



# CITY OF MERRILL

## COMMON COUNCIL

MINUTES • WEDNESDAY APRIL 26, 2017

Special Meeting

City Hall Council Chambers

5:30 PM

### I. Call to Order

Mayor Bialecki called the meeting to order at 5:30 P.M.

Attendee Name	Title	Status	Arrived
Paul Russell	Aldersperson - First District	Excused	
Pete Lokemoen	Aldersperson - Second District	Present	
Ryan Schwartzman	Aldersperson - Third District	Present	
Kandy Peterson	Aldersperson - Fourth District	Present	
John Burgener	Aldersperson - Fifth District & President	Present	
Mary Ball	Aldersperson - Sixth District	Present	
Rob Norton	Aldersperson - Seventh District	Present	
Tim Meehean	Aldersperson - Eighth District	Present	
Bill Bialecki	Mayor	Present	

Also in attendance: City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl, Public Work Director/City Enginner Rod Akey and City Clerk Bill Heideman.

### II. Public Comment Period

None.

### III. Health & Safety Committee:

1. Consider recommendation(s) from the April 24, 2017 Health and Safety Committee meeting related to the application from Merrill Baseball Boosters to sell fermented malt beverages inside Athletic Park during a baseball game on May 7, 2017. The Health and Safety Committee recommends approval.

Motion (Schwartzman/Meehean) to approve.

<b>RESULT:</b>	<b>APPROVED</b>
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### IV. Resolutions:

1. A Resolution approving an amendment to the project plan and boundaries of Tax Increment District No. 3, City of Merrill, Wisconsin. The Redevelopment Authority recommends approval.

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

WHEREAS, Tax Incremental District No. 3 (the "District") was created by the City on September 13, 2005 as a mixed-use district; and

WHEREAS, the City now desires to amend the Project Plan and boundaries of

the District in accordance with the provisions of Wisconsin Statutes Section 66.1105 (the "Tax Increment Law"); and

WHEREAS, such amendment will cause territory to be added to the District, providing incentive and opportunities for additional private development and redevelopment; and

WHEREAS, such amendment will also modify the categories, locations or costs of the Projects to be undertaken, providing incentives and opportunities for additional private development and redevelopment; and

WHEREAS, such amendment will also allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as permitted under Wisconsin Statutes Section 66.1105(2)(f)1.n.; and

WHEREAS, an amended Project Plan for the District (the "Amendment") has been prepared that includes:

- a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in Wisconsin Statutes Sections 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., outside of the District;
- b. An economic feasibility study;
- c. A detailed list of estimated project costs;
- d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
- e. A map showing existing uses and conditions of real property in the District;
- f. A map showing proposed improvements and uses in the District;
- g. Proposed changes of zoning ordinances, master plan, map, building codes and City ordinances;
- h. A list of estimated non-project costs;
- i. A statement of the proposed plan for relocation of any persons to be displaced;
- j. A statement indicating how the amendment of the District promotes the orderly development of the City;
- k. An opinion of the City Attorney or of an attorney retained by the City advising that the plan is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of Lincoln County, the Merrill Area School District, and the Northcentral Technical College District, and any other entities having the power to levy taxes on property located within the District, in

accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Redevelopment Authority, on April 11, 2017 held a public hearing concerning the proposed amendment to the Project Plan and boundaries of the District, providing interested parties a reasonable opportunity to express their views thereon; and

WHEREAS, after said public hearing, the Redevelopment Authority designated the boundaries of the amended district, adopted the Project Plan, and recommended to the Common Council that it amend the Project Plan and boundaries for the District.

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, before the Common Council may amend any tax incremental district, the Redevelopment Authority must designate the boundaries of such amended District and approve the Project Plan amendment for such District and submit its recommendation concerning the amendment of the District and the Project Plan to the Common Council;

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

1. The boundaries of the District that shall be named "Tax Incremental District No. 3, City of Merrill", are hereby amended as specified in Exhibit A of this Resolution.
2. The territory being added shall become part of the District effective as of January 1, 2017.
3. The Common Council finds and declares that:
  - (a) Not less than 50% by area of the real property within the District, as amended, is suitable for a combination of industrial, commercial and residential uses, defined as "mixed-use development" within the meaning of Wisconsin Statutes Section 66.1105(2)(cm).
  - (b) Based upon the findings, as stated in 3.a. above, and the original findings as stated in the resolution creating the District, the District remains a mixed-use district based on the identification and classification of the property included within the District; and
  - (c) The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
  - (d) The equalized value of the taxable property within the territory to be added to the District by 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.

- (e) 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 Wisconsin Statutes Section 66.1105(5)(b).
  - (f) 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.
  - (g) Lands proposed for newly platted residential development comprise no more than 35% of the real property area within the District.
  - (h) Costs related to newly platted residential development will not change as a result of this amendment.
4. The amended Project Plan for "Tax Incremental District No. 3, City of Merrill" (attached as Exhibit B) is approved, and the City further finds the Plan is feasible and in conformity with the master plan of the City.

BE IT FURTHER RESOLVED THAT the City Clerk is hereby authorized and directed to apply to the Wisconsin Department of Revenue, in such form as may be prescribed, for a "Determination of Tax Incremental Base", as of January 1, 2017, pursuant to the provisions of Wisconsin Statutes Section 66.1105(5)(b) and to pay the fee(s) associated with such determination.

BE IT FURTHER RESOLVED THAT pursuant to Section 66.1105(5)(f) of the Wisconsin Statutes, that the City Assessor is hereby authorized and directed to identify upon the assessment roll returned and examined under Wisconsin Statutes Section 70.45, those parcels of property which are within the District, specifying thereon the name of the said District, and the City Clerk is hereby authorized and directed to make similar notations on the tax roll made under Wisconsin Statutes Section 70.65e, pursuant to Wisconsin Statutes.

Alderman Lokemoen read a statement declaring his opposition to the TID amendment and the associated development agreement. In his opinion, the development agreement does not pass the "but for" test, and the calculations he provided indicate that approval of the TID amendment and development agreement would have a negative financial impact on the City.

Mayor Bialecki responded to those comments by contending that the development agreement meets the "but for" test. He also stated that, in his opinion, approval of the TID amendment and development agreement would result in additional revenue for the City.

<b>RESULT:</b>	<b>APPROVED BY ROLL CALL VOTE [6 TO 1]</b>
<b>MOVER:</b>	Ryan Schwartzman, Alderperson - Third District
<b>SECONDER:</b>	Kandy Peterson, Alderperson - Fourth District
<b>AYES:</b>	Schwartzman, Peterson, Burgener, Ball, Norton, Meehean
<b>NAYS:</b>	Lokemoen
<b>EXCUSED:</b>	Russell

2. A Resolution authorizing a Development Agreement by and between the City of Merrill, Wisconsin and Gateway North LLC for expansion of AmericInn Hotel. The Redevelopment Authority recommends approval.

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 3 on September 13, 2005 and is in process of amending the TID boundary area to include the proposed development site; and,

WHEREAS, Gateway North LLC has proposed expanding the AmericInn hotel on property being added to TID No. 3; 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, new property tax base and additional room tax will be generated and additional employment opportunities created, and,

WHEREAS, Gateway North LLC have negotiated the development agreement to provide an incentive payment not to exceed \$200,000 to facilitate the commercial expansion project;

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 26<sup>th</sup> day of April, 2017, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and Gateway North LLC and to facilitate the implementation thereof.

Motion (Schwartzman/Peterson) to approve.

Motion (Lokemoen/Norton) to amend by adding language to stipulate that, if the actual tax increment is less than the projected increment (\$942,500), the development incentive amount would be reduced by the same percentage. Motion to amend failed 2-5 on roll call vote. Voting Yes - Alderman Lokemoen and Alderman Norton.

Motion to approve, as presented, carried 6-1 on roll call vote. Voting No - Alderman Lokemoen.

## V. Adjournment

Motion (Burgener/Ball) to adjourn. Carried. Adjourned at 5:52 P.M.