



**CITY OF MERRILL**  
**REDEVELOPMENT AUTHORITY**

**AGENDA • WEDNESDAY SEPTEMBER 4, 2019**

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**Regular Meeting**

**City Hall Council Chambers**

**8:00 AM**

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- I. Call to order
- II. Minutes of previous meeting(s)
  1. RDA meeting minutes from August 21st
- III. Public comment
- IV. Agenda items for consideration:
  1. Update on FreMarq Innovations TID Development Incentive (1101 N. Mill Street) in TID No. 11 - Forgivable Loan issued on August 20, 2019
  2. Continued review and discussion of TID developments overview, background information, and development agreement formats
  3. Consider revised draft development agreement by and between the City of Merrill and Ryan Ott Development & Construction LLC for single home residential development on former Kienitz property (between W 10th St and W St Paul St in TID No. 11)
  4. Review and discuss information on City of Marshfield housing incentive program and whether to consider comparable housing incentives in City of Merrill
- V. Next RDA meeting
- 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 August 21st
  2. Negotiation of potential sale of City-owned property and potential development incentives for Impact Seven multi-family housing development on former Fox Point site (1905 E. 14th St. in TID No. 10)
  3. Consider potential City purchase of property and development agreement terms to facilitate new restaurant development if the Developer is successful in obtaining accepted offer to purchase land (TID No. 3)
- VII. The RDA may reconvene in open session to consider action(s) on closed session development items
- VIII. Adjournment

City of Merrill  
Meeting of Redevelopment Authority (RDA)

Wednesday, August 21<sup>st</sup>, 2019 at 8:00 a.m.  
City Hall Common Council Chambers

RDA Present: Derek Woellner, Sheila Polak, Ken Maule, Clyde Nelson, Tony Kusserow, Steve Sabatke, and Dan Koblitz

Others: City Clerk Bill Heideman, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl, City Building Inspector/Zoning Administrator Darin Pagel, Public Works Director/City Engineer Rod Akey, Paul Russell from Merrill Area Housing Authority, Bill Bialecki from Lincoln County Economic Development Corp., Ryan Ott (from Ryan Ott Development & Construction), Eric Dayton, Dawn Burnett from Church Mutual Insurance, and Merrill Productions camera operator

**Call to Order:** RDA Secretary Kathy Unertl called the meeting to order at 8:00 a.m.

**New RDA Commissioner:** Dan Koblitz replaces former RDA Commissioner Jill Laufenberg and Alderperson Steve Sabatke replaces former Alderperson Tim Meehean.

**Consider election of new RDA President/Chairperson:** Motion (Sabatke) to elect Derek Woellner. Motion (Kusserow) to elect Clyde Nelson. **RDA Commissioners voted 5 – 2 to elect Nelson as RDA President/Chairperson.**

**Consider approval of RDA meeting minutes from July 10<sup>th</sup>:**

**Motion (Maule/Polak) to approve the meeting minutes from July 10<sup>th</sup>.** Carried.

**Public Comment:** Unertl read an August 14<sup>th</sup>, 2019 letter from Park City Credit Union President/CEO Val Mindak that was addressed to Merrill Area Chamber of Commerce CEO Debbe Kinsey expressing support for Merrill to move forward on housing development proposals for both single family and apartments.

Dawn Burnett from Church Mutual Insurance emphasized that all types of housing were needed in Merrill to assist with their employee recruitment.

LCEDC Executive Director Bill Bialecki recommended housing development on former FoxPoint and Anson-Gilkey sites.

**Update on 1/1/2019 Equalized Valuations – Overall City of Merrill and Tax Increment Districts (TIDs):**

Unertl highlighted the Wisconsin Department of Revenue's 2019 Equalized Valuations for City of Merrill. The final 2019 amounts were released on August 15<sup>th</sup>.

The community's equalized valuation – TID IN (Tax Increment District valuations included) increased over \$25 million since 2018. That increase is split between the Tax Increment Districts (\$10,701,700) and outside the TIDs (\$14,486,900). In implementing the City's Strategic Plan and need to facilitate faster-paced new developments, the Equalized Valuations within the TIDs has increased almost 360% since 2013.

Although the locally assessed property valuations are used for property tax calculation (i.e. December 2019 tax bills based upon 1/1/2019 assessments), the manufacturing assessments from Wisconsin Department of Revenue are finalized (fully equated) about November 1<sup>st</sup> based upon Fair Market Ratio. Mayor Woellner and RDA Commissioners requested additional information on the assessments.

**Review information on City of Merrill residential developments (2009 – July 2019):**

Unertl reported that twenty new single-family homes had been built in Merrill during the past decade. There have been twelve multi-family buildings with total of 92 new housing units. Only two apartments remain available at Rock Ridge Apartments.

Merrill Area Housing Authority (MAHA) Executive Director Paull Russell confirmed that the total number of affordable housing units (i.e. 92 units) has not been increased through the new Stonebridge Apartment building and remodeling of Park Place. There are 38 apartments in Stonebridge and there will be 54 larger units when Park Place remodeling is completed. For the first time since 1979, there will be 30 units available for rent in the south tower of Park Place once the remodeling construction project is completed.

**Update on costs for Certified Survey Map (CSM) and Plat survey work for former Kienitz property (between W. 10<sup>th</sup> St. and W. St. Paul St. in TID No. 11):**

City of Merrill has contracted with REI for survey work to prepare the Certified Survey Map (CSM) and Plat to facilitate development of twelve single-family home lots. Contact is for \$12,750 which will be paid out of TID No. 11.

**Consider resolution authorizing development agreement by and between the City of Merrill and Ryan Ott Development & Construction LLC for single-family residential development on former Kienitz property (between W. 10<sup>th</sup> St. and W. St. Paul St. in TID No. 11):**

RDA Commissioners review the draft resolution and development agreement. Ryan Ott advised that he anticipates the new homes would be available for sale by summer 2020 if basements were constructed before end of 2019. The draft development agreement has title reversion if development construction was not underway by May 31<sup>st</sup>, 2020. Article II – Sections 2.03 and 2.04 include Minimum Valuation provisions as discussed at the July 10<sup>th</sup> RDA meeting. Woellner emphasized that there needs to be provisions in the original development agreement in the event that there were delays in proceeding with the development and generation of tax increment.

**Motion (Woellner/Maule) to recommend the resolution authorizing the development agreement.** Carried. There will be additional review and discussion of the draft development agreement at the next RDA meeting (which will be held before the September Common Council meeting scheduled on Tuesday, September 10<sup>th</sup>).

**Review and discussion of Impact Seven offer to purchase the former Fox Point site for market-rate multi-family housing development (1905 E. 14<sup>th</sup> St. in TID No. 10):**

Unertl emphasized that development at this site needs to be fully taxable for the TID to cash flow. Additional information has been requested by Impact Seven on how tax increment financing is generated.

Sabatke commented that potential sale price should be more than \$1.00 and noted that there were potential neighborhood concerns with multi-family development. Pagel reported that a Planned Unit Development (PUD) process would be needed and that public would have input on the layout proposed by the Developer.

**Review and discuss information on City of Marshfield housing incentive program:**

Due to length of the RDA meeting, this review and discussion deferred to the next RDA meeting.

**Next RDA meeting:** Wednesday, September 4<sup>th</sup> at 8:00 a.m.

**Before moving into potential Closed Session, drone video footage of east side of Merrill was projected on the wall for RDA Commissioners and individuals at the meeting to view.**

**Closed Session:**

Chair Nelson 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 July 10<sup>th</sup>
- b. Negotiation of potential development incentives (including proposed sale of City-owned property) for market-rate housing development on former Fox Point site (1905 E. 14<sup>th</sup> St. in TID No. 10)
- c. Review and discussion of potential purchase of properties for new restaurant development(s) in TID No. 3 and TID No. 4 (East Side area); potential use of “spot blight” legal authority; and potential TID development incentives to facilitate new development(s)

**Motion (Polak/Maule) to move into closed session.** Carried 7-0 on roll call vote at 9:22 a.m.

- **Motion (Kusserow/Sabatke) to approve the Closed Session meeting minutes from July 10<sup>th</sup>.** Carried.

**Closed Session (Continued):**

- RDA Commissioners reviewed the offer to purchase from Impact Seven for former Fox Point site in TID No. 10. Unertl emphasized that any development at this site needed to be fully taxable. Additional information will be provided to Impact Seven.
- Bialecki from LCEDC highlighted two potential restaurant sites (in TID No. 3 and TID No. 4). RDA Commission consensus to proceed with negotiations to potentially secure the two sites.

**Adjournment from Closed Session:** Motion (Kusserow/Koblitz) to adjourn at 9:57 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

Attachment: 2019-08-21 RDA Minutes (4458 : RDA meeting minutes from August 21st)



August 16, 2019

City of Merrill

1004 East First Street

Merrill WI 54452

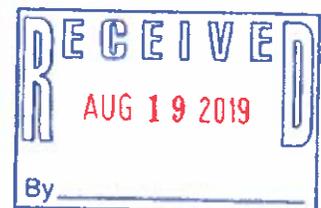
Attn: Kathy Unertl, David Johnson, Tom Hayden and Diane Wais.

RE: FrēMarq certification of employees in Merrill

This letter is to inform you that as of August 16, 2019, there are 51 employees employed at FrēMarq Innovations, 1101 North Mill Street, Merrill WI.

Respectfully,

Renea Frederick



Attachment: FrēMarq - Loan Employee Cert 2019-08-19 (4433 : Update on FrēMarq Innovations TID Development)

### Agenda Request Overview

Board or Committee: Redevelopment Authority (RDA)  
 Date of Meeting: Wednesday – July 10<sup>th</sup> 2019  
 Request by: Finance Director/RDA Secretary Kathy Unertl

#### Review and discussion of TID development overview, background information, and development agreement formats:

In follow-up to the June 5<sup>th</sup> Redevelopment Authority (RDA) meeting, attached is an example of the City of Merrill's TID-related paperwork for redevelopment of 3201 E. Main St. (new Dollar Tree store).

1. Development Agreement – most is standard legal boilerplate. Items that the changes between different developments are highlighted in yellow.
2. **The key provisions of the development deal are summarized via the TIF Development Incentive Overview.**
3. A Projected Tax Increment spreadsheet is prepared by Finance Director Kathy Unertl based upon the development plans and sometimes in consultation with City Assessor Kitt Koski from Bowmar Appraisal.
4. Draft Merrill Common Council resolution is prepared.
5. Lincoln County GIS map of the development tax parcel(s) is printed.
6. RDA Commissioners have requested that site plans, elevations, and any color renderings be provided for review.

#### Other potential development agreement terms:

**Reversionary title provision** when City-owned land is included in the TID development incentive with this legal provision:

If the development is not substantially completed by \_\_\_\_\_, ownership to the property shall revert to the City of Merrill and the Developer agrees to sign the necessary documents (i.e. Warrant Deed) therefore.

**Minimum Assessed Valuation :**

Two examples are provided for your review and discussion at the July 10<sup>th</sup>, 2019 RDA meeting, including:

7. 2006 City of Merrill – Walgreen's development
8. FoxConn in Racine County

Finance Director Kathy Unertl Note: The Walgreen's language is way more understandable!

Date: 7/1/2019

①

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

THE DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of Dec-21, 2018 by and between the City of Merrill, Wisconsin, (the "City") a political subdivision of the State of Wisconsin and Merrill Development Group, 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. Merrill Development Group, LLC is purchasing a development area described as:
- Beginning at a point 60 rods West of the Northeast corner of Section Eighteen (18), Township Thirty-one (31) North, Range Seven (7) East, running thence South 11 ½ rods (said 11 ½ rods including highway); thence running due West to a point in the highway known as the Wausau Road; running thence in a Northwesterly direction along said highway known as Wausau Road to a point intersected by the North line of said 18-31N-7E; running thence East along said Section line to the place of beginning, being a part of the Northeast Quarter of the Northeast Quarter (NE ¼ NE ¼ ) of Section 18, Township 31 North, Range 7 East, subject to highways, easements and rights of way, municipal and zoning ordinances, recorded easements for public utilities serving the property, recorded building and use restrictions and covenants and general taxes levied in the current year. Further Excepting lands conveyed in Volume 679 of Records, page 569.
- Located at: 3201 E. Main Street, Merrill, Wisconsin

E. The Developer proposes to construct a new 9,000 square foot new retail building located within the Development Area.

F. As an inducement to Developer to undertake the Development in 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 9,000 square foot retail building within TID 3.

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.

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 #3.
- 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. Raised equity and financing necessary for the development.
- b. File site plan and permit applications with the City and/or State.
- c. Contracted for construction of a new 9,000 square foot retail building.
- d. Developer will commence construction of a new 9,000 square foot retail building, with occupancy planned by September 30, 2019.
- e. This development incentive is to facilitate the construction of a new 9,000 square foot retail building.

**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 Ninety Thousand Dollars (\$90,000). This incentive shall be paid to Merrill Development Group, LLC per the following schedule:

<u>PAYMENT TIME FRAME</u>	<u>DEVELOPMENT INCENTIVES</u>
Within 30 days upon occupancy of the building	\$30,000
Annually by September 1 <sup>st</sup> for three (3) years	
2020	\$20,000
2021	\$20,000
2022	\$20,000

**ARTICLE III  
MISCELLANEOUS**

Section 3.01 Restriction on Sale.

Prior to the earlier of January 1, 2026 or the date TID #3 is dissolved, Merrill Development Group, 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.

Merrill Development Group, 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.

Attachment: TID Dev Paperwork (4435 : Continued review and discussion of TID developments)

Section 3.03 No City Obligations.

The City shall have no obligations or liability for any obligations or responsibilities to any lending institution, architect, contractor or sub-contractor or any other party retained by Developers in the performance of its obligations and responsibilities under the terms and conditions of this Agreement. The Developers specifically agrees that no representation, statements, assurances or guarantees will be made by Developers to any third party contrary to this provision.

Section 3.04 Default.

a. Default and Notice of Default. In the event either party to this Agreement is in default hereunder (the "Defaulting Party") the other party (the "Non-Defaulting Party") shall be entitled to take any action allowed by applicable law, by virtue of said default, provided that Non-Defaulting Party gives the Defaulting Party written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than sixty (60) days in which the default may be cured by the Defaulting party. Notwithstanding the foregoing, if any default cannot reasonably be cured within sixty (60) days, the Non Defaulting Party shall refrain from exercising remedies as long as a cure is being diligently pursued.

If either party fails to cure a default as permitted herein, the Non-Defaulting Party, without limiting its remedies under this Agreement, may compel performance by the Defaulting Party by bringing an action for specific performance. If after the specified time period for cure proceedings are initiated to cure an alleged default, the prevailing party in such proceedings shall be entitled to reimbursement from the other party for its reasonable attorney's fees and associated costs incurred in such proceedings.

b. Force Majeure. Neither party shall be responsible to the other party for any resulting losses if the fulfillment of any of the terms of this Agreement is delayed or prevented by revolutions or other civil disorders, wars, acts of the enemies, strikes, fires, floods, acts of God, unusual weather, or by any other cause not within the control of the party whose performance was interfered with and which by the exercise of reasonable diligence such party is unable to prevent, whether of the class of causes herein above enumerated or not, and the time for performance shall be extended by the period of delay occasioned by any such cause.

Section 3.05 Non Discrimination.

Neither the Development nor any portion thereof shall be used by any party in any manner to permit unlawful discrimination or unlawful restriction on the basis of race, creed, ethnic origin or identity, color, gender, marital status, familial status, age, handicap, sexual orientation, or national origin and the construction and operation of the Development shall be in compliance with all effective laws, ordinances, and regulations relating to discrimination on any of the foregoing grounds.



Section 3.10 Severability.

If any provisions of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case, in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance or of rendering and provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

Section 3.11 Compliance with Law.

The parties shall, in undertaking the construction and operation of the Development, comply with all applicable federal, state, and local laws.

Section 3.12 City Authorization.

The execution of this Agreement was authorized by Resolution No 2583 adopted on October 9, 2018 by the Common Council.

IN WITNESS WHEREOF:

The parties have executed this Agreement as of December 21, 2018

CITY OF MERRILL, WISCONSIN

[Signature]  
Derek Woellner, Mayor

[Signature]  
William N. Heideman, Clerk

Approved:

[Signature]  
Katherine G. Unertl, Finance Director

Approved as to Form:

[Signature]  
Thomas N. Hayden, City Attorney

STATE OF WISCONSIN )  
 ) ss.  
COUNTY OF LINCOLN )

Personally came before me this 21 day of Dec., 2018, the above named Derek Woellner, Mayor and William N. Heideman, Clerk, to me known to be the person who executed the foregoing instrument and acknowledged the same.

[Signature]  
Notary Public, State of Wisconsin  
My commission 2-4-2019

MERRILL DEVELOPMENT GROUP LLC

By [Signature]  
Richard W. Johnson, Managing Member

By [Signature]  
Member

STATE OF WISCONSIN )  
 ) ss.  
COUNTY OF BROWN )

Personally appeared before me this 18<sup>th</sup> day of Dec., 2018, the above named Richard W. Johnson, Managing Member, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

[Signature]  
Notary Public, State of Wisconsin  
My commission 7-9-22



Attachment: TID Dev Paperwork (4435 : Continued review and discussion of TID developments)



## City of Merrill – TIF Development Incentive Overview

### **TID No. 3 (East Side)**

Property Owner:	United Development Group, LLC (Green Bay, WI) will be purchasing the development site from 3's Company
Location:	3201 E. Main St. (Triangle-shaped .76 acre site)
Development:	About 9,000 sq. ft. new retail building
Jobs:	Retention of east-side existing jobs that will relocate to new building (3 to 4 full-time and 6 to 8 part-time)
Investment:	In addition to site acquisition, developer estimating \$27,000 for demolition of existing building and about \$783,000 for new building construction.
Infrastructure:	N/A for public. Developer would continue to lease East Main Street right-of-way (\$722 for 2018).

### **TID Development Incentive:**

City staff evaluation: Demolition is the only option for existing building.

RDA recommendation:

Total of \$90,000 with the following payment schedule:

Upon completion (2019)      \$30,000

Annually (2020-2022)      \$20,000 – three years

TID Lifespan Tax Increment:

Spreadsheet provided – projected at \$92,790 and likely to be higher than conservative estimates.

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<b>City of Merrill - Projected Tax Increment</b>					
<b>3201 E. Main St. - New retail 9,000 sq. ft. building</b>					
<b>PIN 251-3106-132-0222</b>			<b>East Side - TID No. 3</b>		
<b>Proposed developer: United Development Group, LLC. (Green Bay, WI)</b>					
<b>Acquisition of current 3's Company site; demolition of existing building; and construction of new 9,000 sq. ft. retail building.</b>					
<b>Development site is triangle-shaped totaling .76 acre. Much of existing paved area is in East Main Street right-of-way and leased from City of Merrill.</b>					
<b>Real Estate</b>		<b>Existing Valuation</b>		<b>Projected Valuation</b>	
	Land	\$65,500		Land	\$65,500
	Improved	\$138,000		Improved	\$638,000
	<b>Total</b>	<b>\$203,500</b>		<b>Total</b>	<b>\$703,500</b>
<b>Projected RE Tax Increment</b>					<b>\$500,000</b>
<b>Projected Tax Increment (TID No. 3 - East Side)</b>					
<b>Const. Year</b>	<b>Value Year</b>	<b>Revenue Year</b>	<b>Real Estate Increment</b>	<b>Tax Rate</b>	<b>Real Estate Tax Increment</b>
<b>2019</b>	2020	2021	\$500,000	\$30.93	\$15,465
	2021	2022	\$500,000	\$30.93	\$15,465
	2022	2023	\$500,000	\$30.93	\$15,465
	2023	2024	\$500,000	\$30.93	\$15,465
	2024	2025	\$500,000	\$30.93	\$15,465
	2025	<b>2026</b>	\$500,000	\$30.93	\$15,465
<b>Projected Tax Increment</b>					<b>\$92,790</b>
					<b>TID Increment</b>

Attachment: TID Dev Paperwork (4435 : Continued review and discussion of TID developments)

4

RESOLUTION NO. 2583

A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MERRILL, WISCONSIN AND UNITED DEVELOPMENT GROUP LLC

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 3 on September 13, 2005 and the redevelopment site is within TID No. 3; and,

WHEREAS, United Development Group LLC has proposed acquisition of the site, demolition of existing building, and construction of new retail building; 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 property tax will be generated from this redevelopment project and existing jobs retained; and,

WHEREAS, United Development Group LLC has negotiated the development agreement to provide an incentive payment not to exceed \$90,000 to facilitate the commercial redevelopment project.

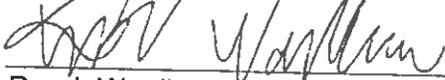
NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 9<sup>th</sup> day of October, 2017, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and United Development Group LLC and to facilitate the implementation thereof.

Recommended by:  
Redevelopment Authority (RDA)

Moved:           Alderman Meehean          

Passed:           October 9, 2018          

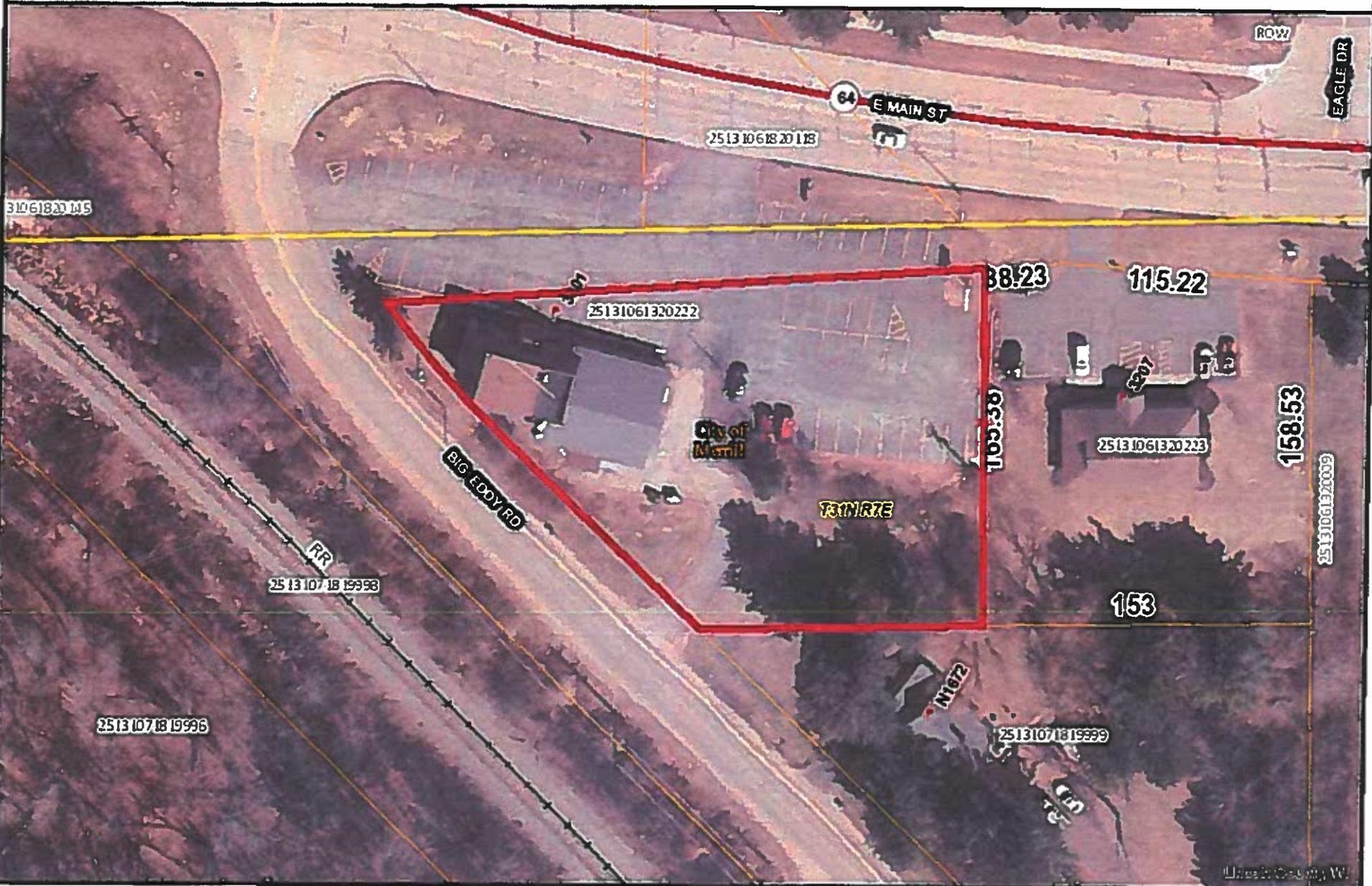
CITY OF MERRILL, WISCONSIN

  
Derek Woellner  
Mayor

  
William N. Heideman  
City Clerk

Attachment: TID Dev Paperwork (4435 : Continued review and discussion of TID developments)

# Lincoln County Public Access Land Records Viewer



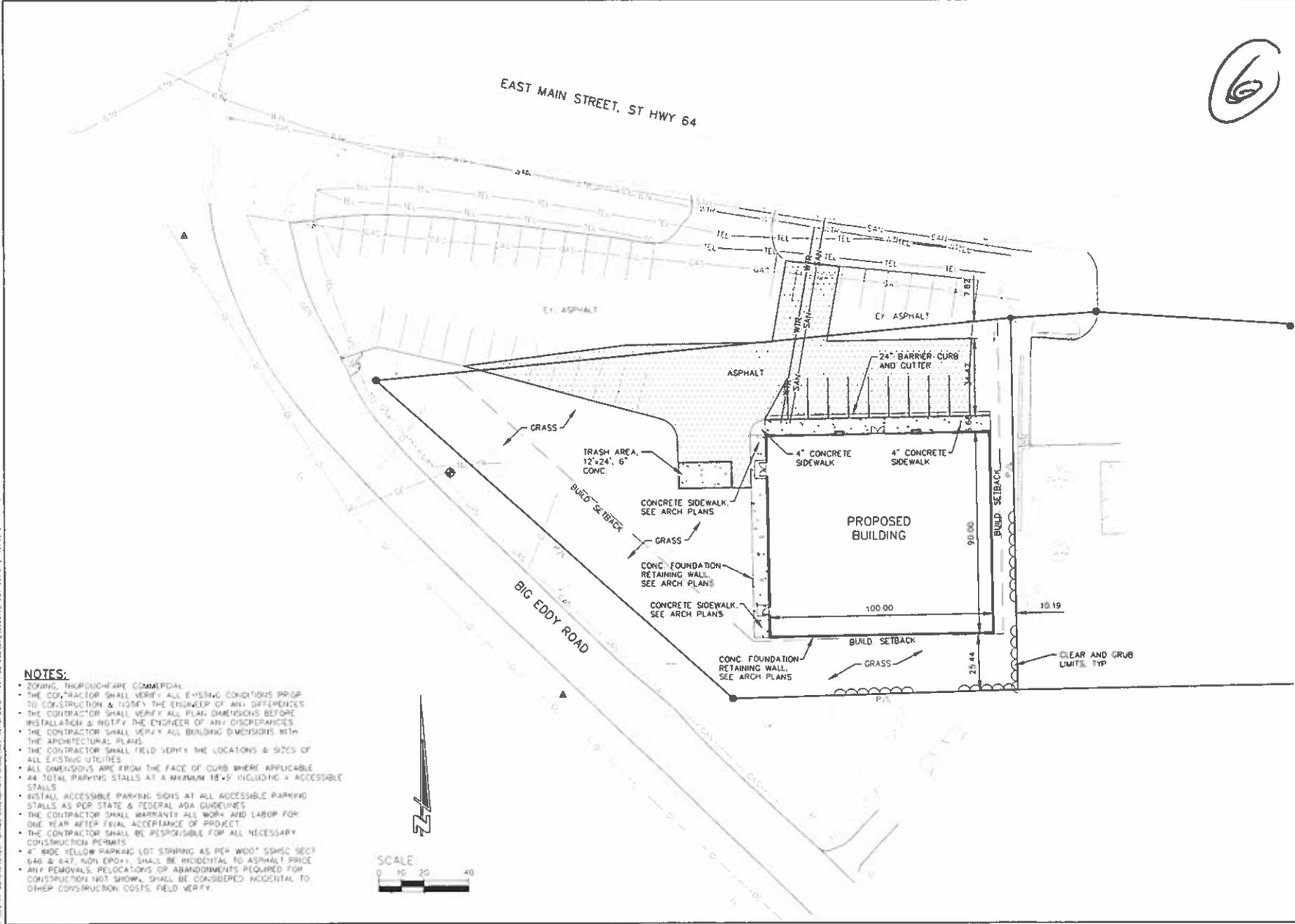
Author: Public  
Date Printed: 9/17/2018



The information depicted on this map is a compilation of public record information including aerial photography and other base maps. No warranty is made, express or implied, as to the accuracy of the information used. The data layers are a representation of current data to the best of our knowledge and may contain errors. It is not a legally recorded map and cannot be substituted for field-verified information. Map may be reproduced with permission of the Lincoln County Land Services Department. Errors should be reported to Land Services Department, 801 North Sales St. Merrill, WI, 54452. Copyright © 2015 Phone (715) 539-1049.

Attachment: TID Dev Paperwork (4435 : Continued review and discussion of TID developments)

6



- NOTES:**
- ZONING THROUGHTHERE COMMERCIAL
  - THE CONTRACTOR SHALL VERIFY ALL EXISTING CONDITIONS PRIOR TO CONSTRUCTION & NOTIFY THE ENGINEER OF ANY DIFFERENCES
  - THE CONTRACTOR SHALL VERIFY ALL PLAT DIMENSIONS BEFORE INSTALLATION & NOTIFY THE ENGINEER OF ANY DISCREPANCIES
  - THE CONTRACTOR SHALL VERIFY ALL BUILDING DIMENSIONS WITH THE ARCHITECTURAL PLANS
  - THE CONTRACTOR SHALL FIELD VERIFY THE LOCATIONS & SIZES OF ALL EXISTING UTILITIES
  - ALL DIMENSIONS ARE FROM THE FACE OF CURB WHERE APPLICABLE
  - 44 TOTAL PARKING STALLS AT A MINIMUM 18'x9' INCLUDING 4 ACCESSIBLE STALLS
  - INSTALL ACCESSIBLE PARKING SIGNS AT ALL ACCESSIBLE PARKING STALLS AS PER STATE & FEDERAL ADA REQUIREMENTS
  - THE CONTRACTOR SHALL WARRANT ALL WORK AND LABOR FOR ONE YEAR AFTER FINAL ACCEPTANCE OF PROJECT
  - THE CONTRACTOR SHALL BE RESPONSIBLE FOR ALL NECESSARY CONSTRUCTION PERMITS
  - 47' WIDE YELLOW PARKING LOT STRIPING AS PER WDOT 559HC SECT 646 & 647, NON EPOXY, SHALL BE INCIDENTAL TO ASPHALT PRICE
  - ANY REMOVALS, RELOCATIONS OR ABANDONMENTS REQUIRED FOR CONSTRUCTION NOT SHOWN, SHALL BE CONSIDERED INCIDENTAL TO OTHER CONSTRUCTION COSTS. FIELD VERIFY.

**MERRILL DEVELOPMENT GROUP**

MERRILL DOLLAR TREE  
 E MAIN STREET  
 MERRILL, WI 54452

JOB NO  
 U4707-009  
 DESIGNED BY  
 D B CAS  
 DATE  
 OCTOBER 2018  
 SET TYPE  
 PRELIMINARY  
 SITE PLAN

PART NO  
 C102



ARCHITECT/ENGINEER  
 CEDAR CORPORATION  
 400 WEST WISCONSIN AVENUE  
 MILWAUKEE, WISCONSIN 53212  
 PHONE 414.333.1112  
 FAX 414.333.1111  
 WWW.CEDARCORP.COM



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Attachment: TID Dev Paperwork (4435 : Continued review and discussion of TID developments)

7

City of Merrill - Walgreen's  
Minimum Assessed Valuation

G. The City and RDA find such 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 development of the Development Area 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  
Exhibits

- A – Development Area, Lincoln County Land Record
- B – Preliminary site plan and building exterior

ARTICLE II

Section 2.01 Initial Undertaking of the City of Merrill

The City Has:

- a. Included the Development Area within TID #3, and Redevelopment Area #1
- b. Approved zoning petition filed by the Developer on November 8, 2005
- c. Approved the site plan filed by the Developer on November 8, 2005

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

Section 2.02 Initial Undertakings of the Developer

- a. Acquire all necessary real estate interests.
- b. Raise equity and financing necessary for the Development.
- c. Will commence construction of the proposed commercial buildings by May 15, 2006 with substantial completion or occupancy by Walgreens anticipated to occur by December 15, 2006. Preliminary site plan and building exterior design are included as Exhibit B.

Section 2.03 Warranties and Representations of the City. The City hereby warrants and represents that until all incentive payments have been made to Developer pursuant to Article III of this Agreement: (i) the assessment ratio generally applicable to property within the City (and therefore applicable to the

*[Handwritten mark]*

Attachment: TID Dev Paperwork (4435 : Continued review and discussion of TID developments)

Development and the Development Area) shall be no less than ninety five percent (95%) and (ii) the tax rate generally applicable to property within the City (and therefore applicable to the Development and the Development Area) shall be no less than Twenty Seven and 55/100 Dollars (\$27.55) per each Thousand Dollars (\$1,000.00) of assessed valuation.

Section 2.04 Warranties and Representations of MRED. MRED hereby warrants and represents the following: (i) an affiliate of MRED has entered into a contract of sale to acquire the Development Area from Lincoln County for a purchase price of One Million Seventy Thousand Dollars (\$1,070,000.00) and (ii) MRED will expend at least One Million Eight Hundred Fifty Thousand Dollars (\$1,850,000.00) relating to the construction of the Development within the Development Area. Further, Developer hereby agrees that, so long as the warranties and representations of the City in Section 2.03 above remain true and correct, the City shall receive a minimum of Sixty Seven Thousand Five Hundred One and 10/100 Dollars (\$67,501.10) in incremental taxes from the Development and the Development Area, commencing with the first calendar year occurring after Developer's substantial completion of the Development and continuing until all incentive payments have been made to Developer pursuant to Article III of this Agreement.

**ARTICLE III  
INCENTIVE PAYMENTS TO DEVELOPER**

The City shall pay a development incentive to Developer in the aggregate amount of Four Hundred Eighty Thousand Three Hundred Twenty Seven and 59/100 Dollars (\$480,327.59), payable in annual installments as set forth below, with the first such installment payment being made on September 1<sup>st</sup> of the calendar year occurring two (2) years after Developer's substantial completion of the Development. Assuming that substantial completion of the Development occurs prior to the end of 2006, such installment payments shall be made as follows:

September 1, 2008	\$50,625.83
September 1, 2009	\$50,625.83
September 1, 2010	\$50,625.83
September 1, 2011	\$50,625.83
September 1, 2012	\$50,625.83
September 1, 2013	\$50,625.83
September 1, 2014	\$50,625.83
September 1, 2015	\$50,625.83
September 1, 2016	\$50,625.83
September 1, 2017	<u>\$24,695.12</u>
Total	\$480,327.59

Attachment: TID Dev Paperwork (4435 : Continued review and discussion of TID developments)

FoxCONN - Racine Area

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failure of cure by the Developer or pursuant to the Developer Affiliate Guaranty, the Municipalities may apply the Developer Advance (and/or proceeds derived from the foreclosure of the Developer Advance Mortgages) to (i) the payment of the Area I Special Assessment and Area II/III Special Assessment; and (ii) the payment of any Makeup Payments. This requirement of the Developer Advance and the Developer Advance Mortgages to serve as security to the Municipalities for purposes of default by the Developer of its obligations under Section V, paragraphs 6, 7 and 8 herein shall terminate at such time as there is sufficient Area I Available Tax Increment to service the principal amount of \$195,000,000 of the 2018 Bonds (as defined in the Developer Affiliate Guaranty) and the pledge of the Developer Advance (and any Developer Advance Mortgages ) shall be released at such time. At Developer's and Guarantor's option, upon at least 30 days' advance written notice to the Municipalities, Developer and Guarantor may elect to increase the amount of the Developer Affiliate Guaranty, in which case the amount of the Developer Advance pledged and/or the amount secured by the Developer Affiliate Mortgages shall be reduced commensurate with the increase in the Developer Affiliate Guaranty.

5. **Construction of Facility.** Developer shall establish and operate Developer's Generation 10.5 TFT-LCD Fabrication Facility (the "Facility") in Area I. Within Area I, Developer shall invest approximately \$10 billion to construct and equip the Facility, including approximately \$5.570 billion in direct construction expenditures ("CapEx Expenditures"), and Developer shall complete construction of the Facility within an approximately 7 year period, commencing no later than January 1, 2019. The Developer shall furnish to the Municipalities' Agent the same reports required under the WEDC Contract.

a. CapEx Expenditure includes only an investment in (i) machinery and equipment to be installed and used in Area I (including "finance leases" and "operating leases" (to the extent and in the amount that such operating leases give rise to a "right-of-use asset" on the balance sheet of a Recipient upon lease commencement, but not including "short term" operating leases of such machinery and equipment, and not including consigned machinery and equipment), and (ii) in land and buildings located in Area I that are needed to achieve the specific purpose of completing the Project. Notwithstanding any other provision of this Agreement, investments in residential or commercial, non-industrial property or construction of such property will not be considered to be eligible CapEx Expenditures for purposes of satisfying the test in this paragraph. The terms "finance lease", "operating lease", "right-of-use asset" have the meanings assigned to them under GAAP ASC 842.

b. The Developer shall give to the Municipalities' Agent any report to or conclusion of WEDC regarding WEDC's review of any construction contracts and subcontracts between Developer and affiliates, and leases to confirm that they reflect fair market value in determining Developer's performance under this section.

6. **Minimum Assessed Value.** As of ~~January 1, 2023~~ <sup>date</sup>, the Developer agrees to cause the minimum "Value Increment" (as defined in Section 66.1105(2)(m) of the TIF Law) for Area I to be not less than ~~\$1.4 billion~~ (the "Minimum Guaranteed Value"), and to maintain that Minimum Guaranteed Value until ~~December 31, 2047~~ <sup>date</sup> (the "Value Guaranty Period"). Developer shall, in any tax year during the Value Guaranty Period that the Value Increment for Area I is less than the Minimum Guaranteed Value, and following thirty (30) days written notice by the ~~Village~~ <sup>city</sup> to Developer, pay to the ~~Village~~ <sup>city</sup> for deposit into the ~~Area I TIF Account~~ <sup>CITY TREASURY</sup>, on or

city

city

CITY TREASURY

Attachment: TID Dev Paperwork (4435 : Continued review and discussion of TID developments)

## FOX CON - Racine Area

before the tax bills for that tax year must be paid, real and personal property taxes assessed for that year, plus the Makeup Payment defined below. The "Makeup Payment" shall be calculated to be the difference between:

- a. The real property and personal property taxes that would have been payable had the property in Area I had a Value Increment equal to the Minimum Guaranteed Value, using the tax rates for the year for which such calculation is to be performed; and
- b. The real and personal property taxes assessed to the actual Value Increment of the property in Area I payable for such tax year.

**7. Area I Special Assessment.**

a. **Levy.** In consideration of the Village conveying to Developer the Area I property acquired by Village, Developer agrees to the levying of a special assessment by the Village, encumbering the Area I property acquired by Developer, in the amount of the Area I Purchase Price plus interest on the debt funding of such Area I Purchase Price, and inclusive of all of the costs of issuance and related, legal and professional fees ("Area I Special Assessment"), and further Developer agrees to pay such Area I Special Assessment to the Village, in 20 equal payments, with the first such payment included in the 2019 real estate tax bill for the Area I property, coming due in 2020, and with each such subsequent payment included in the real estate tax bills for the Area I property, for each year thereafter, with a final assessment included in the 2039 tax bill, payable in 2040, but subject to the provisions of Section IV, paragraph 12(b) above, for reimbursement of this amount from Developer Available Tax Increment.

b. **Waiver.** In consideration of the benefit derived from the Village's acquisition of the Area I property, Developer hereby consents to the imposition of such Area I Special Assessment so levied, and hereby waives pursuant to Section 66.0703(7)(b), Wis. Stats., and any other applicable provision, any and all requirements of the Wisconsin Statutes which must be met prior to the imposition of this Area I Special Assessment including, but not limited to, the notice and hearing requirements of Section 66.0703 and the notice requirements of Section 66.0715(3).

c. **Application of Special Assessment.** The parties agree that the Area I Special Assessment is levied to secure the debt of the Municipalities, for the Area I Purchase Price, and that the annual payments received by the Village from the Area I Special Assessment shall be applied to such debt for the Area I Purchase Price, as shown in the Flow of Funds Chart, but agree that the Village on its behalf shall annually defer in whole or in part the installments of the Area I Special Assessment levied herein to the extent the Developer Available Tax Increment received by the Village is sufficient to pay this amount consistent with the Flow of Funds Chart.

d. **Reimbursement from Developer Available Tax Increment.** As provided in Section IV, paragraph 12(b) above, the amount of any Area I Special Assessment payments made by Developer under this Section 7, shall be repaid to Developer, to the extent of Developer Available Tax Increment, in the manner shown on the Flow of Funds Chart, until any

## TAX INCREMENT DISTRICT (TID) No. 11

Through TID No. 11, the former Kienitz property (6.707 acres) was acquired by the City of Merrill in 2016 for \$9,741 (i.e. equivalent of W. 10<sup>th</sup> St. special assessments and 2015 property taxes).

### Key development background:

- Existing City utility services (i.e. water and sanitary sewer) is available on W. St. Paul St. frontage. Three new lots will be created through Certified Survey Map (CSM) process for Phase 1 housing development.
- A Plat is needed for the rest of the development site. City has contracted with REI for the survey and Plat development work.
- The W. 10<sup>th</sup> St. frontage cannot be developed until City sanitary sewer service is extended south from W. St. Paul St.
- There will also need to be extension of City water to service the interior of the site and curb/gutter & paving of proposed Superior Street extension between W. St. Paul St. and W. 10<sup>th</sup> St.
- W. St. Paul St. between Champagne St. east to State St. (except for intersections) is currently gravel and there will need curb/gutter & paving.

Note: Western side of the parcel is adjacent to City-owned Champagne St. stormwater drainage.

### Phased Development:

Phase 1 – three new homes on W. St. Paul St. (need Certified Survey Map – CSM)

If Phase 1 starts by end of 2019, City utility and street infrastructure improvements would be planned for 2020 construction to facilitate future housing phases.

### Conceptual Development Fiscal:

Preliminary overall development fiscal spreadsheet (including projected infrastructure debt service) is attached. Overall development project cash flows and would allow about \$250,000 for other TID No. 11 investments or potential transfer of tax increment to “blighted area” TIDs.

# Lincoln County Public Access Land Records Viewer



Author: Public  
Date Printed: 7/1/2019



The information depicted on this map is a compilation of public record information including aerial photography and other base maps. No warranty is made, express or implied, as to the accuracy of the information used. The data layers are a representation of current data to the best of our knowledge and may contain errors. It is not a legally recorded map and cannot be substituted for field-verified information. Map may be reproduced with permission of the Lincoln County Land Services Department. Errors should be reported to Land Services Department, 801 North Sales St, Merrill, WI, 54452. Copyright © 2015 Phone (715) 639-1049.

Attachment: TID11 - Single-Family Homes (4434 : Revised draft development agreement Ryan Ott



Attachment: TID11 - Single-Family Homes (4434 : Revised draft development agreement Ryan Ott



**X New Infrastructure** W St Paul St Area Development

City of Merrill - TID No. 11 (Hwy 107/MARC Area)				Four Phases - 3 Houses Annually (Over Four Years)					
<b>Projected Tax Increment for single-family home development</b>									
<b>PIN 251-3106-101-0214 - City-owned property (former Kienitz family)</b>									
<b>- between W. 10th St. and W. St. Paul St. (6.707 acres)</b>									
<b>Projected assessments for new single-family home:</b>				<b>Preliminary engineering probable estimated costs:</b>					
	Land Valuation	Improved Valuation	Total RE Valuation	Superior St. extension - New Utilities/Street		\$245,000			
				W. St. Paul St. - Curb, gutter, and paving (Champagne St. east to State St.)		\$155,000			
	\$5,000	\$150,000	\$155,000	Preliminary Estimate		\$400,000			
<b>Projected Tax Increment and TID No. 11 Cash Flow:</b>				*From available TID No. 11 Tax Increment					
Const. Year	Value Year	Revenue Year	Total # of Homes	TID Value Increment	Tax Rate	Projected Tax Increment	Dev. Incentives	Preliminary Debt Service	Available Increment
2019	2020	2022	Footings - 3	\$25,000	\$31.08	\$777			\$777
2020	2021	2023	3 plus Footings	\$490,000	\$31.08	\$15,229	\$30,000		(\$14,771) *
2021	2022	2024	6 plus Footings	\$955,000	\$31.08	\$29,681	\$30,000	\$33,500	(\$33,819) *
2022	2023	2025	9 plus Footings	\$1,420,000	\$31.08	\$44,134	\$30,000	\$33,500	(\$19,366) *
2023	2024	2026	12 Total Homes	\$1,860,000	\$31.08	\$57,809	\$30,000	\$33,500	(\$5,691) *
2024	2025	2027		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2025	2026	2028		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2026	2027	2029		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2027	2028	2030		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2028	2029	2031		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2029	2030	2032		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2030	2031	2033		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2031	2032	2034		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2032	2033	2035		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2033	2034	2036		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2034	2035	2037		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2035	2036	2038		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
						\$841,336	\$120,000	\$502,500	\$218,836

Attachment: TID11 - Single-Family Homes (4434 : Revised draft development agreement Ryan Ott

RESOLUTION NO. \_\_\_\_\_

DRAFT – 2019-08-13

**A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MERRILL, WISCONSIN AND RYAN OTT DEVELOPMENT AND CONSTRUCTION LLC**

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

WHEREAS, Ryan Ott Development and Construction LLC has proposed construction of up to twelve new single-family homes through a phased construction timeframe; 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 property tax will be generated and new residential homes created from this development project; and,

WHEREAS, Ryan Ott Development and Construction LLC has negotiated the development agreement to provide for transfer of property ownership of three lots on West St. Paul Street and an incentive payment not to exceed \$30,000 to facilitate Phase 1 of the single-family home development project;.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this \_\_\_\_ day of \_\_\_\_\_, 2019, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and Ryan Ott Development and Construction LLC and to facilitate the implementation thereof.

Recommended by:  
Redevelopment Authority (RDA)

CITY OF MERRILL, WISCONSIN

Moved: \_\_\_\_\_

\_\_\_\_\_  
Derek Woellner  
Mayor

Passed: \_\_\_\_\_

\_\_\_\_\_  
William N. Heideman  
City Clerk

Attachment: TID11 - Single-Family Homes (4434 : Revised draft development agreement Ryan Ott Development & Construction LLC)

**REQUEST FOR TIF DEVELOPMENT INCENTIVE****TID No. 11 – Hwy 107 Area:**

Contact Name, Address, and Telephone Number:

Ryan Ott Development & Construction co., LLC  
W5646 Tug Lake Ave.  
Irma, WI 54442  
(715) 536-1910

Property Owner (how property will be titled):

Ott Property Holdings LLC

Business Entity and Type:

Sole Proprietor LLC located in Lincoln county Wisconsin

Name(s) of Signers and Position They Hold in Company:

Ryan Ott (owner)  
W5646 Tug Lake Ave.  
Irma, WI 54442  
(715) 218-5801

**JOBS**, (Number of existing and new positions):

5 existing jobs with future jobs possible

**DEVELOPMENT PROPOSAL**

Construction of up to twelve (12) new single-family homes on former Kienitz parcel that is owned by City of Merrill – PIN 251-3106-101-0214.

Three lots to be conveyed by Certified Survey Map (CSM) on W. St. Paul St. to begin 2019 construction of three new homes. Future title conveyance after new Plat finalized and approved.

**INFRASTRUCTURE**

Requesting future extension of City water, sanitary sewer, and stormwater utilities, as well as new street (i.e. curb, gutter, and paving) between W. 10<sup>th</sup> St. and W. St. Paul St. Pavement including curb and gutter of west saint paul street.

**REQUESTED CASH DEVELOPMENT INCENTIVE PER NEW HOUSE**

**\$10,000 (Ten thousand dollars)**

**PROJECT TIMEFRAMES:** This section completed by Finance Director/RDA Secretary Kathy Unertl (8/29/2019)

**Dependent upon City transfer of lots via new Certified Survey Map (CSM) – if accomplished by October 1<sup>st</sup>, 2019:**

Phase I Start by December 31<sup>st</sup>, 2019 Planned Completion October 31<sup>st</sup>, 2020

If house foundations not completed by December 31<sup>st</sup>, 2019, cash development incentive will be reduced by \$777 per house.

If construction not underway by May 20<sup>th</sup>, 2020, title to the property reverts back to City of Merrill.

**DEVELOPMENT AGREEMENT  
BY AND BETWEEN THE  
CITY OF MERRILL, WISCONSIN  
AND RYAN OTT DEVELOPMENT AND CONSTRUCTION, LLC  
(PHASE 1)**

THE DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of \_\_\_\_\_, 2019 by and between the City of Merrill, Wisconsin, (the "City") a political subdivision of the State of Wisconsin and Ryan Ott Development and Construction, 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. The City of Merrill has acquired and will be selling to the Developer land for \$1 by October 1, 2019.

Phase 1 – W. St. Paul St.:

Three Lots of Certified Survey Map No. \_\_\_\_\_

City will grant the Developer an option for land purchase for future phases after verification by the City Engineer or Building Inspector that the last building of Phase 1 is completed and continuing for a period of one hundred eighty (180) days.

- E. The Developer proposes to construct three, single-family homes as Phase I, located within the Development Area (the "Project").
- F. As an inducement to Developer to undertake the Development in TID 11 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 single-family homes within TID 11.
- G. The City will construct, at City's sole cost and expense, a new City Street, to facilitate access to future phases within the Development Area and extend municipal water and sanitary sewer mains, at City's sole cost and expense, to service the Development Area. The City will permit the developer to connect to the extended water and sanitary sewer mains, for the benefit and servicing of the Project.
- H. 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.
- I. 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.
- J. ~~In the event~~ If the City transfers title to the Developer by October 1, 2019 and the development construction is not underway by May 31, 2020, lot 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 #11, which was created by the Merrill Common Council on May 10, 2016.
- b. Purchased the property and arranged for necessary survey services and preparation of certified survey maps and future plat.

- c. Will hold a City Plan Commission Public hearing on the ~~Certified Survey Map and~~ future plat.
- d. Will begin engineering design work for construction of new City Street and extension of municipal water and sanitary sewer service to serve the Development Area.
- e. Will plan for 2020 extension of City utilities and new street construction unless Developer fails to commence foundation construction by December 31, 2019.

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. Will raise equity and arrange for financing necessary for the Project.
- b. File site plan and permit applications with the City and/or State.
- c. Contract for construction of three single-family homes and related infrastructure improvements with occupancy planned by December 31, 2020. The new tax increment would be generated beginning with 2020 (to the extent of improvements completed as of January 1, 2020) property tax (2021 collection).

### ARTICLE II INCENTIVE PAYMENTS TO DEVELOPER

This development incentive is to facilitate development of the Project, a three (3) single-family homes in Phase I.

The City shall pay a Cash TIF development incentive to the Developer in the aggregate amount of Ten Thousand Dollars (\$10,000) per home upon its completion/occupancy permit. If foundations are not completed by December 31, 2019, the amount will be reduced \$777 per house.

Section 2.03 Warranties and Representations of the City. The City hereby warrants and represents that until all incentive payments have been made to Developer pursuant to Article III of this Agreement: (i) the assessment ratio generally applicable to property within the City (and therefore applicable to the Development and the Development Area) shall be no less than ninety percent (90%) and (ii) the tax rate generally applicable to property within the City (and therefore applicable to the Development and the Development Area) shall be no less than Thirty and 00/100 Dollars (\$30.00) per Thousand Dollars (\$1,000) of assessed valuation.

Section 2.04 Warranties and Representations of Ryan Ott Development and Construction, LLC. Ryan Ott Development and Construction, LLC hereby warrants and represents the following: Ryan Ott Development and Construction, LLC will expend at least One Hundred Fifty Thousand Dollars (\$150,000) for each new single-family home relating to the construction of the Development within the Development Area. Further, Developer hereby agrees that, so long as the warranties and representations of the City in Section 2.03 above remain true and correct, the City shall receive a minimum of Four Thousand and 00/100 Dollars (\$4,000) in incremental taxes from each house in the Development and the Development Area, commencing with the first calendar year occurring after Developer's substantial completion of the Development.

### ARTICLE III MISCELLANEOUS

#### Section 3.01 Restriction on Sale.

Prior to the earlier of January 1, 2037 or the date TID #11 is dissolved, Ryan Ott Development and Construction, 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.

Ryan Ott Development and Construction, LLC, its successors and assigns shall indemnify and save harmless and defend the City 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 Developer'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.

The City, its successors and assigns, to the extent permitted under Wisconsin law, shall indemnify and save harmless and defend the Developer and its respective officers, agents and employees from any and all liabilities, suits, action 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 accessioned wholly or in part by any act or omission on the City'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.

### Section 3.03 No City Obligations.

The City shall have no obligations or liability for any obligations or responsibilities to any lending institution, architect, contractor or sub-contractor or any other party retained by Developers in the performance of its obligations and responsibilities under the terms and conditions of this Agreement. The Developers specifically agrees that no representation, statements, assurances or guarantees will be made by Developers to any third-party contrary to this provision. Notwithstanding anything aforesaid to the contrary, the Developer may assign the payments due it under this agreement to the Developer's lender, for collateral purposes only.

### Section 3.04 Default.

a. Default and Notice of Default. In the event either party to this Agreement is in default hereunder (the "Defaulting Party") the other party (the "Non-Defaulting Party") shall be entitled to take any action allowed by applicable law, by virtue of said default, provided that Non-Defaulting Party gives the Defaulting Party written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than sixty (60) days in which the default may be cured by the Defaulting party. Notwithstanding the foregoing, if any default cannot reasonably be cured within sixty (60) days, the Non-Defaulting Party shall refrain from exercising remedies as long as a cure is being diligently pursued.

If either party fails to cure a default as permitted herein, the Non-Defaulting Party, without limiting its remedies under this Agreement, may compel performance by the Defaulting Party by bringing an action for specific performance. If after the specified time period for cure proceedings are initiated to cure an alleged default, the prevailing party in such proceedings shall be entitled to reimbursement from the other party for its reasonable attorney's fees and associated costs incurred in such proceedings.

b. Force Majeure. Neither party shall be responsible to the other party for any resulting losses if the fulfillment of any of the terms of this Agreement is delayed or prevented by revolutions or other civil disorders, wars, acts of the enemies, strikes, fires, floods, acts of God, unusual weather, or by any other cause not within the control of the party whose performance was interfered with and which by the exercise of reasonable diligence such party is unable to prevent, whether of the class of causes herein above enumerated or not, and the time for performance shall be extended by the period of delay occasioned by any such cause.

Section 3.05 Non-Discrimination.

Neither the Development nor any portion thereof shall be used by any party in any manner to permit unlawful discrimination or unlawful restriction on the basis of race, creed, ethnic origin or identity, color, gender, marital status, familial status, age, handicap, sexual orientation, or national origin and the construction and operation of the Development shall be in compliance with all effective laws, ordinances, and regulations relating to discrimination on any of the foregoing grounds.

Section 3.06 Parties and Interest; Survival of Agreements.

Except as otherwise expressly provided herein, this Agreement is made solely for the benefit of the parties hereto and no other person, partnership, association, or corporation shall acquire or have any rights hereunder by virtue hereof. All representations and agreements in this Agreement shall remain operative and at full force and effect regardless of any investigation made by or on behalf of any party. No party may assign its rights under this Agreement without the written consent of the other party.

Section 3.07 Notices.

All notices, demand, certificates, or other communications under this Agreement shall be sufficiently given and shall be deemed given when hand-delivered or when mailed by first class mail postage pre-paid with property addresses indicated below:

To the City:                      City of Merrill, Wisconsin  
    Attention: City Clerk  
    1004 East First Street  
    Merrill, Wisconsin 54452

With a copy:                      The City Attorney, City of Merrill

To the Developers:              Ryan Ott Development and Construction, LLC  
    W5646 Tug Lake Ave.  
    Irma, WI 54442

Any party may, by written notice to the other party, designate a change of address for the purposes of aforesaid.

Section 3.08 Amendment.

No modification, alteration, or amendment of this Agreement shall be binding upon any party hereto until such modification, alteration, or amendment is reduced to writing and executed by all parties hereto.

Section 3.09 Governing Law.

The laws of the State of Wisconsin shall govern this Agreement.

Section 3.10 Severability.

If any provisions of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case, in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance or of rendering and provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

Section 3.11 Compliance with Law.

The parties shall, in undertaking the construction and operation of the Development, comply with all applicable federal, state, and local laws.

Section 3.12 City Authorization.

The execution of this Agreement was authorized by Resolution No \_\_\_\_ adopted on \_\_\_\_\_, by the Common Council



RESOLUTION NO. \_\_\_\_\_ DRAFT – 2019-08-13

**A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MERRILL, WISCONSIN AND RYAN OTT DEVELOPMENT AND CONSTRUCTION LLC**

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

WHEREAS, Ryan Ott Development and Construction LLC has proposed construction of up to twelve new single-family homes through a phased construction timeframe; 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 property tax will be generated and new residential homes created from this development project; and,

WHEREAS, Ryan Ott Development and Construction LLC has negotiated the development agreement to provide for transfer of property ownership of three lots on West St. Paul Street and an incentive payment not to exceed \$30,000 to facilitate Phase 1 of the single-family home development project;.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this \_\_\_\_ day of \_\_\_\_\_, 2019, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and Ryan Ott Development and Construction LLC and to facilitate the implementation thereof.

Recommended by:  
Redevelopment Authority (RDA)

CITY OF MERRILL, WISCONSIN

Moved: \_\_\_\_\_

\_\_\_\_\_  
Derek Woellner  
Mayor

Passed: \_\_\_\_\_

\_\_\_\_\_  
William N. Heideman  
City Clerk

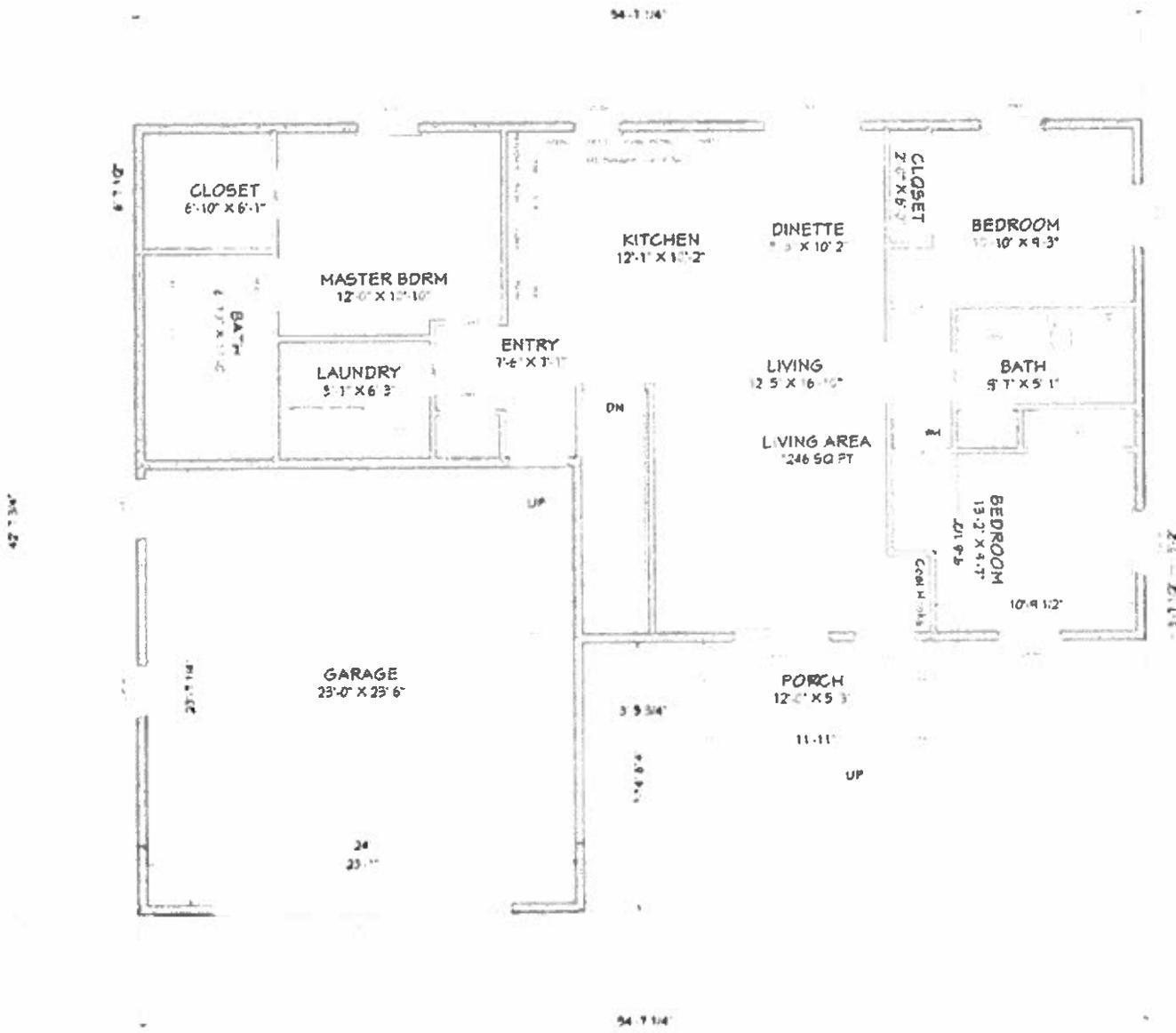
Attachment: TID11 - Single-Family Homes (4434 : Revised draft development agreement Ryan Ott Development & Construction LLC)

City of Merrill - TID No. 11 (Hwy 107/MARC Area)					Phase I - W. St. Paul St. - 3 new homes		
Projected Tax Increment for single-family home development PIN 251-3106-101-0214 - City-owned property (former Kienitz family) - between W. 10th St. and W. St. Paul St. (6.707 acres - Lot 1)							
Projected assessments for new single-family home:							
	Land Valuation	Improved Valuation	Total RE Valuation				
	\$5,000	\$150,000	\$155,000				
Projected Tax Increment and TID No. 11 Cash Flow:					Phase 1 - three new homes on St. Paul St. frontage		
Const. Year	Value Year	Revenue Year	TID Value Increment	Tax Rate	1 new home Projected Tax Increment	TID Value Increment	Projected Tax Increment
2019	2020	2022	\$25,000	\$31.08	\$777 Footings	\$75,000	\$2,331
2020	2021	2023	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2021	2022	2024	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2022	2023	2025	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2023	2024	2026	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2024	2025	2027	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2025	2026	2028	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2026	2027	2029	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2027	2028	2030	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2028	2029	2031	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2029	2030	2032	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2030	2031	2033	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2031	2032	2034	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2032	2033	2035	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2033	2034	2036	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2034	2035	2037	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2035	2036	2038	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
<b>Total</b>					<b>\$77,855</b>	<b>Total \$233,566</b>	

TID11 - Potential Houses

revised: 8/7/2019

Attachment: TID11 - Single-Family Homes (4434 : Revised draft development agreement Ryan Ott



The "Neenah" Floor Plan Updated 6/12/20  
 Single Family Proposed New Construction  
 Designed by J Mason Builders  
 3 bedroom 2 full baths  
 1246 SQFT



**Merrill RDA Agenda Item – Review and discuss information on City of Marshfield housing incentive program**

Looking for input from RDA Commissioners and Merrill Common Council on whether to consider comparable new housing incentives?

**City of Marshfield – Residential Incentive Program Results**

From: Josh Miller – Marshfield Development Services Director (8/7/2019)

The program has been successful, here's a summary of the program by year:

**In 2017**, the City received 11 MRI applications (10 single family and 1 duplex), starting June 1, 2017. The estimated assessed values of the 11 homes total \$2,073,700 with a total incentive payment of \$65,383 being paid to developers/home owners. The average assessed value has been \$188,518 with an average incentive payment of \$5,943.91 being paid. In 2017, there were 15 new single family home building permits taken out and one permit taken out for a duplex.

**In 2018**, the City received 24 MRI applications (14 single family and 10 duplexes). Not all the projects are completed yet, but of the 16 projects assessed, the estimated assessed values of the homes total \$3,909,100 with a total incentive payment of \$85,890 being paid developers/home owners. The average assessed value has been \$244,319 with an average incentive payment of \$5,368 being paid.

For the first two years of the program, the City has added 24 single family homes, and 11 duplexes for a total of 46 dwelling units. So far (before all the estimated assessments and incentive payments have been made), the total investment from the City and economic development partners has been \$151,273. A total of \$5,982,800 in new assessed value has been added, generating an estimated \$149,000 in new annual tax revenue.



City Of Marshfield Wisconsin

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## Development Services

### MRI (Marshfield Residential Incentive) Program

Marshfield Residential Incentive Program is made possible by the Marshfield Economic Development Board and Marshfield Utilities. A printable brochure for this program can be found [here](#).

**\*\*\*ONLY BUILDING PERMITS FOR NEW SINGLE AND TWO FAMILY RESIDENTIAL DWELLING UNITS ISSUED AFTER JUNE 1, 2017 ARE ELIGIBLE FOR INCENTIVE\*\*\***

#### Program Goals

Based upon the findings of the 2014 Housing Study, there is an inadequate supply of desirable owner-occupied housing in the City under \$200,000. While there is an abundance of homes in this range, many are deemed unacceptable due to their condition. The Marshfield Residential Incentive (MRI) program is a grant program with the purpose of encouraging developers and/or residents to invest or rehabilitate the City's housing stock by providing financial incentives to new single family and two family residential dwelling units.

#### How to Apply

- When submitting a building permit application also complete the [MRI Program application](#) with the Development Services Department
- Only building permits for new single family and two family residential dwelling units issued after June 1, 2017 are eligible for an incentive

#### Restrictions

- The permit must be for a single family or two family construction following the WI UDC standards
- The incentive payment does not apply to additions, remodeling, or construction of accessory buildings/uses
- New multifamily developments (3+ units) are not eligible for an incentive payment

#### Program Award

The incentive payment can be applied to any new single family or two family residential construction

- An award shall not be granted until an Occupancy Permit is granted by the Building Inspector
- The incentive payment will be calculated based upon the improvement value as determined by the City Assessor's Office (land value not included)
- Maximum amount of incentive payment is \$7,500 per property (two family duplexes/twin homes are considered one property)
- Awards made are also based on available funding
- Payment/actual incentive will be made to the owner of record

Attachment: Housing - Marshfield Incentives (4436 : Reveiw and discuss information on City of Marshfield housing incentive program)

property

- Incentives are limited to available funds and applicants may not receive incentive payments if funds are no longer available

**Examples of Payment/Award**

- Assessed value \$0.00 - \$150,000; 5% incentive; \$0.00 - \$7,500 payment
- Assessed value \$150,001 - \$175,000; 4% incentive; \$6,000 - \$7,000 payment
- Assessed value \$175,001 - \$200,000; 3% incentive; \$5,250 - \$6,000 payment
- Assessed value \$200,001+; 2% incentive; \$4,000 - \$7,500 max payment

**Questions**

Any questions about the MRI Program can be directed to Josh Miller, Development Services Director at 715-486-2075 or by email at [josh.miller@ci.marshfield.wi.us](mailto:josh.miller@ci.marshfield.wi.us). Other building related questions can be directed to Natalie Delo at 715-486-2016 or by email at [natalie.delo@ci.marshfield.wi.us](mailto:natalie.delo@ci.marshfield.wi.us).



**MARSHFIELD**  
The City on the Coast

**Development Services Department**

City of Marshfield  
207 West 6th Street  
Marshfield, WI 54449  
Ph: 715-486-2075 Fax: 715-384-7831  
Email: josh.miller@ci.marshfield.wi.us

**Marshfield Residential Incentive (MRI) Program Application**

**Office Use Only**

Date Received:	Permit Holder Name:	Zoning District:	Parcel #:
Permit #:	Permit Issue Date:	Certificate of Occupancy (CO) #:	CO Issue Date:
Final Assessed Value:	Eligible Incentive:	Assessment Date:	Incentive Award (\$):

**Applicant Information**

Site Address:	Owner Address, City, State, Zip:		
Owner Name:	Owner Phone #:	Owner Email Address:	
Home Type: <input type="checkbox"/> Single Family <input type="checkbox"/> Two Family			
Construction Purpose: <input type="checkbox"/> Spec Home <input type="checkbox"/> Rental Unit <input type="checkbox"/> Private Party			
Person Entitled to Incentive: <input type="checkbox"/> Land Owner <input type="checkbox"/> Builder <input type="checkbox"/> Purchaser <input type="checkbox"/> Other			
Additional info (if needed):			
Entitlement Name:			
Phone #:	Email Address:	Fax #:	
Bank/Lender:	Bank/Lender Address:		
Checks Payable to:	Mailing Address for Incentive Payment:		

**Questions?**

For questions about this application, or the MRI Program itself, please contact :

Josh Miller, Development Services Director  
Ph: 715-486-2075  
Email: josh.miller@ci.marshfield.wi.us

**Additional Information**

I hereby apply for the Marshfield Residential Incentive (MRI) Program and I acknowledge that the information above is complete and accurate;  
I understand that an incentive shall not be granted until a clean certificate of occupancy is granted and an assessed value has been calculated (excluding land value);  
I understand that failure to comply with all required inspections or failure to comply with all ordinance and code requirements may void an incentive;  
I understand that funds are based on availability; I understand that an award shall not be granted if there are any outstanding charges or violations against the property;  
and I shall not hold the City liable;  
I understand that incentives are limited to available funds and I may not receive some or all of the incentive if funds are no longer available.

Applicant Signature: \_\_\_\_\_

Date: \_\_\_\_\_

# F.A.Q.

- **Is the incentive a loan or a grant?** The incentive is a grant and does not need to be paid back.
- **When is the incentive applied?** The payment is made after a clean occupancy permit has been granted and an improvement value has been determined by the City Assessor Office. Funds may not be paid out until the following calendar year.
- **Does the newly constructed home have to be owner-occupied?** No. Developers building spec homes or rental developments may still qualify for the MRI program.
- **Are there any restrictions to how the awarded incentive is used?** No. The City will not regulate how the money is spent after it has been awarded. The purpose is to offset the cost of construction and encourage new development.
- **Is there anything that would cause the City not to release an incentive?** Failure to comply with all regulations, inspections, and orders, could cause the City to void incentive
- **Does the incentive apply to previous developed sites where an old dilapidated home was removed?** Yes.



Marshfield Residential  
 Incentive (MRI) Program  
 is made possible by the  
 Marshfield Economic  
 Development Board and  
 Marshfield Utilities



## CITY OF MARSHFIELD

**Development Services Department**  
**Josh Miller—Director of Dev. Services**  
 207 W 6th Street  
 Marshfield, WI 54449

**Phone: 715-486-2075**  
**Fax: 715-384-7631**  
**E-mail: josh.miller@ci.marshfield.wi.us**

## CITY OF MARSHFIELD

# Marshfield Residential Incentive Program

Let us help.



## Program Goals

Based upon the findings of the 2014 Housing Study, there is an inadequate supply of desirable owner-occupied housing in the City under \$200,000. While there is an abundance of homes in this range, many are deemed unacceptable due to their condition. The Marshfield Residential Incentive (MRI) program is a grant program with the purpose of encouraging developers and/or residents to invest or rehabilitate the City's housing stock by providing financial incentives to new single family and two family residential dwelling units.

## How to Apply

- When submitting a building permit application, also complete the MRI program application located with the Development Services Department
- **Only building permits for new single family and two family residential dwellings units issued after June 1, 2017 are eligible for incentive**

## Restrictions

- The permit must be for a new single family or two family construction following the WI UDC standards
- The incentive payment does not apply to additions, remodeling or construction of accessory buildings/uses
- New multifamily developments (3+units) are not eligible for an incentive payment

## Program Award

The incentive payment can be applied to any new single family or two family residential construction.

- An award shall not be granted until an Occupancy Permit is granted by the Building Inspector
- The incentive payment will be calculated based upon the improvement value as determined by the City Assessor's Office (land value not included)
- Maximum amount of the incentive payment is \$7,500 per property (two family duplexes/twin homes are considered one property)
- Awards made are also based on available funding
- Payment/actual incentive will be made to the owner of record
- An award shall not be granted if there are any outstanding charges or violations against the property

## Examples of Payment

• Assessed value \$0.00—\$150,000	5% incentive	\$0.00—\$7,500
• Assessed value \$150,001—\$175,000	4% incentive	\$6,000—\$7,000
• Assessed value \$175,001—\$200,000	3% incentive	\$5,250—\$6,000
• Assessed value \$200,001+	2% incentive	\$4,000—\$7,500 max

## TAX INCREMENT DISTRICT (TID) No. 10

### Closed Session – Negotiation of sale terms of City-owned property and potential development agreement terms

Besides deleting Property Taxes provision and requiring “fully taxable” development, what other potential terms should be negotiated in response to the Purchase Offer for 1905 E. 14<sup>th</sup> St. (former FoxPoint site) from Impact Seven?



August 1, 2019

Mr. Tom Hayden  
Merrill City Hall  
1004 E 1<sup>st</sup> Street  
Merrill, WI 54462

Re: Purchase offer for 1905 E. 14<sup>th</sup> Street

Dear Attorney Hayden:

Please accept this purchase offer for the parcel at 1905 E. 14<sup>th</sup> Street. The offer describes our preliminary intent to develop the property for multi-family housing. We expect that our plans for the development may change and improve as we investigate and explore the possibilities and opportunities for the site with our design and construction team.

Impact Seven is committed to practice transparency and to engage the community as a partner in our work. As a condition of this offer, we commit to communicate regularly and openly with City staff and other identified stakeholders as we develop plans for the property, as information and knowledge may affect the terms and intentions described in this offer.

For purposes of this Offer, "Impact Seven" and "Developer" and "Buyer" shall refer to the same party, and "Seller" and "City" and "City of Merrill" shall refer to the same counterparty.

**Property address:** 1905 E. 14<sup>th</sup> Street, Merrill, Wisconsin

**Purchase price:** One dollar (\$1.00)

**Property size:** Approx. 5.43 acres (per survey provided by City)

**Proposed use:** Multi-family housing

**Unit count:** 60 units

**Property taxes:** Developer shall pursue property tax exemption subject to Wis. Stat. 70.11(a) in proportion to the statutorily compliant units included within the development.

*Finance Director Kathy Unertl - needs to be fully taxable development.*



"This institution is an equal opportunity provider and employer."



2961 Decker Drive, Rice Lake WI 54868 >>> 800-685-9353 >>> [impact@impactseven.org](mailto:impact@impactseven.org) >>> connect:

**Developer's due diligence:** During the investigation period, Developer shall conduct such tests and enlist the counsel and advice of competent professionals so to:

- Conduct a thorough ALTA-compliant survey of the lot;
- Conduct a bona fide market study of the property with a service provider acceptable to Buyer's lender, and such market study shall support the rent and income levels projected in Developer's pro forma;
- Secure permanent financing on Buyer's preferred terms and in sufficient volume to pay fully for the cost of the development;
- Conduct soil borings and test digs on the site and to return site to good condition;
- Conduct a Phase I environmental analysis and other environmental analyses as recommended by Buyer's environmental service provider;
- Secure rezoning consistent with Buyer's proposed use for the property;
- Secure purchase approval of the Impact Seven Board of Directors as a precondition of sale.

**Due diligence period:** Buyer requests 180 days from the date of acceptance of this offer to perform the tasks and due diligence investigation described above. Buyer commits to working deliberately and in earnest to investigate and to design the site within the 180-day due diligence period. Buyer may request extensions to the due diligence period in good faith and with sufficient and reasonable notice to the City.

**Brokerage fees:** None.

If the terms of this offer are acceptable to the City, please sign below and return to me by any convenient means. Alternatively, please reply in writing or by phone with any proposed changes to the offer.

Thank you for your time and consideration. Please contact me with any question or concerns. I can be reached by phone at 608-405-9064 and by email at [michael.carlson@impactseven.org](mailto:michael.carlson@impactseven.org).

Sincerely,

Michael Carlson  
Vice President, Real Estate Development  
Impact Seven, Inc.

**ACCEPTANCE**

The proposal set forth in this purchase offer is acceptable to the City of Merrill. I further certify that I have the full authority to execute this purchase offer on behalf of the City.

For: The City of Merrill, Wisconsin

By: \_\_\_\_\_

Date: \_\_\_\_\_

Its: \_\_\_\_\_

Attachment: TID10 - Impact Seven Purchase Offer (4438 : Negotiation of potential sale of former Fox Point site)