2039 | | | - | | | - | | 1,457,021 | | 1,457,021 | 1,457,021 | 9,840,995 |
| 21 | 2040 | | | - | | | - | | 1,471,591 | | 1,471,591 | 1,471,591 | 11,312,587 |
| 22 | 2041 | | | - | | | - | | 1,486,307 | | 1,486,307 | 1,486,307 | 12,798,894 |
| 23 | 2042 | | | - | | | - | | 1,501,170 | | 1,501,170 | 1,501,170 | 14,300,064 |
| 24 | 2043 | | | - | | | - | | 1,516,182 | | 1,516,182 | 1,516,182 | 15,816,246 |
| 25 | 2044 | | | - | | | - | | 1,531,344 | | 1,531,344 | 1,531,344 | 17,347,590 |
| | | $4,700,000 | $768,140 | $5,468,140 | $3,500,000 | $1,200,000 | $10,168,140 | $4,700,000 | $22,815,730 | $0 | $27,515,730 | $17,347,590 | |

# TAX INCREMENTAL DISTRICT NUMBER EIGHT

CASH FLOW PROJECTIONS

| | | USES OF FUNDS | | | | | SOURCES OF FUNDS | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Year | Annual Projected Debt Service | Administrative, Organization & Discretionary Costs | Developer Payments | CVS Tax Claim | Capital Expenditures | Net Debt Proceeds | Other Income | Tax Increment | Annual Surplus (Deficit) | Cumulative Balance |
| **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 | 211,877 | 257,077 | 1,451,476 | 1,707,063 |
| **ESTIMATED** | | | | | | | | | | | |
| 9 | 2020 | 697,209 | 50,150 | 1,559,916 | | 1,055,940 | 910,000 | 1,166,963 | 239,784 | (1,046,468) | 660,595 |
| 10 | 2021 | 750,874 | 15,000 | 540,000 | | | | 255,550 | 233,590 | (816,734) | (156,139) |
| 11 | 2022 | 755,654 | 6,000 | 225,000 | | | | 263,808 | 517,590 | (205,256) | (361,395) |
| 12 | 2023 | 740,388 | 6,000 | 279,000 | | | | 263,808 | 725,590 | (35,990) | (397,385) |
| 13 | 2024 | 753,224 | 6,000 | 223,058 | | | | 263,808 | 933,590 | 215,116 | (182,269) |
| 14 | 2025 | 742,510 | 6,000 | 139,600 | | | | 263,808 | 933,590 | 309,288 | 127,019 |
| 15 | 2026 | 463,425 | 6,000 | 139,600 | | | | 263,808 | 933,590 | 588,373 | 715,392 |
| 16 | 2027 | 459,475 | 6,000 | 69,600 | | | | 257,909 | 933,590 | 656,424 | 1,371,816 |
| 17 | 2028 | 455,425 | 6,000 | 145,600 | | | | 249,651 | 933,590 | 576,216 | 1,948,032 |
| 18 | 2029 | 451,163 | 6,000 | 72,000 | | | | 249,651 | 933,590 | 654,078 | 2,602,110 |
| 19 | 2030 | 149,688 | 6,000 | | | | | 249,651 | 933,590 | 1,027,553 | 3,629,663 |
| 20 | 2031 | 52,113 | 6,000 | | | | | 524,651 | 933,590 | 1,400,128 | 5,029,791 |
| 21 | 2032 | 40,650 | | | | | | 249,651 | 933,590 | 1,142,591 | 6,172,382 |
| | TOTAL | $7,304,202 | $328,495 | $3,771,740 | $42,835 | $4,702,153 | $5,642,210 | $5,743,957 | $10,935,640 | | |

# TID 8 DEVELOPER PAYOUT

| | | Authorized | Paid 12/31/2020 | 2021 Budget | Projected 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Lokre Development | G | 1,700,000 | | 450,000 | | 104,000 | 249,600 | 249,600 | 249,600 | 179,600 | 145,600 | 72,000 | 1,700,000 |
| 1401 Elm Street LLC | G | 601,520 | - | 45,000 | 240,000 | 240,000 | 76,520 | - | - | - | - | - | 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, Inc. | L | 1,000,000 | 1,000,000 | - | (110,000) | (110,000) | (110,000) | (110,000) | (110,000) | (110,000) | - | - | 340,000 |
| Wausau Opportunity Zone, Inc. | 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 | 45,000 | 45,000 | 45,000 | 6,938 | - | - | - | - | - | 288,220 |
| Total | | $ 6,393,020 | $ 1,938,282 | $ 540,000 | $ 225,000 | $ 279,000 | $ 223,058 | $ 139,600 | $ 139,600 | $ 69,600 | $ 145,600 | $ 72,000 | $ 3,771,740 |

G = Grant
L = Loan

# TID 8 INCREMENT PROJECTION

| | Hotel | Elm Street | Car Wash | Residential Phase 1 | Residential Phase 2 | Current Increment | Total |
|---|---|---|---|---|---|---|---|
| | 1,000,000 | 10,000,000 | 850,000 | 8,000,000 | 8,000,000 | | |
| 2021 | | | | | | 233,590 | 233,590 |
| 2022 | 24,000 | 240,000 | 20,000 | | | 233,590 | 517,590 |
| 2023 | 24,000 | 240,000 | 20,000 | 208,000 | | 233,590 | 725,590 |
| 2024 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2025 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2026 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2027 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2028 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2029 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2030 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2031 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2032 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2033 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2034 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2035 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2036 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2037 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2038 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2039 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |
| 2040 | 24,000 | 240,000 | 20,000 | 208,000 | 208,000 | 233,590 | 933,590 |

WOZ TERM SHEET SUMMARY

Changes to the existing development agreement terms:

- Termination of City future TID Grant obligations effective 1/1/2021. (Agreement required city make annual payment of $327,000 plus CPI)

- Effective after road dedication is complete:
  -Reduce the existing loan to WOZ from $1,000,000 to $660,000.
  -Convert the $660,000 forgivable loan to an interest free with annual payment of $110,000 on July 1. (First payment expected to be about July 1, 2022).
  -WOZ releases the option to purchase the Sears Parking Ramp.

- Eliminate the provision that provides that a voting representative of the governing board of Developer(WOZ) is to be appointed by the mayor of the City.

New terms

- City to adopt the redevelopment plan created by Eppstein Uhen Architects (EUA).
- City will provide WOZ with a grant of up to $3.5 million for demolition, site prep, reconstruction and façade restoration.
  - Major components of the project include demolition of mall, sears and penney's anchor stores and restoration of exposed walls for Hom Furniture further detail provided in scope of work.
  - Grant will be disbursed using a disbursing agent with draw requests allowed monthly based upon proof of expenditures and subject to a 10% retainage.
  - Work is expected to start about July 2021 work concluded October 31, 2022.
  - WOZ will provide contractor, subcontractor, project schedule and project cost breakdown.
  - WOZ will hire a soils engineer to serve as a consultant during construction
  - City engineering staff will participate in contractor pre-construction and construction meetings.
  - Developer will provide City with copies of all correspondence and reports provided by soils engineer and all correspondence delivered or received from the Wisconsin Department of Natural Resources.
  - City and Developer will work in cooperation to manage any remediation in the most effective way possible.

- Following demolition, WOZ will dedicate to City approximately 95,000 square feet of land for purposes of extending streets, sidewalk and utilities of 2nd Street, 3rd Street, Jackson Street and Washington Street.
- Following dedication city will commence design and construction of utilities and streets and sidewalks.
- Beginning in 2025 WOZ commits to making an annual payment-in-lieu of taxes equal to the shortfall between the amount of taxes which would have been levied on the property if the value was $7,000,000 and the actual amount of taxes levied on the property.

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

Economic Development Committee: November 4, 2020

Finance Committee: November 10, 2020

Joint Review Board - Initial Meeting: November 17, 2020

Plan Commission: November 17, 2020

Common Council: November 24, 2020

Joint Review Board: TBD, 2020

PLAN DRAFT DATE:

10/28/2020

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## TYPE AND GENERAL DESCRIPTION OF THE DISTRICT

Tax Increment District No. 7 was created January 11, 2006 as a "Mixed Use" Tax Increment District to promote industry, job creation and tax base enhancements. The original project plan listed the following objectives:

- Promote retention, expansion, and attraction through the development of a commercial corridor, thereby facilitating the creation of new jobs and increased tax base.
- Provide appropriate financial incentives to encourage business attraction and expansion.

The project plan provided for infrastructure improvements necessary to support development of the district.

## AMENDMENTS

The first amendment authorized spending within the 1/2mile boundary to create two roadways immediately outside the boundaries. Major components of the amendment facilitated:

- Developer incentives to offset challenges caused by the DOT Interchange expansion project;
- Construction of Menards, Kwik Trip and ENT & Allergy Associates and Surgical Associates;
- Stewart Avenue improvements;
- Parking Improvements.

The second amendment authorized the addition and removal of district parcels to facilitate parcel combinations requested by property owners and developers. It also removed parcels that would remain tax exempt such as the new fire station parcel. In addition the plan authorized additional spending including:

- Street improvements of $1,100,000 including improvements within the ½ mile boundaries.
- Parking improvements $100,000
- Correction of streetscape improvements of $250,000. The 1st amendment should have identified the streetscape improvements on Highway 52 Parkway rather than on Stewart Avenue.

The district expenditure period ends on January 10, 2021

## PURPOSE OF THIS AMENDMENT

The purpose of this amendment is to allow Tax Increment District Number Seven to share surplus increment with Tax Increment District Number Twelve under the provisions of Wisconsin Statutes Section 66.1105(6)(f).

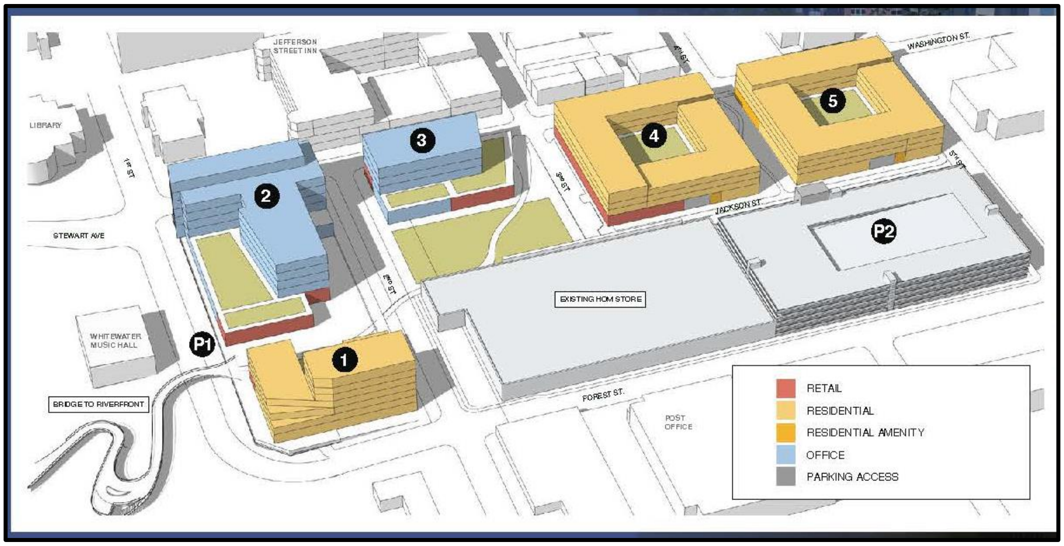
## EXPECTED TERMINATION

Based upon current law, Tax Increment District Seven expenditure period ends in 2021 with the mandated termination required in 2026. The cash flow currently projects closure in 2023. Based upon the economic feasibility review the district will generate approximately $5,244,000 of excess increment through the mandated maturity date. The donation of increment to Tax Increment District Number 12 would extend the life beyond 2023 to capture additional increment delaying the district closure to 2025.

## ECONOMIC DEVELOPMENT

Authorizing the sharing of increment with Tax Increment District 12 will provide resources to meet the financial challenges for redeveloping the eight block Wausau Center Mall site. The redevelopment proposal is to raze the mall, and the two vacant anchor stores. The City will extend streets, sidewalks and utilities to 2nd Street, 3rd Street, Jackson Street and Washington Streets. The street grid would be restored and the city blocks would be cleared and prepared so they are "construction ready". The city's two parking ramps and Hom Furniture would remain. Restoration work on Hom Furniture will be performed on shared walls exposed when the demolition is complete. The demolition, façade restoration and site prep are expected to cost $3.5 million. Street and utility work is expected to cost $1.2 million. The City would enter into a developer agreement with Wausau Opportunity Zone, Inc. to provide a grant for the demolition, site prep and façade restoration.

The demolition and restoration work will take place in 2021 and 2022. Without the shared increment the project will generate deficits that will be difficult for the City to manage. The donated increment will support the district until redevelopment and private investment occurs. The application of the donor district's surplus increment, contributes to the overall economic development of the city which benefits all overlapping taxing jurisdictions.




## SUMMARY OF FINDINGS

As required by s.66.1105 Wisconsin Stats., and as documented in this project plan amendment and the related attachments contained and referenced herein, the following findings are made:

1. **That "but for" amendment of the Tax Increment District Seven (the donor district) Project Plan, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** In making this determination the City has considered the following:
   - Current tax increment collections for the recipient district 12 are and will be insufficient to pay for the project costs related to the demolition of the Wausau Center and anchor stores and the construction of streets and utilities within the site.
   - That without allocated increment the accumulated TID 12 deficits during the redevelopment period would be unmanageable and unaffordable for the City.
   - Given the lack of increment during the site preparation period and the inability to manage the deficits, the City contends that "but for the revenue sharing" the redevelopment of the mall will not occur within the time frame and in the manner proposed.
   - All taxing jurisdictions will ultimately share in the benefit of the redevelopment project and the increased tax base that will come when new development occurs so it is appropriate for all taxing jurisdictions to continue to share in the costs of implementation.
2. **The economic benefits of amending the Donor District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the costs of the improvements**.

- As demonstrated in the Economic Feasibility Section of this Project Plan amendment, Tax Increment District Seven will generate more than sufficient increment to pay its remaining annual debt service and accumulated deficits. On this basis alone the finding is supported.
- Approval of increment sharing with the recipient District 12 is necessary to enable the City to redevelop the functionally obsolete Wausau Center Mall and thus realize the economic benefits outlined in the recipient district project plan.

3. **The benefits for the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions**.

   Since it is likely that the recipient district will not achieve the objectives of it Project Plan without the ability to share in the surplus increments of the Donor District (Finding #1) and since the District is expected to generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (Finding #2) it is reasonable to conclude that the overall additional benefits of the district's objectives and benefits outweigh the anticipated tax increment to be paid by owners of the property in the overlying taxing jurisdictions. It is further concluded that since the "but for" test is satisfied, there would be no increase in property values without the Mall redevelopment. The dramatic real estate value declines of 64% also support this finding.

| | | | 2020 | 2015 | 2010 |
|---|---|---|---|---|---|
| | | | Assessed Value | Assessed Value | Assessed Value |
| Mall | 301 Washington St | 29129073620260 | 6,923,700 | $10,000,000 | $21,719,500 |
| Sears | 411 Washington St | 29129073620270* | 2,056,700 | $4,000,000 | $5,891,100 |
| JC Penneys | 101 Washington St | 29129073620280 | 2,056,700 | $2,000,000 | $6,389,900 |
| Younkers | 300 Forest St | 29129073620250 | 3,958,300 | $5,025,800 | $7,088,700 |
| TOTAL | | | 14,995,400 | $21,025,800 | $41,089,200 |

4. **The project costs will not changes as a result of this amendment and no additional improvements in TID 7 will be added as a result of the amendment.**
5. **The amount of retail businesses within Tax Increment District Seven will not change as a result of this amendment.**
6. **The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.**
7. **Based upon the findings as stated above, and the original findings as stated in the creation resolution and in subsequent resolutions amending the district, the district remains a mixed use district based on the identification and classification of the property included within the district.**

## STATEMENT OF KIND, NUMBER AND LOCATION OF THE PROPOSED PUBLIC WORKS OR IMPROVEMENTS WITHIN THE DISTRICT

This amendment provides the authority for the Donor District to allocate surplus increments with the Recipient District 12. No other additional project costs are involved and the statement of kind, number and location of proposed public works and other projects documented in the original and amended project plan remain in effect.

## PROPOSED CHANGES IN ZONING ORDINANCES

The City does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this project plan amendment.

## PROPOSED CHANGES TO THE MASTER PLAN, BUILDING CODES, AND THE CITY 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 project plan.

## MAP SHOWING EXISTING USES AND CONDITIONS

There will be no change to district boundaries or any changes to existing uses and conditions within the district as a result of this amendment. A copy of this map can be found in the original or amendment plan documents.

## ORDERLY DEVELOPMENT OF THE CITY OF WAUSAU

This amendment contributes to the orderly development of the City by providing opportunity for continued growth in tax base, job opportunities and general positive economic development.

## EQUALIZED VALUE TEST

No additional territory will be added to the District and as a result no equalized value test is required.

## ECONOMIC FEASIBILITY STUDY

This project plan amendment allows TID 7, the donor district, to allocate positive tax increments to Tax Increment District 12, the recipient district pursuant to Wisconsin State Statutes Section 66.1105(6)(f) which provides for the allocation of increments providing that the following are true:

- The donor district and the recipient district have the same overlying taxing jurisdictions.
- The allocation of tax increments is approved by the Joint Review Board.
- That the recipient district must be a classified as a blight or rehabilitation/conservation district.
- The donor district is able to demonstrate that it has sufficient revenues to pay current year debt service and project costs and surplus increments remain that can be allocated to pay project costs of the recipient district.

The donor and recipient districts meet the criteria established above and the cash flow exhibit shows that the district will generate $5,244,000 of excess increment.

## CALCULATION OF THE SHARE OF PROJECTED INCREMENT ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS DUE TO DONOR AMENDMENT

2019

| | 2019 Statement of Taxes | Percentage |
|---|---|---|
| County | $ 12,839,765 | 17.91% |
| Technical College | 3,450,560 | 4.81% |
| City | 26,096,694 | 36.39% |
| School District | 27,786,021 | 40.89% |
| TOTAL | $ 70,173,040 | |

| | County | Technical College | City | School | Total | |
|---|---|---|---|---|---|---|
| 2023 | 227,502 | 61,099 | 462,245 | 519,406 | 1,270,253 | |
| 2024 | 237,251 | 63,717 | 482,052 | 541,663 | 1,324,683 | |
| 2025 | 237,251 | 63,717 | 482,052 | 541,663 | 1,324,683 | Expected Termination |
| 2026 | 237,251 | 63,717 | 482,052 | 541,663 | 1,324,683 | |
| | 939,254 | 252,251 | 1,908,401 | 2,144,395 | 5,244,302 | |

## CASH FLOW TAX INCREMENT DISTRICT SEVEN DONOR DISTRICT

# TID 7
## CASH FLOW PROJECTION

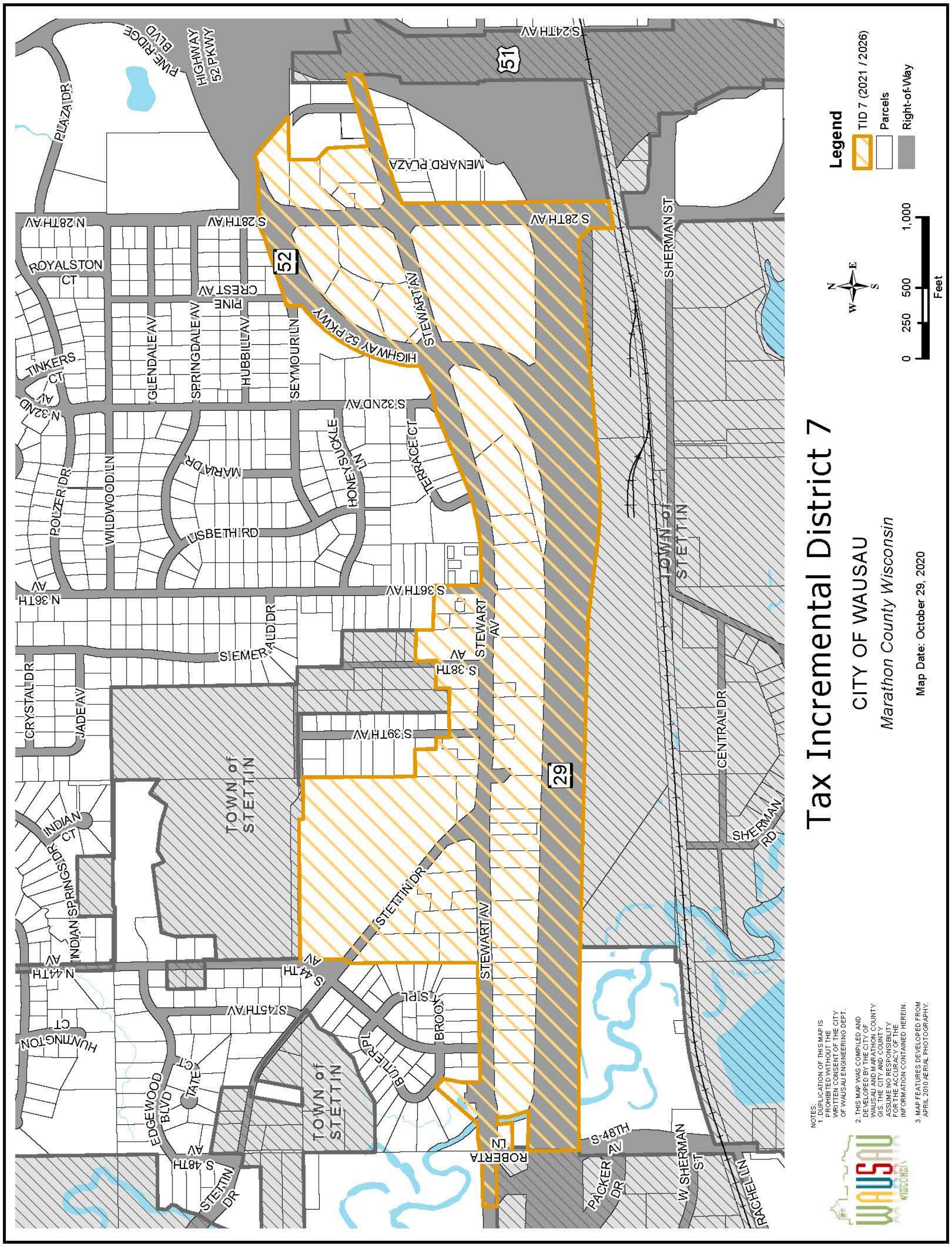
| | USES OF FUNDS | | | | | SOURCES OF FUNDS | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year | Existing Annual Debt Service | Proposed Debt Issue | Administrative, Organization, & Discretionary Costs | Developer Incentives | Other Project Costs | Other Income | Tax Increment | Revenue Share with TID #12 | Annual Surplus (Deficit) | Cumulative Balance |
| 14 2019 | $130,545 | | $5,051 | $435,942 | | $19,796 | $774,874 | | $223,132 | ($1,468,947) |
| **ESTIMATED** | | | | | | | | | | |
| 15 2020 | $51,350 | | $8,150 | $260,884 | $1,190,000 | $26,267 | $1,024,683 | | ($459,434) | ($1,928,381) |
| 16 2021 | $67,450 | | $8,150 | $264,116 | | $32,737 | $1,045,000 | | $738,021 | ($1,190,360) |
| 17 2022 | $41,600 | | $4,150 | | | $32,737 | $1,160,806 | | $1,147,793 | ($42,567) |
| 18 2023 | $40,600 | | $4,000 | | | $32,737 | $1,324,683 | $1,270,253 | $42,567 | $0 |
| 19 2024 | | | | | | | $1,324,683 | $1,324,683 | $0 | $0 |
| 20 2025 | | | | | | | $1,324,683 | $1,324,683 | $0 | $0 |
| 21 2026 | | | | | | | $1,324,683 | | $1,324,683 | $1,324,683 |
| TOTAL | $331,545 | $0 | $29,501 | $960,942 | $1,190,000 | $144,274 | $9,304,095 | $3,919,619 | | |

## CASHFLOW TAX INCREMENT DISTRICT TWELVE RECIPIENT

### MALL REDEVELOPMENT TID 12
### 1 BLOCK DEVELOPED

| | USES OF FUNDS | | | | | | SOURCES OF FUNDS | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $4,700,000 Debt Issue | | | | | | | $10,000,000 | TID 7 | | Annual | Accumulated |
| Year | Principal | Interest | Total | Developer Payments | Street Improvements | Total Uses of Funds | Debt Proceeds | Project Increment | Increment Donation | Total Sources of Funds | Surplus (Deficit) | Balance (Deficit) |
| 2020 | | | - | | | - | | | | - | - | - |
| 2021 | | | - | 3,500,000 | 1,200,000 | 4,700,000 | 4,700,000 | | | 4,700,000 | - | - |
| 2022 | | 90,710 | 90,710 | | | 90,710 | | | | - | (90,710) | (90,710) |
| 2023 | 1,000,000 | 90,710 | 1,090,710 | | | 1,090,710 | | | 1,270,253 | 1,270,253 | 179,543 | 88,833 |
| 2024 | 1,200,000 | 71,410 | 1,271,410 | | | 1,271,410 | | | 1,324,683 | 1,324,683 | 53,273 | 142,106 |
| 2025 | 1,475,000 | 48,250 | 1,523,250 | | | 1,523,250 | | 263,700 | 1,324,683 | 1,588,383 | 65,133 | 207,239 |
| 2026 | 325,000 | 19,783 | 344,783 | | | 344,783 | | 266,337 | | 266,337 | (78,446) | 128,793 |
| 2027 | 365,000 | 13,510 | 378,510 | | | 378,510 | | 269,000 | | 269,000 | (109,510) | 19,283 |
| 2028 | 265,000 | 6,466 | 271,465 | | | 271,465 | | 271,690 | | 271,690 | 225 | 19,509 |
| 2029 | 70,000 | 1,352 | 71,352 | | | 71,352 | | 274,407 | | 274,407 | 203,055 | 222,564 |

## MAP OF DISTRICT



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

| JOINT RESOLUTION OF THE ECONCOMIC DEVELOPMENT COMMITTEE AND PLAN COMMISSION | | | |
|---|---|---|---|
| Approving an Amendment to the Project Plan of Tax Incremental District No. Seven, City of Wausau, Wisconsin to share Increment with Tax Increment District Number Twelve | | | |
| Committee Action: | Econ Dev: Approved Finance: Approved<br>Plan Commission: Approved | | |
| Fiscal Impact: | Revenue Sharing Projected at $3,919,619 | | |
| **File Number:** | 97-0404 | **Date Introduced:** | November 24, 2020 |

| FISCAL IMPACT SUMMARY | | | |
|---|---|---|---|
| COSTS | *Budget Neutral* | Yes ☐ No ☒ | |
| | *Included in Budget:* | Yes ☐ No ☒ | *Budget Source:* |
| | *One-time Costs:* | Yes ☐ No ☒ | *Amount:* |
| | *Recurring Costs:* | Yes ☐ No ☒ | *Amount:* |
| | | | |
| SOURCE | *Fee Financed:* | Yes ☐ No ☐ | *Amount:* |
| | *Grant Financed:* | Yes ☐ No ☐ | *Amount:* |
| | *Debt Financed:* | Yes ☐ No ☐ | *Amount* *Annual Retirement* |
| | *TID Financed:* | Yes ☒ No ☐ | *Amount:* |
| | *TID Source: Increment Revenue* ☒ *Debt* ☐ *Funds on Hand* ☐ *Interfund Loan* ☐ | | |

**WHEREAS**, the City of Wausau (the "City") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and,

**WHEREAS**, Tax Incremental District No. 7 (the "District") was created by the City on January 11, 2006 as a mixed use district; and,

**WHEREAS**, the City now desires to amend the Project Plan of the District in accordance with the provisions of Wisconsin Statutes Section 66.1105, (the "Tax Increment Law"); and,

**WHEREAS**, such amendment will allow for the District to share surplus increments with Tax Incremental District No. 12 under the provisions of Wisconsin Statues Section 66.1105(6)(f); and,

**WHEREAS**, the amendment will not change Tax Increment District Seven boundaries; and

**WHEREAS**, improvements of the Tax Increment District Seven has and is likely to significantly enhance all the other real property's value; and

**WHEREAS,** the project plan is feasible and in conformity with the City's master plan; and

**WHEREAS**, the percentage of the territory within the TID devoted to retail business at the end of the expenditure period is expected to be less than 35%; and

**WHEREAS**, the recipient district, Tax Increment District Number Twelve is classified as a rehabilitation/conservation district was outlined in 66.1105(6)(f)2 Wis. Stats.; and

**WHEREAS**, donor Tax Increment District Seven and recipient Tax Increment District Twelve have the same overlying taxing jurisdictions;

**WHEREAS**, the donor District Seven plan amendment demonstrates that the district has sufficient annual revenue to pay current project costs and that a surplus will be generated to pay eligible costs of the recipient Tax Increment District Twelve; and

**WHEREAS,** that it is expected that donor District Seven will allocate $3,919,619 of increment to recipient District Twelve; and

**WHEREAS**, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of Marathon County, the Wausau School District, and the Northcentral Technical College District, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and,

**WHEREAS**, in accordance with the procedures specified in the Tax Increment Law, the Plan Commission, on November 17, 2020 held a public hearing concerning the proposed amendment to the Project Plan, providing interested parties a reasonable opportunity to express their views thereon; and,

**WHEREAS**, after said public hearing, the Plan Commission adopted the Project Plan, and recommended to the Common Council that it amend the Project Plan for the District;

**WHEREAS**, Project Plan Amendment Three is attached to this resolution;

**NOW, THEREFORE, BE IT RESOLVED** by the Common Council of the City of Wausau that:

1. The boundaries of the Tax Incremental District No. 7, City of Wausau", remain unchanged as specified in the project plan amendment 3.

2. That this Project Plan Amendment shall become effective as of the date of adoption of this resolution provided that it is further approved by the Joint Review Board.

3. The Common Council finds and declares that:

   Improvements within Tax Increment District Seven have and are likely to significantly enhance all the other real property's value;

   The Project Plan is feasible and in conformity with the master plan of the City;

   There are no additional improvements as a result of this amendment and project costs will not change as a result of this amendment;

   The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Section 66.1105(5)(b);

   The recipient district, Tax Increment District Number 12 is classified as a rehabilitation/conservation district was outlined in 66.1105(6)(f)2 Wis. Stats;

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The donor District 7 and the recipient district 12 have the same overlying taxing jurisdictions;

The donor District 7 plan amendment demonstrates that the district has sufficient annual revenue to pay current project costs and that a surplus will be generated to pay eligible costs of the recipient District 12; and

It is expected that donor District 7 will allocate $3,919,619 of increment to recipient District 12; and

**BE IT FURTHER RESOLVED THAT** Project Plan Amendment Three of Tax Incremental District Number Seven of the City of Wausau is approved and adopted,

**BE IT FURTHER RESOLVED THAT** the City Clerk is hereby authorized and directed to notify the Wisconsin Department of Revenue, within 60 days of adoption of the amendment, that this amendment has taken place pursuant to the provisions of Wisconsin Statutes Section 66.1105(5)(cm).

**BE IT FURTHER RESOLVED 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

**BE IT FURTHER RESOLVED 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 Amendment Three to Tax Incremental District Number Seven.

Approved:

___________________________________

Katie Rosenberg, Mayor

COMING SOON

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

| **RESOLUTION OF THE JOINT REVIEW BOARD** | |
|---|---|
| Approving the Project Plan Amendment Three of Tax Incremental Financing District Number 7, City of Wausau (TID # 7) | |
| **File Number:** | **Date Introduced:** |

**WHEREAS**, the City of Wausau, Marathon County, Wisconsin seeks authorization to amend the project plan for Tax Increment District Number Seven, (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 45 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 Project Plan amendment based upon the criteria established in Wisconsin Statutes, Section 66.1105(4m)(c)1. and found the following to be true

- The 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,
- The economic benefits of amending the district, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements,
- 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 Number Three for the City of Wausau Tax Increment District Number Seven 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**

______________________________

| **Joint Review Board Members** | **Representing** |
|---|---|
| ______________________________ | City of Wausau |
| ______________________________ | Citizen Member |
| ______________________________ | Marathon County |
| ______________________________ | Northcentral Technical College |
| ______________________________ | Wausau School District |