



**CITY OF MERRILL**  
**REDEVELOPMENT AUTHORITY**  
**AGENDA • TUESDAY OCTOBER 30, 2018**

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**Regular Meeting**

**City Hall Council Chambers**

**6:00 PM**

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- I. Call to Order
- II. Minutes of previous meeting(s):
  1. Consider approval of RDA meeting minutes from October 2nd
- III. Public Comment
- IV. Agenda items for consideration:
  1. Status updates on various redevelopment projects
  2. Update on 2019 TID-funded infrastructure project plans
  3. Potential follow-up review of site and aesthetics plans for United Development Group LLC's new commercial building at 3201 East Main Street (TID No. 3 - former 3's Company site)
- V. Next RDA meeting - Tuesday, December 4th at 8:00 a.m.
- VI. 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:
  1. Consider approval of closed session RDA meeting minutes from October 2nd
  2. Consider request for TIF cash development incentive for proposed redevelopment of existing building in Tax Increment District No. 3
  3. Review status of proposed new developments (Cooper Insurance - 900 Block of E. 1st St. in TID No. 6 and Nelson's Power House - Lot 1 in TID No. 3) and consider potential amendments to TID development agreements
  4. Consider potential TIF cash development incentive(s) to facilitate retention of manufacturing jobs (Tax Increment District No. 8)
  5. Update/discussion on potential new restaurant developments (3) (TID No.3)
- VII. The RDA may reconvene in open session to consider actions(s) on closed session development items
- VIII. Adjournment

City of Merrill  
Meeting of Redevelopment Authority (RDA)

Tuesday, October 2<sup>nd</sup>, 2018 at 8:00 a.m.  
City Hall Common Council Chambers

RDA Present: Tim Meehean, Derek Woellner, Clyde Nelson, Sheila Polak,  
Jill Laufenberg, Tony Kusserow, and Tim Haight

Others: City Clerk Bill Heideman, City Administrator Dave Johnson, City Attorney  
Tom Hayden, Finance Director Kathy Unertl, Public Works Director/City  
Engineer Rod Akey, Building Inspector/Zoning Administrator Darin Pagel,  
Ken Maule and Bill Bialecki from Lincoln County Economic Development  
Corp. (LCEDC), and Merrill Productions camera operator

**Call to Order:** RDA Chairperson Meehean called the meeting to order at 8:00 a.m.

**Consider approval of RDA meeting minutes from August 7<sup>th</sup> and September 4<sup>th</sup>:**

**Motion (Nelson/Laufenberg) to approve the meeting minutes from August 7<sup>th</sup> and  
September 4<sup>th</sup>.** Carried.

**Public Comment:** None.

**Status updates on various redevelopment projects:**

Unertl and Johnson highlighted status of various TID No. 3 projects. East side street infrastructure projects are moving toward completion through Melvin Companies (Abbotsford). Most downtown utility and street infrastructure projects have been deferred to Spring 2019 due to contractor availability.

One Way Collision has occupied their new building. An additional 3,600 sq. ft. building is being constructed on the Thielman Street frontage. City staff will be following up on timeframes for the Nelson's Power House development.

RDA Commissioners expressed concerns with status of Nelson's Power House and Cooper Insurance (TID No. 6 – 900 E. 1<sup>st</sup> St.) projects. Unertl reported that modifications of development agreements would be needed for both developments. The RDA also needs to review the property title revision provision (i.e. property title back to the City) in the Cooper development agreement. RDA Commissioners emphasized there should be potential reductions in TID cash development incentives for projects that failed timely completion given the fiscal impacts on projected TID tax increment.

Banker's Square (Pocket Park) development is underway downtown (TID No. 6). Business and property owners met with City Administrator Johnson and Public Works Director/City Engineer Akey on final design features. Laufenberg asked about ADA access with the steps off the alley side? Akey/Johnson advised that ADA requirements were met with the E. Main St. access.

In TID No. 8, finish landscaping is still pending along Heldt Street.

Construction of additional Rock Ridge apartment buildings (Phase 2) continues (TID No. 11).

**Consider resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and United Development Group LLC for new commercial building at 3201 East Main Street (TID No. 3 – former 3’s Company site):**

There was extensive discussion as to the proposed TID No. 3 cash development incentive being recommended by City staff and whether really needed. The 9,000 sq. ft. retail development proposal includes estimated \$27,000 for demolition of existing building and \$783,000 for new building construction. RDA Commissioner Nelson calculated the TID incentive at about 11.25% which is comparable to previous City of Merrill TID cash development incentives. City staff use tax base generation and potential jobs in their evaluation process.

Unertl advised that based upon City environmental and demolition experience, it likely could be closer to \$40,000+ range. That is why higher \$30,000 TID cash development incentive upon completion/occupancy of the new development. No site plan has yet been provided; however, the developer would continue to lease street right-of-way for parking (as has been the situation for former 3’s Company). In addition, there are site challenges due to grade off the south side.

Bialecki from LCEDC emphasized that many development proposals need to be handled confidentially. Johnson commented that sometimes the RDA consideration of potential TID assistance is after the fact due to time to negotiate site acquisition. Unertl noted that the site/business has been for sale for an extended period of time.

Johnson reported that any TID cash development incentive is not paid until the development is complete and occupied. Unertl added that future year TID incentives were only paid after verifying that the property taxes were paid. There would be increase of about \$500,000 in real estate property valuation with the new development and existing Merrill jobs would be retained.

City Building Inspector/Zoning Administrator Pagel advised that the only zoning review needed was for building setbacks. RDA Commissioner Laufenberg requested that there be further RDA review of site plan and aesthetic appearance.

**Motion (Nelson/Laufenberg) to recommend the resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and United Development Group LLC for new commercial building at 3201 East Main Street (TID No. 3 – former 3’s Company site).** Carried. City staff will include specific timeframe provisions within the development agreement in order to receive the proposed \$90,000 TID No. 3 amount.

**Review and discussion of 2019 Tax Increment District budget requests:**

Unertl highlighted proposed 2019 TID expenditures and revenues. Potential infrastructure projects would be financed through TID Revenue Bonds for TIDs No. 3, No. 4, No. 11, and No. 12. Specific projects include Logan Ave. and E. 6<sup>th</sup> St. utility and street improvements by Athletic Park (in TID No. 12). There is a \$100,000 TID No. 11 cash development incentive (i.e. first of five years) due after completion/occupancy of Phase 2 of Rock Ridge Apartments. Various east side utility and street infrastructure projects are proposed for TID No. 3 (including Merrill Festival Grounds) and No. 4.

In the agenda packet, Unertl provided a spreadsheet with TID cash development incentives for 2019, as well as new summary showing TID debt service. TIDs will pay over \$800,000 in Principal and Interest on previous borrowing.

RDA Commissioner Laufenberg asked about Marketing line items. Unertl reported that this is in addition to the City tax levy amount for potential street signage, banners, and website improvements. Johnson and Unertl emphasized desire for City staff to maintain any web-based marketing systems.

**Next RDA meetings:** RDA will meet on Tuesday, October 30<sup>th</sup> at 6:00 p.m. and then regular monthly meeting on Tuesday, December 4<sup>th</sup> at 8:00 a.m.

**Closed Session:**

Chair Meehean 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:

- a. Consider approval of closed session RDA meeting minutes from August 7<sup>th</sup> and September 4<sup>th</sup>
- b. Update/discussion on potential manufacturing development in new Highway G Industrial/Business Park (Proposed TID No. 13)
- c. Update/discussion on potential new restaurant development (TID No. 3)

**Motion (Laufenberg/Kusserow) to move into closed session.** Carried 6-1 on roll call vote at 8:43 a.m.

**Motion (Laufenberg/Polak) to approve the Closed Session meeting minutes from August 7<sup>th</sup> and September 4<sup>th</sup>.** Carried.

City staff provided update on potential manufacturing development and alternative relocation options. City will be deferring potential creation of TID No. 13 (for Highway G Industrial/Business Park) into the future.

Bialecki from LCEDC provided status update on potential new restaurant development options. He will continue discussions on potential site(s), developer(s), and operator(s).

**Adjournment:** Motion (Laufenberg/Kusserow) to adjourn at 9:08 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

Attachment: 2018-10-02 RDA Minutes (3754 : Consider approval of RDA meeting minutes from October 2nd)

## City of Merrill – Tax Increment District (TID) Updates

10/23/2018

**TID No. 3 (East Side):** Major street and pedestrian improvements being finalized, including the following:

- E. 6<sup>th</sup> St. (between Sales St. and Johnson St.)
- E. 10<sup>th</sup> St. (between Sales St. and Memorial Dr.) & sidewalk to St. Francis School
- Thielman St. (between Memorial Dr. and Gem St.)
- Pearl St. and Gem St. (between Thielman St. and E. Main St.)

**Highway 64 frontage** - formerly part of Whispering Pines mobile home community:

**Lot 1** – There could be some site work beginning on Monday, 10/29<sup>th</sup> for Nelson’s Power House.

**Lot 2** – One Way Collision open. An additional 3,600 sq. ft. Brickner’s Park City building is under construction closer to Thielman St.

**Lot 3 (between Gem Street and Pearl Street)** – site available for commercial development. “For Sale” sign on the property. There have been some inquiries about the site. City staff have set minimum \$1 million new development criteria.

**TID No. 6 (Downtown):** Street Department and Public Works Director working toward completion of Banker’s Square (Pocket Park).

**TID No. 9 – Wisconsin River Frontage/Idle Sites Grant:** Signed Idle Sites grant amendment has been returned to the Wisconsin Economic Development Corp (WEDC).

**TID No. 10 (Former Fox Point site):** The vacant site is available for redevelopment. “For Sale” sign on the property. There has been some developer interest in the site for residential development.

**TID No. 11 (Hwy 107 – Rock Ridge Apartments):** Construction of Phase 2 (i.e. three additional twelve-unit apartment buildings) continues.

**Future TID No. 13 (Hwy G – Industrial/Business Park):** “For Sale” sign on the property. Extension of City water and sanitary sewer along Lincoln County Highway G in 2019 will enhance marketability of the new Industrial/Business Park.

CITY OF MERRILL  
**Proposed Infrastructure Projects**

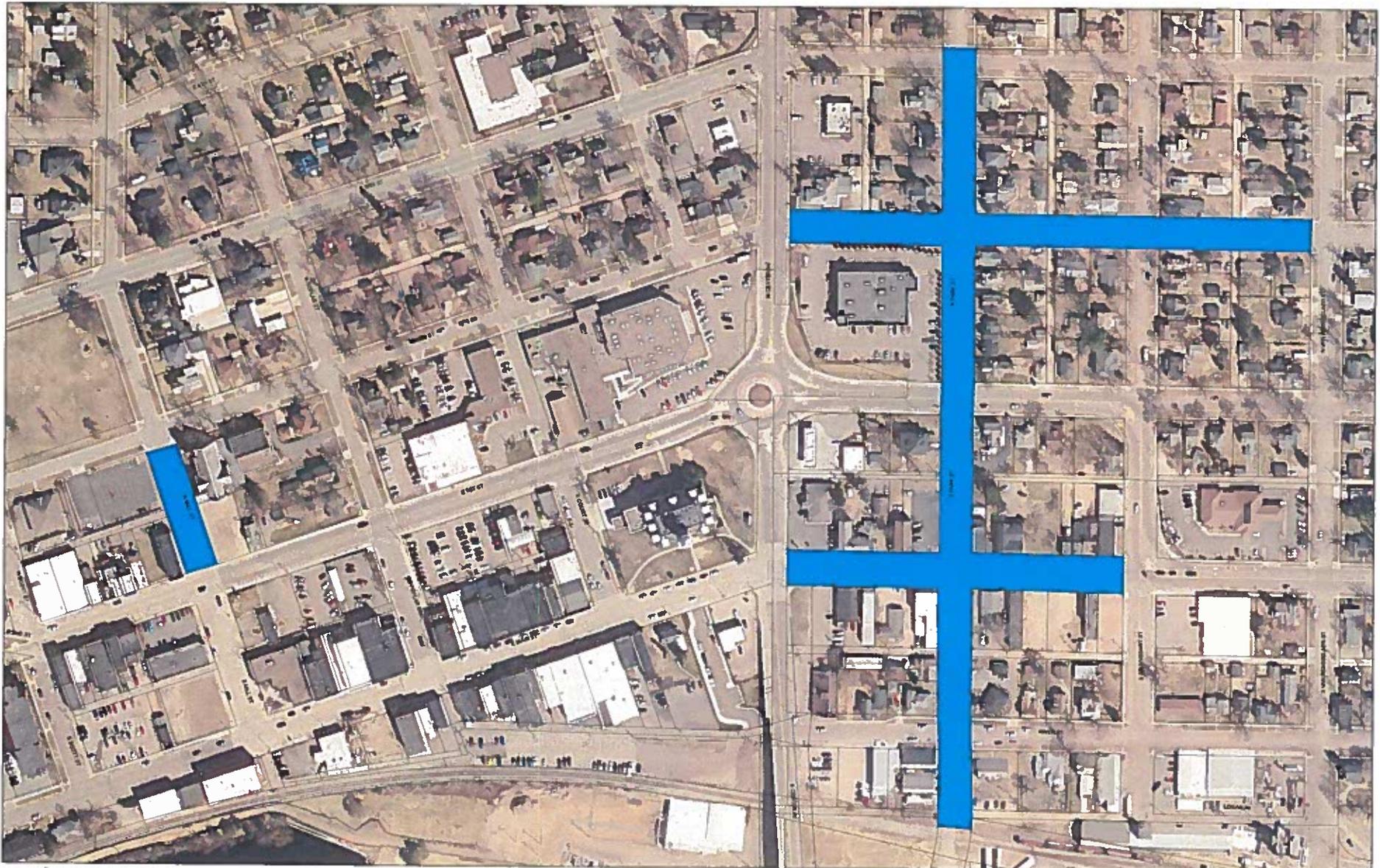
2019 BUDGET REQUESTS

Many of these projects will be funded by  
Tax Increment Districts (TIDs) through  
TID Revenue Bonds

Revised: 10/23/2018

<b>City of Merrill - Planned Infrastructure Projects - 2019</b>							
<b>Carryover from M2018-04 Street - Utility Project awarded to Merrill Gravel &amp; Construction on May 5th, 2018</b>							
TID No.	Street	From:	To:	Total \$	Curb/Gutter/ Paving	Water	Sewer
3	S. Park St.	E. 3rd St.	RR Tracks	\$300,000	\$170,000	\$80,000	\$50,000
3	E. 2nd St.	N. Center Ave.	Van Rensselaer St.	\$160,000	\$120,000	\$0	\$40,000
3	E. Main St.	N. Center Ave.	Stuyvesant St.	\$150,000	\$130,000	\$10,000	\$10,000
3	Mill St.*	E. 1st St.	E. 2nd St.	\$40,000	\$40,000		
<b>Total</b>				<b>\$650,000</b>	<b>\$460,000</b>	<b>\$90,000</b>	<b>\$100,000</b>
*Within 1/2 mile TID3 boundary							

Attachment: Infrastructure - 2019 (3756 : Update on 2019 TID-funded infrastructure project plans)



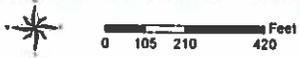
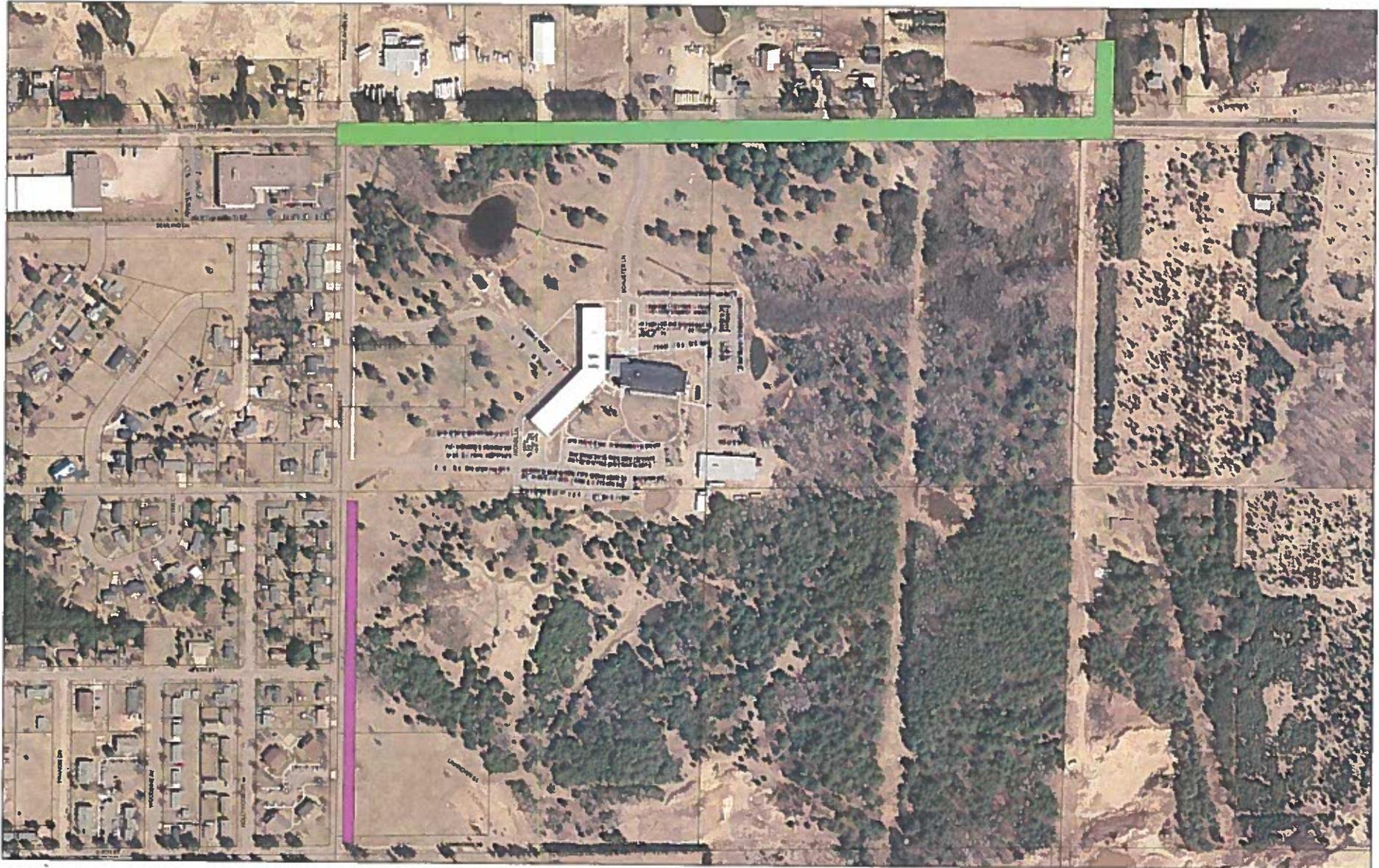
2018 Carry Over Projects



Attachment: Infrastructure - 2019 (3756 : Update on 2019 TID-funded infrastructure project plans)

City of Merrill - Planned Infrastructure Projects - 2019									
TID No.	Street	From:	To:	Total \$	Paving*	Sidewalk	Streetlighting	Water	Sewer
4	LC Highway G	Johnson St.	Industrial Park	\$370,000	\$90,000			\$140,000	\$140,000
4	Johnson St.	800 Block	E. 6th St.	\$35,000		\$35,000	by new Veterans Post		
				<b>\$405,000</b>	<b>\$90,000</b>	<b>\$35,000</b>	<b>\$0</b>	<b>\$140,000</b>	<b>\$140,000</b>
*Preliminary plan is to remove 1/2 of Lincoln County Hwy G, install water main, and then repave road.									
Note: City will also be finalizing plans for extension of North Pine Ridge Ave. from Zastrow's Beer Man to Lincoln County Highway G (for 2020 construction). Acquisition of needed street right-of-way (ROW) is planned for 2019.									

Attachment: Infrastructure - 2019 (3756 : Update on 2019 TID-funded infrastructure project plans)



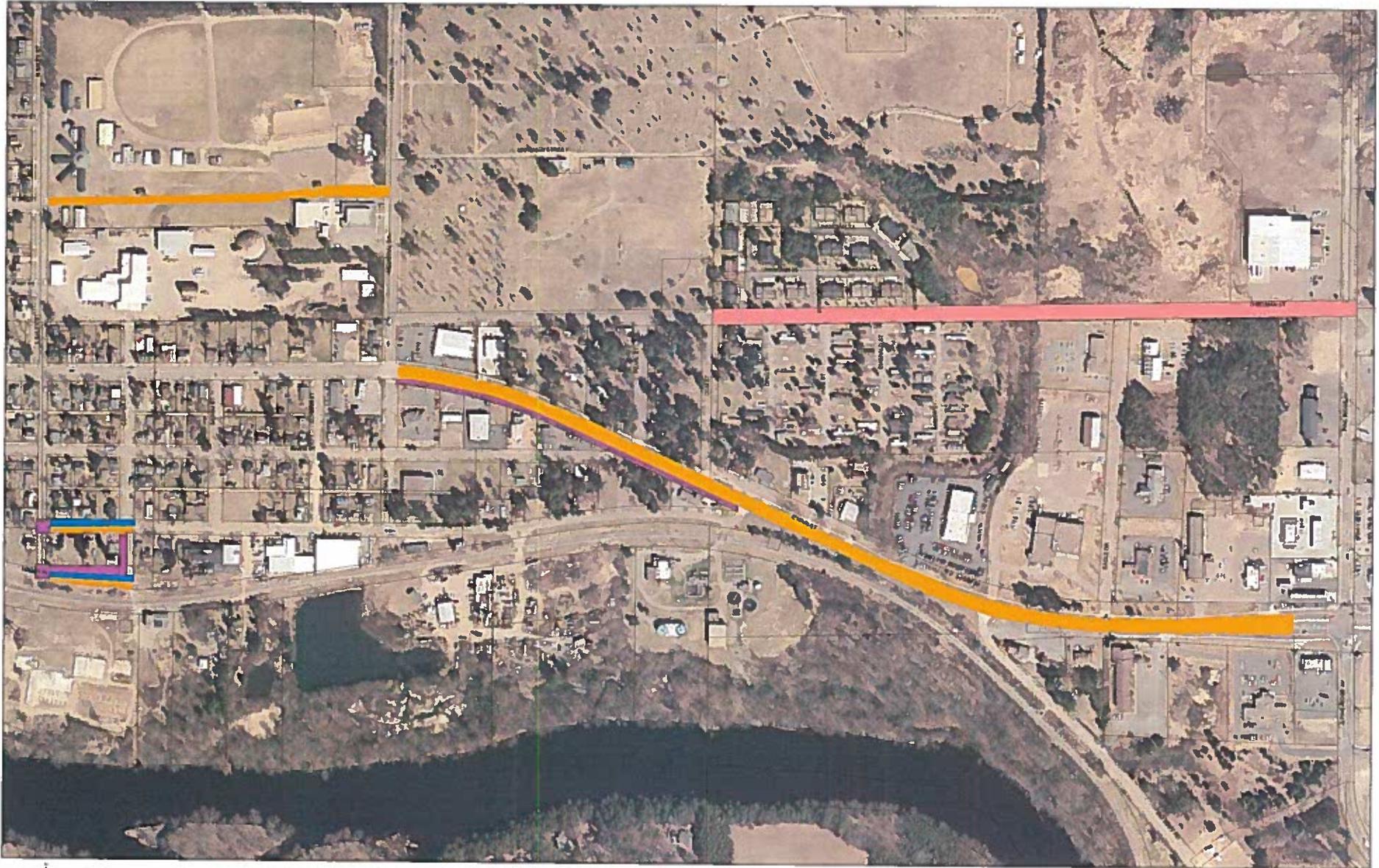
### 2019 Projects

Legend  
 Sidewalk Water & Sewer

City of Merrill - Planned Infrastructure Projects - 2019					ROW = Street Right-of-Way				
TID No.	Street	From:	To:	Total \$	Curb/Gutter/ Paving	Sidewalk or Path	Streellighting	Water	Sewer
3	Thielman St.	Gem St.	Pine Ridge Ave.	\$55,000			\$55,000		
3	E. Main St. ROW	Memorial Dr.	Sturdevant St.	\$35,000		\$35,000	Associated Bank to WWT Plant area		
3	E. Main St. ROW	WWT Plant	S. Pine Ridge Ave.	\$100,000		\$100,000	River Bend Trail Extension - 10' Wide		
3	E. Main St.	Memorial Dr.	Pine Ridge Intersection	\$900,000	\$900,000				
<b>Area adjacent to River Bend Trail at Cooper St. - Idle Sites Grant for 30%:</b>									
3	Logan Ave.	Sales St.	Cooper St.			Sidewalk - one block (North Side) & missing ADA corners			
3	Logan Ave.	Sales St.	Cooper St.			Water Main & curb, gutter, & paving (1890s water/gravel)			
3	Sturdevant St.	Sales St.	Cooper St.			Water Main & curb, gutter, & paving (1890s water/gravel)			
3	Cooper St.	Logan Ave.	Sturdevant St.			Sidewalk - one block (West Side)			
				\$120,000	\$120,000				
					Total for Logan Ave./Sales St./Cooper St.				
				\$1,210,000	\$1,020,000	\$135,000	\$55,000	\$0	\$0

Note: Pavement replacement within Merrill Festival Grounds (and area adjacent to Grandstand) is also planned. Pending grant request for Grandstand area paving.

Attachment: Infrastructure - 2019 (3756 : Update on 2019 TID-funded infrastructure project plans)



2019 Projects



### City of Merrill East Side Trail Access



Author: MPWD  
 Date Printed: 7/19/2018

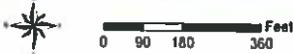
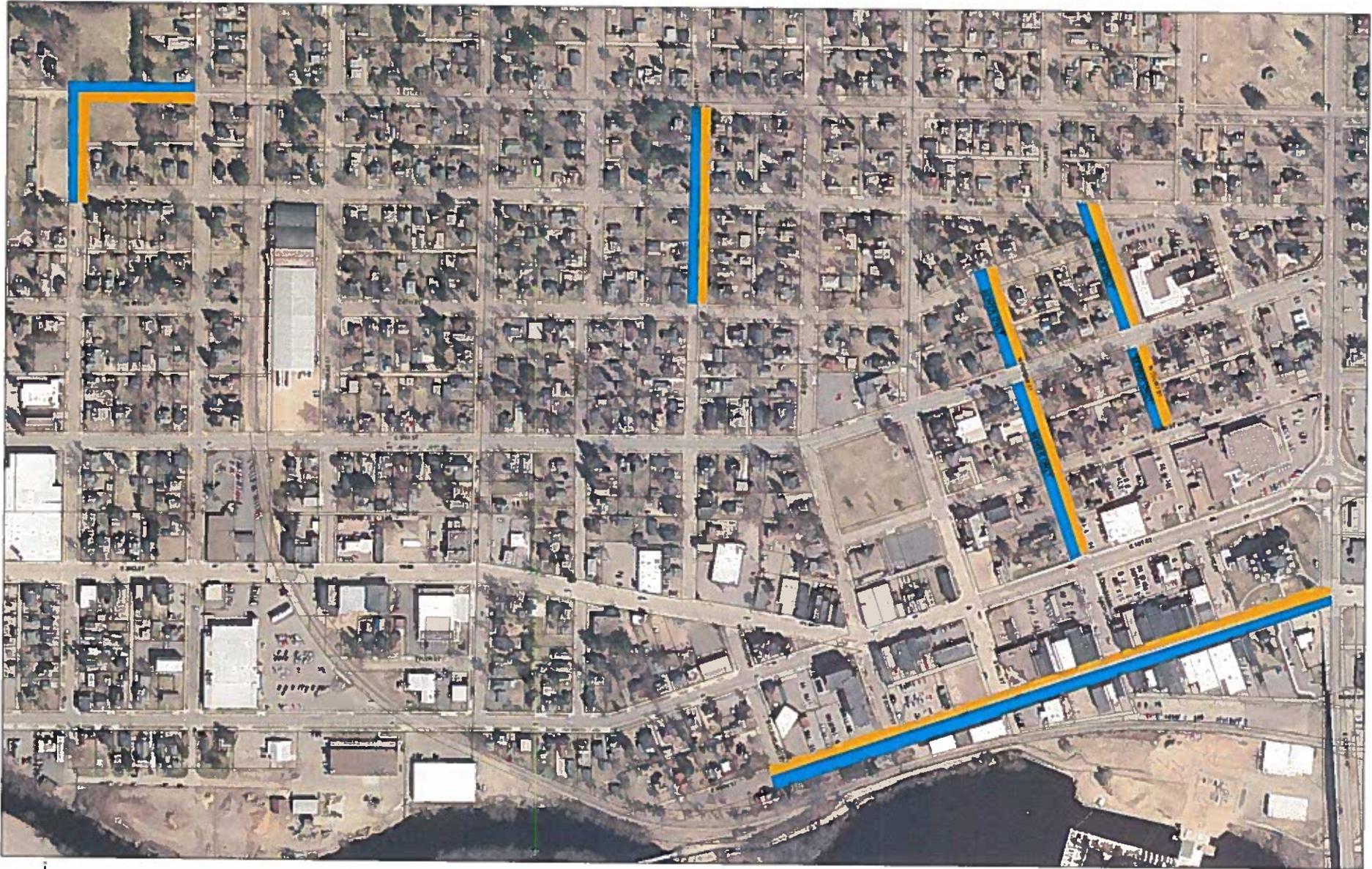


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Attachment: Infrastructure - 2019 (3756 : Update on 2019 TID-funded infrastructure project plans)

City of Merrill - Planned Infrastructure Projects - 2019									
TID No.	Street	From:	To:	Total \$	Curb/Gutter/ Paving	Sidewalk or Path	Streetlighting	Water	Sewer
3	E. Main St.	Cleveland St.	Center Ave.	\$300,000	\$280,000			\$10,000	\$10,000
6	Poplar St.	E. 1st St.	E. 2nd St.	\$32,600	\$17,600				\$15,000
N/A	Poplar St.	E. 2nd St.	E. 4th St.	\$72,200	\$57,200				\$15,000
N/A	Court St.	E. 2nd St.	E. 5th St.	\$149,000	\$59,000			\$50,000	\$40,000
N/A	Cleveland St. - W*	E. 4th St.	E. 6th St.	\$127,200	\$57,200			\$45,000	\$25,000
<b>By Athletic Park (in conjunction with paving parking lot):</b>									
12	Logan St.	E. 5th St.	E. 6th St.	\$40,000	\$30,000			\$10,000	
12	E. 6th St.	Logan St.	Blaine St.	\$45,000	\$45,000				
				<b>\$766,000</b>	<b>\$546,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$115,000</b>	<b>\$105,000</b>
*W = Water Utility personnel. There have been several water main breaks.									
				TIDs	\$372,600				
				General	\$173,400				

Attachment: Infrastructure - 2019 (3756 : Update on 2019 TID-funded infrastructure project plans)



### 2019 Projects

1-9

**Legend**  
■ Pavement ■ Streetlights ■ Sidewalk ■ Water & Sewer

City of Merrill - Planned Infrastructure Projects - 2019									
TID No.	Street	From:	To:	Total \$	Curb/Gutter/ Paving	Sidewalk	Streetlighting	Water	Sewer
8	Grand Ave.	Parkway	State St.	\$600,000	\$300,000	\$50,000	\$50,000	\$100,000	\$100,000
8	N. Prospect St.	Grand Ave.	W. Main St.	\$120,000	\$40,000	\$20,000	\$10,000	\$25,000	\$25,000
8	S. Genessee St.	Stange St.	W. Main St.	\$190,000	\$80,000	\$30,000		\$40,000	\$40,000
				\$910,000	\$420,000	\$100,000	\$60,000	\$165,000	\$165,000

Attachment: Infrastructure - 2019 (3756 : Update on 2019 TID-funded infrastructure project plans)



Attachment: Infrastructure - 2019 (3756 : Update on 2019 TID-funded infrastructure project plans)

*Cooper Insurance*

**DEVELOPMENT AGREEMENT  
BY AND BETWEEN THE  
CITY OF MERRILL, WISCONSIN  
AND DJC, LLC FOR  
CONSTRUCTION OF A COMMERCIAL BUILDING**

THE DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of June 19, 2017 by and between the City of Merrill, Wisconsin, (the "City") a political subdivision of the State of Wisconsin and DJC, LLC, a Wisconsin Limited Liability Company, (the "Developer").

RECITALS

- A. The City desires to encourage economic development, the development of underutilized land, expand its tax base and create new jobs within the City.
- B. Wis. Stat. §66.1105 (the "Tax Increment Law") provides the authority and establishes procedures by which the City may exercise powers necessary and convenient to carry out the purposes of the Tax Increment Law, cause project plans to be prepared, approve such plans, implement provisions and effectuate the purposes of such plans and finance such development through the use of tax incremental financing.
- C. Wis. Stat. §66.1333 (the "Redevelopment Law") provides the authority and establishes the procedures by which the City acting through and by the Redevelopment Authority of the City of Merrill (the "RDA") may exercise powers necessary and convenient to carry out the purposes of the Redevelopment Law, cause redevelopment plans to be prepared, approve such plans, borrow money and issue bonds, implement provisions and effectuate the purposes of such plans and finance redevelopment through the Redevelopment Law.
- D. DJC, LLC owns a development area described as:

Lot Six (6) and the Westerly Seventeen feet (17') of Lot Five (5), all in Block Eight (8), of the Original Plat of the Village of Jenny (now the City of Merrill), Lincoln County, Wisconsin, and the Southerly One-half (1/2) of the platted (now vacated) alley lying Northerly of and adjacent to the above described parcels: AND also, a part of Lot Five (5), in Block Eight (8), of the Original Plat of the Village of Jenny (now the City of Merrill), Lincoln County, Wisconsin, described as follows: Commencing at a point 17 feet Easterly, measured at right angles, from the West boundary line of said Lot 5, and 64 feet Northerly, measured at right angles, from the South boundary line of said Lot 5, being the PLACE OF BEGINNING; running thence Northerly parallel to the West boundary line of said Lot 5 a distance of 64 feet to a point on the North line of the Southerly One-half of the platted (now vacated) alley, lying Northerly of and adjacent to said Lot 5, thence Easterly parallel to the North boundary line of said Lot 5 a distance of 4 feet; thence Southerly parallel to the West boundary line of said Lot 5 a distance of 64 feet; thence Westerly parallel to the North boundary line of said Lot 5 a distance of 4 feet to the PLACE OF BEGINNING.

Located at: **900 E. First Street**, Merrill, Wisconsin

E. The Developer proposes to construct a new, approximately 2,000 square foot, one-story commercial building located within the Development Area

F. As an inducement to Developer to undertake the Development in TID 6 and to construct or cause to construct the Development, the City and the RDA intend to provide an incentive to Developer by making an incentive payment to the Developer for project costs incurred to construct a new one-story commercial building within TID 6.

G. The City and RDA finds incentives to be necessary to encourage the Development in the Development Area and for Developer to undertake the Development in such a manner as to accomplish the City goals.

H. The City finds that the redevelopment and the fulfillment generally of the terms and conditions of this Agreement are in the vital and best interest of the City, RDA and City residents by expanding the tax base, creating new jobs and causing the redevelopment of underutilized property thereby serving a public purpose in accordance with state and local law.

I. In the event the development is not substantially completed by September 1, 2018, ownership shall revert to the City of Merrill and Developer agrees to sign the necessary documents therefore.

NOW THEREFORE, in consideration of the promises and mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I

Section 1.01 Initial Undertaking of the City of Merrill

The City Has:

- a. Included the Development Area within TID #6, created May 12, 2009 and amended the district boundary and plan on September 22, 2015.
- b. Reviewed the Business Plans of the Developers.

Following Execution of this Agreement, the City agrees that it shall cooperate with Developer to facilitate Developer's performance under this Agreement.

Section 1.02 Initial Undertakings of the Developers

- a. Acquired all necessary real estate interests.
- b. Raised equity and financing necessary for the development.
- c. File site plan and permit applications with the City and/or State.
- d. Contract for construction of a new one-story commercial building.
- e. Developer will commence construction of a new one-story commercial building, with at least ten off street parking spots, with occupancy planned by September 1, 2018. The new tax increment would be generated beginning with 2019 property tax (2020 collection).
- f. This development incentive is to facilitate a new one-story commercial building.

\*

Attachment: Cooper Ins - 900 E 1st St (3760 : Review status of proposed new developments (Cooper Insurance and Nelsons's Power House))

ARTICLE II  
INCENTIVE PAYMENTS TO DEVELOPER

The City shall pay a pay-as-you-go development incentive to the Developer in the aggregate amount of Forty Thousand Dollars (\$40,000). This incentive shall be paid to DJC, LLC per the following schedule as new property tax increment is generated and property taxes paid:

<u>PAYMENT TIME FRAME</u>	<u>DEVELOPMENT INCENTIVES</u> DJC, LLC
Within 30 days upon occupancy	\$10,000
Annually \$10,000 by September 1 <sup>st</sup> for the three (3) years following occupancy.	

ARTICLE III  
MISCELLANEOUS

Section 3.01 Restriction on Sale.

Prior to the earlier of January 1, 2036 or the date TID #6 is dissolved, DJC, LLC shall not sell, transfer, convey or assign the Development Area or any part thereof to any person, entity or in any manner which would render the Development Area exempt from property taxation without the prior written consent to the City. As an express condition for such consent, the City shall require purchaser to annually pay to the City an amount equal to all property taxes, which would have accrued to the Development Area if it were subject to property taxation. Any such payments shall be considered tax increment and shall be applied as set forth in above.

Section 3.02 Indemnification.

DJC, LLC., its successors and assigns shall indemnify and save harmless and defend the other party and its respective officers, agents and employees from any and all liabilities, suits, actions, claims, demands, losses, costs, damages and expenses of every kind and description, including attorney costs and fees for claims of any character, including liability and expenses in connection with the loss of life, personal injury or damage to property or any of them brought because of any injuries or damages received or sustained by any persons or property on account of or arising out of or occasioned wholly or in part by any act or omission on the other party's part or on the part of its agents, contractors, subcontractors, invitees or employees provided that the foregoing indemnification shall not be effective for any claims of the indemnified parties that are not contemplated by this Agreement or which constitute gross negligence or willful misconduct.

City of Merrill - Projected Tax Increment for New Commercial Building								
About 2,000 sq. ft.			DJC, LLC [for David J Cooper Agency Inc.]			Downtown - TID No. 6		
			900 E. 1st St.					
<b>Real Estate</b>	Existing					Projected		
	Valuation					Valuation		
Land		\$0				Land		\$13,9
Improved		\$0				Improved		\$171,1
Total		\$0				Total		\$185,0
<b>Owned by City of Merrill after delinquent tax foreclosure</b>								
						<b>Projected RE Tax Increment</b>		<b>\$185,0</b>
Acres = .153								
The 2015 Land Valuation was \$19,900 with estimated 30% revaluation reduction.								
<b>Personal Property:</b>								
						Relocated insurance business		\$2,5
<b>Projected Tax Increment:</b>								
Const. Year	Value Year	Revenue Year	PP Value Increment	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
<b>2018</b>	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	\$5,961
	2023	2024	\$1,640	\$186,640	\$31.91	\$5,903	\$52	\$5,955
	2024	2025	\$1,476	\$186,476	\$31.91	\$5,903	\$47	\$5,950
	2025	2026	\$1,329	\$186,329	\$31.91	\$5,903	\$42	\$5,945
	2026	2027	\$1,196	\$186,196	\$31.91	\$5,903	\$38	\$5,941
	2027	2028	\$1,076	\$186,076	\$31.91	\$5,903	\$34	\$5,937
	2028	2029	\$2,969	\$187,969	\$31.91	\$5,903	\$95	\$5,998
	2029	2030	\$2,672	\$187,672	\$31.91	\$5,903	\$85	\$5,988
	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	\$5,965
	2033	2034	\$1,753	\$186,753	\$31.91	\$5,903	\$56	\$5,959
	2034	2035	\$1,578	\$186,578	\$31.91	\$5,903	\$50	\$5,953
	2035	2036	\$1,420	\$186,420	\$31.91	\$5,903	\$45	\$5,948
<b>Projected Tax Increment</b>						<b>\$100,800</b>	<b>\$1,028</b>	<b>\$101,828</b>
<b>\$177,285</b>						<b>Real Estate</b>	<b>PP</b>	<b>Total</b>

Attachment: Cooper Ins - 900 E 1st St (3760 : Review status of proposed new developments (Cooper Insurance and Nelson's Power House))

*Nelson's Power House*

**DEVELOPMENT AGREEMENT  
BY AND BETWEEN THE  
CITY OF MERRILL, WISCONSIN  
AND TSI STATE PROPERTY, LLC FOR  
CONSTRUCTION OF TWO COMMERCIAL BUILDINGS**

THE DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of Jan 12, 2017 by and among the City of Merrill, Wisconsin, (the "City") a political subdivision of the State of Wisconsin, the Redevelopment Authority of the City of Merrill (the "RDA"), and TSI State Property, LLC, a Wisconsin Limited Liability Company, (the "Developer").

**RECITALS**

- A. The City desires to encourage economic development, the development of underutilized land, expand its tax base and create new jobs within the City.
- B. Wis. Stat. §66.1105 (the "Tax Increment Law") provides the authority and establishes procedures by which the City may exercise powers necessary and convenient to carry out the purposes of the Tax Increment Law, cause project plans to be prepared, approve such plans, implement provisions and effectuate the purposes of such plans and finance such development through the use of tax incremental financing.
- C. Wis. Stat. §66.1333 (the "Redevelopment Law") provides the authority and establishes the procedures by which the City acting through and by the RDA may exercise powers necessary and convenient to carry out the purposes of the Redevelopment Law, cause redevelopment plans to be prepared, approve such plans, borrow money and issue bonds, implement provisions and effectuate the purposes of such plans and finance redevelopment through the Redevelopment Law.
- D. TSI State Property, LLC is purchasing a development area ( the "Development Area") described as:
- Lot One of Certified Survey Map No. 2624, recorded October 11, 2017, in Volume 15 of Certified Surveys, page 126, as Document No. 526864, in the Office of the Register of Deeds for Lincoln County, Wisconsin, being all of Lot 2 and all of Lot 3 of Certified Survey Map No. 731, recorded in Volume 3 of Certified Surveys, page 315, as Document No. 331602 and all of Lot 2 and part of Lot 1 of Block 2 of Creger's Addition, both filed in the Lincoln County Register of Deeds Office, located in the SE ¼ of the SW ¼, Section 7, Township 31 North, Range 7 East, City of Merrill, Lincoln County, Wisconsin.

Located at: 2500 E. Main Street, Merrill, Wisconsin

E. The Developer proposes to construct two new commercial buildings. One building will be a showroom and service center, approximately 7,500 square feet and the other will be a supplementary warehouse, approximately 7,200 square feet located within the Development Area.

F. As an inducement to Developer to undertake the Development in Tax Increment District No. 3 ("TID #3") and to construct or cause to construct the Development, the City and the RDA intend to provide an incentive to Developer by making an incentive payment to the Developer for project costs incurred to construct the two commercial buildings within TID 3.

G. The City and RDA find incentives to be necessary to encourage the Development in the Development Area and for Developer to undertake the Development in such a manner as to accomplish the City's goals.

H. The City finds that the redevelopment and the fulfillment generally of the terms and conditions of this Agreement are in the vital and best interest of the City, RDA and City residents by expanding the tax base, creating new jobs and causing the redevelopment of underutilized property thereby serving a public purpose in accordance with state and local law.

NOW THEREFORE, in consideration of the promises and mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

## ARTICLE I

Section 1.01 Initial Undertaking of the City and RDA. The City and RDA covenant and agree as follows:

- a. The City has incorporated the Development Area within TID #3.
- b. The City will convey to the Developer the Development Area at no cost by Quit Claim Decd, the closing of which shall occur as reasonably soon as possible following the execution of this Agreement.
- c. The City has reviewed and approved the site plan of the Developer for the Development.
- d. Following Execution of this Agreement, the City and RDA agrees to cooperate with Developer to facilitate Developer's performance under this Agreement.

Section 1.02 Initial Undertakings of the Developer. Developer covenants and agrees as follows:

- a. Developer has obtained equity and financing necessary to undertake development.
- b. Developer will file site plan and permit applications with the City and/or State as required for the Development.
- c. Developer will construct two new commercial buildings as part of the Development (the "Commercial Buildings").
- d. Developer will commence construction of two new commercial buildings, following the effective date of this Agreement, with occupancy planned by July 31, 2018.
- e. The incentives provided Developer pursuant to this Agreement is to facilitate the construction of two new commercial buildings.

**ARTICLE II  
INCENTIVE PAYMENTS TO DEVELOPER**

Section 2.01 Developer Incentive Payments. The City shall pay a pay-as-you-go development incentive to the Developer in the aggregate amount of One Hundred, Twenty-five Thousand Dollars (\$125,000). This incentive shall be paid to Developer per the following schedule:

<u>PAYMENT TIME FRAME</u>	<u>DEVELOPMENT INCENTIVES</u>
Within 30 days of occupancy of the Commercial Buildings	\$25,000
Annually by September 1 <sup>st</sup> in each of the four (4) years following the initial payment above.	
2019	\$25,000
2020	\$25,000
2021	\$25,000
2022	\$25,000

Attachment: Nelson's Power House - 2500 E Main St (3760 : Review status of proposed new developments (Cooper Insurance and Nelsons's

City of Merrill - Projected Tax Increment for A Taylor Statigic Industries LLC						
						East Side - TID No. 3
<b>Proposed location for:</b>						
<b>Nelson's Power House (East of O'Reilly Auto - 2600 block of East Main St.)</b>						
PIN 251-3107-073-0128 - Now part of Badger Portfolio LLC's Whispering Pines Community						
<b>Real Estate</b>		<u>Existing Valuation</u>			<u>Projected Valuation</u>	
Existing	Land	\$87,000	About 1 1/2 acre site	Land		\$96,000
	Improved	\$0		Improved		\$1,000,000
	<b>Total</b>	<b>\$87,000</b>		<b>Total</b>		<b>\$1,096,000</b>
<b>Projected RE Tax Increment</b>						<b>\$1,009,000</b>
<b>Personal Property</b>				<u>Projected</u>	\$22,500 Averaged over TID lifespan Equipment and Fixtures	
<b>Projected Tax Increment (TID No. 3 - East Side)</b>						
Const. Year	Value Year	Revenue Year	Real Estate Increment	PP Increment	Tax Rate	Real Estate Tax Increment
				10% Depreciation		
<b>2017</b>	2018	2019	\$350,000		\$31.91	\$32,197
	2019	2020	\$350,000	\$35,000	\$31.91	\$33,314
	2020	2021	\$350,000	\$31,500	\$31.91	\$33,202
	2021	2022	\$350,000	\$28,350	\$31.91	\$33,102
	2022	2023	\$350,000	\$25,515	\$31.91	\$33,011
	2023	2024	\$350,000	\$22,964	\$31.91	\$32,930
	2024	2025	\$350,000	\$20,667	\$31.91	\$32,857
	2025	<b>2026</b>	\$350,000	\$18,600	\$31.91	\$32,791
<b>Projected Tax Increment</b>						<b>\$263,404</b>
<b>TID Increment</b>						

Attachment: Nelson's Power House - 2500 E Main St (3760 : Review status of proposed new developments (Cooper Insurance and Nelsons's