



CITY OF MERRILL

COMMON COUNCIL

MINUTES • WEDNESDAY AUGUST 23, 2017

Special Meeting

City Hall Council Chambers

4:30 PM

I. Call to Order

Mayor Bialecki called the meeting to order at 4:30 P.M.

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

Also in attendance: Public Works Director/City Engineer Rod Akey, Street Superintendent Dustin Bonack, City Attorney Tom Hayden, City Administrator Dave Johnson, Building Inspector/Zoning Administrator Darin Pagel, Finance Director Kathy Unertl and City Clerk Bill Heideman.

II. Public Comment Period

None.

III. Resolutions:

1. A Resolution approving Merrill Area Housing Authority request to continue and adjust Payment in Lieu of Taxes and support of renovation program.

WHEREAS, there exists a program entitled Section 42 Low Income Housing Tax Credits which is administered in the State of Wisconsin by the Wisconsin Housing and Economic Development Authority ("WHEDA") whose purpose is to provide development of rental units for low income households, and

WHEREAS, the Merrill Area Housing Authority is renovating and redeveloping 102 units of affordable housing currently known as Park Place Apartments and Westgate Apartments in connection with an allocation of Section 42 Low Income Housing Tax Credits it has received from WHEDA and has requested the City of Merrill to support the renovation and redevelopment of Park Place Apartments and Westgate Apartments, and

WHEREAS, City Council finds that the redevelopment of affordable rental housing within the City will be beneficial to the City of Merrill and its residents, and

WHEREAS, in connection with WHEDA's allocation of tax credits and the redevelopment, Merrill Area Housing Authority will transfer federal income tax ownership of Park Place Apartments and Westgate Apartments to the entity formed to receive the tax credits from WHEDA, Park Place & Westgate, LLC (the "LLC"), by leasing the land, buildings and other improvements constituting the apartment projects to the LLC pursuant to a capital lease, and

WHEREAS Merrill Area Housing Authority is the sole member of the managing member of the LLC and the property manager of the apartment projects, with the exception of compliance associated with the Section 42 Low Income Housing Tax Credits, and as such, notwithstanding the transfers of ownership of the improvements to the LLC as described above, continues to exercise exclusive control and authority over the operation of the apartment projects, and

WHEREAS upon completion of the redevelopment, the project will consist of 54 units of affordable housing known as Park Place Apartments, 38 units of affordable housing known as Stonebridge Apartments and 10 units of affordable housing known as Westgate Apartments, and

WHEREAS, the current payment in lieu of taxes for Park Place Apartments PILOT is now shelter rent less utilities x 10% will remain the same, and

WHEREAS, the payment in lieu of taxes for Westgate Apartments PILOT is now shelter rent less utilities x 10% and will remain the same, and

WHEREAS, the payment in lieu of taxes for Stonebridge Apartments PILOT is proposed to be shelter rent less utilities x 10%.

NOW, THEREFORE, BE IT RESOLVED, BY THE COMMON COUNCIL, OF THE CITY OF MERRILL this 8th day of August, 2017, that it supports the Merrill Area Housing Authority's allocation of tax credits and hereby authorizes the Mayor to execute all documents necessary to accomplish those purposes, including the PILOT Agreement in the form of Exhibit A attached hereto.

Note: Exhibit A is available for public inspection in the Clerk/Treasurer office at City Hall.

Mayor Bialecki requested that this resolution be referred to a special Common Council meeting. That meeting will be held in the City Hall Common Council Chambers on Tuesday, August 29th, 2017, and will begin at 6:00 P.M. Without objection, it was so ordered.

2. A Resolution approving the Project Plan and establishing the boundaries for the creation of Tax Increment District No. 12, City of Merrill, Wisconsin (Resolution #2521).

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. 12 (the "District") is proposed to be created by the City as a mixed-use district in accordance with the provisions of Wisconsin Statutes Section 66.1105 (the "Tax Increment Law"); and

WHEREAS, a Project Plan for the District 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 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 August 8, 2017 held a public hearing concerning the project plan and boundaries and proposed creation 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 District, adopted the Project Plan, and recommended to the Common Council that it create such District and approve the Project Plan and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 23rd day of August, 2017, that:

1. The boundaries of the District that shall be named "Tax Incremental District No. 12, City of Merrill", are hereby established as specified in Exhibit A of this Resolution.
2. The District is created 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 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, the District is declared to be a mixed-use district based on the identification and classification of the property included within the District.
 - (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 in the District 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 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 relate directly to promoting mixed-use development in the District consistent with the purpose for which the District is created.
 - (f) Lands proposed for newly platted residential development comprise no more than 35% of the real property area within the District.
 - (g) Costs related to newly platted residential development may be incurred based on the proposed development having a density of at least 3 units per acre as defined in Wisconsin Statutes Section 66.1105(2)(f)3.a.
4. The Project Plan for "Tax Incremental District No. 12, 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).

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 Section 70.65 of the Wisconsin Statutes.

Motion (Schwartzman/Burgener) to approve.

RESULT:	APPROVED
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3. A Resolution approving an amendment to the Project Plan and Boundaries of Tax Increment District #8, City of Merrill, Wisconsin (Resolution #2522).

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. 8 (the "District") was created by the City on September 27, 2011 as a blighted area 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 subtracted from the District, adding to the tax base of the City and all overlapping taxing jurisdictions; 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 owners of all property in the proposed district, 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 August 8, 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, WISCONSIN this 23rd day of August, 2017, that:

1. The boundaries of the District that shall be named "Tax Incremental District No. 8, City of Merrill", are hereby amended as specified in Exhibit A of this Resolution.
2. The territory being subtracted from the District shall no longer be 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 a blighted area within the meaning of Wisconsin Statutes Section 66.1105(2)(a)1.
 - (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 blighted area 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.
 - (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 the elimination of blight of the area consistent with the purpose for which the District was created.
4. The amended Project Plan for "Tax Incremental District No. 8, 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.

Motion (Schwartzman/Norton) to approve.

RESULT:	APPROVED
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IV. Adjournment

Motion (Burgener/Schwartzman) to adjourn. Carried. Adjourned at 4:46 P.M.