



CITY OF MERRILL, WISCONSIN

Project Plan for the Creation of Tax Incremental District No. 9



September 10, 2013 **[DRAFT]**

<i>Joint Review Board Organizational Meeting Held:</i>	<i>Scheduled September 10, 2013</i>
<i>Public Hearing Held:</i>	<i>Scheduled September 10, 2013</i>
<i>Consideration for Adoption by Redevelopment Authority:</i>	<i>Scheduled September 10, 2013</i>
<i>Consideration for Adoption by Common Council:</i>	<i>Scheduled September 24, 2013</i>
<i>Consideration for Approval by the Joint Review Board:</i>	<i>TBD</i>

Tax Incremental District No. 9 Creation Project Plan

City of Merrill Officials

Common Council

William Bialecki	City Mayor
Chris Malm	Council Member
Steve Hass	Council Member
Ryan Schwartzman	Council Member
Kandy Peterson	Council Member
John Burgener	Council Member
Dave Sukow	Council Member
Rob Norton	Council Member
Anne Caylor	Council Member

City Staff

Dave Johnson	City Administrator
William Heideman	City Clerk
Thomas Hayden	City Attorney
Kathy Unertl	City Finance Director/RDA Secretary
Becher-Hoppe	City Engineer Contractor
Bowmar Appraisal	City Assessor Contractor
Northwinds Inspection	City Building Inspector

Redevelopment Authority

William Bialecki	Ryan Schwartzman
David Hayes	Wally Smith
Karen Karow	Jill Laufenberg
Ralph Sturm	Kathy Unertl, RDA Secretary

Joint Review Board

Bill Bialecki	City Representative
Bob Weaver	Lincoln County
Jane Kittel	Northcentral Technical College District
	Merrill Area Public School District
Ralph Sturm	Public Member

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EXECUTIVE SUMMARY

DESCRIPTION OF DISTRICT

- Type of District, Size and Location. Tax Incremental District (“TID”) No. 9 (the “TID” or “District”) is proposed to be created by the City of Merrill (“City”) as a blighted area district. A map of the proposed District boundaries is located in Section 3 of this plan.
- Estimated Total Project Expenditures. The City anticipates making total project expenditures of approximately \$4,695,000 to undertake the projects listed in this Project Plan. The City anticipates completing the projects in four phases. The Expenditure Period of this District is 22 years from the date of adoption of the authorizing Resolution of the Common Council (the “Creation Resolution”). The projects to be undertaken pursuant to this Project Plan are expected to be financed with grants, pay-as-you-go agreements, and general obligation debt issued by the City, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of total project financing, is located in Section 10 of this plan.
- Economic Development. As a result of the creation of this District, the City projects that additional land and improvements value of approximately \$11,750,000 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the District. A table detailing assumptions as to the timing of new development and redevelopment and associated values is located in Section 10 of this Plan. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings hereafter.
- Expected Termination of District. Based on the Economic Feasibility Study located in Section 10 of this plan, this District would be expected to generate sufficient tax increments to recover all project costs by the year 2041, which is the final revenue year of the District. The City anticipates termination of the District in 2040, which is the maximum term allowable under statute.

SUMMARY OF FINDINGS

As required by s.66.1105 Wis. Stats., and as documented in this Project Plan and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” the creation of this District, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** In making this determination, the City has considered the following information:
 - Some of the sites proposed for development and/or redevelopment have remained vacant for many years due to lack of adequate infrastructure, environmental

contamination, obsolete platting and ownership by multiple parties. Given that the sites have not developed as would have been expected under normal market conditions, it is the judgment of the City that the use of Tax Incremental Financing ("TIF") will be required to provide the necessary infrastructure and inducements to encourage development on the sites consistent with that desired by the City.

- In order to make the areas included within the District suitable for development and/or redevelopment, the City will need to make a substantial investment to pay for the costs of: property, right-of-way and easement acquisition, site preparation, installation of utilities; installation of streets and related streetscape items; development incentive payments, façade, grants and loans, and other associated costs. The City may also incur substantial costs to add capacity to its Wastewater Treatment Plan (or construct a new well, install a lift station, etc.) in order to allow for development and/or redevelopment to occur within the District. Due to the extensive initial investment in public infrastructure and/or rehabilitation that is required in order to allow development and/or redevelopment to occur, the City has determined that development and/or redevelopment of the area will not occur solely as a result of private investment. Accordingly, the City finds that absent the use of TIF, development and/or redevelopment of the area is unlikely to occur.
 - Due to its geographic location and market conditions, the City has seen little growth or new investment in the community. Net new construction within the City for the period of 2009 to 2013 has been stagnant and total equalized value growth has averaged -1.09% per year. Absent the use of Tax Increment Financing (TIF), this trend is likely to continue. Use of TIF will provide the City with the means to stimulate new development in the amended area.
 - The City's Comprehensive Plan has identified two primary economic development goals:
 1. "Promoting the expansion and stabilization of the current economic base and the creation of a range of employment opportunities at the state, regional, and local levels."
 2. "Promotion of the redevelopment of lands with existing infrastructure and public services and the maintenance and rehabilitation of existing residential, commercial, and industrial structures."
 - These objectives are to be accomplished through the revitalization and beautification of the City's downtown and transportation corridors, riverfront, and identified redevelopment areas.
 - Furthermore, the City's Comprehensive Plan identifies Tax Incremental Financing as a viable means of supporting the City's goals, as well as a means of filling a gap in available private business financing for certain projects.
2. **The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered the following information:

- As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected are more than sufficient to pay for the proposed project costs. On this basis alone, the finding is supported.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
- If approved, the District's creation would become effective for valuation purposes as of January 1, 2013. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2013 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Since the development expected to occur is unlikely to take place or in the same manner without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the City reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the "but for" test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not created. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix A of this plan.
4. Not less than 50% by area of the real property within the District is a blighted area within the meaning of Section 66.1105(2)(ae)1. of the Wisconsin Statutes. Furthermore, any property standing vacant for the entire seven years preceding adoption of the Creation Resolution does not comprise more than 25% of the area in the District in compliance with Section 66.1105(4)(gm)1. of the Wisconsin State Statutes.
5. Based upon the findings, as stated above, the District is declared to be a blighted area District based on the identification and classification of the property included within the District.
6. The project costs relate directly to promoting the elimination of blight consistent with the purpose for which the District is created.
7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.

10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City.

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TYPE & GENERAL DESCRIPTION OF DISTRICT

The District is being created by the City under the authority provided by Wisconsin Statute Section 66.1105. The District is created as a “Blighted Area District” based upon a finding that at least 50%, by area, of the real property within the District is blighted. In Section 5 of this Plan, the City has identified those properties within the District that meet the criteria of “blighted areas” as defined in State Statutes Section 66.1105(2)(ae)1 and relies on these characterizations as the basis for making the above finding.

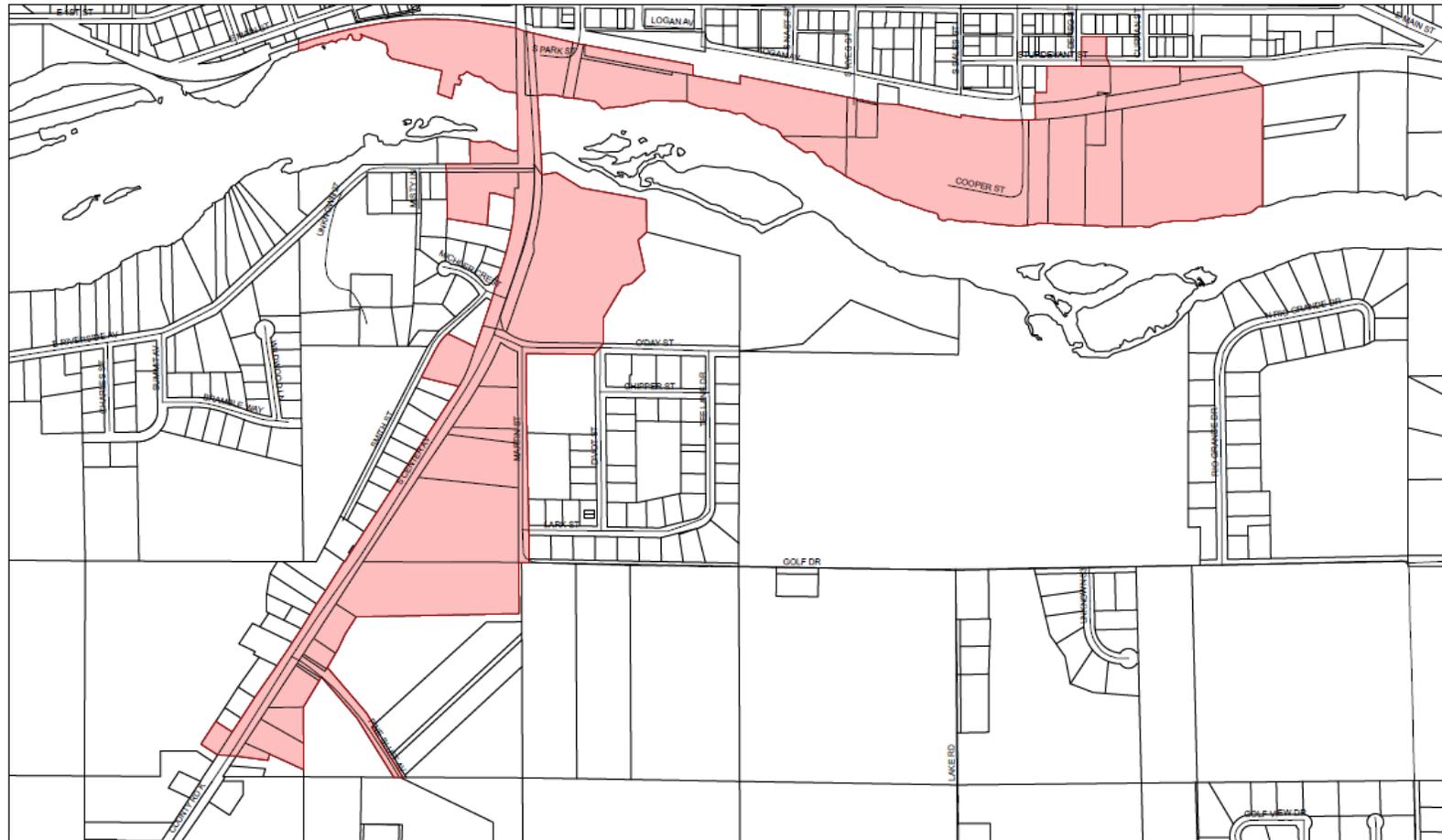
Property standing vacant for seven years immediately preceding adoption of the Creation Resolution for this District will not comprise more than 25% of the area in the District in compliance with Section 66.1105(4)(gm)1. of the Wisconsin State Statutes. A calculation demonstrating compliance with this test is found as part of the Preliminary Parcel List in Section 5 of this plan.

A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The City intends that TIF will be used to assure that private development occurs within the District consistent with the City’s development and redevelopment objectives. This will be accomplished by installing public improvements and making necessary related expenditures to promote development and redevelopment within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the City. The project costs included in this Plan relate directly to the elimination of blight and are consistent with the purpose for which the District is created.

Based upon the findings, as stated within this Plan, the District is declared to be a blighted area District based on the identification and classification of the property included within the district.

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MAP OF PROPOSED DISTRICT BOUNDARY



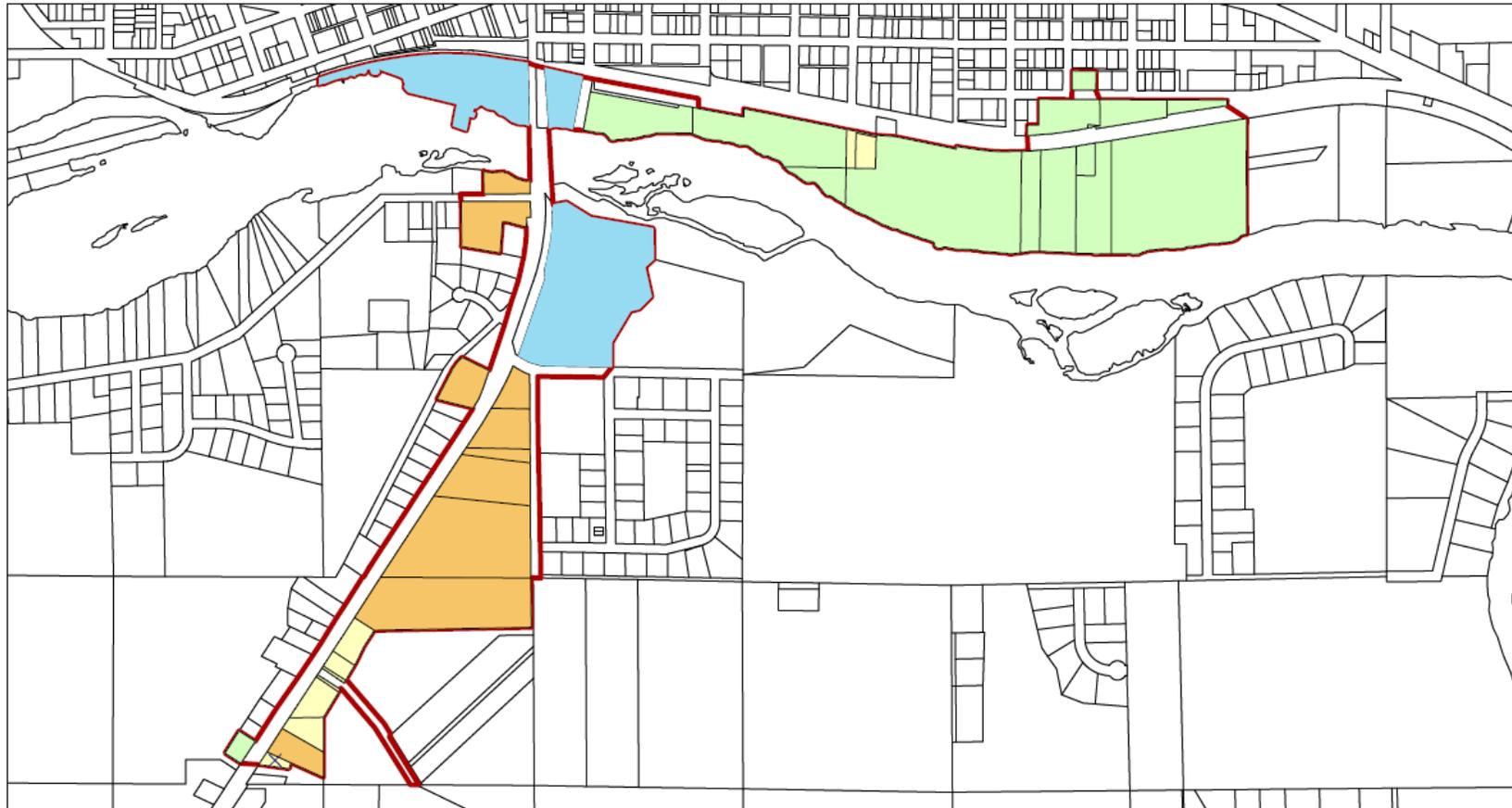
Drawn By: Kate Drewek

City of Merrill TID 9

- Legend**
- Boundary
 - TID_9

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MAP SHOWING EXISTING USES AND CONDITIONS



City of Merrill TID 9

- Legend**
- Commercial
 - Residential
 - Industrial
 - Exempt
 - Boundary

Drawn By: Kate Drewek

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PRELIMINARY PARCEL LIST & ANALYSIS

City of Merrill, WI
Tax Increment District No. 9
Preliminary Parcel List

MAP REF. #	PARCEL NO.	STREET ADDRESS	OWNER	ASSESSED VALUE - PERS PROP	ASSESSED VALUE - LAND	ASSESSED VALUE - IMP	TOTAL ASSESSED VALUE (LAND & IMP)	ASSESSMENT CLASSIFICATION	LAND RATIO (BY CLASS)	IMPROVEMENTS RATIO (BY CLASS)	EQUALIZED VALUE	PARCEL ACREAGE	CURRENT ZONING	ACTUAL USE	ACRES ZONED AND SUITABLE FOR INDUSTRIAL USE	ACRES ZONED OR PLANNED FOR COMMERCIAL/BUSINESS USE	ACRES SUITABLE FOR MIXED USE DEVELOPMENT	ACRES DECLARED BLIGHTED	ACRES VACANT FOR PRECEDING 7 YEARS	MISC/NOTES	
ORIGINAL DISTRICT AREA DATA																					
	34-0022-000-626-01-00	2401 Sturdevant St.	Heiner Gas & Oil Co (Strassman Electric)	2,780	31,900	25,900	57,800	2 - Commercial	98.67%	98.67%	32,330	0.500	Industrial	Commercial		0.500	0.500	0.500	0.500	Imp Valuation	
	34-0022-000-622-00-00	2207 Sturdevant St.	Merrill Equipment Co.	11,400	9,700	378,800	388,500	3 - Manufacturing	98.67%	98.67%	393,737	1.400	Industrial	Manufacturing	1.400		1.400				
	34-0001-000-014-00-00	2200 Sturdevant St.	DC Motors Co. Inc.	11,000	15,000	65,900	80,900	3 - Manufacturing	98.67%	98.67%	81,990	2.120	Industrial	Manufacturing	2.120		2.120				
	34-0001-000-004-00-00	2505 Sturdevant St.	Merrill Gravel & Construction Co.	624,460	60,000	99,600	159,600	2 - Commercial	98.67%	98.67%	161,751	15.250	Industrial	Commercial			0.000		15.250		
	34-0001-000-005-00-00		Merrill Gravel & Construction Co.		13,600	0	13,600	2 - Commercial	98.67%	98.67%	13,783	3.000	Industrial	Commercial			0.000		3.000		
	34-0001-000-006-00-00	2111 Logan Ave.	Tracy Ellis, Richard Ellis, Bert Ellis, Clay Ellis, Jay Ellis		8,500	29,400	37,900	1 - Residential	98.67%	98.67%	38,411	0.500	Industrial	Residential			0.000		0.500		
	34-0001-000-007-00-00	2109 Logan Ave.	Timothy & Cassie Schmidt		8,500	42,700	51,200	1 - Residential	98.67%	98.67%	51,890	3.500	Industrial	Residential			0.000		3.500		
	34-0001-000-008-00-00	2101 Logan Ave.	Merrill Pavers, LLC		12,700	39,400	52,100	2 - Commercial	98.67%	98.67%	52,802	1.750	Industrial	Commercial			0.000		1.750		
	34-0001-000-009-00-00	401 S. Kyes St.	Development & Leasing Corp		108,800	64,100	172,900	3 - Manufacturing	98.67%	98.67%	175,231	14.740	Industrial	Manufacturing			0.000		14.740	14.740	Imp Valuation
	34-0110-003-470-00-00	0 S. Kyes St.	Development & Leasing Corp		16,700		16,700	1 - Residential	98.67%	98.67%	16,925	0.540	Industrial	Residential			0.000		0.540	0.540	
	34-0110-003-464-00-00		Wisconsin Public Service Corp		0	0	0	7 - Other	98.67%	98.67%	0	0.309	Industrial	Exempt			0.000			Utility	
	34-0001-000-013-00-00	400 S. Kyes St.	Semling-Menke Co	250,200	51,900	1,016,400	1,068,300	3 - Manufacturing	98.67%	98.67%	1,082,700	9.390	Industrial	Manufacturing	9.390		9.390				
	34-0002-000-133-00-00	401 S. Park St.	Rivers Edge Ventures LLC		41,500	0	41,500	2 - Commercial	98.67%	98.67%	42,059	1.040	Industrial	Commercial			0.000		1.040	Utility - Gas	
	34-0002-000-130-01-00		Rivers Edge Ventures LLC		7,500	0	7,500	2 - Commercial	98.67%	98.67%	7,601	0.250	Industrial	Commercial			0.000		0.250	Utility - Gas	
	34-0002-000-130-02-00	East of Center Ave.	Wisconsin Public Service Corp		0	0	0	7 - Other	98.67%	98.67%	0	6.450	Industrial	Exempt			0.000		6.450	Utility	
	34-0003-000-200-00-00	306 S. Park St./400 S. Park St.	Wisconsin Public Service Corp		0	0	0	7 - Other	98.67%	98.67%	0	5.250	Industrial	Exempt			0.000			Utility	
	34-0002-000-101-00-00	500 S. Center Ave	Paul & Christina Kienitz		15,000	0	15,000	2 - Commercial	98.67%	98.67%	15,202	0.420	Commercial	Commercial			0.000		0.420	Parking Lot	
	34-0002-000-098-00-00	500 S. Center Ave	Paul & Christina Kienitz	96,970	60,000	551,900	611,900	2 - Commercial	98.67%	98.67%	620,148	2.314	Commercial	Commercial		2.314	2.314				
	34-0002-000-095-01-02	601 S. Center Ave./501 S. Center Ave./ 503 S. Center Ave	Good Samaritan Health Center, Menard Center, Bell Tower, Scott Mansion		0	0	0	7 - Other	98.67%	98.67%	0	13.698	Commercial	Exempt			0.000			Hospital/ETC	
	34-0002-000-115-00-00	703 S. Center Ave.	Tommy Miller		103,300	50,200	153,500	2 - Commercial	98.67%	98.67%	155,569	1.020	Commercial	Commercial		1.020	1.020	1.020	1.020	Imp Valuation	
	34-0002-000-122-02-00	702 S. Center Ave.	Tony Vecchio Jr & Dixie Vecchio	8,400	78,000	133,000	211,000	2 - Commercial	98.67%	98.67%	213,844	1.250	Commercial	Commercial	1.250		1.250	1.250			
	34-0002-000-118-01-00	705 S. Center Ave.	Bee and Bee Investments LLP	40,590	88,500	278,300	366,800	2 - Commercial	98.67%	98.67%	371,744	2.250	Commercial	Commercial		2.250	2.250				
	34-0002-000-118-02-00	705 S. Center Ave.	Bee and Bee Investments LLP		30,000	0	30,000	2 - Commercial	98.67%	98.67%	30,404	0.500	Commercial	Commercial		0.500	0.500			0.500	
	34-0002-000-117-02-00	707 S. Center Ave.	JW Perry, Inc.	68,210	78,000	575,500	653,500	2 - Commercial	98.67%	98.67%	662,309	3.250	Commercial	Commercial		3.250	3.250				
	34-0002-000-117-01-00	810 Martin St.	Burgener Contract Carriers	10,980	47,700	212,800	260,500	2 - Commercial	98.67%	98.67%	264,011	10.090	Commercial	Commercial			0.000				
	34-0002-000-119-08-00	901 S. Center Ave.	Burgener Contract Carriers		12,600	0	12,600	1 - Residential	98.67%	98.67%	12,770	7.190	Commercial	Residential			0.000			7.190	
	34-0002-000-119-03-00	903 S. Center Ave.	Andrew Kuczmarski & Rochelle Ashby		19,400	48,900	68,300	1 - Residential	98.67%	98.67%	69,221	1.910	Commercial	Residential			0.000				
	34-0002-000-119-07-00	909 S. Center Ave.	David Blaise		17,600	97,200	114,800	1 - Residential	98.67%	98.67%	116,347	0.490	Commercial	Residential			0.000				
	34-0002-000-119-01-02		Brian Schmidt, Mark Weix, Debra Weix, Gerald Engel, Kim Engel	1,500	0	0	1,500	1 - Residential	98.67%	98.67%	1,520	1.000	Commercial	Residential			0.000			Private Road	
	34-0002-000-120-04-00	1001 S. Center Ave.	Cheryl & Wayne Ford		16,200	59,100	75,300	1 - Residential	98.67%	98.67%	76,315	1.150	Commercial	Residential			0.000				
	34-0002-000-120-10-00	1003 S. Center Ave.	Stephen & Linda Blake		15,100	34,600	49,700	1 - Residential	98.67%	98.67%	50,370	1.330	Commercial	Residential			0.000				
	34-0002-000-120-05-00	1005 S. Center Ave.	Stephen & Linda Blake (Club Modern)		52,500	103,100	155,600	2 - Commercial	98.67%	98.67%	157,697	1.350	Commercial	Commercial		1.350	1.350	1.350			
	34-0002-000-120-06-01	1007 S. Center Ave.	James & Liza Turunen		12,300	0	12,300	1 - Residential	98.67%	98.67%	12,466	0.270	Commercial	Residential			0.000		0.270		
	34-0002-000-120-08-00	1008 S. Center Ave.	Arthur Anderson, Joann Anderson, Anderson Printing	5,100	16,300	8,700	25,000	3 - Manufacturing	98.67%	98.67%	25,337	0.455	Commercial	Manufacturing	0.455		0.455	0.455	0.455	Imp Valuation	
			SUBTOTAL PERSONAL PROPERTY >	1,130,090					98.67%		1,145,323	NA	NA	Personal Property	NA	NA	NA	NA	NA		
											6,151,809	115.926			14.615	11.184	25.799	64.505	28.635		
											ESTIMATED BASE VALUE OF ADDITION	TOTAL DISTRICT ACREAGE			TOTAL INDUSTRIAL ACREAGE	TOTAL COMMERCIAL ACREAGE	TOTAL MIXED USE ACREAGE	TOTAL BLIGHTED ACREAGE	TOTAL VACANT FOR PRECEDING 7 YEARS		
											As of January 1 2013	Percent of Total District Acreage			12.607%	9.648%	22.255%	55.643%	24.701%		



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EQUALIZED VALUE TEST

The following calculations demonstrate that the City is in compliance with s.66.1105(4)(gm)4.c. Wis. Stats., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals \$15,971,609. This value is less than the maximum of \$44,943,612 in equalized value that is permitted for the City of Merrill. The City is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

<i>City of Merrill, WI</i>		
Tax Increment District No. 9		
Valuation Test Compliance Calculation		
Anticipated Creation/Amendment	1/1/2013	Valuation Data
Property Appreciation Factor:	5.00%	Currently Available
		ACTUAL
As of January 1,		2013
Total Equalized Value (TID IN)		374,530,100
Limit for 12% Test		44,943,612
Increment Value of Existing TID's		
TID No. 3 Increment		7,658,800
TID No. 4 Increment		1,735,300
TID No. 5 Increment		425,700
TID No. 6 Increment		0
TID No. 7 Increment		0
TID No. 8 Increment		0
Total Existing Increment		9,819,800
Projected Base Value of New District		6,151,809
TOTAL VALUE SUBJECT TO TEST/LIMIT		15,971,609
COMPLIANCE		PASS



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STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS

The following is a list of public works and other TIF-eligible projects that the City expects to implement in conjunction with this District. Any costs necessary or convenient to the creation of the District or directly or indirectly related to the public works and other projects are considered "Project Costs" and eligible to be paid with tax increment revenues of the District.

PROPERTY, RIGHT-OF-WAY AND EASEMENT ACQUISITION

- **PROPERTY ACQUISITION FOR DEVELOPMENT AND/OR REDEVELOPMENT.** In order to promote and facilitate development and/or redevelopment the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for development and/or redevelopment. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development and/or redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in State Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.
- **PROPERTY ACQUISITION FOR CONSERVANCY.** In order to promote the objectives of this Plan, the City intends to acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.
- **ACQUISITION OF RIGHTS-OF-WAY.** The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.
- **ACQUISITION OF EASEMENTS.** The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.
- **RELOCATION COSTS.** If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees;

publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

SITE PREPARATION ACTIVITIES

- **ENVIRONMENTAL AUDITS AND REMEDIATION.** There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.
- **DEMOLITION.** In order to make sites suitable for development and/or redevelopment, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.
- **SITE GRADING.** Land within the District may require grading to make it suitable for development and/or redevelopment, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

UTILITIES

- **SANITARY SEWER SYSTEM IMPROVEMENTS.** There are inadequate sanitary sewer facilities serving areas of the District. To allow development and/or redevelopment to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Section 66.1105(2)(f)1 k.

- **WATER SYSTEM IMPROVEMENTS.** There are inadequate water distribution facilities serving areas of the District. To allow development and/or redevelopment to occur, the City may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs

based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

- **STORMWATER MANAGEMENT SYSTEM IMPROVEMENTS.** Development and/or redevelopment within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.
- **ELECTRIC SERVICE.** In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.
- **GAS SERVICE.** In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.
- **COMMUNICATIONS INFRASTRUCTURE.** In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

STREETS AND STREETSCAPE

- **STREET IMPROVEMENTS.** There are inadequate street improvements serving areas of the District. To allow development and/or redevelopment to occur, the City may need to construct and/or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and

landscaping.

- **STREETSCAPING AND LANDSCAPING.** In order to attract development and/or redevelopment consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

CDA/RDA TYPE ACTIVITIES

- **CONTRIBUTION TO REDEVELOPMENT AUTHORITY.** As provided for in Wisconsin Statutes Sections 66.1105(2)(f)1.h and 66.1333(13), the City may provide funds to its RDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the RDA for this purpose are eligible Project Costs.
- **REVOLVING LOAN/GRANT PROGRAM.** To encourage private redevelopment consistent with the objectives of this Plan, the City, through its RDA, may provide loans and/or matching grants to eligible property owners in the District. Loan and/or matching grant recipients will be required to sign an agreement specifying the nature of the property improvements to be made. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the RDA in the program manual. Any funds returned to the RDA from the repayment of loans made are not considered revenues to the District, and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving loan fund and will continue to be used for the program purposes stated above. Any funds provided to the RDA for purposes of implementing this program are considered eligible Project Costs.

MISCELLANEOUS

- **CASH GRANTS (DEVELOPMENT INCENTIVES).** The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover project costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.
- **PROFESSIONAL SERVICE AND ORGANIZATIONAL COSTS.** The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

- **ADMINISTRATIVE COSTS.** The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees in connection with the implementation of the Plan.
- **FINANCING COSTS.** Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statute Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan.

The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.

Project Costs are any expenditures made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Proration of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

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DETAILED LIST OF PROJECT COSTS

All costs are based on 2013 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2013 and the time of construction. The City also reserves the right to increase certain project costs to the extent others are reduced or not implemented without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

This Plan is not meant to be a budget nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Common Council, without amending the Plan.

PROPOSED TIF PROJECT COST ESTIMATES

City of Merrill, WI

Tax Increment District No. 9
Project List



	Phase I	Phase II	Phase III	Future Phases	TOTALs
	2013	2014-2015	2016-2017	2018-2035	
Projects					
Creation Expenses	20,000				20,000
TID Boundary and Plan Amendments			9,000	28,000	37,000
Administrative Expenses					0
Development Incentives	50,000	100,000	250,000	300,000	700,000
Real Estate Acquisition		100,000		125,000	225,000
Relocation Costs		25,000			25,000
Demolition		85,000		75,000	160,000
Parking Improvements				75,000	75,000
Environmental Remediation		103,000			103,000
Pedestrian Path and Amenities				750,000	750,000
Stormwater System Improvements			100,000	150,000	250,000
Telecommunication Infrastructure				100,000	100,000
Sanitary Sewer Improvements			300,000	300,000	600,000
Water System Improvements				250,000	250,000
Street Improvements		250,000	100,000	1,050,000	1,400,000
Subtotal Needed for Projects	70,000	663,000	759,000	3,203,000	4,695,000

Note(s):

Infrastructure projects include engineering and contingency

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ECONOMIC FEASIBILITY STUDY & A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED

The information and exhibits contained within this Section demonstrate that the proposed District is economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the projects in one or multiple phases, and can adjust the timing of implementation as needed to coincide with the pace of private development and/or redevelopment. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development and/or redevelopment expected to occur, 2) a projection of tax increments to be collected resulting from that development and/or redevelopment and other economic growth within the District, and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

AVAILABLE FINANCING METHODS

Implementation of this Plan may require that the City issue debt obligations to provide direct or indirect financing for the Projects to be undertaken. The following is a list of the types of obligations the City may choose to utilize.

General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of Projects included within this Plan. Wisconsin Statutes limit the principal amount of G.O. debt that a community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (including increment values). The tables on page 23 provide a calculation of the City's current and projected G.O. debt capacity. Tables 1 and 2 project, respectively, the City's equalized value, and the full faith and credit borrowing capacity of the City. Equalized valuation projections were made using two methods. The first projects future valuation of the City using the average annual percentage of valuation growth experienced between 2009 and 2013. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual value change between 2009 and 2013. This method is identified as the straight-line method. Table 2 projects the G.O. borrowing capacity of the City utilizing the straight-line valuation projection and considering the existing debt of the City,

demonstrating that the City will have sufficient G.O. debt capacity during the implementation period of the District to finance projects using this method if it chooses.

Bonds Issued to Developers (“Pay as You Go” Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and, therefore, do not count against the City’s statutory borrowing capacity.

Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City, or as a form of lease revenue bond by a Redevelopment Authority (RDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City’s statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of the its various systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible Project Costs in an equal amount.

Special Assessment “B” Bonds

The City has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City’s statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

EQUALIZED VALUATION PROJECTION

City of Merrill, WI

Projection of General Obligation Debt Borrowing Capacity



Table 1 - Projection of Growth in Equalized Value (TID IN)

----PERCENTAGE METHOD----				--STRAIGHT LINE METHOD--			
HISTORICAL DATA							
2009	391,590,700			2009	391,590,700		
2010	390,395,400			2010	390,395,400		
2011	392,919,700			2011	392,919,700		
2012	395,239,400			2012	395,239,400		
2013	374,530,100	-1.09%		2013	374,530,100	-4,265,150	
PROJECTED VALUATIONS							
2014	370,450,772	-1.09%		2014	374,530,100	0.00%	
2015	366,415,875	-1.09%		2015	374,530,100	0.00%	
2016	362,424,925	-1.09%		2016	374,530,100	0.00%	
2017	358,477,445	-1.09%		2017	374,530,100	0.00%	
2018	354,572,960	-1.09%		2018	374,530,100	0.00%	
2019	350,711,002	-1.09%		2019	374,530,100	0.00%	
2020	346,891,107	-1.09%		2020	374,530,100	0.00%	
2021	343,112,819	-1.09%		2021	374,530,100	0.00%	
2022	339,375,683	-1.09%		2022	374,530,100	0.00%	

Table 2 - Projection of G.O. Debt Capacity (Based on Straight Line Method)

BUDGET YEAR	EQUALIZED VALUE	GROSS DEBT LIMIT	DEBT BALANCE	NET BORROWING CAPACITY
2014	374,530,100	18,726,505	11,049,229	7,677,276
2015	374,530,100	18,726,505	13,294,183	5,432,322
2016	374,530,100	18,726,505	15,337,059	3,389,446
2017	374,530,100	18,726,505	14,100,636	4,625,869
2018	374,530,100	18,726,505	13,157,769	5,568,736
2019	374,530,100	18,726,505	13,650,022	5,076,483
2020	374,530,100	18,726,505	11,997,205	6,729,300
2021	374,530,100	18,726,505	11,711,359	7,015,146
2022	374,530,100	18,726,505	9,903,085	8,823,420
2023	374,530,100	18,726,505	8,040,387	10,686,118
2024	374,530,100	18,726,505	6,408,581	12,317,924
2025	374,530,100	18,726,505	4,956,208	13,770,297
2026	374,530,100	18,726,505	4,128,204	14,598,301
2027	374,530,100	18,726,505	3,559,881	15,166,624
2028	374,530,100	18,726,505	3,100,419	15,626,086
2029	374,530,100	18,726,505	2,635,288	16,091,217
2030	374,530,100	18,726,505	2,153,350	16,573,155
2031	374,530,100	18,726,505	1,735,233	16,991,272
2032	374,530,100	18,726,505	1,306,364	17,420,142
2033	374,530,100	18,726,505	851,719	17,874,786
2034	374,530,100	18,726,505	676,273	18,050,232
2035	374,530,100	18,726,505	495,000	18,231,505
2036	374,530,100	18,726,505	335,000	18,391,505
2037	374,530,100	18,726,505	170,000	18,556,505
2038	374,530,100	18,726,505	0	18,726,505
2039	374,530,100	18,726,505	0	18,726,505
2040	374,530,100	18,726,505	0	18,726,505
2041	374,530,100	18,726,505	0	18,726,505

PLAN IMPLEMENTATION

Projects identified will provide the necessary anticipated governmental services to the area. A reasonable and orderly sequence is outlined on the following page. However, public debt and expenditures should be made at the pace private development and/or redevelopment occurs to assure increment is sufficient to cover expenses.

It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement, these agreements might include levying of special assessments against benefited properties.

The order in which public improvements are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.

If financing as outlined in this Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.

IMPLEMENTATION & FINANCING TIMELINE

<i>City of Merrill, WI</i>				
Tax Increment District No. 9				
Estimated Project Costs & Financing Plan				
	State Trust Fund Loan	State Trust Fund Loan	G.O. Bond	Total Project Costs
	Phase II	Phase III	Future Phases	All Phases
Projects				
Creation Expenses	0	0	0	20,000
TID Boundary and Plan Amendments	0	9,000	28,000	37,000
				0
Development Incentives	100,000	250,000	300,000	700,000
Real Estate Acquisition	100,000	0	125,000	225,000
Relocation Costs	25,000	0	0	25,000
Demolition	85,000	0	75,000	160,000
Parking Improvements	0	0	75,000	75,000
Environmental Remediation	103,000	0	0	103,000
Pedestrian Path and Amenities	0	0	750,000	750,000
Stormwater System Improvements	0	100,000	150,000	250,000
Telecommunication Infrastructure	0	0	100,000	100,000
Sanitary Sewer Improvements	0	300,000	300,000	600,000
Water System Improvements	0	0	250,000	250,000
Street Improvements	250,000	100,000	1,050,000	1,400,000
Subtotal Needed for Projects	663,000	759,000	3,203,000	4,695,000
Less Other Sources				
Grant			(500,000)	
General Fund Advance				
Pay-As-You-Go Agreement	(100,000)	(250,000)	(300,000)	
Total Needed for Projects	563,000	509,000	2,403,000	
Finance Related Expenses				
Financial Advisor	2,500		21,000	
Bond Counsel (Estimate)			10,000	
Rating Agency Fee			10,000	
Paying Agent (if Term Bonds)			1,000	
Underwriting Discount				
Total Financing Required	565,500	509,000	2,445,000	
Rounding	0	0	0	
NET ISSUE SIZE	565,500	509,000	2,445,000	

DEVELOPMENT ASSUMPTIONS

City of Merrill, WI

**Tax Increment District No. 9
Development Assumptions**

Construction Year	Wisconsin River/South Cedar Avenue	Annual Total
2013	350,000	350,000
2014	500,000	500,000
2015	750,000	750,000
2016	1,000,000	1,000,000
2017	1,000,000	1,000,000
2018	1,000,000	1,000,000
2019	1,000,000	1,000,000
2020	1,000,000	1,000,000
2021	1,000,000	1,000,000
2022	500,000	500,000
2023	1,500,000	1,500,000
2024	650,000	650,000
2025	500,000	500,000
2026	500,000	500,000
2027	500,000	500,000
2028		0
2029		0
2030		0
2031		0
2032		0
2033		0
2034		0
2035		0
2036		0
2037		0
2038		0
2039		0
2040		0
TOTALS	11,750,000	11,750,000

NOTES:

INCREMENT REVENUE PROJECTIONS

City of Merrill, WI

Tax Increment District No. 9 Tax Increment Projection Worksheet

Type of District: **Blighted Area**

Anticipated Creation Date: **9/24/2013**

Valuation Date: **Jan. 1, 2013**

Maximum Life (In Years): **27**

Expenditure Period (In Years): **22**

Revenue Periods/Final Rev Year: **27 | 2041**

End of Expenditure Period: **9/24/2035**

Latest Termination Date: **9/24/2040**

Eligible for Extension/No. of Years: **Yes | 3**

Eligible Recipient District: **Yes**

Projected Base Value: **6,151,809**

Pre-Amendment Base Value (Actual): **N/A**

Property Appreciation Factor: **0.00%**

Current Tax Rate (Per \$1,000 EV): **\$29.00**

Tax Rate Adjustment Factor (Next 2 Years): **0.00%**

Tax Rate Adjustment Factor (Following 2 Years): **0.00%**

Tax Rate Adjustment Factor (Thereafter): **0.00%**

Discount Rate 1 for NPV Calculation: **4.25%**

Discount Rate 2 for NPV Calculation: **6.00%**

Apply Inflation Factor to Base? **X**

Net Present Value Calculation

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	Cumulative @ 4.25%	Cumulative @ 6.00%
1	2013	350,000	2014	0	350,000	2015	29.00	10,152	8,960
2	2014	500,000	2015	0	850,000	2016	29.00	24,654	29,833
3	2015	750,000	2016	0	1,600,000	2017	29.00	46,407	67,521
4	2016	1,000,000	2017	0	2,600,000	2018	29.00	75,412	126,268
5	2017	1,000,000	2018	0	3,600,000	2019	29.00	104,417	204,294
6	2018	1,000,000	2019	0	4,600,000	2020	29.00	133,421	299,929
7	2019	1,000,000	2020	0	5,600,000	2021	29.00	162,426	411,608
8	2020	1,000,000	2021	0	6,600,000	2022	29.00	191,431	537,864
9	2021	1,000,000	2022	0	7,600,000	2023	29.00	220,435	677,322
10	2022	500,000	2023	0	8,100,000	2024	29.00	234,938	819,896
11	2023	1,500,000	2024	0	9,600,000	2025	29.00	278,445	981,984
12	2024	650,000	2025	0	10,250,000	2026	29.00	297,298	1,147,991
13	2025	500,000	2026	0	10,750,000	2027	29.00	311,800	1,314,998
14	2026	500,000	2027	0	11,250,000	2028	29.00	326,303	1,482,648
15	2027	500,000	2028	0	11,750,000	2029	29.00	340,805	1,650,611
16	2028	0	2029	0	11,750,000	2030	29.00	340,805	1,811,726
17	2029	0	2030	0	11,750,000	2031	29.00	340,805	1,966,273
18	2030	0	2031	0	11,750,000	2032	29.00	340,805	2,114,520
19	2031	0	2032	0	11,750,000	2033	29.00	340,805	2,256,723
20	2032	0	2033	0	11,750,000	2034	29.00	340,805	2,393,128
21	2033	0	2034	0	11,750,000	2035	29.00	340,805	2,523,973
22	2034	0	2035	0	11,750,000	2036	29.00	340,805	2,649,484
23	2035	0	2036	0	11,750,000	2037	29.00	340,805	2,769,878
24	2036	0	2037	0	11,750,000	2038	29.00	340,805	2,885,363
25	2037	0	2038	0	11,750,000	2039	29.00	340,805	2,996,141
26	2038	0	2039	0	11,750,000	2040	29.00	340,805	3,102,402
27	2039	0	2040	0	11,750,000	2041	29.00	340,805	3,204,332
		11,750,000			0			Future Value of Increment	6,848,003

CASH FLOW

City of Merrill, WI															EHLERS LEADERS IN PUBLIC FINANCE				
Tax Increment District No. 9																			
Cash Flow Pro Forma																			
Year	Revenues			Expenditures									Balances		Project Cost Principal Outstanding	Year			
	Tax Increments	Investment Earnings	Total Revenues	State Trust Fund Loan \$565,500 6/1/2014			State Trust Fund Loan \$509,000 6/1/2016			G.O. Bond \$2,445,000 6/1/2018			Development Incentives	Admin			Total Expenditures	Annual	Cumulative
		0.10%		Prin (3/15)	Est. Rate	Interest	Prin (3/15)	Est. Rate	Interest	Prin (6/1)	Est. Rate	Interest							
2013		0	0										50,000	10,000	60,000	(60,000)	(60,000)	3,547,000	2013
2014		0	0										75,000	30,000	105,000	(105,000)	(165,000)	3,547,000	2014
2015	10,152	0	10,152	52,197	3.250%	14,499							25,000	30,000	121,696	(111,545)	(276,545)	3,494,803	2015
2016	24,654	0	24,654	50,014	3.250%	16,682							125,000	30,000	221,696	(197,042)	(473,587)	3,444,789	2016
2017	46,407	0	46,407	51,639	3.250%	15,057	47,213	3.250%	13,114				125,000	30,000	282,024	(235,616)	(709,203)	3,345,936	2017
2018	75,412	0	75,412	53,318	3.250%	13,379	45,238	3.250%	15,089				125,000	13,000	265,024	(189,611)	(898,815)	3,247,380	2018
2019	104,417	0	104,417	55,050	3.250%	11,646	46,708	3.250%	13,619	85,000	3.750%	92,625		13,000	317,649	(213,232)	(1,112,046)	3,060,622	2019
2020	133,421	0	133,421	56,840	3.250%	9,857	48,226	3.250%	12,101	90,000	3.750%	89,438		13,000	319,461	(186,040)	(1,298,086)	2,865,556	2020
2021	162,426	0	162,426	58,687	3.250%	8,009	49,794	3.250%	10,534	90,000	3.750%	86,063		13,000	316,086	(153,660)	(1,451,746)	2,667,075	2021
2022	191,431	0	191,431	60,594	3.250%	6,102	51,412	3.250%	8,915	95,000	3.750%	82,688		13,000	317,711	(126,280)	(1,578,026)	2,460,069	2022
2023	220,435	0	220,435	62,564	3.250%	4,133	53,083	3.250%	7,245	100,000	3.750%	79,125		13,000	319,149	(98,713)	(1,676,739)	2,244,423	2023
2024	234,938	0	234,938	64,597	3.250%	2,099	54,808	3.250%	5,519	100,000	3.750%	75,375		13,000	315,399	(80,461)	(1,757,200)	2,025,018	2024
2025	278,445	0	278,445				56,589	3.250%	3,738	105,000	3.750%	71,625		13,000	249,952	28,492	(1,728,708)	1,863,428	2025
2026	297,298	0	297,298				58,428	3.250%	1,899	110,000	3.750%	67,688		13,000	251,015	46,283	(1,682,425)	1,695,000	2026
2027	311,800	0	311,800							115,000	3.750%	63,563	125,000	13,000	316,563	(4,762)	(1,687,187)	1,580,000	2027
2028	326,303	0	326,303							120,000	3.750%	59,250		13,000	192,250	134,053	(1,553,135)	1,460,000	2028
2029	340,805	0	340,805							125,000	3.750%	54,750		13,000	192,750	148,055	(1,405,080)	1,335,000	2029
2030	340,805	0	340,805							130,000	3.750%	50,063		13,000	193,063	147,742	(1,257,337)	1,205,000	2030
2031	340,805	0	340,805							130,000	3.750%	45,188		13,000	188,188	152,617	(1,104,720)	1,075,000	2031
2032	340,805	0	340,805							135,000	3.750%	40,313		13,000	188,313	152,492	(952,228)	940,000	2032
2033	340,805	0	340,805							140,000	3.750%	35,250		13,000	188,250	152,555	(799,673)	800,000	2033
2034	340,805	0	340,805							150,000	3.750%	30,000		13,000	193,000	147,805	(651,868)	650,000	2034
2035	340,805	0	340,805							155,000	3.750%	24,375		13,000	192,375	148,430	(503,438)	495,000	2035
2036	340,805	0	340,805							160,000	3.750%	18,563		13,000	191,563	149,242	(354,196)	335,000	2036
2037	340,805	0	340,805							165,000	3.750%	12,563		13,000	190,563	150,242	(203,953)	170,000	2037
2038	340,805	0	340,805							170,000	3.750%	6,375		13,000	189,375	151,430	(52,523)	0	2038
2039	340,805	0	340,805												0	340,805	288,282	0	2039
Total	6,166,393	0	6,166,393	565,500		101,463	511,500		91,774	2,470,000		1,023,000	650,000	403,000	5,878,111	288,282			

NOTES:

Projected TID Closure

11 ANNEXED PROPERTY

There are no lands proposed for inclusion within the District that were annexed by the City on or after January 1, 2004.

12 ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS

Pursuant to Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin State Statutes the City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

13 PROPOSED CHANGES IN ZONING ORDINANCES

The City does not anticipate that the District will require any changes in zoning ordinances.

14 PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF MERRILL ORDINANCES

It is expected that this Plan will be complementary to the City's Master Plan. There are no proposed changes to the Master Plan, map, building codes or other City ordinances for the implementation of this Plan.

15 RELOCATION

It is anticipated there will be a need to relocate persons or businesses in conjunction with this Plan.

In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the City will follow applicable state statutes as required in Wisconsin Statutes chapter 32.

16 ORDERLY DEVELOPMENT AND/OR REDEVELOPMENT OF THE CITY OF MERRILL

The District contributes to the orderly development and/or redevelopment of the City by providing the opportunity for continued growth in tax base, job opportunities and general economic activity.

17

A LIST OF ESTIMATED NON-PROJECT COSTS

Non-Project costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds. Examples would include:

- A public improvement made within the District that also benefits property outside the District. That portion of the total project costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total project costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

The City anticipates approximately \$400,000 in grant funding for environmental remediation and blight elimination projects. To the extent grant funding is unavailable; those costs will become eligible costs of the District.

18

**OPINION OF ATTORNEY FOR THE CITY OF MERRILL
ADVISING WHETHER THE PLAN IS COMPLETE AND
COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105**

September 10, 2013

SAMPLE

William Bialecki, Mayor
City of Merrill
1004 E. First Street
Merrill, Wisconsin 54452

RE: City of Merrill, Wisconsin Tax Incremental District No. 9

Dear Mayor:

As City Attorney for the City of Merrill, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Section 66.1105 of the Wisconsin Statutes. This opinion is provided pursuant to Section 66.1105(4)(f), Wis. Stat.

Sincerely,

Attorney Thomas Hayden
City of Merrill

EXHIBIT A - CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS

Estimated Share by Taxing Jurisdiction of Projected Tax Increments to be paid by Owners of Taxable Property in each of the Taxing Jurisdictions Overlying the Tax Increment District

<i>Revenue Year</i>	<i>County</i>	<i>City - Village</i>	<i>School District</i>	<i>Technical College</i>	<i>Total</i>
	18.99%	43.67%	30.37%	6.97%	
2015	1,928	4,433	3,083	708	10,152
2016	4,683	10,766	7,487	1,719	24,654
2017	8,814	20,265	14,093	3,236	46,407
2018	14,323	32,930	22,901	5,258	75,412
2019	19,832	45,596	31,708	7,281	104,417
2020	25,341	58,261	40,516	9,303	133,421
2021	30,849	70,926	49,324	11,326	162,426
2022	36,358	83,592	58,132	13,348	191,431
2023	41,867	96,257	66,940	15,371	220,435
2024	44,622	102,590	71,344	16,382	234,938
2025	52,885	121,588	84,556	19,416	278,445
2026	56,466	129,821	90,281	20,731	297,298
2027	59,220	136,153	94,685	21,742	311,800
2028	61,974	142,486	99,089	22,753	326,303
2029	64,729	148,819	103,493	23,764	340,805
2030	64,729	148,819	103,493	23,764	340,805
2031	64,729	148,819	103,493	23,764	340,805
2032	64,729	148,819	103,493	23,764	340,805
2033	64,729	148,819	103,493	23,764	340,805
2034	64,729	148,819	103,493	23,764	340,805
2035	64,729	148,819	103,493	23,764	340,805
2036	64,729	148,819	103,493	23,764	340,805
2037	64,729	148,819	103,493	23,764	340,805
2038	64,729	148,819	103,493	23,764	340,805
2039	64,729	148,819	103,493	23,764	340,805
2040	64,729	148,819	103,493	23,764	340,805
2041	64,729	148,819	103,493	23,764	340,805
	1,300,636	2,990,307	2,079,548	477,511	6,848,003

NOTE: The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.