



## **CITY OF MERRILL, WISCONSIN**

### ***Territory & Project Plan Amendment to Tax Incremental District No. 3***



September 10, 2013 **[DRAFT]**

*Joint Review Board Organizational Meeting Held:*

*Scheduled September 10, 2013*

*Public Hearing Held:*

*Scheduled September 10, 2013*

*Consideration for Adoption by Redevelopment Authority:*

*Scheduled September 10, 2013*

*Consideration for Adoption by Common Council:*

*Scheduled September 24, 2013*

*Consideration for Approval by the Joint Review Board:*

*TBD*

# Tax Incremental District No. 3 Territory & Project Plan Amendment

## 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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# 1

## EXECUTIVE SUMMARY

### **DESCRIPTION OF ORIGINAL DISTRICT AND PROPOSED TERRITORY AMENDMENT**

- Original District Purpose.
  - Tax Incremental District (“TID”) No. 3 (the “TID” or “District”) is an existing mixed-use district, which was created by a resolution of the City of Merrill (“City”) Common Council adopted on September 13, 2005 (the “Creation Resolution”).
- Additional Amendments.
  - The District was previously amended on May 23, 2006, whereby a resolution was adopted to add additional territory to the District, and to amend the list of projects to be undertaken. This amendment was the first of four territory amendments permitted for this District.
- Purpose of this Amendment.
  - The City proposes to amend the boundaries of the District to both add and subtract territory simultaneously. The addition of territory to the District will facilitate new development opportunities, while the subtraction will allow the City to dissolve Redevelopment District No. 1 and create TID No. 9. A map, located in Section 3 of this plan, identifies the territory to be added and the territory to be removed, and the geographic relationship to the existing District’s boundaries.
  - This amendment will modify the categories, locations or costs of the Projects to be undertaken, providing incentive and opportunities for additional private development and redevelopment.
- Estimated Total Project Expenditures.
  - The City anticipates making additional project expenditures of approximately \$9,719,000 to undertake new projects in the original District areas and the amendment areas as listed in this Project Plan. It is anticipated that the remaining and additional projects will be completed in five phases. The Expenditure Period of this District terminates on September 13, 2020. The remaining and additional 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 between 2013 and 2023, 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 project financing by phase is located in Section 10 of this plan.

- Economic Development.
  - As a result of the amendment of this District, the City projects that additional land and improvements value of approximately \$27,500,000 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 amended area(s) and within the original District boundaries. 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, the amendment of the District is expected to result in further economic benefits as detailed in the Summary of Findings hereafter.
  
- Expected Termination of District.
  - TID No. 3 has a maximum statutory life of 20 years, and must close not later than September 13, 2025, resulting in a final collection of increment in budget year 2026. Pre-amendment cash flow projections indicate that the entire available life of the District will be required to retire current and projected District liabilities. Based on the Economic Feasibility Study located in Section 10 of this Plan, amendment of the District would not result in a shift in the projected District closure year of 2025.

## **SUMMARY OF FINDINGS**

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

1. **That “but for” amendment of this District, the additional development projected to occur within the amendment areas 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:
  - In order to make the amendment areas 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. 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 amendment 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 amendment 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:

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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 amending 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 total tax increments projected to be collected are more than sufficient to pay for the actual and proposed Project Costs within the original District and the amended areas. On this basis alone, the finding is supported.
  - Tax increment collections continue to be expected to be sufficient to pay for the cost of all improvements made in the District. *Finding Required by Wisconsin Statutes 66.1105(4m)(c)1.b.*
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 boundary amendment 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 amendment area 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.
  - Given that additional development is not likely to occur or in the same manner without the use of tax incremental financing (see finding # 1), and since the District will generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the City reasonably concludes that the overall additional 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 amended. As required by Section

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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 the Project Plan.

4. Not less than 50% by area of the real property within the District, as amended, is suitable for a combination of industrial, commercial and residential uses, defined as “mixed-use development” within the meaning of Section 66.1105(2)(cm) of the Wisconsin Statutes. Lands proposed or developed for newly platted residential development comprise less than 35%, as amended, by the area of the real property within the District. Any project Costs related to newly platted residential development are eligible expenditures based on the finding that the development; has a residential housing density of at least 3 units per acre as defined in Section 66.1105(2)(f)3.a., Wisconsin Statutes or is located in a conservation subdivision as defined in Section 66.1027(1)(a), Wisconsin Statutes, or is located in a traditional neighborhood development as defined in Section 66.1027(1)(c), Wisconsin Statutes.
5. Based upon the findings, as stated above, and the original findings as stated in the Creation Resolution, the District remains declared a mixed-use District based on the identification and classification of the property included within the District.
6. The Project Costs of the District relate directly to promoting mixed-use development in the District consistent with the purpose for which the District was created.
7. The improvements to be made within the territory incorporated by this Amendment are likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of the taxable property within the territory to be added to the District by this amendment, plus the value increment of all other existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that less than 35% of the territory within the District, as amended, will be devoted to retail business at the end of the District’s maximum expenditure period, pursuant to Sections 66.1105(5)(b) of the Wisconsin Statutes.
10. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

## 2

### TYPE & GENERAL DESCRIPTION OF DISTRICT

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on September 13, 2005 by resolution of the Common Council. The District's valuation date, for purposes of establishing base value, was January 1, 2005.

The existing District is a "Mixed Use District" based upon a finding that at least 50%, by area, of the real property within the District was suitable for a combination of industrial, commercial and residential uses within the meaning of Wisconsin Statutes Section 66.1105(2)(cm). The District will remain in compliance with this finding after the addition and subtraction of the territory identified in this Amendment. The District will also remain in compliance with the prohibition that no more than 35% of the area of the District be allocated for newly-platted residential development. To the extent that the City has incurred, or may incur, Project Costs for newly platted residential development, the residential development will have a density of at least 3 units per acre as defined in s.66.1105(2)(f)3.a., Wisconsin Statutes, or be located in a conservation subdivision as defined in s.66.1027(1)(a) Wisconsin Statutes, or be located in a traditional neighborhood development as defined in s.66.1027(1)(c) Wisconsin Statutes. The Preliminary Parcel list found in Section 5 of this plan provides a calculation demonstrating continued compliance with both the 50% test and the 35% test.

Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a City to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the District have been amended once prior to this Amendment. This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan, or any component of previously adopted Project Plan Amendments, unless specifically stated. All components of the original Project Plan, and its previously adopted Project Plan Amendments, remain in effect.

The purpose of the Amendment is to both add and subtract territory simultaneously. The addition of territory to the District will facilitate new development opportunities, while the subtraction will allow the City to dissolve Redevelopment District No. 1 and create TID No. 9.

The amendment is also to update and/or provide for the undertaking of additional expenditures.

The District was subsequently amendment as follows:

- The District was previously amended on May 23, 2006, whereby a resolution was adopted to add additional territory to the District, and to amend the list of projects to be undertaken. This amendment was the first of four territory amendments permitted for this District.

A map depicting the boundaries of the District is found in Section 3 of this Plan. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution, the District remains a mixed-use District based on the identification and classification of the property included within the District.

**3**

**MAP OF ORIGINAL DISTRICT BOUNDARY, WITH TERRITORY AMENDMENT AREA IDENTIFIED**



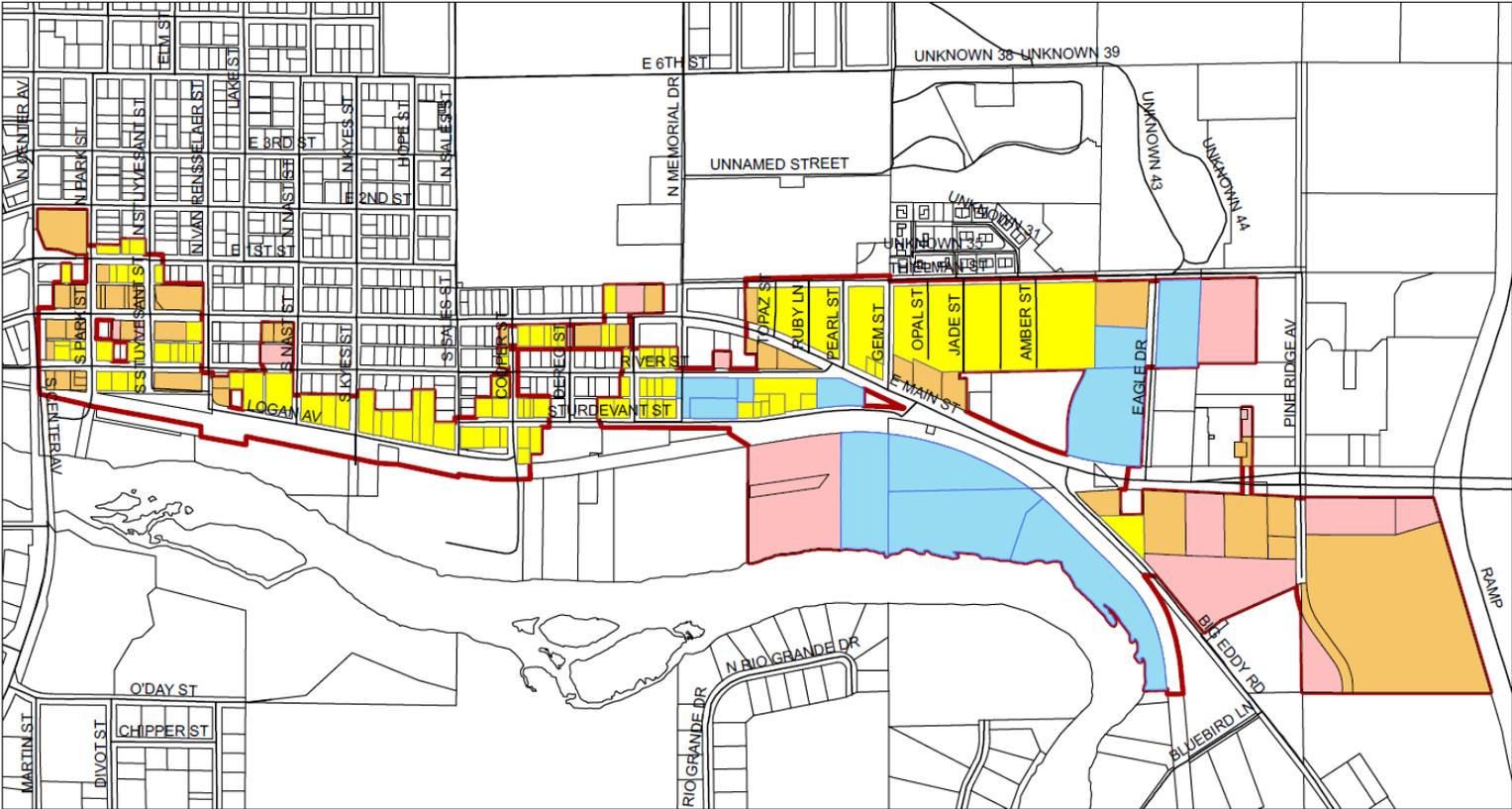
Drawn By: Kate Drewek

City of Merrill TID 3

**Legend**  
Deleted Parcels  
Added Parcels  
TID 3

# 4

## MAP SHOWING EXISTING USES & CONDITIONS WITHIN THE TERRITORY TO BE ADDED AND REMAINING



City of Merrill TID 3

Drawn By: Kate Drewek

- Legend**
- Exempt
  - Vacant
  - Residential
  - Commercial
  - Boundary3

**5**

**PRELIMINARY LIST OF PARCELS WITHIN THE TERRITORY TO BE ADDED TO AND SUBTRACTED FROM THE EXISTING DISTRICT & ANALYSIS**

City of Merrill, WI  
Tax Increment District No. 3  
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 (additions)	CURRENT EQUALIZED VALUE (deletions)	ORIGINAL ASSESSED VALUE (deletions)	ESTIMATED BASE VALUE OF DELETIONS	PANCL ACREAGE	CURRENT ZONING	ACTUAL USE	ACRES ZONED AND SUITABLE FOR INDUSTRIAL USE	ACRES ZONED OR PLANNED FOR COMMERCIAL/BUSINESS USE	ACRES ZONED OR PLANNED FOR RESIDENTIAL USE (EXISTING OR PLATTED)	ACRES SUITABLE FOR MIXED USE DEVELOPMENT	MISC./NOTES
<b>Additions</b>																						
	34-0001-000-018-02-00	1805 Logan Ave.	RBW Properties LLC		17,100	140,100	157,200	2 - Commercial	98.67%	98.67%	159,319				0.289	Commercial	Apartments		0.289		0.289	
	34-0020-000-579-00-00	2011 E Main St	DIC LLC		12,500	55,100	67,600	2 - Commercial	98.67%	98.67%	68,511				0.138	Commercial	Insurance		0.138		0.138	
	34-0020-000-570-00-00	2101 E Main St	Boyer, Jeffrey		13,400	84,000	97,400	1 - Residential	98.67%	98.67%	98,713				0.215	Commercial	Apartments		0.215		0.215	
	34-0011-000-431-00-00	2105 E Main St	Rostal, Joan		13,500	68,800	82,300	1 - Residential	98.67%	98.67%	83,409				0.203	Commercial	Residential		0.203		0.203	
	34-0011-000-434-00-00	2107 E Main St	Abraham, Mary Ann		9,200	55,800	65,000	1 - Residential	98.67%	98.67%	65,876				0.068	Commercial	Residential		0.068		0.068	
	34-0011-000-435-00-00	2109 E Main St	C/O Peck, Roger (Ryan Peck)		9,200	51,200	60,400	1 - Residential	98.67%	98.67%	61,241				0.068	Commercial	Residential		0.068		0.068	
	34-0011-000-436-00-00	2111 E Main St	Kamke, David		9,200	63,400	72,600	1 - Residential	98.67%	98.67%	73,579				0.138	Commercial	Residential		0.138		0.138	
	34-0018-000-514-01-00	Mobile Home Park (Topsa/Ruby)	Badger Portfolio LLC		280,000	0	280,000	2 - Commercial	98.67%	98.67%	283,774				3.990	Commercial	Mobile Homes		3.990		3.990	
	34-0018-000-518-00-00	3200 E Main St	Badger Portfolio LLC		152,000	0	152,000	2 - Commercial	98.67%	98.67%	154,049				2.479	Commercial	Mobile Homes		2.479		2.479	
	34-0018-000-517-00-00	2604 E Main St	Brandt, Troy		10,200	40,000	50,200	1 - Residential	98.67%	98.67%	50,877				0.207	Commercial	Residential		0.207		0.207	
	34-0018-000-516-00-00	2606 E Main St	Gallia, Andre		9,400	30,900	40,300	1 - Residential	98.67%	98.67%	40,843				0.126	Commercial	Residential		0.126		0.126	
	34-0001-000-088-01-00	Mobile Home Park (Opal and to East)	Badger Portfolio LLC		600,000	0	600,000	2 - Commercial	98.67%	98.67%	608,088				15.572	Commercial	Mobile Homes		15.572		15.572	
	34-0002-000-090-08-00	3209 East Main St	3209 East Main LLC (Badger Motel)	168,000	213,000	969,000	1,182,000	2 - Commercial	98.67%	98.67%	1,197,933				2.420	Commercial	Hotel		2.420		2.420	
<b>Deletions</b>																						
	34-0022-000-626-01-00	2401 Sturdevant St	Heines Gas & Oil Co (Strassman Electric)	2,780	31,900	25,900	57,800	2 - Commercial	98.67%	98.67%	58,579	57,800	57,800	58,579	-0.500	Industrial	Commercial		-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%	391,737	380,400	380,400	385,730	-1.400	Industrial	Manufacturing	-1.400				
	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	159,600	161,751	-15,250	Industrial	Commercial						
	34-0001-000-005-00-00		Merrill Gravel & Construction Co.		13,600	0	13,600	2 - Commercial	98.67%	98.67%	13,783	13,600	13,783	-3,000	Industrial	Commercial						
	34-0001-000-006-00-00	2111 Logan Ave	Tracy Ellis, Richard Ellis, Bert Ellis, Clay Ellis, Abby Ellis		8,500	29,400	37,900	1 - Residential	98.67%	98.67%	38,411	37,900	38,411	-500	Industrial	Residential						-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	51,200	51,890	-3,500	Industrial	Residential						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	26,200	26,553	-1,750	Industrial	Commercial						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	293,300	297,253	-14,740	Industrial	Manufacturing						-14,740
	34-0110-003-470-00-00	0 S. Kyes St.	Development & Leasing Corp		16,700	0	16,700	1 - Residential	98.67%	98.67%	16,925	16,700	16,925	-0.540	Industrial	Residential						-0.540
	34-0110-003-464-00-00	0 S. Kyes St.	Wisconsin Public Service Corp		0	0	0	7 - Other	98.67%	98.67%	0	0	0	-0.309	Industrial	Exempt						Utility
	34-0001-000-013-00-00	400 S. Kyes St.	Smiling-Melroe Co	250,200	51,900	1,016,400	1,068,300	3 - Manufacturing	98.67%	98.67%	1,082,700	1,070,700	1,085,132	-9,390	Industrial	Manufacturing						-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	41,500	42,059	-1,040	Industrial	Commercial						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	7,500	7,601	-0.250	Industrial	Commercial						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	0	0	-6.450	Industrial	Exempt						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	0	0	-5.250	Industrial	Exempt						Utility
SUBTOTAL PERSONAL PROPERTY >				168,000					98.67%		170,265	888,840			NA	NA	Personal Property	NA	NA	NA	NA	0.000

Original District Acreage	198,500																					
Post-Amendment Acreage	160,544																					
2013 Base Value	13,938,000	Estimated New Base Value	14,870,806																			
2013 Increment	7,658,800	Estimated Loss of Increment	796,640																			
		Estimated New Increment	6,860,160																			
												Amendment		-10,790		25,413		0,000		-1,007		
												Pre-Amendment		92,270		91,230		15,000		198,500		
												New Totals		81,480		116,643		15,000		197,493		
												TOTAL INDUSTRIAL ACREAGE		50.752%		72.655%		9.343%		123.015%		
												TOTAL COMMERCIAL ACREAGE										
												TOTAL EXISTING OR PLATTED RESIDENTIAL ACREAGE										
												TOTAL MIXED USE ACREAGE										

# 6 EQUALIZED VALUE TEST

No additional territory will be added to the District. Demonstration of compliance with the equalized value test is not required for this Amendment.

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 Territory to be added to the District, plus the value increment of the District being amended, plus the value increment of all other existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the Territory to be incorporated by this Amendment, plus the increment value of TID No. 3, plus the value increment of all other existing tax incremental districts within the City, totals \$12,938,276. 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 amendment of this District.

<i>City of Merrill, WI</i>		
Tax Increment District No. 3		
Valuation Test Compliance Calculation		
Anticipated Creation/Amendment	1/1/2013	
Property Appreciation Factor:	5.00%	
		Valuation Data Currently Available
		<b>ACTUAL</b>
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		3,118,476
TOTAL VALUE SUBJECT TO TEST/LIMIT		12,938,276
COMPLIANCE		PASS



# 7

## 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 has implemented, or expects to implement, within the original District or within the Territory to be incorporated by this Amendment. Any costs 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.
- **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 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, are 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 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 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;

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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 ACTIVITES**

- **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, site preparation, 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.

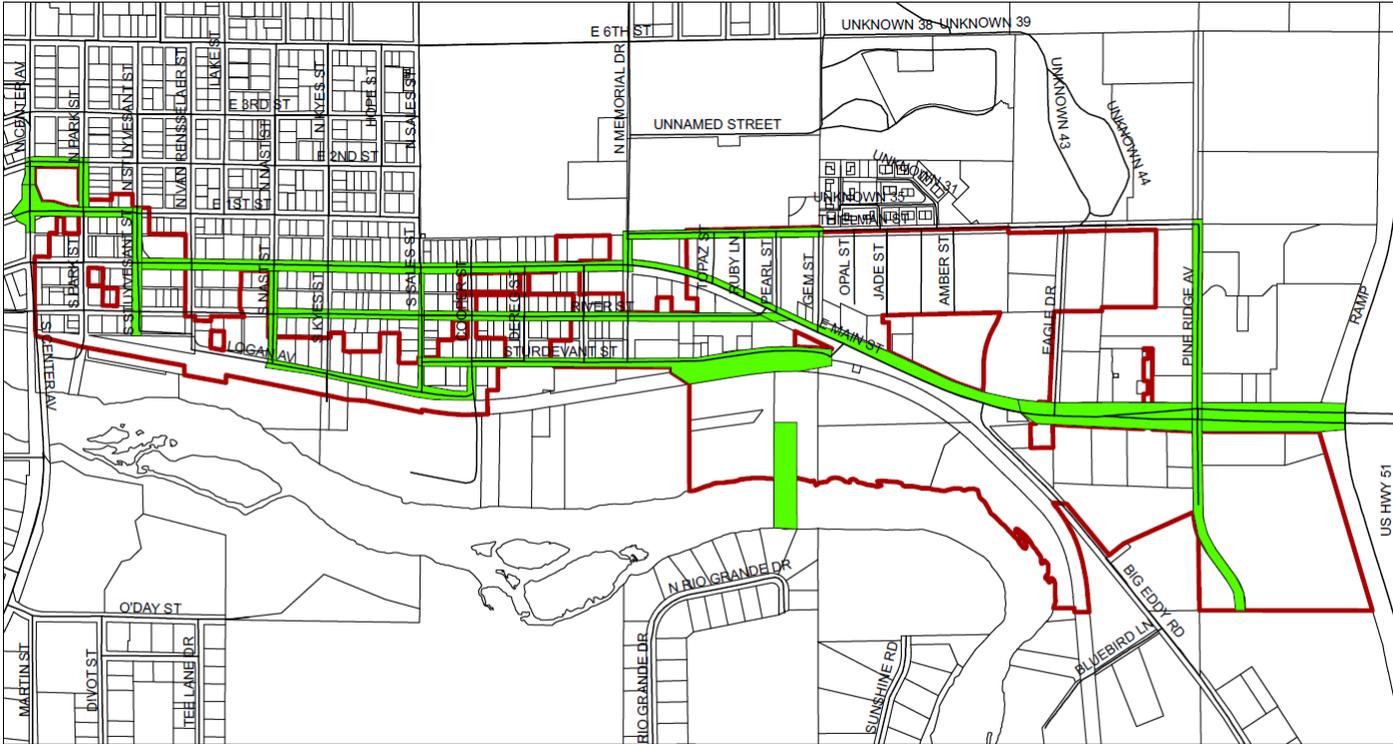
In the event any of the public works project expenditures are not reimbursable out of the special tax increment finance fund under Wisconsin Statute Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project 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 Amendment.

**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 or the original Project Plan. To the extent the costs benefit the City 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. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received by the City in connection with the implementation of this Plan.

8

MAP SHOWING PROPOSED IMPROVEMENTS AND USES WITHIN THE TERRITORY TO BE ADDED AND REMAINING



City of Merrill TID 3

Legend  
Infrastructure Improvements

Drawn By: Kate Drewek



# 9

## DETAILED LIST OF ADDITIONAL PROJECT COSTS

This Section contains information relative to the specific projects and expenditures that the City anticipates it will undertake or make within the Territory to be incorporated into the District by this Amendment.

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 further amending this Plan.**

**PROPOSED TIF PROJECT COST ESTIMATES**

<i>City of Merrill, WI</i>							 <b>EHLERS</b> LEADERS IN PUBLIC FINANCE
Tax Increment District No. 3							
Project List							
	Phase I	Phase II	Phase III	Phase IV	Phase V	TOTALs	
	2013	2014-2016	2017-2019	2020-2022	2023-2026		
<b>Projects</b>							
TID Boundary and Plan Amendments	9,500		10,000	10,000	10,000	39,500 0	
Development Incentives	533,626	351,878	294,695	210,000	280,000	1,670,199	
Real Estate Acquisition		701,500	450,000	225,000		1,376,500	
Relocation Costs		75,000	50,000	25,000		150,000	
Demolition		220,000	100,000	50,000		370,000	
Parking Improvements			50,000			50,000	
Environmental Remediation		25,000	25,000			50,000	
Pedestrian Path and Amenities		75,000	75,000	75,000		225,000	
Stormwater System Improvements		75,000		75,000	100,000	250,000	
Telecommunication Infrastructure		100,000		100,000		200,000	
Sanitary Sewer Improvements		300,000		300,000		600,000	
Water System Improvements		250,000		250,000		500,000	
Railroad Crossing Improvements		500,000				500,000	
Engineering Services		95,000	85,000	105,000	70,000	355,000	
Street Improvements	282,500	1,250,000	350,000	1,000,000	500,000	3,382,500	
<b>Subtotal Needed for Projects</b>	<b>825,626</b>	<b>4,018,378</b>	<b>1,489,695</b>	<b>2,425,000</b>	<b>960,000</b>	<b>9,718,699</b>	
<b>Notes(s):</b>	<i>Infrastructure projects include engineering and contingency</i>						

## **10** 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 District, as amended by the subtraction of Territory, will remain economically feasible.

The information and exhibits contained within this Section demonstrate that the District, as proposed to be amended by the addition of territory, will remain economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the remaining projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the remaining 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 continued 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) an updated projection of tax increments to be collected resulting from that development and/or redevelopment and other economic growth within the District, and 3) an updated 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 24 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

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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 its 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 its various utility 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.



## **PLAN IMPLEMENTATION**

Projects identified will provide the necessary anticipated governmental services and/or development incentives to the additional territory. It is anticipated these expenditures will be made during the next 9. 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. The order in which expenditures 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. In any event, all additional Project Costs are to be incurred within the period specified in Section 66.1105(6)(am) of the Wisconsin Statutes.

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 expenditures 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**

<p style="text-align: center;">    </p> <p style="text-align: center;">                     City of Merrill, WI                      Tax Increment District No. 3                      Estimated Project Costs &amp; Financing Plan                 </p>						
	Phase I	G.O. Bond Phase II	State Trust Fund Loan Phase III	G.O. Bond Phase IV	State Trust Fund Loan Phase V	Total Project Costs All Phases
<b>Projects</b>						
TID Boundary and Plan Amendments	9,500	0	10,000	10,000	10,000	39,500
Real Estate Acquisition	0	701,500	450,000	225,000	0	1,376,500
Relocation Costs	0	75,000	50,000	25,000	0	150,000
Demolition	0	220,000	100,000	50,000	0	370,000
Parking Improvements	0	0	50,000	0	0	50,000
Environmental Remediation	0	25,000	25,000	0	0	50,000
Pedestrian Path and Amenities	0	75,000	75,000	75,000	0	225,000
Stormwater System Improvements	0	75,000	0	75,000	100,000	250,000
Telecommunication Infrastructure	0	100,000	0	100,000	0	200,000
Sanitary Sewer Improvements	0	300,000	0	300,000	0	600,000
Water System Improvements	0	250,000	0	250,000	0	500,000
Railroad Crossing Improvements	0	500,000	0	0	0	500,000
Engineering Services	0	95,000	85,000	105,000	70,000	355,000
Street Improvements	282,500	1,250,000	350,000	1,000,000	500,000	3,382,500
<b>Subtotal Needed for Projects</b>	<b>292,000</b>	<b>3,666,500</b>	<b>1,195,000</b>	<b>2,215,000</b>	<b>680,000</b>	<b>8,048,500</b>
<b>Less Other Sources</b>						
Grant		(1,000,000)	(500,000)	(1,000,000)	(500,000)	
General Fund Advance	(292,000)					
Pay-As-You-Go Agreement						
<b>Total Needed for Projects</b>	<b>0</b>	<b>2,666,500</b>	<b>695,000</b>	<b>1,215,000</b>	<b>180,000</b>	
<b>Finance Related Expenses</b>						
Financial Advisor		20,500	2,500	15,000	2,500	
Bond Counsel (Estimate)		10,000		10,000		
Rating Agency Fee		10,000		10,000		
Paying Agent (if Term Bonds)		1,000		1,000		
Underwriter's Discount		27,400		12,650		
<b>Total Financing Required</b>	<b>0</b>	<b>2,735,400</b>	<b>697,500</b>	<b>1,263,650</b>	<b>182,500</b>	
Rounding	0	4,600	0	1,350	0	
<b>NET ISSUE SIZE</b>	<b>0</b>	<b>2,740,000</b>	<b>697,500</b>	<b>1,265,000</b>	<b>182,500</b>	

**DEVELOPMENT ASSUMPTIONS**

*City of Merrill, WI*

**Tax Increment District No. 3  
Development Assumptions**

Construction Year	Projected Development	Annual Total
2013	4,000,000	4,000,000
2014	2,250,000	2,250,000
2015	1,600,000	1,600,000
2016	1,500,000	1,500,000
2017	2,000,000	2,000,000
2018	2,000,000	2,000,000
2019	2,000,000	2,000,000
2020	1,400,000	1,400,000
2021	1,500,000	1,500,000
2022	1,500,000	1,500,000
2023	1,850,000	1,850,000
2024	1,400,000	1,400,000
2025	4,500,000	4,500,000
2026		0
2027		0
2028		0
2029		0
2030		0
2031		0
2032		0
2033		0
2034		0
2035		0
2036		0
2037		0
2038		0
2039		0
<b>TOTALS</b>	27,500,000	27,500,000

NOTES:

**INCREMENT REVENUE PROJECTIONS**

*City of Merrill, WI*

**Tax Increment District No. 3  
Tax Increment Projection Worksheet**

Type of District	Mixed Use
Anticipated Creation Date	9/13/2005
Valuation Date	Jan. 1, 2005
Maximum Life (In Years)	20
Expenditure Period (In Years)	15
Revenue Periods/Final Rev Year	20   2026
End of Expenditure Period	9/13/2020
Latest Termination Date	9/13/2025
Eligible for Extension/No. of Years	Yes   3
Eligible Recipient District	No

Projected Base Value	14,870,806
Pre-Amendment Base Value (Actual)	NA
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	4,000,000	2014	0	10,860,160	2015	29.00	314,995	278,020	
2	2014	2,250,000	2015	0	13,110,160	2016	29.00	380,256	599,958	
3	2015	1,600,000	2016	0	14,710,160	2017	29.00	426,663	946,459	
4	2016	1,500,000	2017	0	16,210,160	2018	29.00	470,170	1,312,727	
5	2017	2,000,000	2018	0	18,210,160	2019	29.00	528,180	1,707,411	
6	2018	2,000,000	2019	0	20,210,160	2020	29.00	586,189	2,127,585	
7	2019	2,000,000	2020	0	22,210,160	2021	29.00	644,198	2,570,514	
8	2020	1,400,000	2021	0	23,610,160	2022	29.00	684,805	3,022,169	
9	2021	1,500,000	2022	0	25,110,160	2023	29.00	728,312	3,482,935	
10	2022	1,500,000	2023	0	26,610,160	2024	29.00	771,819	3,951,320	
11	2023	1,850,000	2024	0	28,460,160	2025	29.00	825,478	4,431,845	
12	2024	1,400,000	2025	0	29,860,160	2026	29.00	866,084	4,915,455	
		23,000,000		0						
							Future Value of Increment	7,227,149		



**CASH FLOW**

 																								
Tax Increment District No. 3 Cash Flow Pro Forma																								
Year	Revenues				Expenditures												Balances		Project					
	Tax Increments	Investment Earnings	Special Assessments	Total Revenues	G.O. Bond \$2,740,000 6/1/2014			State Trust Fund Loan \$697,500 6/1/2017			G.O. Bond \$1,265,000 6/1/2020			State Trust Fund Loan \$182,500 6/1/2023			Development Incentives	Admin	Existing Debt Service	Total Expenditures	Annual	Cumulative	Amendment Cost Principal Outstanding	Year
2013	231,124	0		231,124	Prin (6/1)	Est. Rate	Interest	Prin (3/15)	Est. Rate	Interest	Prin (3/15)	Est. Rate	Interest	Prin (3/15)	Est. Rate	Interest	533,626	69,450	1,008	604,084	(372,960)	(680,559)	3,437,500	2013
2014	222,141	0		222,141													70,626	35,000	14,820	120,446	101,695	(578,864)	3,437,500	2014
2015	314,995	0	50,000	364,995	240,000	2.750%	75,350										140,626	35,000	14,445	505,421	(140,426)	(719,289)	3,197,500	2015
2016	380,256	0	50,000	430,256	250,000	2.750%	68,750										140,626	35,000	14,065	508,441	(78,185)	(797,475)	2,947,500	2016
2017	426,663	0	50,000	476,663	255,000	2.750%	61,875										114,695	35,000	13,680	480,250	(3,587)	(801,061)	2,692,500	2017
2018	470,170	0	50,000	520,170	260,000	2.750%	54,863	72,145	3.250%	17,883							90,000	35,000	13,290	543,180	(23,010)	(824,071)	2,360,355	2018
2019	528,180	0	50,000	578,180	270,000	2.750%	47,713	69,704	3.250%	20,324							90,000	35,000	12,895	545,635	32,544	(791,527)	2,020,652	2019
2020	586,189	0	50,000	636,189	275,000	2.750%	40,288	71,969	3.250%	18,059							70,000	35,000	12,495	522,810	113,379	(678,148)	1,673,682	2020
2021	644,198	0	50,000	694,198	285,000	2.750%	32,725	74,308	3.250%	15,720	195,000	2.750%	34,788				70,000	35,000	12,090	754,630	(60,432)	(738,580)	1,314,374	2021
2022	684,805	0	50,000	734,805	295,000	2.750%	24,888	76,723	3.250%	13,305	200,000	2.750%	29,425				70,000	35,000	11,680	756,020	(21,215)	(759,796)	942,651	2022
2023	728,312	0	50,000	778,312	300,000	2.750%	16,775	79,217	3.250%	10,811	210,000	2.750%	23,925				70,000	35,000	11,270	756,998	21,314	(738,481)	563,435	2023
2024	771,819	0	50,000	821,819	310,000	2.750%	8,525	81,791	3.250%	8,237	215,000	2.750%	18,150	59,803	3.000%	4,319	70,000	35,000	10,850	821,675	144	(738,338)	171,643	2024
2025	825,478	0	50,000	875,478				84,449	3.250%	5,578	220,000	2.750%	12,238	60,442	3.000%	3,681	70,000	35,000	1,043	492,431	383,047	(355,291)	87,194	2025
2026	866,084	0		866,084				87,194	3.250%	2,834	225,000	2.750%	6,188	62,255	3.000%	1,868	70,000	34,917		490,255	375,829	20,538	(0)	2026
<b>Total</b>	<b>7,680,414</b>	<b>0</b>	<b>550,000</b>	<b>8,230,414</b>	<b>2,740,000</b>		<b>431,750</b>	<b>697,500</b>		<b>112,750</b>	<b>1,265,000</b>		<b>124,713</b>	<b>182,500</b>		<b>9,868</b>	<b>1,670,199</b>	<b>524,367</b>	<b>143,631</b>	<b>7,902,277</b>	<b>328,137</b>			

NOTES: Projected TID Closure

## **11** ANNEXED PROPERTY

There are no lands within the Territory proposed to be included within the District by Amendment that were annexed by the City on or after January 1, 2004.

## **12** ESTIMATE OF ADDITIONAL TERRITORY OR REMAINING DISTRICT TO BE DEVOTED TO RETAIL BUSINESS

The City estimates that less than 35% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.

## **13** PROPOSED CHANGES IN ZONING ORDINANCES

The City does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Amended Project Plan.

## **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.

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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

This amendment 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 grant funding for approximately \$3,000,000 for various project costs. To the extent grant funding is unavailable, the City intends to qualify the projects as 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. 3 Amendment**

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>
	<b>18.99%</b>	<b>43.67%</b>	<b>30.37%</b>	<b>6.97%</b>	
<b>2015</b>	59,827	137,549	95,655	21,965	<b>314,995</b>
<b>2016</b>	72,222	166,046	115,473	26,515	<b>380,256</b>
<b>2017</b>	81,036	186,310	129,566	29,751	<b>426,663</b>
<b>2018</b>	89,299	205,309	142,778	32,785	<b>470,170</b>
<b>2019</b>	100,317	230,639	160,394	36,830	<b>528,180</b>
<b>2020</b>	111,334	255,970	178,009	40,875	<b>586,189</b>
<b>2021</b>	122,352	281,301	195,625	44,920	<b>644,198</b>
<b>2022</b>	130,065	299,033	207,956	47,751	<b>684,805</b>
<b>2023</b>	138,328	318,031	221,168	50,785	<b>728,312</b>
<b>2024</b>	146,591	337,029	234,380	53,819	<b>771,819</b>
<b>2025</b>	156,782	360,460	250,675	57,561	<b>825,478</b>
<b>2026</b>	164,495	378,192	263,006	60,392	<b>866,084</b>
	<b>1,372,647</b>	<b>3,155,868</b>	<b>2,194,685</b>	<b>503,949</b>	<b>7,227,149</b>

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