



CITY OF MERRILL, WISCONSIN

Territory & Project Plan Amendment to Tax Incremental District No. 4



September 10, 2013 **[DRAFT]**

Joint Review Board Organizational Meeting Held:

Scheduled September 10, 2013

Public Hearing Held:

Scheduled September 10, 2013

Consideration for Adoption by Redevelopment Authority:

Scheduled September 10, 2013

Consideration for Adoption by Common Council:

Scheduled September 24, 2013

Consideration for Approval by the Joint Review Board:

TBD

Tax Incremental District No. 4 Territory & Project Plan Amendment

City of Merrill Officials

Common Council

William Bialecki	City Mayor
Chris Malm	Council Member
Steve Hass	Council Member
Ryan Schwartzman	Council Member
Kandy Peterson	Council Member
John Burgener	Council Member
Dave Sukow	Council Member
Rob Norton	Council Member
Anne Caylor	Council Member

City Staff

Dave Johnson	City Administrator
William Heideman	City Clerk
Thomas Hayden	City Attorney
Kathy Unertl	City Finance Director/RDA Secretary
Becher-Hoppe	City Engineer Contractor
Bowmar Appraisal	City Assessor Contractor
Northwinds Inspection	City Building Inspector

Redevelopment Authority

William Bialecki	Ryan Schwartzman
David Hayes	Wally Smith
Karen Karow	Jill Laufenberg
Ralph Sturm	Kathy Unertl, RDA Secretary

Joint Review Board

Bill Bialecki	City Representative
Bob Weaver	Lincoln County
Jane Kittel	Northcentral Technical College District
	Merrill Area Public School District
Ralph Sturm	Public Member

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
TYPE & GENERAL DESCRIPTION OF DISTRICT.....	5
MAP OF ORIGINAL DISTRICT BOUNDARY, WITH TERRITORY AMENDMENT AREA IDENTIFIED	6
MAP SHOWING EXISTING USES & CONDITIONS WITHIN THE TERRITORY TO BE ADDED AND REMAINING.....	7
PRELIMINARY LIST OF PARCELS WITHIN THE TERRITORY TO BE ADDED AND SUBTRACTED FROM THE EXISTING DISTRICT & ANALYSIS.....	8
EQUALIZED VALUE TEST	9
STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS	10
MAP SHOWING PROPOSED IMPROVEMENTS AND USES WITHIN THE TERRITORY TO BE ADDED AND REMAINING	15
DETAILED LIST OF ADDITIONAL PROJECT COSTS.....	17
ECONOMIC FEASIBILITY STUDY & A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED	19
ANNEXED PROPERTY.....	27
ESTIMATE OF ADDITIONAL TERRITORY TO BE DEVOTED TO RETAIL BUSINESS	27
PROPOSED CHANGES IN ZONING ORDINANCES	27
PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF MERRILL ORDINANCES.....	27
RELOCATION	27
ORDERLY DEVELOPMENT AND/OR REDEVELOPMENT OF THE CITY OF MERRILL	28
A LIST OF ESTIMATED NON-PROJECT COSTS.....	28
OPINION OF ATTORNEY FOR THE CITY OF MERRILL ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105.....	29
EXHIBIT A - CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS	30

1

EXECUTIVE SUMMARY

DESCRIPTION OF ORIGINAL DISTRICT AND PROPOSED TERRITORY AMENDMENT

- Original District Purpose.
 - Tax Incremental District (“TID”) No. 4 (the “TID” or “District”) is an existing mixed-use district, which was created by a resolution of the City of Merrill (“City”) Common Council adopted on September 11, 2007 (the “Creation Resolution”).
- Additional Amendments.
 - The District has not been previously amended.
- Purpose of this Amendment.
 - The City proposes to amend the boundaries of the District to both add and subtract territory simultaneously. The addition of territory to the District will facilitate new development opportunities, while the subtraction will improve administrative efficiency and reduce the District’s base value by removing certain parcels. A map, located in Section 3 of this plan, identifies the territory to be added and the territory to be removed, and the geographic relationship to the existing District’s boundaries.
 - This amendment will modify the categories, locations or costs of the Projects to be undertaken, providing incentive and opportunities for additional private development and redevelopment.
 - This amendment will allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as permitted under Section 66.1105(2)(f)1.n. Wisconsin Statutes.
- Estimated Total Project Expenditures.
 - The City anticipates making additional project expenditures of approximately \$5,428,000 to undertake projects in the original District area and the amendment areas as listed in this Project Plan. It is anticipated that the remaining and additional projects will be completed in five phases. The Expenditure Period of this District terminates on September 11, 2022. The remaining and additional projects to be undertaken pursuant to this Project Plan are expected to be financed with grants, pay-as-you-go agreements, and general obligation debt issued between 2015 and 2019, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of project financing by phase is located in Section 10 of this plan.

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- The additional project costs include costs for sewer & water improvements, telecommunication infrastructure, and road construction. These project areas are located both in the current boundary & outside of, but within ½ mile of the current boundary of the District and within the City.
 - Economic Development.
 - As a result of the amendment of this District, the City projects that additional land and improvements value of approximately \$21,400,000 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the amended area and within the original District boundaries. A table detailing assumptions as to the timing of new development and redevelopment, and associated values is located in Section 10 of this plan. In addition, the amendment of the District is expected to result in further economic benefits as detailed in the Summary of Findings hereafter.
 - Expected Termination of District.
 - TID No. 4 has a maximum statutory life of 20 years, and must close not later than September 11, 2027, resulting in a final collection of increment in budget year 2028. Pre-amendment cash flow projections indicate that the entire available life of the District will be required to retire current and projected District liabilities. Based on the Economic Feasibility Study located in Section 10 of this Plan, amendment of the District would not result in a shift in the projected District closure year of 2027.

SUMMARY OF FINDINGS

As required by s.66.1105 Wis. Stats., and as documented in this Project Plan Amendment and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” amendment of this District, the additional development projected to occur within the amendment areas 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 information:
 - In order to make the amendment areas suitable for development and/or redevelopment, the City will need to make a substantial investment to pay for the costs of: property, right-of-way and easement acquisition; site preparation; installation of utilities; installation of streets and related streetscape items; development incentive payments; façade grants and loans, and other associated costs. Due to the extensive initial investment in public infrastructure and/or rehabilitation that is required in order to allow development and/or redevelopment to occur, the City has determined that development and/or redevelopment of the amendment area will not occur solely as a result of private investment. Accordingly, the City finds that absent the use of TIF, development and/or redevelopment of the amendment area is unlikely to occur.
 - Due to its geographic location and market conditions, the City has seen little growth or new investment in the community. Net new construction within the City for the period of 2009 to 2013 has been stagnant and total equalized value growth has averaged -1.09% per year. Absent the use of Tax Increment Financing (TIF), this trend is likely to

continue. Use of TIF will provide the City with the means to stimulate new development in the amended area.

- The City's Comprehensive Plan has identified two primary economic development goals:
 1. "Promoting the expansion and stabilization of the current economic base and the creation of a range of employment opportunities at the state, regional, and local levels."
 2. "Promotion of the redevelopment of lands with existing infrastructure and public services and the maintenance and rehabilitation of existing residential, commercial, and industrial structures."
 - These objectives are to be accomplished through the revitalization and beautification of the City's downtown and transportation corridors, riverfront, and identified redevelopment areas.
 - Furthermore, the City's Comprehensive Plan identifies Tax Incremental Financing as a viable means of supporting the City's goals, as well as a means of filling a gap in available private business financing for certain

2. The economic benefits of amending the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the City has considered the following information:

- As demonstrated in the Economic Feasibility Section of this Project Plan, the total tax increments projected to be collected are more than sufficient to pay for the actual and proposed Project Costs within the original District and the amended areas. On this basis alone, the finding is supported.

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

- If approved, the boundary amendment would become effective for valuation purposes as of January 1, 2013. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the amendment area due to new construction, renovation or appreciation of property values occurring after January 1, 2013 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
- Given that additional development is not likely to occur or in the same manner without the use of tax incremental financing (see finding # 1), and since the District will generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the City reasonably concludes that the overall additional benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the "but for" test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not amended. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be

paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix A of the Project Plan.

4. Not less than 50% by area of the real property within the District, as amended, is suitable for industrial and commercial development, defined as “mixed-use development” within the meaning of Section 66.1105(2)(cm) of the Wisconsin Statutes.
5. Based upon the findings, as stated above, and the original findings as stated in the Creation Resolution, the District remains declared a mixed-use District based on the identification and classification of the property included within the District.
6. The Project Costs of the District relate directly to promoting mixed-use development in the District consistent with the purpose for which the District was created.
7. The improvements to be made within the territory incorporated by this Amendment are likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of the taxable property within the territory to be added to the District by this amendment, plus the value increment of all other existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
9. 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, pursuant to Sections 66.1105(5)(b) of the Wisconsin Statutes.
10. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

2

TYPE & GENERAL DESCRIPTION OF DISTRICT

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on September 11, 2007 by resolution of the Common Council. The District's valuation date, for purposes of establishing base value, was January 1, 2007.

The existing District is a "Mixed Use District" based upon a finding that at least 50%, by area, of the real property within the District was suitable for industrial and commercial uses within the meaning of Wisconsin Statutes Section 66.1105(2)(cm). The District will remain in compliance with this finding after the addition and subtraction of the territory identified in this Amendment. The District will also remain in compliance with the prohibition that no more than 35% of the area of the District be allocated for newly-platted residential development. To the extent that the City has incurred, or may incur, Project Costs for newly platted residential development, the residential development will have a density of at least 3 units per acre as defined in s.66.1105(2)(f)3.a., Wisconsin Statutes, or be located in a conservation subdivision as defined in s.66.1027(1)(a) Wisconsin Statutes, or be located in a traditional neighborhood development as defined in s.66.1027(1)(c) Wisconsin Statutes. The Preliminary Parcel list found in Section 5 of this plan provides a calculation demonstrating continued compliance with both the 50% test and the 35% 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 not previously been amended. This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan unless specifically stated. All components of the original Project Plan remain in effect.

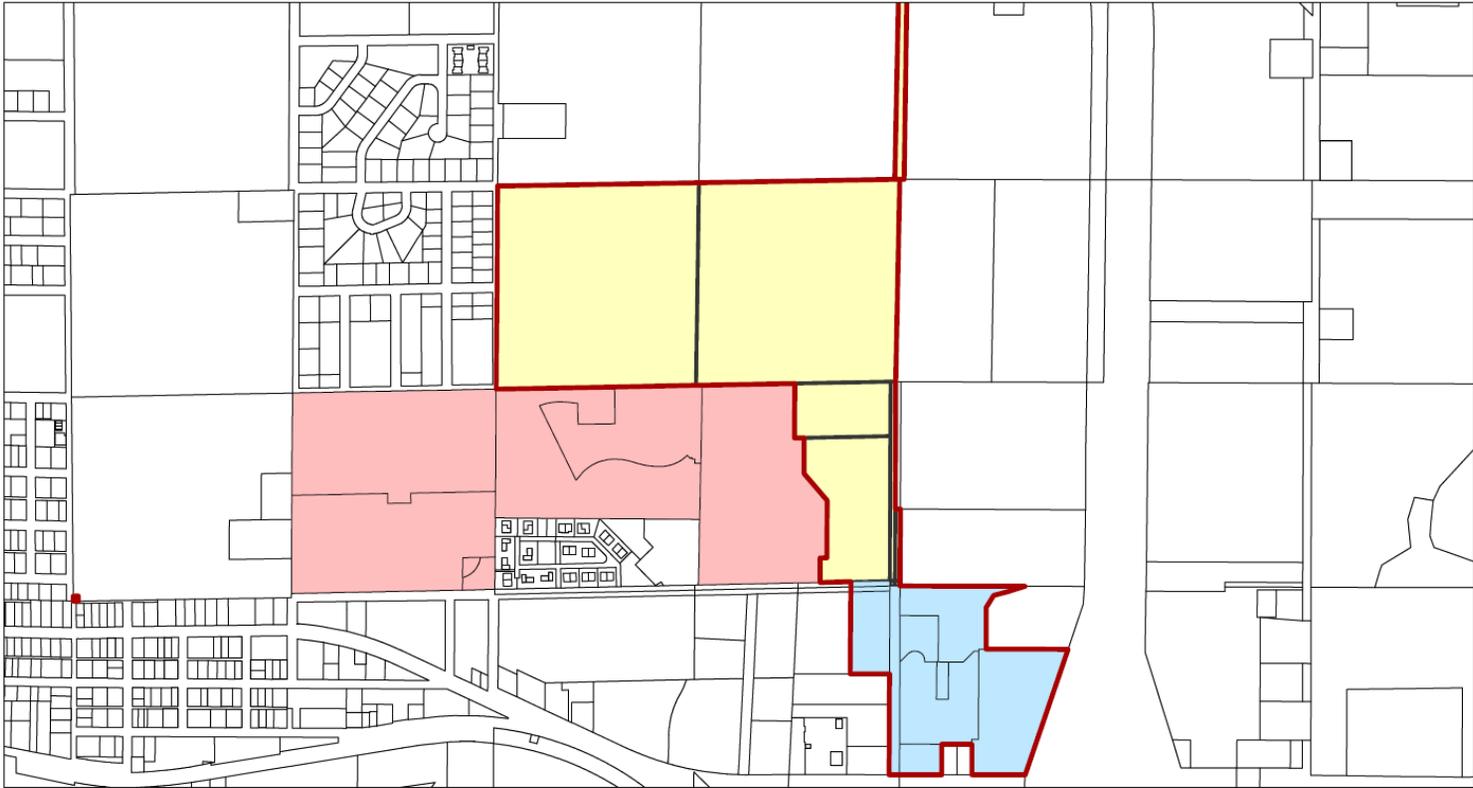
The purpose of the Amendment is to both add and subtract territory simultaneously. The addition of territory to the District will facilitate new development and/or redevelopment opportunities, while the subtraction will improve administrative efficiency by removing certain parcels.

The amendment is also to update and/or provide for the undertaking of additional expenditures.

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 a mixed-use District based on the identification and classification of the property included within the District.

3

MAP OF ORIGINAL DISTRICT BOUNDARY, WITH TERRITORY AMENDMENT AREA IDENTIFIED



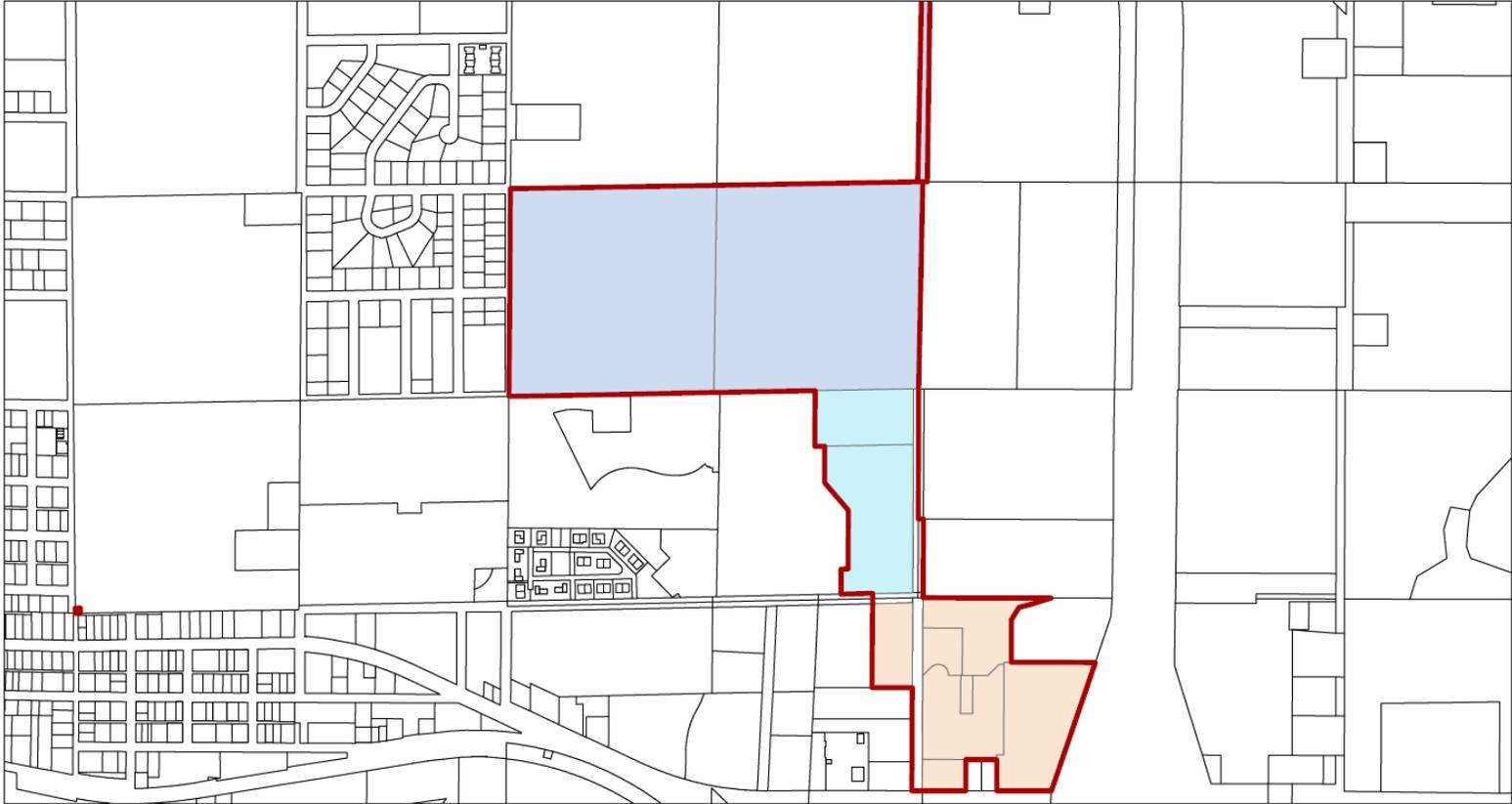
City of Merrill TID 4

- Legend**
- TID_4
 - Removed Properties
 - Proposed Added Properties
 - Boundary

Drawn By: Kate Drewek

4

MAP SHOWING EXISTING USES & CONDITIONS WITHIN THE TERRITORY TO BE ADDED AND REMAINING



City of Merrill TID 4

- Legend**
- Boundary
 - Industrial Zoning
 - Commercial Zoning
 - Rural Development

Drawn By: Kate Drewek

5

PRELIMINARY LIST OF PARCELS WITHIN THE TERRITORY TO BE ADDED AND SUBTRACTED FROM THE EXISTING DISTRICT & ANALYSIS

City of Merrill, WI
Tax Increment District No. 4
Preliminary Parcel List

MAP REF. #	PARCEL NO.	STREET ADDRESS	OWNER	ASSESSED VALUE - PERS PROP	ASSESSED VALUE - LAND	ASSESSED VALUE - IMP	TOTAL ASSESSED VALUE (LAND & IMP)	ASSESSMENT CLASSIFICATION	LAND RATIO (BY CLASS)	IMPROVEMENTS RATIO (BY CLASS)	EQUALIZED VALUE	PARCEL ACREAGE	CURRENT ZONING	ACTUAL USE	ACRES ZONED AND SUITABLE FOR INDUSTRIAL USE	ACRES ZONED OR PLANNED FOR COMMERCIAL/BUSINESS USE	ACRES SUITABLE FOR MIXED USE DEVELOPMENT	MISC./NOTES
Additions																		
	34-0001-000-089-05-31	200 S. Pine Ridge Ave.	Tara Inn Inc.	31,500	122,900	286,800	409,700	2 - Commercial	98.67%	98.67%	124,557	3.120	Commercial	Hotel		3.120	3.120	
	34-0001-000-089-08-00	101 S. Pine Ridge Ave.	Trantow Do It Center	68,250	342,700	813,400	1,156,100	2 - Commercial	98.67%	98.67%	1,171,683	4.670	Commercial	Lumber/ETC		4.670	4.670	
	34-0001-000-089-11-00	S. Pine Ridge Ave.	Johnson, Kent & Sue		163,400	0	163,400	2 - Commercial	98.67%	98.67%	165,603	1.500	Commercial	Vacant		1.500	1.500	
	34-0001-000-089-06-02	3404 - 3440 E Main St.	Merrill Pine Ridge Plaza Sub	319,000	665,300	1,364,400	2,029,700	2 - Commercial	98.67%	98.67%	2,057,059	6.113	Commercial	Shopping Mall		6.113	6.113	
	34-0001-000-089-06-03	3410 - 3416 E. Main St.	Merrill Pine Ridge Plaza Sub	14,000	68,600	354,500	423,100	2 - Commercial	98.67%	98.67%	428,803	0.421	Commercial	Shopping Mall		0.421	0.421	
	34-0001-000-089-09-00	3400 E. Main St.	McDonalds Corporation	165,300	249,800	488,400	738,200	2 - Commercial	98.67%	98.67%	748,150	1.260	Commercial	Restaurant		1.260	1.260	
	34-0001-000-089-07-00	3500 E. Main St.	Wal-Mart Property	833,400	728,500	2,050,300	2,778,800	2 - Commercial	98.67%	98.67%	2,816,256	8.490	Commercial	Retail		8.490	8.490	
Subtractions																		
	34-0001-000-085-02-00	Cemetery	St. Francis Congregation		0	0	0		98.67%	98.67%	0	-0.170	7 - Other	Cemetery			0.000	
	34-0001-000-085-03-01	Cemetery	Merrill Memorial Park Inc.		0	0	0		98.67%	98.67%	0	-20.220	7 - Other	Cemetery			0.000	
	34-0001-000-085-01-01	Cemetery	Catholic Cemetery Association		0	0	0		98.67%	98.67%	0	-18.780	7 - Other	Cemetery			0.000	
	34-0001-000-087-01-01	Cemetery	Merrill Memorial Park Inc.		0	0	0		98.67%	98.67%	0	-12.985	7 - Other	Cemetery			0.000	
	34-0001-000-087-01-02	Cemetery	Merrill Memorial Park Inc.		0	0	0		98.67%	98.67%	0	-12.985	7 - Other	Cemetery			0.000	
	34-0001-000-085-04-00	Well No. 5	City of Merrill		0	0	0		98.67%	98.67%	0	-0.830	7 - Other	Cemetery			0.000	
	34-0001-000-087-06-03	Thielman St. (Landfill)	Lincoln Disposal, Inc.		(21,500)	0	-21,500		98.67%	98.67%	-21,790	-21.466	2 - Commercial	Landfill		-21.466	-21.466	
							0										0.000	
			SUBTOTAL PERSONAL PROPERTY >	1,431,450					98.67%		1,450,745	NA	NA	Personal Property	NA	NA	NA	
											8,941,066	-61,862			0.000	4.108	4.108	
											ESTIMATED BASE VALUE	TOTAL AMENDMENT ACREAGE	Existing Area:		38.010	78.600	116.610	
															38.010	82.708	120.718	
													TOTAL INDUSTRIAL ACREAGE	TOTAL COMMERCIAL ACREAGE	TOTAL MIXED USE ACREAGE			
													31.487%	68.513%	100.000%			
											As of January 1 2007		Percent of Total District Acreage					



6 EQUALIZED VALUE TEST

The following calculations demonstrate that the City is in compliance with s.66.1105(4)(gm)4.c. Wis. Stats., which requires that the equalized value of the Territory to be added to the District, plus the value increment of the District being amended, plus the value increment of all other existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the Territory to be incorporated by this Amendment, plus the increment value of TID No. 4, plus the value increment of all other existing tax incremental districts within the City, totals \$18,760,866. This value is less than the maximum of \$44,943,612 in equalized value that is permitted for the City of Merrill. The City is therefore in compliance with the statutory equalized valuation test and may proceed with amendment of this District.

<i>City of Merrill, WI</i>		
Tax Increment District No. 4		
Valuation Test Compliance Calculation		
Anticipated Creation/Amendment	1/1/2013	
Property Appreciation Factor:	5.00%	
		Valuation Data
		Currently Available
		ACTUAL
As of January 1,		2013
Total Equalized Value (TID IN)		374,530,100
Limit for 12% Test		44,943,612
Increment Value of Existing TID's		
TID No. 3 Increment		7,658,800
TID No. 4 Increment		1,735,300
TID No. 5 Increment		425,700
TID No. 6 Increment		0
TID No. 7 Increment		0
TID No. 8 Increment		0
Total Existing Increment		9,819,800
Projected Base Value of New District		8,941,066
TOTAL VALUE SUBJECT TO TEST/LIMIT		18,760,866
COMPLIANCE		PASS



7

STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS

The following is a list of public works and other TIF-eligible projects that the City has implemented, or expects to implement, within the original District or within the Territory to be incorporated by this Amendment. Any costs directly or indirectly related to the public works and other projects are considered "Project Costs" and eligible to be paid with tax increment revenues of the District.

PROPERTY, RIGHT-OF-WAY AND EASEMENT ACQUISITION

- **PROPERTY ACQUISITION FOR DEVELOPMENT AND/OR REDEVELOPMENT.** In order to promote and facilitate development and/or redevelopment the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for development and/or redevelopment. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development and/or redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in State Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.
- **ACQUISITION OF RIGHTS-OF-WAY.** The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.
- **ACQUISITION OF EASEMENTS.** The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.
- **RELOCATION COSTS.** If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

SITE PREPARATION ACTIVITIES

- **ENVIRONMENTAL AUDITS AND REMEDIATION.** There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

- **DEMOLITION.** In order to make sites suitable for development and/or redevelopment, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.
- **SITE GRADING.** Land within the District may require grading to make it suitable for development and/or redevelopment, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

UTILITIES

- **SANITARY SEWER SYSTEM IMPROVEMENTS.** There are inadequate sanitary sewer facilities serving areas of the District. To allow development and/or redevelopment to occur, the City may construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

The improvements to the wastewater treatment facilities, although not within the ½ mile radius, are an eligible project cost under Section 66.1105(2)(f)1 k.

- **WATER SYSTEM IMPROVEMENTS.** There are inadequate water distribution facilities serving areas of the District. To allow development and/or redevelopment to occur, the City may construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.
- **STORMWATER MANAGEMENT SYSTEM IMPROVEMENTS.** Development and/or redevelopment within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the City may construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges;

stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

- **ELECTRIC SERVICE.** In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.
- **GAS SERVICE.** In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.
- **COMMUNICATIONS INFRASTRUCTURE.** In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

STREETS AND STREETScape

- **STREET IMPROVEMENTS.** There are inadequate street improvements serving areas of the District. To allow development and/or redevelopment to occur, the City may need to construct and/or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.
- **STREETSCAPING AND LANDSCAPING.** In order to attract development and/or redevelopment consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

CDA/RDA TYPE ACTIVITES

- **CONTRIBUTION TO REDEVELOPMENT AUTHORITY.** As provided for in Wisconsin Statutes Sections 66.1105(2)(f)1.h and 66.1333(13), the City may provide funds to its RDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the RDA for this purpose are eligible Project Costs.
- **REVOLVING LOAN/GRANT PROGRAM.** To encourage private redevelopment consistent with the objectives of this Plan, the City, through its RDA, may provide loans and/or matching grants to eligible property owners in the District. Loan and/or matching grant recipients will be required to sign an agreement specifying the nature of the property improvements to be made. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the RDA in the program manual. Any funds returned to the RDA from the repayment of loans made are not considered revenues to the District, and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving loan fund and will continue to be used for the program purposes stated above. Any funds provided to the RDA for purposes of implementing this program are considered eligible Project Costs.

MISCELLANEOUS

- **CASH GRANTS (DEVELOPMENT INCENTIVES).** The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.
- **PROJECTS OUTSIDE THE TAX INCREMENT DISTRICT.** Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. **The City intends to make the following project cost expenditures outside the District: \$1,000,000 of street improvements.**
- **PROFESSIONAL SERVICE AND ORGANIZATIONAL COSTS.** The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.
- **ADMINISTRATIVE COSTS.** The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees in connection with the implementation of the Plan.

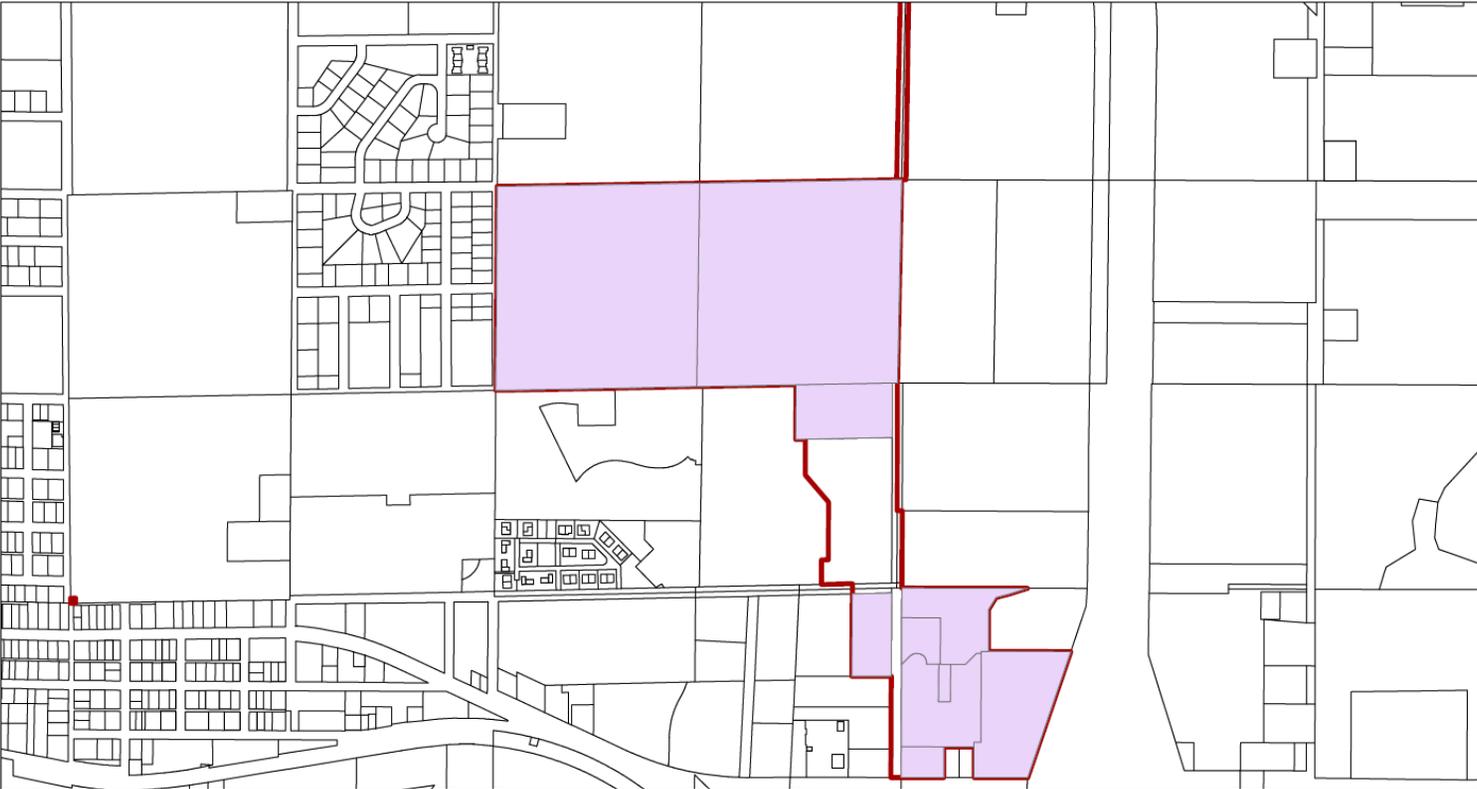
- **FINANCING COSTS.** Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, site preparation, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages, and other expenses are included as Project Costs.

In the event any of the public works project expenditures are not reimbursable out of the special tax increment finance fund under Wisconsin Statute Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan Amendment.

The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.

Project Costs are any expenditures made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and as outlined in this Plan or the original Project Plan. To the extent the costs benefit the City outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Proration of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received by the City in connection with the implementation of this Plan.



City of Merrill TID 4

Legend

-  Boundary
-  Proposed Redevelopment

Drawn By: Kate Drewek

9

DETAILED LIST OF ADDITIONAL PROJECT COSTS

This Section contains information relative to the specific projects and expenditures that the City anticipates it will undertake or make within the Territory to be incorporated into the District by this Amendment.

All costs are based on 2013 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2013 and the time of construction. The City also reserves the right to increase certain Project Costs to the extent others are reduced or not implemented without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

This Plan is not meant to be a budget, nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Common Council, without further amending this Plan.

PROPOSED TIF PROJECT COST ESTIMATES

<p style="text-align: center;"><i>City of Merrill, WI</i> Tax Increment District No. 4 Project List</p> 						
	Phase I	Phase II	Phase III	Phase IV	Future Phases	TOTALS
	2013-2014	2015-2016	2017-2018	2019-2020	2021-2027	
Projects						
TID Boundary and Plan Amendments	9,000		9,000		9,000	18,000
Development Incentives	170,000	370,000	370,000	370,000	210,000	910,000
Real Estate Acquisition	100,000	350,000				450,000
Environmental Remediation		50,000				50,000
Pedestrian Path and Amenities		250,000	300,000			550,000
Stormwater System Improvements	50,000	200,000				250,000
Telecommunication Infrastructure		100,000				100,000
Sanitary Sewer Improvements		500,000				500,000
Water System Improvements		350,000				350,000
Street Improvements*		2,250,000		750,000		2,250,000
Subtotal Needed for Projects	329,000	4,420,000	679,000	1,120,000	219,000	5,428,000
Notes:	*\$1,000,000 of street improvements for projects outside of but within 1/2 mile of District					

10 ECONOMIC FEASIBILITY STUDY & A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED

The information and exhibits contained within this Section demonstrate that the District, as amended by the subtraction of Territory, will remain economically feasible. The analysis in this section demonstrates the overall cash flow is unaffected by the subtraction.

The information and exhibits contained within this Section demonstrate that the District, as proposed to be amended by the addition of territory, will remain economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the remaining projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the remaining projects in one or multiple phases, and can adjust the timing of implementation as needed to coincide with the pace of private development and/or redevelopment. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.
- The development anticipated to occur as a result of the continued implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development and/or redevelopment expected to occur, 2) an updated projection of tax increments to be collected resulting from that development and/or redevelopment and other economic growth within the District, and 3) an updated cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

AVAILABLE FINANCING METHODS

Implementation of this Plan may require that the City issue debt obligations to provide direct or indirect financing for the Projects to be undertaken. The following is a list of the types of obligations the City may choose to utilize.

General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of Projects included within this Plan. Wisconsin Statutes limit the principal amount of G.O. debt that a community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (including increment values). The tables on page 24 provide a calculation of the City’s current and projected G.O. debt capacity. Tables 1 and 2 project, respectively, the City’s equalized value, and the full faith and credit borrowing capacity of the City. Equalized valuation projections were made using two methods. The first projects future valuation of the City using the average annual percentage of valuation growth experienced between 2009 and 2013. This

method is identified as the percentage method. The second method projects the future valuation based upon the average annual value change between 2009 and 2013. This method is identified as the straight-line method. Table 2 projects the G.O. borrowing capacity of the City utilizing the straight-line valuation projection and considering the existing debt of the City, demonstrating that the City will have sufficient G.O. debt capacity during the implementation period of the District to finance projects using this method if it chooses.

Bonds Issued to Developers (“Pay as You Go” Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and, therefore, do not count against the City’s statutory borrowing capacity.

Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City, or as a form of lease revenue bond by its Redevelopment Authority (RDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City’s statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of its various utility systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible Project Costs in an equal amount.

Special Assessment “B” Bonds

The City has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City’s statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

PLAN IMPLEMENTATION

Projects identified will provide the necessary anticipated governmental services and/or development incentives to the additional territory. It is anticipated these expenditures will be made over the following 9 years. However, public debt and expenditures should be made at the pace private development and/or redevelopment occurs to assure increment is sufficient to cover expenses. The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective. In any event, all additional Project Costs are to be incurred within the period specified in Section 66.1105(6)(am) of the Wisconsin Statutes.

It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement these agreements might include levying of special assessments against benefited properties.

The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.

If financing as outlined in this Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.

IMPLEMENTATION & FINANCING TIMELINE

City of Merrill, WI Tax Increment District No. 4 Estimated Project Costs & Financing Plan					
	Phase I	Phase II	Phase III	Phase IV	All Phases
Projects					
TID Boundary and Plan Amendments	9,000	0	9,000	0	9,000
Real Estate Acquisition	100,000	350,000	0	0	450,000
Environmental Remediation	0	50,000	0	0	50,000
Pedestrian Path and Amenities	0	250,000	300,000	0	250,000
Stormwater System Improvements	50,000	200,000	0	0	250,000
Telecommunication Infrastructure	0	100,000	0	0	100,000
Sanitary Sewer Improvements	0	500,000	0	0	500,000
Water System Improvements	0	350,000	0	0	350,000
Street Improvements *	0	2,250,000	0	750,000	3,000,000
Subtotal Needed for Projects	159,000	4,050,000	309,000	750,000	4,959,000
Less Other Sources					
Grant		(550,000)	(150,000)	(500,000)	
General Fund Advance	(109,000)				
Proceeds from Prior Debt Issue	(50,000)	(200,000)			
Total Needed for Projects	0	3,300,000	159,000	250,000	
Finance Related Expenses					
Financial Advisor		22,000	2,500	2,500	
Bond Counsel (Estimate)		10,000			
Rating Agency Fee		10,000			
Paying Agent (if Term Bonds)		1,000			
Undewriter's Discount		33,800			
Total Financing Required	0	3,376,800	161,500	252,500	
Rounding	0	3,200	0	0	
NET ISSUE SIZE	0	3,380,000	161,500	252,500	

DEVELOPMENT ASSUMPTIONS

City of Merrill, WI

**Tax Increment District No. 4
Development Assumptions**

Construction Year	Projected Development	Annual Total
2013		0
2014	3,250,000	3,250,000
2015	3,300,000	3,300,000
2016	4,500,000	4,500,000
2017	2,850,000	2,850,000
2018	1,000,000	1,000,000
2019	2,000,000	2,000,000
2020	3,500,000	3,500,000
2021	1,000,000	1,000,000
2022		0
2023		0
2024		0
2025		0
2026		0
2027		0
2028		0
TOTALS	21,400,000	21,400,000

NOTES:

INCREMENT REVENUE PROJECTIONS

City of Merrill, WI

**Tax Increment District No. 4
Tax Increment Projection Worksheet**

Type of District	Mixed Use
Actual Creation Date	9/11/2007
Valuation Date	Jan. 1, 2007
Maximum Life (In Years)	20-Jan-00
Expenditure Period (In Years)	15-Jan-00
Revenue Periods/Final Rev Year	20-Jan-00 2028
End of Expenditure Period	9/11/2022
Latest Termination Date	9/11/2027
Eligible for Extension/No. of Years	Yes 3
Eligible Recipient District	No

Actual Base Value	8,941,066
Pre-Amendment Base Value (Actual)	NA
Property Appreciation Factor	0.00%
Current Tax Rate (Per \$1,000 EV)	\$29.00
Tax Rate Adjustment Factor (Next 2 Years)	0.00%
Tax Rate Adjustment Factor (Following 2 Years)	0.00%
Tax Rate Adjustment Factor (Thereafter)	0.00%
Discount Rate 1 for NPV Calculation	4.25%
Discount Rate 2 for NPV Calculation	6.00%

Apply Inflation Factor to Base?

X

Net Present Value Calculation

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	Cumulative @ 4.25%	Cumulative @ 6.00%
##### 2013	0	2014	0	1,735,300	2015	29.00	50,332	44,424	42,260
##### 2014	3,250,000	2015	0	4,985,300	2016	29.00	144,597	166,844	156,794
##### 2015	3,300,000	2016	0	8,285,300	2017	29.00	240,312	362,007	336,369
##### 2016	4,500,000	2017	0	12,785,300	2018	29.00	370,833	650,890	597,792
##### 2017	2,850,000	2018	0	15,635,300	2019	29.00	453,497	989,767	899,393
##### 2018	1,000,000	2019	0	16,635,300	2020	29.00	482,501	1,335,618	1,202,121
##### 2019	2,000,000	2020	0	18,635,300	2021	29.00	540,511	1,707,256	1,522,048
##### 2020	3,500,000	2021	0	22,135,300	2022	29.00	642,027	2,130,697	1,880,553
##### 2021	1,000,000	2022	0	23,135,300	2023	29.00	671,032	2,555,225	2,234,044
##### 2022	0	2023	0	23,135,300	2024	29.00	671,032	2,962,446	2,567,526
##### 2023	0	2024	0	23,135,300	2025	29.00	671,032	3,353,066	2,882,132
##### 2024	0	2025	0	23,135,300	2026	29.00	671,032	3,727,761	3,178,930
##### 2025	0	2026	0	23,135,300	2027	29.00	671,032	4,087,181	3,458,928
##### 2026	0	2027	0	23,135,300	2028	29.00	671,032	4,431,948	3,723,077
				21,400,000			0		

Future Value of Increment **6,950,801**



CASH FLOW

City of Merrill, WI Tax Increment District No. 4 Cash Flow Pro Forma																						
Year	Revenues					Expenditures												Balances		Amend. Project Cost Principal Outstanding	Year	
	Tax Increments	Investment Earnings	Other Revenue	Special Assessment	Total Revenues	G.O. Bond \$3,380,000 6/1/2015			State Trust Fund Loan \$161,500 6/1/2017			State Trust Fund Loan \$252,500 6/1/2019			Development Incentives	Admin	Existing TID No. 4 Debt	Total Expenditures	Annual			Cumulative
		0.10%				Prin (6/1)	Est. Rate	Interest	Prin (3/15)	Est. Rate	Interest	Prin (3/15)	Est. Rate	Interest								
2013	53,859	0	53,859		107,718										35,000	18,000	29,420	82,420	25,298	25,298	3,794,000	2013
2014	50,332	25			50,357										35,000	27,500	33,880	96,380	(46,023)	(20,725)	3,794,000	2014
2015	50,332	0		40,000	90,332										185,000	27,500	33,140	245,640	(155,308)	(176,033)	3,794,000	2015
2016	144,597	0		40,000	184,597	300,000	2.750%	92,950							185,000	27,500	32,400	637,850	(453,253)	(629,286)	3,494,000	2016
2017	240,312	0		40,000	280,312	305,000	2.750%	84,700	14,907	3.250%	4,141				185,000	27,500	31,640	633,840	(353,528)	(982,814)	3,189,000	2017
2018	370,833	0		40,000	410,833	315,000	2.750%	76,313	14,748	3.250%	4,300				185,000	27,500	30,880	653,740	(242,907)	(1,225,721)	2,859,093	2018
2019	453,497	0		40,000	493,497	325,000	2.750%	67,650	14,283	3.250%	4,764				185,000	27,500	30,100	654,298	(160,801)	(1,386,522)	2,519,810	2019
2020	482,501	0		40,000	522,501	335,000	2.750%	58,713	14,748	3.250%	4,300	29,635	3.250%	6,474	185,000	27,500	34,320	695,689	(173,188)	(1,559,709)	2,140,427	2020
2021	540,511	0		40,000	580,511	340,000	2.750%	49,500	15,227	3.250%	3,821	28,866	3.250%	7,243	185,000	27,500	33,320	690,477	(109,966)	(1,669,675)	1,756,334	2021
2022	642,027	0		40,000	682,027	350,000	2.750%	40,150	15,722	3.250%	3,326	29,804	3.250%	6,305	35,000	27,500	32,320	540,127	141,900	(1,527,775)	1,360,808	2022
2023	671,032	0		40,000	711,032	360,000	2.750%	30,525	16,233	3.250%	2,815	30,773	3.250%	5,336	35,000	27,500	31,270	539,452	171,580	(1,356,195)	953,803	2023
2024	671,032	0		40,000	711,032	370,000	2.750%	20,625	16,760	3.250%	2,287	31,773	3.250%	4,336	35,000	27,500	35,220	543,502	167,530	(1,188,665)	535,270	2024
2025	671,032	0		40,000	711,032	380,000	2.750%	10,450	17,305	3.250%	1,743	32,805	3.250%	3,304	35,000	27,500	33,930	542,037	168,995	(1,019,670)	105,159	2025
2026	671,032	0		40,000	711,032				17,867	3.250%	1,180	33,872	3.250%	2,237	35,000	27,500	32,640	150,297	560,735	(458,935)	53,420	2026
2027	671,032	0		40,000	711,032				18,448	3.250%	600	34,972	3.250%	1,137	35,000	27,500	31,320	148,977	562,055	103,121	(0)	2027
2028	671,032	103			671,135													0	671,135	774,255	(0)	2028
Total	7,054,992	128	53,859	520,000	7,628,979	3,380,000		531,575	161,500		28,976	252,500		36,372	1,575,000	403,000	485,800	6,854,724	774,255			

Projected TID Closure

11 ANNEXED PROPERTY

There are no lands within the Territory proposed to be included within the District by Amendment that were annexed by the City on or after January 1, 2004.

12 ESTIMATE OF ADDITIONAL TERRITORY 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 Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.

13 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 Amended Project Plan.

14 PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF MERRILL 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.

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 state statutes as required in Wisconsin Statutes chapter 32.

16

ORDERLY DEVELOPMENT AND/OR REDEVELOPMENT OF THE CITY OF MERRILL

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

17

A 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 anticipates approximately \$1,200,000 in grant funding for various projects. To the extent grant funding is unavailable, those costs will become eligible costs of the District.

18

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

September 10, 2013

SAMPLE

William Bialecki, Mayor
City of Merrill
1004 E. First Street
Merrill, Wisconsin 54452

RE: City of Merrill, Wisconsin Tax Incremental District No. 4 Amendment

Dear Mayor:

As City Attorney for the City of Merrill, 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 Section 66.1105(4)(f), Wis. Stat.

Sincerely,

Attorney Thomas Hayden
City of Merrill

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 Share by Taxing Jurisdiction of Projected Tax Increments to be paid by Owners of Taxable Property in each of the Taxing Jurisdictions Overlying the Tax Increment District

<i>Revenue Year</i>	<i>County</i>	<i>City - Village</i>	<i>School District</i>	<i>Technical College</i>	<i>Total</i>
	18.99%	43.67%	30.37%	6.97%	
2015	9,559	21,978	15,284	3,510	50,332
2016	27,463	63,141	43,910	10,083	144,597
2017	45,642	104,937	72,976	16,757	240,312
2018	70,432	161,931	112,612	25,858	370,833
2019	86,132	198,028	137,714	31,622	453,497
2020	91,641	210,693	146,522	33,645	482,501
2021	102,659	236,024	164,138	37,690	540,511
2022	121,940	280,353	194,966	44,769	642,027
2023	127,449	293,018	203,774	46,791	671,032
2024	127,449	293,018	203,774	46,791	671,032
2025	127,449	293,018	203,774	46,791	671,032
2026	127,449	293,018	203,774	46,791	671,032
2027	127,449	293,018	203,774	46,791	671,032
2028	127,449	293,018	203,774	46,791	671,032
	1,320,161	3,035,196	2,110,765	484,679	6,950,801

NOTE: The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.