



CITY OF MERRILL
REDEVELOPMENT AUTHORITY
AGENDA • TUESDAY FEBRUARY 7, 2017

Regular Meeting

City Hall Council Chambers

8:00 AM

- I. Call to Order
- II. Introduction of New Commission Member
 1. RDA Commissioner Clyde Nelson replacing Amanda Kostman
- III. Minutes of previous meeting (s):
 1. Minutes of January 3, 2017
- IV. Public Comment
- V. Agenda items for consideration:
 1. Update on revision of 2017 TID-financed infrastructure improvements and status of TID planning
 2. Consider resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and the David J Cooper Agency Inc., (900 E. 1st St.) TID No. 6
 3. Consider resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and the Northcentral Technical College (for new Commercial Driver's License truck driving training center) - TID 11
 4. Consider resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and the Horizon Development Group, Inc. (1905 E. 14th St) - TID No. 10
 5. Consider resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and Badger Portfolio, LLC (Continental Properties) to facilitate construction of new maintenance garage, relocation of nineteen (19) mobile homes, and City options to purchase (3) tax parcels - TID No. 3
- VI. Next RDA meeting
- VII. Adjournment

City of Merrill
Redevelopment Authority (RDA)

③

Tuesday, January 3rd, 2017 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Bill Bialecki, Amanda Kostman, Tim Haight, Jill Laufenberg,
and Ryan Schwartzman

RDA Absent: Karen Karow and Tony Kusserow

Others: Alderpersons Kandy Peterson and Mary Ball, City Administrator
Dave Johnson, Finance Director Kathy Unertl, City Attorney Tom
Hayden, Public Works Director Rod Akey, Mary Rajek from
Redevelopment Resources, Ken Maule from Lincoln County
Economic Development Corp. (LCEDC), City Clerk Bill Heideman,
and Dr. Lori Weyers, Shelly Mondeik, and Rob Elliot representing
Northcentral Technical College (NTC)

Call to Order: Chair Bialecki called the meeting to order at 8:00 a.m.

Consider approval of meeting minutes:

**Motion (Schwartzman/Haight) to approve the RDA meeting minutes from
December 6th, 2016. Carried. The RDA Secretary will make one spelling correction.**

Public Comment: None.

Review City building permit activity in 2016 compared to prior years:

Unertl highlighted both private-sector and public-sector building permit summary information from 2012 through 2016. In three of the past five years, the private-sector building permit construction value has been over \$8 million. There has also been significant public-sector investment in new or improvements to existing public facilities.

Bialecki and Unertl emphasized that the building permit information is key economic indicator that bond rating firms review as part of their fiscal evaluation process.

Review tax increment fiscal overview:

The tax increment will be \$915,232 in 2017 compared to \$645,849 in 2016. Unertl reported that there is major increase in TID No. 4 (Thielman St./N. Pine Ridge Ave. area). In addition, TID No. 7 (N. Center Ave. area) is back generating tax increment. There is now almost \$28.5 million in equalized tax increment with the majority coming from TID No. 3 (East Side area).

Review tax increment fiscal overview (Continued):

Schwartzman commented that this information represented positive growth in the community. Bialecki added that the City/RDA is following through in implementing the City's strategic plan objectives. Laufenberg recommended further dissemination of the TIF information.

Consider recommendation to purchase property fronting on West Taylor Street from Russ Davis Wholesale to facilitate development of Northcentral Technical College commercial driving program facility (Tax Increment District No. 11):

Bialecki reported that the City of Merrill has been pleased to have Northcentral Technical College (NTC) educational facilities here. There are four major contract truck carriers in the Merrill area, as well as other businesses with truck drivers requiring Commercial Driver's License (CDL). Johnson added that City employees in the Street Department, Utility Department, and Transit Department are required to have a CDL.

Dr. Lori Weyers, NTC President, emphasized that the CDL program would bring people to Merrill impacting on the local economy. Individuals stay in local hotels, purchase food from local restaurants, and buy fuel from area convenience stores. The CDL program would be purchasing diesel fuel from Merrill convenience stores.

Truck drivers are a key workforce need and central Wisconsin is a transportation hub. Bialecki advised that Russ Davis Wholesale has hired a couple employees whom attended the NTC program. Russ Davis Wholesale has expanded their workforce since 2006 from about fifty to almost eighty.

In response to questions about proposed \$100,000 purchase price, Unertl highlighted the assessed valuations of the three Russ Davis Wholesale parcels located north of Commerce Street. There has been significant investment by the firm since purchasing the vacant building in 2006. Elliot also reported that NTC paid \$25,000 for the one-acre former Taylor Insulation parcel in 2012 when NTC rebuilt and expanded public safety facilities following the tornado damage.

Mondeik reported that NTC now has a full-time CDL instructor, a full-time Administrative Assistant, and would add two Instructor Assistants. Weyers added that the CDL program is currently operating without a "home". NTC funding is inadequate for both purchase of property and development of new buildings/facilities.

Elliot and Weyers reported that there would be two phases in the Merrill development. Phase 1 would be construction of new building beginning about June 2017 at an estimated \$500,000 construction cost. Phase 2 would be new CDL track. The existing NTC emergency vehicle operation course (EVOC) located east of Champagne Street would also be used for the CDL training.

Mondeik advised that the new facility would allow NTC to expand class size for the ten-week training program. There would be also expanded opportunities to upgrade CDL special certifications and on-going training. Church Mutual Insurance is now insuring schools, so loss reduction related to school transportation is of potential interest.

Consider land purchases for Northcentral Technical College CDL facilities (Continued):

Laufenberg asked about safety of driver-trainees, especially given location of City aquatic center. Weyers and Mondeik responded that most of the CDL training would be on the existing EVOC course, potentially on Merrill airport property, and the future CDL course. Any truck driving on roadways would be limited to designated truck routes.

Laufenberg also asked about potential wear and tear on City streets. Bialecki emphasized that Taylor Street and Champagne Drive are designated truck routes and constructed for truck traffic. There is extensive existing truck traffic in the industrial park area.

In response to question from Haight, Weyers reported that the NTC Board would be meeting on Tuesday, January 10th to formally approve development of the CDL facility. Weyers plans on attending the Merrill Common Council meeting on that same date.

Motion (Schwartzman/Bialecki) to recommend purchase of two lots from Russ Davis Wholesale for \$100,000 for the proposed Northcentral Technical College commercial driving program facility in Tax Increment District No. 11. Carried.

RDA meeting: Next RDA meeting is scheduled for Tuesday, February 7th at 8:00 a.m.

Bialecki read the following notice:

The RDA may convene in closed session per Wis. Stats. Sec. 19.85(1)(e) - deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session to consider:

Potential purchase of properties and potential TIF development incentives in TID No. 3, No. 8, or No. 9 to facilitate new commercial development

Motion (Schwartzman/Laufenberg) to move to closed session. Motion carried 5-0 on roll call vote at 7:38 a.m.

There was discussion on potential site options for a new commercial development. City Administrator Johnson will follow-up with the proposed developer.

Adjournment: Motion (Schwartzman/Laufenberg) to adjourn at 8:52 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl



City of Merrill
Redevelopment Authority

Kathy Unertl, RDA Secretary
1004 East 1st Street • Merrill, Wisconsin • 54452
Phone: 715.536.5594 • Fax: 715.539.2668
e-mail: Kathy.Unertl@ci.merrill.wi.us

Date: January 30th, 2017

To: RDA Commissioners

From: Kathy Unertl, Finance Director/RDA Secretary

RE: Revision of 2017 TID-Financed Infrastructure Improvements –
Center Ave. (South of O'Day St. to Lincoln County Hwy G)

It is clear that Center Ave. needs to be a **priority** infrastructure project. Please see following information regarding Board of Public Works recommendations.

As a result, some planned/budgeted 2017 TID projects are likely to be pushed back to 2018. Additional fiscal review is needed on potential 2017 and future year borrowing.

Status of TID Planning:

The following are planned for 2017:

- Tax increment sharing from TID No. 3 to TID No. 9 (Wisconsin River/S. Center Ave.) and to TID No. 10 (Former Fox Point parcel)
- Potential tax increment sharing from TID No. 4 to "Blighted Area" TIDs.
- Potential new TID – Weinbrenner factory area
- Potential new west side TID – primarily residential area (North of Trinity Church to W. 10th St.)
- There could also be potential new east side manufacturing TID.

CITY OF MERRILL

2017 CAPITAL PROJECT ADDITION REQUEST

CENTER AVE. (South of O'DAY STREET to LINCOLN COUNTY HWY G)

OPTION 1

Mill 1.5" of existing surface and repave with 1.5" of asphalt
replace curb and gutter as needed.

Total = \$250,000

OPTION 2

Mill 3.0" of existing surface and repave with 3.0" of asphalt
replace curb and gutter as needed.

Total = \$500,000

Option 2 - was selected by Board of Public Works on 1/25/2017

Tax Increment District (TID) funding:

S. Center Ave. TID No. 9

N. Center Ave. TID No. 7 (Majority of area)

TID No. 3 (From about E. 3rd St. to Wisconsin River)

TID tax increment would be transferred from Tax Increment District No. 3 to TID No. 7 and TID No. 9 (which are "Blighted Area" TIDs).

CITY OF MERRILL**2017 PROPOSED CONSTRUCTION PROJECT LIST**

SA = Special Assessments

Idle = Idle Sites Grant

<u>STREET</u>	<u>LOCATION</u>	<u>ESTIMATED COST</u>	<u>FUNDING</u>
FOURTH STREET	SCOTT-MILL	\$40,000	Utility
POPLAR STREET	5TH-6TH	\$20,000	SA/Tax Levy
CHESTNUT STREET	6TH-8TH	\$40,000	SA/Tax Levy
HIGHLAND DRIVE	ALL	\$80,000	SA/TID No. 11
EDGEWATER DRIVE	ALL	\$70,000	SA/TID No. 11
RIO GRANDE DRIVE	ALL	\$120,000	Tax Levy
PARK STREET	WI RIVER - 3RD	\$300,000	TID No. 9/Idle*
SECOND STREET	CENTER - VAN RENSSELAER	\$80,000	TID No. 3
SIXTH STREET	SALES-MEMORIAL	\$230,000	TID No. 3
SIXTH STREET	MEMORIAL-JOHNSON	\$220,000	TID No. 3
FRANCIS STREET	6TH-8TH	\$55,000	SA
HOLLYWOOD DRIVE	8TH - 10TH	\$50,000	SA
THIELMAN STREET	MEMORIAL-GEM	\$150,000	TID No. 3
PINE RIDGE AVE	MAIN-THIELMAN	<u>\$120,000</u>	Tid No. 4
	TOTAL=	\$1,575,000	

Tenth Street	Sales-Memorial	\$200,000	SA/TID No. 10
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POSSIBLE REMOVAL



DAVID J COOPER AGENCY INC
2011 E MAIN ST
MERRILL, WI 54452
PH: (715) 539-9305
FAX: (715) 539-9315
E-MAIL: DCOOPE1@AMFAM.COM
Access Anytime 1-800 MY AMFAM (1-800-692-6326)/amfam.com



1/23/2017

City of Merrill,

This E-mail is to serve as a letter of intent to purchase the property with the address of 900 E 1st street Merrill, WI. The agreed upon price of \$5000.00. The intent is to construct a commercial office building in the year 2018. It has not been decided yet if the building will be a single tenant or multiple tenant building. A single tenant building would be approximately 2000 square feet and multi-tenant may be a large as 3600 square feet. It would be my intention to erect a sign in the summer of 2017 showing "future home of David J Cooper Agency".

Thank You
David Cooper
Owner - David J Cooper Agency

City of Merrill - Projected Tax Increment for New Commercial Building								
About 2,000 sq. ft.			David J Cooper Agency Inc.			Downtown - TID No. 6		
			900 E. 1st St.					
Real Estate	Existing Valuation					Projected Valuation		
Land		\$0				Land		\$13,900
Improved		\$0				Improved		\$171,100
Total		\$0				Total		\$185,000
Owned by City of Merrill after delinquent tax foreclosure								
						Projected RE Tax Increment		\$185,000
Acres = .153								
The 2015 Land Valuation was \$19,900 with estimated 30% revaluation reduction.								
Personal Property:								
Relocated insurance business								\$2,500
Projected Tax Increment:								
Const. Year	Value Year	Revenue Year	PP Value Increment 10% Dep.	Total Value Increment	Tax Rate	Real Estate Tax Increment	PP Tax Increment	Projected Total Tax Increment
	2018	2019		\$13,900	\$31.91	\$444	\$0	\$444
2018	2019	2020	\$2,500	\$187,500	\$31.91	\$5,903	\$80	\$5,983
	2020	2021	\$2,250	\$187,250	\$31.91	\$5,903	\$72	\$5,975
	2021	2022	\$2,025	\$187,025	\$31.91	\$5,903	\$65	\$5,968
	2022	2023	\$1,823	\$186,823	\$31.91	\$5,903	\$58	\$5,962
	2023	2024	\$1,640	\$186,640	\$31.91	\$5,903	\$52	\$5,956
	2024	2025	\$1,476	\$186,476	\$31.91	\$5,903	\$47	\$5,950
	2025	2026	\$1,329	\$186,329	\$31.91	\$5,903	\$42	\$5,946
	2026	2027	\$1,196	\$186,196	\$31.91	\$5,903	\$38	\$5,942
	2027	2028	\$1,076	\$186,076	\$31.91	\$5,903	\$34	\$5,938
	2028	2029	\$2,969	\$187,969	\$31.91	\$5,903	\$95	\$5,998
	2029	2030	\$2,672	\$187,672	\$31.91	\$5,903	\$85	\$5,989
	2030	2031	\$2,405	\$187,405	\$31.91	\$5,903	\$77	\$5,980
	2031	2032	\$2,164	\$187,164	\$31.91	\$5,903	\$69	\$5,972
	2032	2033	\$1,948	\$186,948	\$31.91	\$5,903	\$62	\$5,966
	2033	2034	\$1,753	\$186,753	\$31.91	\$5,903	\$56	\$5,959
	2034	2035	\$1,578	\$186,578	\$31.91	\$5,903	\$50	\$5,954
	2035	2036	\$1,420	\$186,420	\$31.91	\$5,903	\$45	\$5,949
Projected Tax Increment						\$100,800	\$1,028	\$101,829
						Real Estate	PP	Total

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MERRILL, WISCONSIN AND DAVID J COOPER AGENCY INC

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 6 on May 12, 2009 and amended the district boundary and plan on September 22, 2015; and,

WHEREAS, the David J Cooper Agency Inc. is purchasing a vacant lot from the City of Merrill and constructing a new commercial building located at 900 East 1st Street within TID No. 6: and,

WHEREAS, the City of Merrill finds that the proposed development and the fulfillment of the items and conditions of the attached Development Agreement are in the vital and best interest of the City of Merrill, the Merrill Redevelopment Authority and City residents and serves a public purpose in accordance with State law; and,

WHEREAS, additional tax base will be generated and existing jobs retained, and,

WHEREAS, the David J Cooper Agency Inc. has negotiated the development agreement to provide an incentive payment not to exceed \$40,000 to facilitate new building construction.

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this ___ day of _____, 2017, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and the David J Cooper Agency Inc. and to facilitate the implementation thereof.

Recommended by: Redevelopment Authority

CITY OF MERRILL, WISCONSIN

Moved: _____

William R. Bialecki
Mayor

Passed: _____

William N. Heideman
City Clerk

⑦

Board or Committee: Redevelopment Authority (RDA)

Date of Meeting: Tuesday, February 7th, 2017

Request by: Finance Director Kathy Unertl

**Workforce Development Project – Northcentral Technical College’s
Commercial Driver’s License (CDL) Training Facility**

Due to complexity, the Northcentral Technical College (NTC) workforce development project probably should have been presented to a joint Redevelopment Authority (RDA) and Committee of Whole meeting.

Moving forward, the next steps for implementation:

- This resolution with development agreement overview for consideration by RDA Commissioners;
- Resolution with proposed interim internal City financing plan which was recommended by the Personnel & Finance Committee on 1/24/2017;
- Plan Commission consideration (likely on March 7th) to rezone from Industrial to Public. Rezoning is contingency item for the City of Merrill purchase of the property from Russ Davis Wholesale.

WI Act 256 clarified that properties in a Mixed-Use TID may be rezoned from Industrial zoning (see TIF Law Changes); and

- Common Council consideration of above policy items.

Signed: *Kathy Unertl*
Kathy Unertl, Finance Director

Date: 1/30/2017

City of Merrill – TIF Development Incentive Overview

TID No. 11 (Hwy 107/Taylor Street Area)

Property Owner: Developer offering \$1.00 for purchase of two lots from City of Merrill (which is acquiring the property from Russ Davis Wholesale Inc.)

Business Entity: Northcentral Technical College (NTC)

Location: Vacant Lots (4.57 acre site) – fronting on the 1100 block of Taylor Street

Development: New commercial driver's license (CDL) training track and instruction and truck maintenance building

Jobs: Maintaining existing two CDL training jobs and creation of two new instructor assistant positions.

Workforce Development: CDL training would assist Merrill area, as well as regional truck contract carriers with employee professional development.

Infrastructure: N/A – None for City of Merrill.

Developer will need to connect to City water, sanitary sewer, and have stormwater drainage for site.

TID Development Incentives:

Developer: Sale of the site for \$1.00 by the City of Merrill

TID Lifespan Tax Increment:

Northcentral Technical College (NTC) is tax exempt, so no direct tax increment will be generated. The 2016 real estate tax bill for the site was \$705.59.

DRAFT – 2017-1-30th

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MERRILL, WISCONSIN AND NORTHCENTRAL TECHNICAL COLLEGE

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 11 on May 10, 2016; and,

WHEREAS, the Common Council of the City of Merrill on January 10, 2017 authorized acquisition of two vacant lots fronting on Taylor Street from Russ Davis Wholesale for \$100,000; and

WHEREAS, the Northcentral Technical College (NTC) Board on January 10, 2017 authorized the acquisition of two lots fronting on Taylor Street from the City of Merrill and committed to future development of a new Commercial Driver License (CDL) Truck Driver Training Center within TID No. 11: and,

WHEREAS, the City of Merrill finds that the proposed development and the fulfillment of the items and conditions of the attached Development Agreement are in the vital and best interest of the City of Merrill, the Merrill Redevelopment Authority and City residents and serves a public purpose in accordance with State law; and,

WHEREAS, two new NTC jobs will be created; CDL truck driving training will be available locally as a workforce professional development program; and an estimated annual \$100,00 in direct and indirect economic impact to the Merrill area will be generated, and,

WHEREAS, Northcentral Technical College representatives have negotiated the development agreement for acquisition of two lots fronting on Taylor Street from the City of Merrill for \$1.00 as the site of the new CDL truck driving program facilities.

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this ___ day of _____, 2017, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and the Northcentral Technical College, and to facilitate the implementation thereof.

Recommended by: Redevelopment Authority

Moved: _____

Passed: _____

**NORTHCENTRAL TECHNICAL COLLEGE
DISTRICT BOARD OF TRUSTEES
TOPIC SUMMARY SHEET**

MEETING DATE: January 10, 2017

TOPIC: Antigo - City of Merrill Land Acquisition

POLICY: Wisconsin Statute 38 – Technical College System, 38.14 District Board Powers – (2) Buildings and Equipment. (a) For the use of the district schools the district board may: 2. Purchase or lease suitable land and buildings....

TCS 5.04 (2) (a) A resolution of the district board approving the additional or new facilities.

INTERPRETATION: Purchasing or leasing suitable land and buildings requires board approval.

DATA/RESULTS: At the January 3, 2017 City of Merrill Redevelopment Authority meeting, the committee approved the purchase of two lots currently owned by Russ Davis Warehouse with the intent of selling the land to Northcentral Technical College for the purpose of constructing a future CDL Truck Driver Training Center. The 4.56 acre property is located near NTC's Merrill Public Safety Center of Excellence with access to both Taylor St. and Commerce St. This property would allow NTC students in the CDL training program to practice on our existing EVOC course before driving on public roads. The College will be asking the WTCS State Board for approval at its March Board meeting. The board is requested to approve the proposed land acquisition at a cost of \$1.00, commit to constructing a future CDL Training building planned in the 2017-2018 Capital Budget, and request the WTCS State Board to do the same. A packet evidencing compliance with statutes will be submitted to the state board with the application.

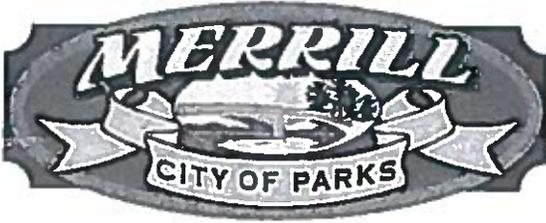
AGENDA CATEGORY:
Voting Agenda

PROPOSED MOTION:

1. BE IT RESOLVED that the Northcentral Technical College Board approve the acquisition of the City of Merrill Land at a cost not to exceed \$1.00, commit to constructing a future CDL Training building planned in the 2017-2018 Capital Budget, and request the WTCS State Board do the same.

CERTIFICATION OF ACCURACY: I, your CEO, certify that the information contained in this report is true as of this date.

Signed Lois A. Weyers Dated January 4, 2017



City of Merrill

Kathy Unertl, Finance Director

1004 East 1st Street • Merrill, Wisconsin • 54452

Phone: 715.536.5594 • Fax: 715.539.2668

e-mail: Kathy.Unertl@ci.merrill.wi.us

Date: January 18th, 2017

To: Personnel & Finance Committee

From: Kathy Unertl, Finance Director *Kathy Unertl*

RE: Potential Funding Options – Land Acquisition for CDL Training Center

Since Tax Increment District (TID) No. 11 has no tax increment at this point, I recommend that the \$100,000 land purchase be financed by an internal City General Fund Loan to Tax Increment District (TID) No. 11. Preliminary timeframe - five years at no interest.

In five years, there could be TID No. 11 tax increment available. If not, this Northcentral Technical College (NTC) project is a workforce economic development initiative. Use of the Community Development economic development fund that originally came from a Federal Small Business Administration (SBA) grant could be an appropriate alternative funding source.

There is currently about \$150,000 in SBA funds available*. However, our short-term priority for SBA funds is facilitating and encouraging west side and downtown property owners in potential building improvements.

*Annual payments of about \$30,000 are being made on a major Community Development loan (i.e. outstanding principal balance of just over \$300,000).

DRAFT – 2017-01-18

RESOLUTION NO. ____

A RESOLUTION AUTHORIZING INTERIM INTERNAL CITY GENERAL FUND LOAN TO TAX INCREMENT DISTRICT NO. 11

WHEREAS, the Northcentral Technical College (NTC) has developed and is operating the Public Safety Center of Excellence north of Taylor Street in Merrill and has committed to development of a new Commercial Driver License (CDL) Training Center in Merrill;

WHEREAS, the Merrill Common Council on January 10th, 2017 authorized the purchase of two vacant lots from Russ Davis Wholesale for \$100,000 as the site for the new CDL Training Center;

WHEREAS, Tax Increment District (TID) No. 11 was created in May 2016 and has generated no tax increment at this time; and

WHEREAS, the City’s Community Development economic development fund originally from a Federal Small Business Administration (SBA) grant to the City of Merrill is receiving annual loan payments of about \$30,000 and could be an alternate future funding source.

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this ____ day of _____, 2017, that the Common Council does hereby authorize an interim internal City General fund Loan to Tax Increment District No. 11 for term of up to five years;

BE IT FURTHER RESOLVED, that the City Finance Director will review and provide a recommendation on final land acquisition funding by the February 2022 Personnel and Finance Committee meeting.

Recommended by: Personnel & Finance Committee

CITY OF MERRILL, WISCONSIN

Moved: _____

William R. Bialecki
Mayor

Passed: _____

William N. Heideman
City Clerk

State of Wisconsin
Department of Revenue

TIF Law Changes

March 10, 2016

TO: Assessors, Real Property Listers, County Treasurers, Municipal Clerks and Treasurers, TID/TIF lists

Subject: TIF Law Changes

The Wisconsin Department of Revenue would like to inform you that four Tax Incremental Finance (TIF) bills recently became law. All four are from the Joint Legislative Council's Study Committee on Review of TIF.

Summary of each bill:

1. SB 50 - Act 256

- Effective March 3, 2016
- Changes Joint Review Board (JRB) review period from 30 days to 45 days to approve municipality's TID resolution (sections 1, 5, 19)
- Changes calculation of levy limit exception - municipality's equalized value for preceding year excludes value of any TID increments for year TID terminates (section 2)
- TID industrial zoning requirements only apply to industrial TIDs (section 3)
- Changes planning commission notice from class 2 to class 1 for TID amendments (section 4)
- One year life and allocation extension for new TIDs when the municipality adopts the project plan between September 30 and May 15 (sections 9, 10, 17, 18)
 - Example 1: if the municipality adopted the project plan between September 30, 2015 and May 15, 2016, DOR will add one year to the life and allocation
 - Example 2: if the municipality adopts the project plan between September 30, 2016 and May 15, 2017, DOR will add one year to the life and allocation
- Repeals or amends for obsolete TID law (sections 6, 7e, 8, 8m, 11, 12, 13, 14, 15, 16, 20m)

2. SB 51 - Act 257

- Effective dates:
 - October 1, 2015 for industry-specific town TID sections
 - October 1, 2016 for other sections

City of Merrill – TIF Development Incentive Overview

TID No. 10 (1905 E. 14th St.)

Property Owner: Developer offering \$1.00 for purchase of the property from the City of Merrill

City will be granting right of first refusal on property purchase through July 1st, 2018 while developer is applying for WHEDA tax credit funding.

Business Entity: Horizon Development Group, Inc.

Location: Vacant Lot (4.57 acre site) – 1905 E. 14th St.

Development: New multi-family housing

Majority of this redevelopment project would be income-based affordable rental housing.

Jobs: During development construction.

Then, on-going property management and maintenance.

Infrastructure: N/A – None for City of Merrill.

Developer will need to connect to City water, sanitary sewer, and have stormwater drainage for site.

TID Development Incentives:

Developer: Sale of the site for \$1.00 by the City of Merrill

TID Lifespan Tax Increment:

New increment projected at over \$1.1 million - please see TIF spreadsheet.

City of Merrill - Tax Increment District No. 10

Horizon Development Group, Inc.

1905 E. 14th St. Site

Projected Tax Increment for proposed apartments

Total of 60 units: Three buildings - 20 Units

Estimated construction cost of about \$9.8+ million

Projected Assessment:

	Land Valuation	Improved Valuation	Total RE Valuation
01/01/15	\$43,400	\$289,800	\$333,200
01/01/19	\$175,000	\$1,750,000	\$1,925,000
New Tax Increment	\$131,600	\$1,460,200	\$1,591,800

30 Years -
Income Based
Assessment

**Projected
Tax Increment
\$1,584,010**

(\$7,790) 2015 Taxes

- Former Building resulting in
adjusted TID No. 10

Projected Tax Increment:

Const. Year	Value Year	Revenue Year	TID Value Increment	Tax Rate	Projected Tax Increment	Adjusted TID No. 10
2017	2018	2019	\$150,000	\$31.91	\$4,787	(\$3,004)
2018	2019	2020	\$1,584,010	\$31.91	\$50,546	\$42,756
2019	2020	2021	\$1,584,010	\$31.91	\$50,546	\$42,756
2020	2021	2022	\$1,584,010	\$31.91	\$50,546	\$42,756
2021	2022	2023	\$1,584,010	\$31.91	\$50,546	\$42,756
2022	2023	2024	\$1,584,010	\$31.91	\$50,546	\$42,756
2023	2024	2025	\$1,584,010	\$31.91	\$50,546	\$42,756
2024	2025	2026	\$1,584,010	\$31.91	\$50,546	\$42,756
2025	2026	2027	\$1,584,010	\$31.91	\$50,546	\$42,756
2026	2027	2028	\$1,584,010	\$31.91	\$50,546	\$42,756
2027	2028	2029	\$1,584,010	\$31.91	\$50,546	\$42,756
2028	2029	2030	\$1,584,010	\$31.91	\$50,546	\$42,756
2029	2030	2031	\$1,584,010	\$31.91	\$50,546	\$42,756
2030	2031	2032	\$1,584,010	\$31.91	\$50,546	\$42,756
2031	2032	2033	\$1,584,010	\$31.91	\$50,546	\$42,756
2032	2033	2034	\$1,584,010	\$31.91	\$50,546	\$42,756
2033	2034	2035	\$1,584,010	\$31.91	\$50,546	\$42,756
2034	2035	2036	\$1,584,010	\$31.91	\$50,546	\$42,756
2035	2036	2037	\$1,584,010	\$31.91	\$50,546	\$42,756
2036	2037	2038	\$1,584,010	\$31.91	\$50,546	\$42,756
2037	2038	2039	\$1,584,010	\$31.91	\$50,546	\$42,756
2038	2039	2040	\$1,584,010	\$31.91	\$50,546	\$42,756
2039	2040	2041	\$1,584,010	\$31.91	\$50,546	\$42,756
					\$1,116,793	\$937,623

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MERRILL, WISCONSIN AND HORIZON DEVELOPMENT GROUP, INC. (1905 EAST 14TH STREET)

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 10 on September 22, 2015; and,

WHEREAS, the Common Council of the City of Merrill adopted Resolution No. 2462 on June 14, 2016 which authorized City of Merrill purchase of 1905 East 14th Street property for future multi-family residential redevelopment; and

WHEREAS, the Redevelopment Authority (RDA) of the City of Merrill solicited requests for proposals for the redevelopment site, evaluated development proposal responses, and the Common Council of the City of Merrill concurred on October 11, 2016 with RDA recommendation to select Horizon Development Group, Inc. as the Developer; and

WHEREAS, the City of Merrill finds that the proposed development and the fulfillment of the items and conditions of the attached Development Agreement are in the vital and best interest of the City of Merrill, the Merrill Redevelopment Authority and City residents and serves a public purpose in accordance with State law; and,

WHEREAS, Horizon Development Group, Inc. representatives have negotiated the development agreement for acquisition of the development site from the City of Merrill for \$1.00 for multi-family housing.

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this ___ day of _____, 2017, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and the Horizon Development Group, Inc., and to facilitate the implementation thereof.

Recommended by: Redevelopment Authority (RDA)

CITY OF MERRILL, WISCONSIN

Moved: _____

William R. Bialecki
Mayor

Passed: _____

William N. Heideman
City Clerk



City of Merrill
Redevelopment Authority (RDA)

Kathy Unertl, RDA Secretary
1004 East 1st Street • Merrill, Wisconsin • 54452
Phone: 715.536.5594 • Fax: 715.539.2668
e-mail: Kathy.Unertl@ci.merrill.wi.us

Date: January 31st, 2017

To: RDA Commissioners

From: Kathy Unertl, Finance Director/RDA Secretary *Kathy Unertl*

RE: Proposed Development Agreement – Badger Portfolio , LLC
(State Highway 64 frontage of Whispering Pines mobile home community)

Since 2012, City staff and economic development consultants have been in discussions with Continental Properties – the owners of the existing Whispering Pines mobile home community. There has been a significant decrease in mobile home lot rentals resulting from the 2008/2009 national economic collapse.

With the locations of the remaining mobile homes, it has been impossible to interest a private-sector buyer to purchase and redevelop the three tax parcels along the State Highway 64 corridor. Further, there would be increased efficiencies and lower operating expenses for Badger Portfolio, LLC through consolidating onto their larger tax parcel fronting on Thielman Street. 1 - 2

Key information for review:

- Six of the twenty-five highest valued properties in Merrill are located along the State Highway 64 commercial corridor between Memorial Drive and U.S. Highway 51.
- There are limited vacant sites on the East Side (see maps - #1 and #2).
- There are significant topography and potential storm water/wetland issues on several of the largest vacant parcels on the East Side. Other lots are **not for sale**. 3
- The City of Merrill now owns the largest vacant commercial site (at .333 Acres) between Memorial Drive and US Highway 51 **with direct frontage/access** to State Highway 64 (East Main Street). 3
- There are limited potential sites for redevelopment on the east side. However, please see example of the fiscal impact of Kwik Trip – S. Pine Ridge Ave. 4
- Based upon existing East Side developments, there is **potential for future increase in improved valuation in the \$3 million range**. There is preliminary interest in new development on the property; however, the existing mobile homes need to be relocated first. 5

City of Merrill - Potential Property Acquisition

Tax Increment District No. 3
State Highway 64 frontage to Thielman Street (about 6.47 acres)

Proposed option to purchase three tax parcels in Whispering Pines Mobile Home Park
Mobile home park owned by Continental Communities (Oak Brook, IL)

PIN	Location	Ownership	Assessed Valuation - 2015			2015 Taxes	
			Acres	Land	Improved		Total
251-3107-073-0128	East of O'Reilly Auto	Badger Portfolio LLC	3.989	\$280,000	\$0	\$280,000	\$7,579
251-3107-073-0048	Between Pearl/Gem Streets	Badger Portfolio LLC	2.479	\$152,000	\$0	\$152,000	\$4,114
251-3107-073-0129	South side of River St.	Badger Portfolio LLC	1.277	\$72,000	\$2,500	\$74,500	\$1,954
			<u>7.745</u>	<u>\$504,000</u>	<u>\$2,500</u>	<u>\$506,500</u>	<u>\$13,647</u>

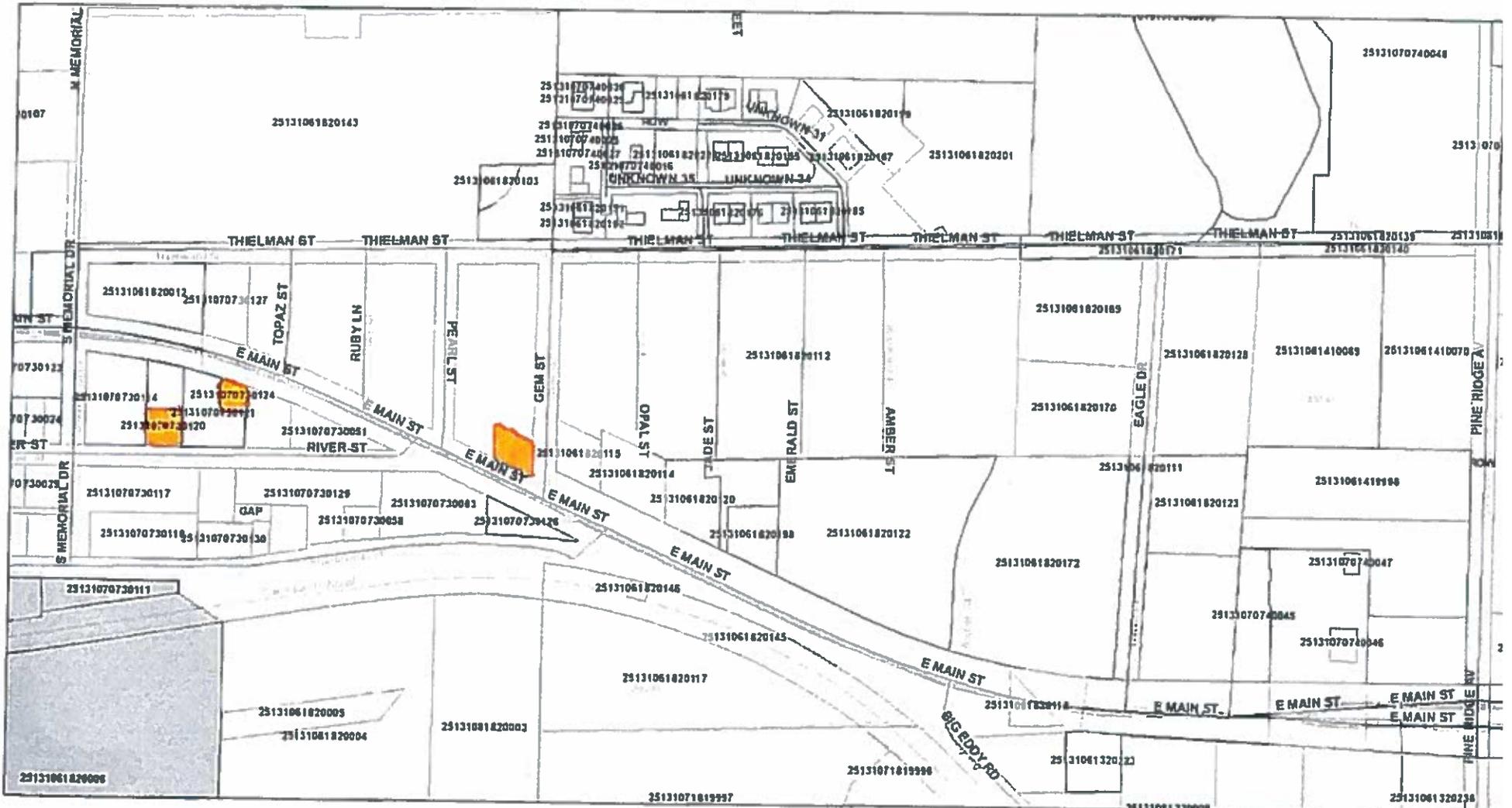
Continental Communities would continue to operate Whispering Pines on their remaining tax parcel that fronts on Thielman St.

PIN	Location	Ownership	Assessed Valuation - 2015			2015 Taxes	
			Acres	Land	Improved		Total
251-3106-182-0112	Thielman St. Frontage	Badger Portfolio LLC	15.572	\$600,000	\$0	\$600,000	\$16,241

1

Attachment: 2017-02-07 Mobile Home Background (2230 : Resolution - Dev Agreement for Badger

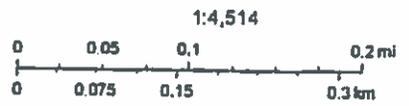
Tax Increment Districts



July 25, 2016

- Boundary
- TID 8
- TID 9
- City Roads
- City Parcels

Vacant land - East side #2



Sources: Esri, HERE, DeLorme, Intermap, Inetang P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), Swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Attachment: 2017-02-07 Mobile Home Background (2230 : Resolution - Dev Agreement for Badger

**City of Merrill
Vacant land between US Highway 51 ramps extending west to Memorial Drive**

All sites within TID No. 3

PIN	Property Owner	Location	Use	Acres	Land Assessment
251-3107-172-0003	Wal-Mart Stores East LP	E. Main St. - corner by Hwy 51 ramp	Vacant lot - Not for Sale	1.130	\$74,000
251-3107-172-0002	Park City Credit Union	E. Main St./S. Pine Ridge Blvd.	Vacant lot - Not for Sale	3.000	\$326,700 Future PCCU
251-3106-132-0239	Gateway North LLC	S. Pine Ridge Ave.	Vacant lot - south of Culver's	0.572	\$74,700
251-3106-132-0236	Lance Nienow ET AL	S. Pine Ridge to Big Eddy	Vacant - south of Aspirus Clinic	6.320	\$104,800 Topography
251-3106-132-0234	Lance Nienow ET AL	Between Badger Hotel & Aspirus	Vacant lot - west of Aspirus Clinic	2.230	\$106,500 Drainage way
251-3107-074-0047	Gateway North LLC	East of AmericInn - Condo #3	Vacant lot - east of AmericInn (behind Mexican restaurant)	0.555	\$8,400
251-3106-141-0069	Richard Olson ET AL	Thielman St frontage	Vacant Land - east of WI DNR	4.300	\$129,500 Elevated Hill
251-3107-073-0047	City of Merrill	2604 E. Main St.	Vacant Lot	0.207	\$10,200
251-3107-073-0046	City of Merrill	2606 E. Main St.	Vacant Lot (Previous tan house)	0.126	\$9,400
					Both lots =
					.333 Acre
251-3107-073-0124	C-21 Best Way Realty	East of retail strip mall	Vacant Land	0.143	\$14,600
251-3107-073-0120	MAKN LLC	Behind car wash - on River Street	Vacant Land	0.240	\$21,000
Totals				<u>18.823</u>	<u>\$879,800</u>
Highway 64 frontage - For Sale				0.476	\$34,200

Attachment: 2017-02-07 Mobile Home Background (2230 : Resolution - Dev Agreement for Badger

3

**City of Merrill
Potential East Side Redevelopment Sites (All within Tax Increment District No. 3)**

For purposes of discussion - only 3's Company has "For Sale" signage.

PIN	Property Owner	Location	Use	Acres	2015 Assessments			2015 Taxes
					Land	Improved	Total	
251-3107-073-0119	MAKN LLC	2407 E. Main St.	Bubbles Car Wash	0.290	\$30,000	\$124,100	\$154,100	\$4,108
251-3106-182-0114	Gall A. Mattson	2806-2808 E. Main St.	CPR Computer/Real Estate	0.500	\$50,000	\$61,900	\$111,900	\$2,966
251-3106-132-0222	3's Company	3201 E. Main St.	Restaurant/Bar	1.000	\$88,000	\$114,300	\$202,300	\$5,413
251-3106-141-0070	Tara Inn Inc.	200 S. Pine Ridge Ave.	Hotel & vacant land	3.120	\$122,900	\$286,800	\$409,700	\$11,027
Total				4.910	\$290,900	\$587,100	\$878,000	\$23,515

Example of Kwik Trip Redevelopment*:

PIN	Property Owner	Location	Use	Acres	Real Estate Assessments			2015 RE Taxes	2015 PP Taxes	Personal Property	
					Land	Improved	Total				
251-3106-182-0125	Kwik Trip	300 S. Pine Ridge Ave.	Convenience Store - 2015	2.390	\$234,200	\$1,000,400	\$1,234,600	\$33,356	\$10,032	\$370,600	
			Former Restaurant/Convenience - 2014	2.390	\$234,200	\$305,100	\$539,300	\$17,749	\$296	\$10,780	
*No TIF assistance/Involvement				Difference	0.000	\$0	\$695,300	\$695,300	\$15,607	\$9,736	\$359,820

Total Change Taxes \$25,342

4

Attachment: 2017-02-07 Mobile Home Background (2230 : Resolution - Dev Agreement for Badger

City of Merrill - Future Commercial Redevelopment

East Side (Memorial Dr. area to Pine Ridge Blvd.)

Redevelopment Authority objective for the former mobile home parcels is comparable future commercial development to these existing east-side businesses:

Adjacent Area Developments

		Assessed Valuation - 2015				2015
		Acres	Land	Improved	Total	Taxes
Salon 64 (Child Care in 2016)	Pine Dells Investment	0.500	\$30,700	\$133,800	\$164,500	\$4,390
Associated Bank	Associated Bank Leasing	0.981	\$76,100	\$440,500	\$516,600	\$13,921
Retail Strip Mall	Jenny LLC	0.143	\$56,300	\$252,900	\$309,200	\$8,307
Oak Park Dental & other business	Main St Center Building LLC	1.209	\$95,700	\$424,700	\$520,400	\$14,024
O'Reilly Auto	O'Reilly Automotive	0.603	\$51,000	\$239,700	\$290,700	\$7,806
Bone & Joint	B & J Properties	2.203	\$194,200	\$622,200	\$816,400	\$22,035
Quirt Dental	Professional Resource Dev.	0.750	\$57,200	\$567,800	\$625,000	\$16,855
Mexican Restaurant	Los Mezcales	0.155	\$23,600	\$467,800	\$491,400	\$13,434
Totals		6.544	\$584,800	\$3,149,400	\$3,734,200	\$100,772

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City of Merrill – TIF Development Incentive Overview

TID No. 3 (East Side)

Property Owner: Continental Properties – Badger Portfolio, LLC

Business Entity: Whispering Pines Mobile Home Community

Location: Three tax parcels along State Highway 64 (East Main Street)

Development: Construction of new maintenance garage and relocation of nineteen (19) mobile homes to another tax parcel fronting on Thielman Street

Infrastructure: N/A – existing infrastructure.

TID Development Incentives:

Developer: \$150,000 upon completion of new maintenance garage and relocation of nineteen (19) mobile homes

TID Lifespan Tax Increment:

Projected \$3,351 for new maintenance garage

Conceptual of over \$550,000 for new developments over next seven years; however, future potential for over \$3 million as property redeveloped.

City of Merrill Options to Purchase:

Depending upon redevelopment interest, City options to purchase:

Two parcels north side (6.468 acres) by 5/1/2018 \$450,000

River Street parcel (1.277 acres) by 5/1/2019 \$150,000

City of Merrill - Projected Tax Increment for New Commercial Buildings
Two parcels on north side of State Highway 64/East Main Street

		Acres	East Side - TID No. 3
251-3107-073-0128	East of O'Reilly Auto	3.989	
251-3107-073-0048	Between Pearl/Gem Streets	2.479	
		<u>6.468</u>	

<u>Real Estate</u>	<u>Existing Valuation</u>		<u>Projected Valuation</u>
Land	\$432,000		Land \$475,000
Improved	\$0	Retail 20,000 sq ft	Improved - 1 \$1,500,000
		Restaurant	Improved - 2 \$450,000
Total	<u>\$432,000</u>		Total <u>\$2,425,000</u>

Projected RE Tax Increment \$1,993,000

In 2020 - Future Office	Improved - 3	\$375,000
In 2021 - Future Retail	Improved - 4	\$375,000

Personal Property:

New business - 2017	Estimated	\$200,000
New business - 2020	Estimated	\$25,000
New business - 2021	Estimated	\$25,000

Projected Tax Increment (TID No. 3 - East Side)

Const. Year	Value Year	Revenue Year	PP Value Increment	Real Estate Increment	Tax Rate	Real Estate Tax Increment	PP Tax Increment	Projected Total Tax Increment
			10% Dep.					
2017	2018	2019	\$200,000	\$1,993,000	\$31.91	\$63,597	\$6,382	\$69,979
	2019	2020	\$180,000	\$1,993,000	\$31.91	\$63,597	\$5,744	\$69,340
	2020	2021	\$162,000	\$1,993,000	\$31.91	\$63,597	\$5,169	\$68,766
2020	2021	2022	\$170,800	\$2,368,000	\$31.91	\$75,563	\$5,450	\$81,013
2021	2022	2023	\$178,720	\$2,743,000	\$31.91	\$87,529	\$5,703	\$93,232
	2023	2024	\$160,848	\$2,743,000	\$31.91	\$87,529	\$5,133	\$92,662
	2024	2025	\$144,763	\$2,743,000	\$31.91	\$87,529	\$4,619	\$92,149
Projected Tax Increment						\$528,940	\$38,200	\$567,141
						Real Estate	PP	Total

City of Merrill - Projected Tax Increment for Badger Portfolio, LLC
East Side - TID No. 3

**New Maintenance Garage
 on 251-3106-182-0112 (Thielman Street Parcel)**

Mobile Home parking fees would continue; however, all would be from this parcel instead of existing four tax parcels.

<u>Real Estate</u>	<u>Existing Valuation</u>	<u>Projected Valuation</u>
Land	\$600,000	\$600,000
Improved	\$0	\$15,000
Total	\$600,000	\$615,000

Projected RE Tax Increment \$15,000

Projected Tax Increment (TID No. 3 - East Side)

Const. Year	Value Year	Revenue Year	Total Value Increment	Tax Rate	Real Estate Tax Increment
2017	2018	2019	\$15,000	\$31.91	\$479
	2019	2020	\$15,000	\$31.91	\$479
	2020	2021	\$15,000	\$31.91	\$479
	2021	2022	\$15,000	\$31.91	\$479
	2022	2023	\$15,000	\$31.91	\$479
	2023	2024	\$15,000	\$31.91	\$479
	2024	2025	\$15,000	\$31.91	\$479
Projected Tax Increment					\$3,351
					Real Estate

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MERRILL, WISCONSIN AND BADGER PORTFOLIO, LLC (CONTINENTIAL PROPERTIES) TO FACILITATE CONSTRUCTION OF NEW MAINTENANCE GARAGE, RELOCATION OF NINETEEN (19) MOBILE HOMES, AND CITY OPTIONS TO PURCHASE THREE (3) TAX PARCELS

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 3 on September 13, 2005 and amended the District boundaries on July 11, 2006, September 24, 2013, and September 22, 2015; and,

WHEREAS, State Highway 64 (East Main Street) is the gateway into the community from US Highway 51 and has existing public infrastructure and the City of Merrill has recently acquired two small parcels at 2604 and 2606 East Main Street; and,

WHEREAS, Badger Portfolio, LLC owns a 15.572 acre parcel fronting on Thielman Street, which is located within TID No. 3, and will continue to operate the Whispering Pines mobile home community; and,

WHEREAS, the City of Merrill finds that the proposed commercial redevelopment of a former residential area along State Highway 64 (East Main Street) near Memorial Drive serves a public purpose in accordance with State law; and,

WHEREAS, the City and Badger Portfolio have negotiated a TIF development incentive for construction of new maintenance garage, relocation of nineteen (19) mobile homes, and City of Merrill options for phased purchase of three tax parcels.

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this ___ day of _____, 2017 to authorize the development agreement including:

- \$150,000 as development incentive for relocation of nineteen mobile homes and construction of new maintenance garage;
- by 5/1/2018 - \$450,000 option for purchase of two parcels (6.468 acres) on the north side of State Highway 64 (East Main Street); and
- by 5/1/2019 - \$150,000 option for purchase of a parcel (1.277 acres) on south side of River Street.

BE IT FURTHER RESOLVED, that the Mayor and City Clerk are authorized to sign the development agreement and that the Mayor and City staff are authorized to complete and sign any offer documents, agreements, or related paperwork required to facilitate the potential property acquisitions thereof.

Recommended by: Redevelopment Authority (RDA)

CITY OF MERRILL, WISCONSIN

Moved: _____

William R. Bialecki
Mayor

Passed: _____

William N. Heideman
City Clerk