

**City of Merrill
Joint Review Board
Tuesday, April 21, 2009 at 5:00 P.M.
Basement Conference Room, City Hall, 1004 East First Street**

Members Present: Mayor Doug Williams (City of Merrill representative), Jane Kittel (North Central Technical District representative), Jeff Verdoorn (Merrill Area Public Schools representative arrived at 5:38 p.m.), Dan Leydet (Lincoln County representative), Art Lersch (public member)

Others Present: Finance Director/RDA Secretary Kathy Unertl, City Administrator Tony Chladek, City Attorney Tom Hayden, Sean Lentz from Ehlers & Associates, Tonia Speener from REI Engineering, and Dewey Pfister

Call to order

After introductions, Mayor Williams called the meeting to order at 5:00 P.M.

Election of chairperson

Motion (Leydet/Kittel) to nominate Doug Williams for Joint Review Board chairperson. Carried.

Motion (Leydet/Kittel) to close nominations and unanimously elect Williams as Joint Review Board chairperson. Carried.

Election of public member

Motion (Williams/Leydet) to nominate Art Lersch for Joint Review Board public member. Carried.

Motion (Williams/Kittel) to close nominations and unanimously elect Art Lersch as Joint Review Board public member. Carried.

Discuss responsibilities of Joint Review Board

Sean Lentz from Ehlers & Associates explained the responsibilities of the Joint Review Board including reviewing "A Guide for Joint Review Board Members" from the Wisconsin Department of Revenue. Lentz noted that the primary purpose of a Joint Review Board is to ensure that all taxing jurisdictions are represented and allowed input when the creation of Tax Increment Districts is being considered.

The three primary decision criteria for the Joint Review Board are whether the development expected in the TID would occur without the use of tax increment financing; whether the economic benefits of the TID as measured by increased employment, business and personal income, and property value, are insufficient to cover the costs of proposed improvements; and whether the benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing districts.

Discuss proposed TID District No. 6 (Downtown Area)

Sean Lentz from Ehlers & Associates distributed a power point presentation and provided an overview of the process and State criteria for creation of Tax Incremental District No. 6 and Redevelopment District No. 2. The boundaries are the same for both proposed districts.

Lentz highlighted how tax increment is generated above the existing base value and the importance of the “but for” test. TID No. 6 is proposed as a “blight” elimination district. Lentz and Unertl provided valuation and location information on the City’s four existing tax increment districts. As of January 1st, 2008, there was just under \$7.9 million in total value increment with over \$7.0 million in TID No. 3 (Wisconsin Riverfront). The equalized valuation of the proposed TID No. 6 would be about \$8.5 million. With \$15.8 million, the City would be well under the 12% State total equalized valuation limit which is about \$48.5 million.

About 87% of the total acreage is “blighted” which meets the not less than 50% State criteria. About 6.5% of the total acreage is “vacant” property which meets the not more than 25% State criteria. Lentz explained that “vacant” includes properties with a land value greater than the improved valuation. Parcels that have had buildings demolished within the past seven years (such as former Clark Station and former Brickner’s by the US Post Office) are not considered “vacant”.

The maximum lifespan for a “blight” TID is 27 years with a TIF expenditure period of 22 years. In contrast, a mixed use TID has a lifespan of 20 years with TIF expenditure period of 15 years. Unertl distributed pictures of some of the “blighted” properties. City building official Darin Pagel of Northwinds Inspection reviewed and took pictures of all building as part of his “blight” assessment.

Ehlers covered proposed project costs totaling about \$4.5 million. Unertl and Lentz added that another potential \$2 million in projects within a ½ mile of the proposed TID No. 6 boundaries were dropped based upon projected development/redevelopment. Development assumptions include potential demolition of some existing buildings. Kittle asked about impact of potential acquisition/demolition on base valuation? Lentz responded that depending upon development timing, it is possible that the tax base might go down initially.

MAPS representative Jeff Verdoorn arrived at 5:38 p.m.

Lersch asked about planning components. Williams advised that the City has an \$18,000 waterfront planning/feasibility grant. There is potential for use of Brownfield’s and TIF for encouraging development/redevelopment.

Lentz reported that a “blight” TID can be a recipient of tax increment from other TIDs since redevelopment is often more challenging. The TID No. 6 Plan includes potential amending of TID No. 3 budget/plan for potential transfer of TIF funding. Lentz emphasized that there would likely be future Joint Review Board meetings as development occurs to discuss potential TID budget amendments.

At this time, no action was necessary or taken.

Update on planning and timeframes for proposed TID No. 7 (North Center Ave. Area)

Unertl distributed tentative timetable for proposed TID No. 7. Potential for June/July Joint Review Board and Redevelopment Authority public hearing. More information should be available at the next Joint Review Board meeting.

Next meeting

With anticipated Merrill Common Council action on TID No. 6 creation, the next meeting was tentatively scheduled for Monday, May 18th at 5:30 P.M.

Public comment

None

Adjournment

Motion (Lersch/Leydet) to adjourn. Carried. Adjourned at 5:52 P.M.

Minutes prepared and submitted by:

Kathy Unertl, Finance Director/RDA Secretary