

**City of Merrill
Joint Review Board
Tuesday, July 21, 2009 at 4:30 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), Dan Leydet (Lincoln County representative), and Art Lersch (public member)

Others Present: Finance Director/RDA Secretary Kathy Unertl, City Administrator Tony Chladek, Sean Lentz from Ehlers & Associates, and Dewey Pfister

Call to order

Mayor Williams called the meeting to order at 4:30 P.M. with the four local government representatives present.

Election of chairperson

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

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

Election of public member

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

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

Review and consideration of minutes from May 18th, 2009 Joint Review Board Meeting:

Motion (Leydet/Lersch) to approve the meeting minutes as submitted. 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.

Discuss responsibilities of Joint Review Board (Continued)

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. 7 (North Center Avenue 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. 7 and Redevelopment District No. 3. 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. 7 is proposed as a “blight” elimination district.

As of January 1st, 2008, there was about \$7.3 million in total value increment with over \$7.0 million in TID No. 3 (Wisconsin Riverfront). Although TID No. 6 has been created, the TID has not yet been certified by Wisconsin Department of Revenue. The equalized valuation of the proposed TID No. 7 would be about \$5.6 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 16% 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. Unertl advised that it was necessary to drop the Prairie River Properties vacant 33.6 acre parcel west of Mill Street. If some of this property could be developed, it would be potentially possible to add about eight acres if a TID boundary amendment is considered.

The maximum lifespan for a “blight” TID is 27 years with a TIF expenditure period of 22 years. City Building Inspector Darin Pagel of Northwinds Inspection reviewed and took pictures of all buildings as part of his “blight” assessment. Unertl highlighted the primary redevelopment areas including former Fox Point Sportswear, North Center Avenue business district, former Wisconsin DRN Ranger Station parcel, Prairie River Properties parcel (i.e. FM Enterprises, LLC), and Northern Specialty site.

Ehlers covered proposed TID budget/project list, development assumptions, tax increment projections, and cash flow pro forma. The City anticipates a number of projects may be eligible for grant funding. To the extent that grant funds are received, project costs would be reduced. The project costs are for budget planning purposes. Actual expenditures and potential public debt borrowing would be reviewed and authorized by a case-by-case basis by the Redevelopment Authority and Common Council.

Discuss proposed TID District No. 7 (North Center Avenue Area)

Lentz reported that a “blight” TID can be a recipient of tax increment from other TIDs since redevelopment is often more challenging. Leydet asked about the Tax Increment Projection Worksheet. The green column highlights the projected future tax increment.

At this time, no action was necessary or taken.

Next meeting

With anticipated Merrill Common Council action on TID No. 7 creation on Tuesday, August 11th, the next meeting was tentatively scheduled for Monday, August 31st at 4:30 P.M.

Public comment

None

Adjournment

Motion (Verdoorn/Leydet) to adjourn. Carried. Adjourned at 4:55 P.M.

Minutes prepared and submitted by:

Kathy Unertl, Finance Director/RDA Secretary