



CITY OF MERRILL
REDEVELOPMENT AUTHORITY
AGENDA • WEDNESDAY JUNE 1, 2022

Regular Meeting

City Hall Council Chambers

8:00 AM

To attend remotely call: 916-318-8970 and PIN: 542 111 463#

- I. Call to order
- II. Consider approval of RDA meeting minutes from May 4th
 1. Meeting minutes from May 4th, 2022
- III. Public Comment
- IV. Update on 2022 Assessments - TID No. 11 Residential Developments:
 1. W. St. Paul St. & Superior St.
 2. Rock Ridge Ct. & Parkway Dr.
- V. Next RDA Meeting - Preference for Wednesday, June 29th or July 6th ?
- VI. The RDA may convene in closed session per Wis. Stats. Sec. 19.85(1)(e) - deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session to consider: Consideration of potential responses for single-family housing development on Johnson St., (TID No. 4)
 1. TID4 - Johnson St. RFP
- VII. The RDA may reconvene in open session to take action on closed session item, including potential consideration of development agreement for Johnson St. residential development (TID No. 4)
 1. TID4 - Res & Dev Agreement Draft
- VIII. Adjournment

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, May 4, 2022 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Clyde Nelson, Steve Hass, Steve Sabatke, Mark Bares, Sheila Polak, Jim Koppleman, and Tony Kusserow,

Others: Alderpersons Rick Blake, Mark Weix, Dick Lupton, and LaDonna Fermanich, Finance Director Kathy Unertl, City Administrator Dave Johnson, City Attorney Tom Hayden, Public Works Director/City Engineer Rod Akey, City Building Inspector/Zoning Administrator Darin Pagel, Bill Bialecki from Lincoln County Economic Development Corp. (LCEDC), Renea and Todd Frederick, Ryan Ott, and Tina Dengel, IT Manager Dustin Brown, and video operator from Merrill Productions,

Call to Order: Nelson called the meeting to order at 8:00 a.m.

Consider approval of RDA meeting minutes from April 19th:

Motion (Hass/Sabatke) to approve the meeting minutes from April 19th. Carried.

Public Comments: None.

Status update on new residential developments and 2022 infrastructure projects

Unertl highlighted the 2022 residential developments, including Ryan Ott Construction/Denyon Homes, Timber Ridge Builders, JJ Premier/CMO Building Services, JS Builders, and Merrill Area Housing Authority/MAPS BlueJay House. On Webster Street, there will be three Nicolet Lumber apartment buildings, seven rental duplexes by S.C. Swiderski and four single-family homes by S.C. Swiderski. Several of the FoxPoint apartment buildings have tenants and S.C. Swiderski continues construction work.

As far as infrastructure improvements, the E. 10th St. right-of-way from N. Mill St. to N. Spruce St. has been cleared and grubbed. Public Works Director Akey advised that waiting for drier conditions before water and sanitary sewer mains are installed and gravel base. The new street will include curb, gutter, paving, and streetlighting.

Webster Street utilities were installed in Fall 2021. Akey is checking with the developers on potentially delaying Webster Street curb, gutter, and paving improvements until 2023.

Follow-up from 3/16/2022 Lincoln County Housing Summit, including Affordable Housing:

Written meeting summary information was included in the RDA agenda packet. LCEDC Executive Director Bill Bialecki reported that a follow-up Lincoln County meeting is scheduled for Thursday, May 19th. Unertl commented that there are several regional issues including workforce, housing, and child care.

Consider proposed Spruce St. development concept and estimates of probable costs (TID No. 7):

The potential plat concept for extension of Spruce St. from E. 10th St. to E. 14th St. was reviewed. Akey reported that potential duplexes are being considered on the south side of E. 10th St. closest to N. Mill St. Renea Frederick at the April 12th RDA meeting suggested potential duplex development on proposed Lot 1 through Lot 4. Four additional lots could be developed on the north side of E. 10th St.

RDA Commissioners reviewed the estimate of probable cost prepared by City Public Works Director/City Engineer Rod Akey. Unertl reported that formal Plats were taking about six months for State of Wisconsin approvals, so potential 2022 residential development would be limited to three lots via Certified Survey Map (CSM) land division process.

As done for development of Champagne Park subdivision, including extension of Superior St., the City used TID to pay for CSM and Plat development. Clearing and grubbing of the street right-of-way would assist in marketing the lots. The potential utility and street infrastructure improvements of Spruce St. would be considered as part of the TID No. 7 budget for 2023.

Motion (Hass/Kusserow) to reallocate 2022 TID No. 7 budgeted funds for survey work for the CSM and future plat (\$8,500) and to clear and grub the future street right-of-way (\$30,000). Carried.

Consider request to improve E. 13th St. for three residential lots (TID No. 7):

Tina Dengel from Riversbend Realty Group is requesting improvement of E. 13th St. west of Cedar St. to facilitate sale for residential development (such as potential duplexes). There are existing City water and sanitary sewer mains in the street right-of-way. There is also one water service lateral installed.

Dengel requested TID assistance comparable to the 2021 RDA commitment to extend utilities to the corner of N. Poplar St./E. 10th St. to facilitate development, Dengel emphasized challenges to market the property without commitments for utility and street infrastructure improvements.

Discussion focused upon the need to split the three lots from the larger tax parcel and then install potential lateral installations when building permits issued. City Building Inspector/Zoning Administrator Pagel advised that rezoning would also be needed for duplexes. Potential curb, gutter, and paving improvements would be considered in the 2023 TID No. 7 budget based upon whether residential development underway.

Motion (Hass/Polak) to commit to water and sanitary sewer laterals through TID No. 7 when building permits issued. Carried. Mark Bares abstaining from the RDA vote.

Consider City potential purchase of properties for residential development:

1. S. State St. property along Wisconsin River from State Street 13 LLC (TID No. 8):

City Administrator Dave Johnson highlighted history of property pricing which initially was at \$300,000 when discussing for potential 2021 WHEDA tax credit residential development. Lincoln Wood demolished vacant buildings on the 9.1 acre site a couple years ago. Negotiated purchase price is now \$175,000. Some of site is within Wisconsin River flood plain; however, parking lot could be located in this area.

1. S. State St. property along Wisconsin River from State Street 13 LLC (TID No. 8) - Continued:

Bill Bialecki, LaDonna Fermanich, and Rick Blake provided info on affordable (i.e. income-based) housing and low-income housing (if subsidized). Johnson emphasized that the S. State St. site scores high for WHEDA tax credits as to walkability and available community amenities and businesses. Bialecki noted that American Rescue Plan Act (ARPA) funding could be used for affordable housing.

Steve Sabatke suggested that a City-owned site in the 6th District should be considered. City staff reported on a former City dump along the Wisconsin River as negative factor, as well as low potential WHEDA tax credit scoring. Tony Kusserow mentioned gas vapor monitoring in his business warehouse located on Jackson Street adjacent to this site.

Sheila Polak emphasized that finding a location for affordable housing was key step in the development process and supported the initial investment in purchasing the S, State St. site. Jim Koppleman commented that this type of investment is why TIDs exist.

Motion (Hass/Sabatke) to table potential land purchase to the next RDA meeting. Carried. Unertl will include the Fall 2021 site plan that Horizon Development provided.

2. Johnson St. property from Church Mutual Insurance Company (TID No. 4):

Church Mutual Insurance has agreed to sell the City of Merrill about 2.61 acres for \$50,000. Concept plat includes eight single-family home lots, as well as right-of-way for potential future extension of E. 8th St. to the east.

Unertl emphasized that only three lots could be developed in 2022 through a Certified Survey Map (CSM) land division process. Akey suggested that formal Plat process would take six or more months.

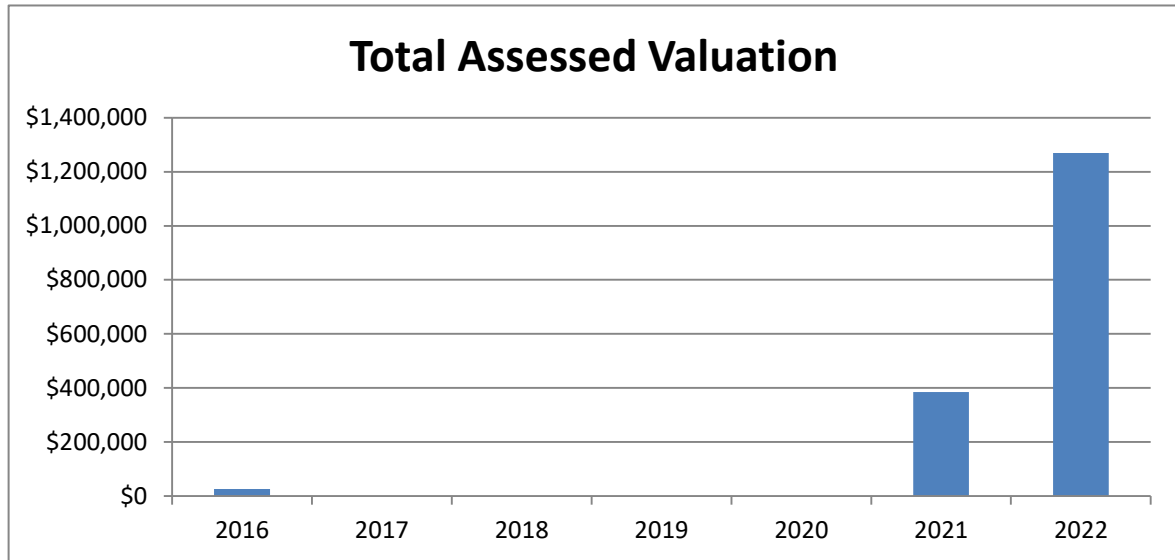
Motion (Hass/Sabatke) to recommend purchase of the 2.61 acres for \$50,000 from Church Mutual Insurance Company through TID No. 4. Carried.

Chair Nelson advised that no need to consider moving into Closed Session related to TID No. 7 potential development incentives.

Adjournment: (Hass/Sabatke) to adjourn at 9:24 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

City of Merrill - TID No. 11 (Former Kienitz Property) Denyon Homes & Ryan Ott Development



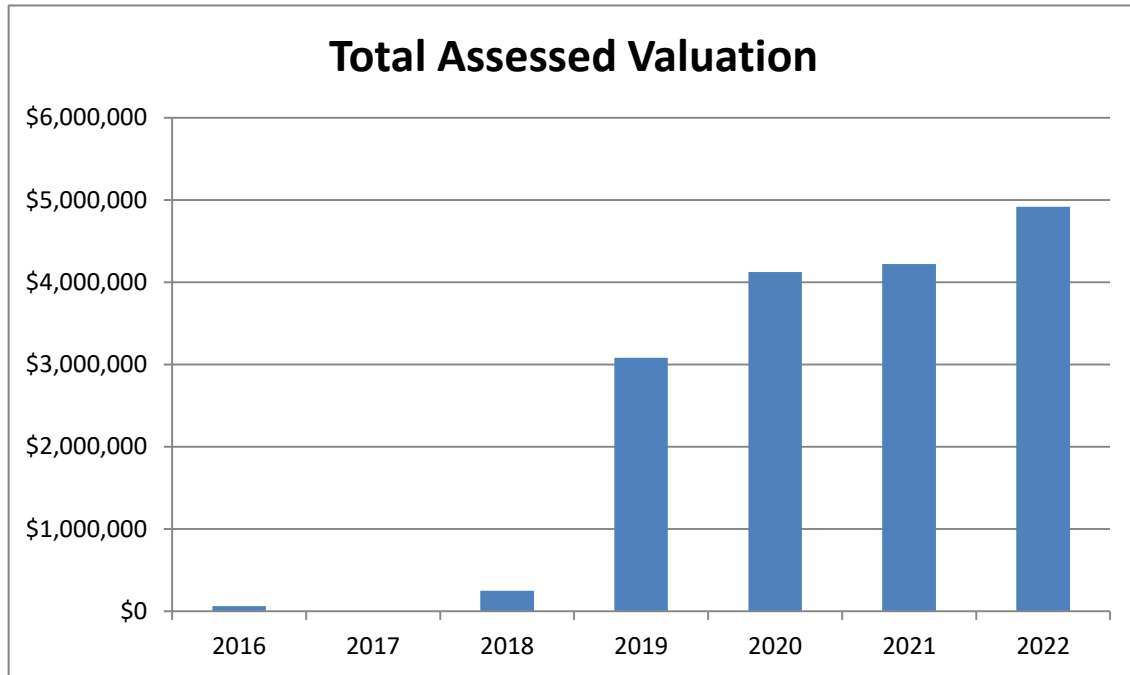
Assessed Valuation Summary:

As of 1/1st	Land	Improvements	Total Assessed	Change Over Base
2016	\$26,600	\$0	\$26,600	
2017	\$0	\$0	\$0	(\$26,600)
2018	\$0	\$0	\$0	(\$26,600)
2019	\$0	\$0	\$0	(\$26,600)
2020	\$0	\$0	\$0	(\$26,600)
2021	\$27,600	\$357,800	\$385,400	\$358,800
2022	\$126,900	\$1,142,600	\$1,269,500	\$1,242,900

Note: 2021 includes three lots (i.e. three partial new homes)

2022 includes thirteen lots (i.e. seven new homes)

**City of Merrill - TID No. 11 (Former Lokemoen field)
Rock Ridge Apartments and Rock Ridge Park Homes**



Assessed Valuation Summary:

As of 1/1st	Land	Improvements	Total Assessed	Change Over Base
2016	\$57,000	\$8,000	\$65,000	\$0
2017	\$0	\$0	\$0	(\$65,000)
2018	\$125,400	\$125,000	\$250,400	\$185,400
2019	\$243,400	\$2,838,700	\$3,082,100	\$3,017,100
2020	\$243,400	\$3,881,700	\$4,125,100	\$4,060,100
2021	\$265,400	\$3,953,900	\$4,219,300	\$4,154,300
2022	\$296,600	\$4,622,520	\$4,919,120	\$4,854,120

Note: 2021 includes three lots (i.e. two partial new homes)

2022 includes six lots (i.e. five new homes)

Request For Proposals

“Johnson St. Housing Project”

City of Merrill, Wisconsin 54452

City of Merrill, Wisconsin
The City of Parks

Office of the City Administrator
Merrill, Wisconsin
(715) 536-5594

May 11, 2022

Attachment: TID4 - Johnson St. RFP (8850 : TID4 - Johnson St. RFP)

Request For Proposals

Contents

Introduction -	Page 1
Property Overview -	2
Project Requirements -	2
Proposal Submission -	2
Proposal Components -	3
Proposal Schedule -	4
Evaluation & Selection Criteria -	5
Development Incentive -	5
Map -	5
Attachment 1	6

INTRODUCTION -

Background - The City of Merrill, Wisconsin, invites qualified individuals and development teams to submit a proposal to the city for acquisition and development of eight (8) parcels in the 700 – 900 blocks of Johnson St for single-family homes in Merrill.

The City of Merrill recognizes the need for additional modern single-family homes within the City. Development of this prime property with single-family homes meets a need of the City to improve the livability of our community.

The City of Merrill's settlement commenced in 1843, five years before Wisconsin was established as a State. Originally called "Jenny Bull Falls", the city was a hub of social and economic activity through the timber boom years. Located at the crossroads of State Highways 51 and 64 Merrill has a population of approximately 10,000. Today, Merrill is a full service community with a diverse economy. The past decade has seen a positive turn-around in Merrill's economic outlook. Major new amenities include the River Bend Trail along the Wisconsin River, the Bierman Family Aquatic Center, a new 3,000 seat grandstand at the Merrill Festival Grounds, and a new Senior Center and Expo Hall at the Merrill Festival Grounds completed in 2017, as well as new and expanding businesses. Since 2020, Merrill has seen an increase in housing development but more is needed.

Purpose - In an effort to increase available housing the City of Merrill is offering this eight (8) parcel property with the intent to see new single-family homes built on this site. There is a demonstrated need for all types and levels of housing in Merrill.

This request for proposals is designed to provide sufficient background and property information so that individuals and developer teams may submit a proposal to the city for this purpose.

PROPERTY OVERVIEW –*Site Overview and Zoning –*

Located on Merrill's northeast side, these prime parcels are presently zoned Commercial. The City is in the process of changing the zoning to residential. The City will plat the eight parcels. The City is preparing a CSM to allow for three of the new parcels to be built on before the plat is finalized.

These parcels are bordered on the west by Johnson St., on the south by the Northwoods VFW Post, and on the north and east by Church Mutual Insurance Company's Headquarters Campus. Sewer and water are available from Johnson St. on the west. The parcels all face Johnson St. to the west. The west side of Johnson St. is developed with single-family homes. Merrill High School and Merrill Festival Grounds are within walking distance.

The parcels are laid out with two parcels in the 700 block, with a 60' right-of-way left for the future extension of 8th St., four parcels in the 800 block, and two parcels in the 900 block.

PROJECT REQUIREMENTS -

The project requires that eight (8) single-family homes with not less than \$250,000 in assessed value per home be constructed on the parcels within two years of closing.

PROPOSAL SUBMISSION –

Proposals submitted to the City of Merrill should be presented in concise form responding specifically and directly to the type of redevelopment activity being proposed for the site.

All questions regarding the proposal shall be directed to:

David Johnson, City Administrator
1004 East First Street
Merrill, Wisconsin 54452
Telephone: (715) 536-5594
Fax: (715)539-2668

- Proposals shall respond to the outline of the components as presented.
- The entire proposal shall be not more than 15 pages including all spreadsheets, drawings and sketches.
- Proposals shall be submitted by the deadline: 4:00pm CST, Tuesday May 31, 2022 to the City Administrator's office at the address listed above, or emailed to david.johnson@ci.merrill.wi.us

City contact for information is:

David Johnson, City Administrator 715-536-5594

PROPOSAL COMPONENTS –

Prospective developer proposals shall include the suggested components as listed below:

1. Proposal Summary –

A statement or outline on the project's principal features for the proposed work (e.g. proposed price point(s) for homes, number of bedrooms, bathrooms, overall square footage, one or two story, basement or slab).

2. Project Summary Outline and Tentative Schedule –

Provide an outline of primary tasks including design, permitting, financing, construction, occupancy and any other tasks required to complete the proposed project. Material shall include a timeline for completion of the proposed project.

3. Development Organization –

Provide necessary information about the organization of the development entity to include official registered name, place and date of organization, level of experience in comparable projects and a statement which demonstrates financial capacity to perform. Also, provide any irregularities relative to suspensions, defaults or bankruptcies and other matters which may have an effect or impact on this proposal

Include contact information for the individual or company as well as contact information on project team leader or primary contact to include office number, cell phone numbers and email addresses which will be used in developing this project.

In the event more than one individual or company teams with another entity all of the above information is required for that entity or company as well and the arrangements and relationships are fully disclosed. A prime developer will be the responsible party for all contractual performances and guarantees.

4. Project Team and Management Qualifications-

Include material (website address), a list of or a brief description of experience and qualifications of owner entity and experience.

5. Financial Viability and Investment Strategy –

The developer shall demonstrate proof of financial viability. This may include a variety of documents including financial statements, loan commitments, or other evidence of performance.

The developer shall provide a summary indicating the amount and timing of investments necessary to complete the proposed development in a timely manner.

REQUEST FOR PROPOSAL SCHEDULE

- May 11, 2022 - RFP Available For Distribution.
- May 11, 2022 - May 31, 2022 Developer & City Questions/Discussion.
- Tuesday May 31, 2022 - Proposal Due Date to City (4:00 pm.).
- Wednesday June 1, 2022 - Redevelopment Authority Meeting with internal City recommendation of proposal(s).
- Tuesday June 14, 2022 - Common Council Meeting with project selection/approval on the agenda.

- Note: The City of Merrill acquired this property solely for the purpose of development. If insufficient proposals are submitted or rejected under this Request for Proposals, the City of Merrill reserves the right to negotiate and enter into discussion with future individual developers or development entities without future advertising or providing public notice. The property will be continually available for development until sold or transferred for new development.

EVALUATION AND SELECTION CRITERIA –

Any award to be made for this project will be based upon the proposal with consideration for operational, technical, cost, and management requirements. The following items will be the primary considerations utilized to evaluate proposals and for selection of the developer:

1. The extent to which the proposal fulfills stated requirements.
2. An assessment of the developer's organization and ability to deliver the project as proposed.
3. Developer's experience, history and record of performance.
4. Availability of skilled and experienced personnel for project tasks.
5. Overall Investment level, which equates to increased tax base.
6. General sense of the proposer's understanding and approach to the redevelopment process.

The City of Merrill reserves the right to discontinue this Request For Proposal process without notice for any reason; the City may reject any and all proposals; may waive formalities in the review of proposals and the City may select whichever proposal it deems to be in the best interest of the City.

DEVELOPMENT INCENTIVE –

The property is in Tax Increment District (TID) No. 4. A copy of the TID Plan is available from City Finance Director/RDA Secretary Kathy Unertl.

The City shall provide a development incentive to the developer consisting of the eight parcels upon which to build at no cost to the developer. If the eight (8) homes are not completed within two (2) years of closing the remaining undeveloped lots will revert to City ownership.

MAPS

See Attachment 1.



TAX INCREMENT DISTRICT (TID) No. 4 – JOHNSON ST.

Through TID No. 4, the Merrill Common Council authorized purchase of about 2.61 acres from Church Mutual Insurance Company on May 10, 2022 for \$50,000.

Key development background:

- Existing City utility services (i.e. water and sanitary sewer) are available on Johnson St.
- Three new lots will be created through Certified Survey Map (CSM) process for Phase 1 housing development in 2022.
- A Plat is needed for the rest of the development site. City has contracted with REI for the survey and Plat development work for an additional five new lots, as well as potential E. 8th St. right-of-way.
- Request for Proposals responses from interested residential developers are due Tuesday, May 31, 2022 and will be reviewed at the June 1, 2022 RDA meeting.

Phased Development:

- Phase 1 – three new homes in 2022
- Phase 2 – five new homes in 2023

Conceptual Development Fiscal – Phase 1 and Phase 2:

Preliminary development fiscal spreadsheet is provided on following spreadsheets.

TID No. 4 – Donor District to “Blighted Area” TIDs:

After recovery of the \$50,000 land purchase expense and installation of water & sanitary sewer services, there will be significant tax increment to:

- Cover other TID No. 4 expenses – especially related to Pine Ridge Plaza redevelopment
- Potentially tax increment transfers to “blighted area” TIDs

City of Merrill - TID No. 4 (Johnson St.)								
Projected Tax Increment for single-family home development							Phase 1	
About 2.61 Acres that will be split from: 251-3107-071-0004 with Certified Survey Map								
-East side of Johnson St.								
Projected assessments for new single-family home:								
	Land	Improved	Total RE					
	Valuation	Valuation	Valuation					
	\$9,000	\$241,000	\$250,000					
Projected Tax Increment and TID No. 4 Cash Flow:								
						Three homes -		
					1 new home	2022 Construction		
Const.	Value	Revenue	TID Value	Tax	Projected	TID Value	Projected	
Year	Year	Year	Increment	Rate	Tax Increment	Increment	Tax Increment	
2022	2023	2024	\$250,000	\$28.03	\$7,008	\$750,000	\$21,023	
		2025	\$250,000	\$28.03	\$7,008	\$750,000	\$21,023	
		2026	\$250,000	\$28.03	\$7,008	\$750,000	\$21,023	
		2027	\$250,000	\$28.03	\$7,008	\$750,000	\$21,023	
		2028	\$250,000	\$28.03	\$7,008	\$750,000	\$21,023	
		2029	\$250,000	\$28.03	\$7,008	\$750,000	\$21,023	
		2030	\$250,000	\$28.03	\$7,008	\$750,000	\$21,023	
		2031	\$250,000	\$28.03	\$7,008	\$750,000	\$21,023	
		2032	\$250,000	\$28.03	\$7,008	\$750,000	\$21,023	
		2033	\$250,000	\$28.03	\$7,008	\$750,000	\$21,023	
		2034	\$250,000	\$28.03	\$7,008	\$750,000	\$21,023	
		2035	\$250,000	\$28.03	\$7,008	\$750,000	\$21,023	
				Total	\$84,090	Total	\$252,270	

Attachment: TID4 - Res & Dev Agreement Draft (8851 : TID4 - Res & Dev Agreement Draft)

City of Merrill - TID No. 4 (Johnson St.)							
Projected Tax Increment for single-family home development						Phases 1 & 2	
About 2.61 Acres that will be split from: 251-3107-071-0004							
-with Certified Survey Map - East side of Johnson St.							
Projected assessments for new single-family home:							
	Land	Improved	Total RE				
	Valuation	Valuation	Valuation				
	\$9,000	\$241,000	\$250,000				
Projected Tax Increment and TID No. 4 Cash Flow:							
Const.	Value	Revenue	TID Value	Tax	#	TID Value	Projected
Year	Year	Year	Increment	Rate	Homes	Increment	Tax Increment
2022	2023	2024	\$250,000	\$28.03	3	\$750,000	\$21,023
2023	2024	2025	\$250,000	\$28.03	8	\$2,000,000	\$56,060
		2026	\$250,000	\$28.03	8	\$2,000,000	\$56,060
		2027	\$250,000	\$28.03	8	\$2,000,000	\$56,060
		2028	\$250,000	\$28.03	8	\$2,000,000	\$56,060
		2029	\$250,000	\$28.03	8	\$2,000,000	\$56,060
		2030	\$250,000	\$28.03	8	\$2,000,000	\$56,060
		2031	\$250,000	\$28.03	8	\$2,000,000	\$56,060
		2032	\$250,000	\$28.03	8	\$2,000,000	\$56,060
		2033	\$250,000	\$28.03	8	\$2,000,000	\$56,060
		2034	\$250,000	\$28.03	8	\$2,000,000	\$56,060
		2035	\$250,000	\$28.03	8	\$2,000,000	\$56,060
						Total	\$637,683

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE
CITY OF MERRILL, WISCONSIN
AND _____, LLC (FOR JOHNSON ST. HOMES)**

THE DEVELOPMENT AGREEMENT (the “Agreement”) is entered into as of _____, 2022 by and between the City of Merrill, Wisconsin, (the “City”) a political subdivision of the State of Wisconsin and _____, LLC, (the “Developer”).

RECITALS

- A. The City desires to encourage economic development, the development of underutilized land, expand its tax base and create new jobs within the City.
- B. Wis. Stat. §66.1105 (the “Tax Increment Law”) provides the authority and establishes procedures by which the City may exercise powers necessary and convenient to carry out the purposes of the Tax Increment Law, cause project plans to be prepared, approve such plans, implement provisions and effectuate the purposes of such plans and finance such development through the use of tax incremental financing.
- C. Wis. Stat. §66.1333 (the “Redevelopment Law”) provides the authority and establishes the procedures by which the City acting through and by the Redevelopment Authority of the City of Merrill (the “RDA”) may exercise powers necessary and convenient to carry out the purposes of the Redevelopment Law, cause redevelopment plans to be prepared, approve such plans, borrow money and issue bonds, implement provisions and effectuate the purposes of such plans and finance redevelopment through the Redevelopment Law.
- D. The City of Merrill is purchasing the development area described as:
- Part of PIN 251-3107-071-0004 - pending Certified Survey Map (CSM)**

Located on the east side of: 700, 800, and 900 blocks of Johnson St., Merrill, Wisconsin

- E. The Developer proposes to construct eight single-family homes on the east side of Johnson St. within the Development Area.
- F. As an inducement to Developer to undertake the Development in TID 4 and to construct or cause to construct the Development, the City and the RDA intend to provide land for the development in two phases:

Phase 1 – Three lots via Certified Survey Map (CSM) in 2022

- Phase 2 – Five lots via formal Plat land division process in 2023

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

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

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

ARTICLE I

Section 1.01 Initial Undertaking of the City of Merrill

The City Has:

- Included the Development Area within TID #4.
- Contracted for survey work for preparation of Certified Survey Map (CSM) for 2022 development lots and formal Plat for 2023 development lots.
- Reviewed the Business Plans of the Developers.

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

Section 1.02 Initial Undertakings of the Developers

- Raised equity and financing necessary for the development.
- File site plan and permit applications with the City and/or State.
- Contracted for construction of eight single-family homes in two Phases in 2022 and 2023.
- Developer will commence construction, with occupancy planned by December 31, 2022 for the three Phase 1 homes and by December 31, 2023 for the five Phase 2 homes.
- This land development incentive is to facilitate construction of new single-family homes.

ARTICLE II INCENTIVE PAYMENTS TO DEVELOPER AND LAND REVISIONARY CLAUSE

The only City incentives will be land for \$1.00 to be transferred in two Phases in 2022 and 2023.

In the event that the developments anticipated to be constructed in either Phase One or Phase Two are not completed by April 1, 2023 for Phase One and April 1, 2024 for Phase Two the real estate developed in the respective phase shall revert to the City of Merrill. Developer agrees to sign necessary paperwork to facilitate such transfer.

ARTICLE III MISCELLANEOUS

Section 3.01 Restriction on Sale.

Prior to the earlier of January 1, 2031 or the date TID #4 is dissolved, _____, LLC, shall not sell, transfer, convey or assign the Development Area or any part thereof to any person, entity or in any manner which would render the Development Area exempt from property taxation without the prior written consent to the City. As an express condition for such consent, the City shall require purchaser to annually pay to the City an amount equal to all property taxes, which would have accrued to the Development Area if it were subject to property taxation. Any such payments shall be considered tax increment and shall be applied as set forth in above.

Section 3.02 Indemnification.

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

Section 3.03 No City Obligations.

The City shall have no obligations or liability for any obligations or responsibilities to any lending institution, architect, contractor or sub-contractor or any other party retained by Developers in the performance of its obligations and

responsibilities under the terms and conditions of this Agreement. The Developers specifically agrees that no representation, statements, assurances or guarantees will be made by Developers to any third party contrary to this provision.

Section 3.04 Default.

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

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

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

Section 3.05 Non Discrimination.

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

Section 3.06 Parties and Interest; Survival of Agreements.

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

Section 3.07 Notices.

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

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

With a copy to the City Attorney.

To the Developers: Pending Request for Proposal (RFP) process

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

Section 3.08 Amendment.

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

Section 3.09 Governing Law.

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

Section 3.10 Severability.

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

in question inoperative or unenforceable in any other case or circumstance or of rendering and provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

Section 3.11 Compliance with Law.

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

Section 3.12 City Authorization.

The execution of this Agreement was authorized by Resolution No _____ adopted on _____, 2022 by the Common Council

DRAFT

IN WITNESS WHEREOF:

The parties have executed this Agreement as of _____, 2022

CITY OF MERRILL, WISCONSIN

Steve Hass, Mayor

Approved:

Katherine G. Unertl, Finance Director

Lori Anderson-Malm, Clerk

Approved as to Form:

Thomas N. Hayden, City Attorney

STATE OF WISCONSIN)

) ss.

COUNTY OF LINCOLN)

Personally came before me this ____ day of _____, 2022, the above named Steve Hass, Mayor and Lori Anderson-Malm, Clerk, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public, State of Wisconsin

My commission _____

_____, LLC

By _____

_____, Manager

STATE OF _____)

) ss.

COUNTY OF _____)

Personally appeared before me this ____ day of _____, 2022, the above named _____, Manager, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public, State of _____

My commission _____

RESOLUTION NO. _____

DRAFT – 2022-05-22

**A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND
BETWEEN THE CITY OF MERRILL, WISCONSIN AND
_____, LLC (FOR JOHNSON ST. HOMES)**

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 4 on September 11, 2007 and the redevelopment site is within TID No. 4; and,

WHEREAS, the City of Merrill is purchasing about 2.61 acres of land from Church Mutual Insurance Company on Johnson St.; and,

WHEREAS, the City received proposals for development of eight single-family homes on Johnson St. in two Phases; and

WHEREAS, the City of Merrill finds that the proposed development and the fulfillment of the items and conditions of the attached Development Agreement are in the vital and best interest of the City of Merrill, the Merrill Redevelopment Authority and City residents and serves a public purpose in accordance with State law; and,

WHEREAS, additional residential housing units and property taxes will be generated through these developments; and,

WHEREAS, MEND Merrill, LLC has negotiated the development agreement to provide development lots for \$1.00 as an incentive; and,

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this ____ day of _____, 2022, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and _____, LLC and to facilitate the implementation thereof.

Recommended by:
Redevelopment Authority (RDA)

CITY OF MERRILL, WISCONSIN

Moved: _____

Steve J. Hass
Mayor

Passed: _____

Lori Anderson-Malm
Deputy City Clerk

Attachment: TID4 - Res & Dev Agreement Draft (8851 : TID4 - Res & Dev Agreement Draft)