



CITY OF MERRILL
REDEVELOPMENT AUTHORITY
AGENDA • WEDNESDAY MAY 5, 2021

Regular Meeting

City Hall Council Chambers

8:00 AM

To attend virtually, call 484-546-8296 and meeting PIN 965 411 357#

- I. Call to Order
- II. Consider approval of Joint RDA-Committee of Whole meeting Minutes from April 7th
 1. Joint RDA and Committee of Whole minutes from April 7th meeting
- III. Public Comment
- IV. Items for Consideration and Review
 1. Consider resolution authorizing development agreement by and between the City of Merrill, Wisconsin and Rain Auto Wash LLC (Future TID No. 14)
 2. Review of TIF Loan Program Policy adopted July 2016
- V. Update on business grant programs (Funded by Federal American Rescue Plan Act - ARPA) - both State of Wisconsin and Federal
- VI. Next RDA meetings - Tuesday, May 25th at 6:00 p.m. and proposed Wednesday, June 2nd at 8:00 a.m.
- VII. The RDA may convene in closed session per Wis. Stats. Sec. 19.85(1)(e) - deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session to consider:
 - a. Consider request from Stephen & Linda Blake to extend TIF Loan (TID No. 9)
 - b. Consider potential purchase of adjacent tax delinquent properties (TID No. 7) that had structures razed in 2016
 - c. Update on potential purchase of property and negotiation terms for cash development incentive(s) to facilitate multi-family home development (TID No. 8)
 - d. Consider approval of RDA Closed Session meeting minutes from December 2, 2020 and March 10, 2021, as well as Joint RDA-Committee of Whole from April 7, 2021
- VIII. The RDA may reconvene in open session to take action on above closed session items
- IX. Adjournment

City of Merrill
Joint meeting of Meeting of Redevelopment Authority (RDA)
and Committee of Whole

Wednesday, April 7, 2021 at 5:15 p.m.
City Hall Common Council Chambers

RDA Present: Clyde Nelson, Tony Kusserow, Derek Woellner, Steve Sabatke,
Sheila Polak, Lori Anderson-Malm, and Val Mindak

Additional Committee of Whole Present: Alderpersons Steve Hass, Rick Blake, Steve Osness,
John Van Lieshout, Mark Weix, Paul Russell (via phone), and
Mike Rick Jr. (via phone)

Others: 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,
Jim Jaworski from JJ Premier Investments, Bill Bialecki from Lincoln
County Economic Development Corp. (LEDC), City IT Manager
Dustin Brown, and Merrill Productions camera operator

Call to Order: Mayor Woellner called the meeting to order at 5:15 p.m. and then turned over to
RDA Chair Nelson.

Consider approval of RDA meeting minutes from March 10th, 2021:

Consensus to approve the meeting minutes from March 10th, 2021. Carried.

Public Comment: None

Update on new residential developments (2009 through March 2021):

Unertl and Johnson highlighted the single-family and multi-family building permit information. There were nine single-family permits issued in 2020. Except for 2015 when five houses were constructed, the typical number has been one or two annually for the past decade.

The three homes constructed on W. St. Paul St. are now occupied and two additional homes are under construction by Denyon Homes-Ott Development. There is also a buyer for future home to be built along the Superior Street extension. Another house permit has been issued for Rio Grande Ave. JJ Premier is requesting additional lots for new home construction along the future Parkview Dr.

Attachment: 2021-04-07 RDA-COW Minutes (5884 : Joint RDA & COW minutes from April 7th meeting)

Update on new residential developments (2009 through March 2021) - Continued:

Sabatke asked about rising cost of building materials. From developer perspective, Jim Jaworski indicated that rising costs are a concern; however, his firm is pre-buying and in bulk quantities.

Jaworski emphasized that JJ Premier's objective is to maintain pricing in \$189,000 to \$209,000 range. Nelson commented that some of the increased new home expenses are partially offset by lower interest rates. Mindak also highlighted the challenges due to the lack of available housing and appraisal pricing information.

Update on TID No. 11 – Superior St. Extension-W. St. Paul St. infrastructure improvements:

A total of six bids were received. Three construction bids under \$300,000 for paving of W. St. Paul St. and utility and street extension of Superior Street. Low bid was from Merrill Gravel & Construction Co. at \$279,356.55 which is about \$100,000 lower than the TID No. 11 adopted 2021 budget. The bid award will be considered at the April 13th Common Council meeting.

Review of Rock Ridge Park Plat and request from JJ Premier LLC for five additional lots for 2021 new single-family construction:

RDA Commissioners reviewed the Preliminary Plat which includes ten lots with new Parkview Street connecting from Edgewater Dr. to Rock Ridge Ct. JJ Premier is requesting five (instead of four) of these lots single-family home construction during 2021. Jaworski reported that Wisconsin Public Service would like to install electrical and natural gas when Parkview Dr. is improved.

Consider potential 2021 TID No. 11 budget amendment request to facilitate utility and street infrastructure construction of Parkview Drive through Rock Ridge Park Plat:

City Engineer preliminary construction estimate is \$225,000 (including streetlighting). Without construction of Parkview Dr., it isn't possible to access/develop the five new single-family homes proposed by JJ Premier. With the savings on W. St. Paul St. and Superior St., a TID No. 11 budget amendment of \$125,000 is being requested.

Kusserow asked about the new housing window of opportunity future. From her financing experience, Mindak emphasized that there are lots of moving parts. There is considerable borrowing interest in new home construction, as well as refinancing existing mortgages. Interest rates are likely to remain low. There are dynamic economic trends for working from home and people relocating to different areas. Woellner noted that the additional street construction costs would be paid back in about ten years with the tax increment generated by proposed new single-family homes.

Motion (Mindak/Polak) to recommend a \$125,000 TID No. 11 budget amendment to facilitate construction of Parkview Dr. Carried.

Consider a resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and JJ Premier LLC – Phase 2 (TID No. 11):

Motion (Kusserow/Sabatke) to recommend the development agreement by and between the City of Merrill, Wisconsin and JJ Premier LLC – Phase 2 (TID No. 11). Carried.

Next RDA meetings: Regular RDA meeting on Wednesday, May 5th at 8:00 a.m. and then on Tuesday, May 25th at 6:00 p.m. for public hearing on proposed TID No. 14 creation.

Closed Session: Chair Nelson the following: The RDA may convene in closed session per Wis. Stats. Sec. 19.85(1)(e) – deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session to consider:

- a. Consider potential negotiation terms for cash development incentive(s) to facilitate redevelopment along E. Main St. (Parcel within existing TID No. 3) and would be included in proposed new TID No. 14 Overlay District
- b. Update on potential purchase of property in TID No. 8 to facilitate new residential developments
- c. Consider negotiation terms for cash development incentive(s) to facilitate multi-family home development in TID No. 8
- d. Update on additional single-family and duplex housing opportunities in TID No.8 and consider negotiation terms for cash development incentive(s)

Motion (Sabatke/Mindak) to move into Closed Session at 5:55 p.m. Carried 7-0 on roll call vote.

Closed Session Summary:

There was extensive discussion on proposed E. Main St. redevelopment project on a parcel located within TID No. 3 (which will be within proposed TID No. 14 Overlay District). Negotiation terms for cash development incentive will be included in the development agreement that will be considered at the May 25th RDA meeting.

Johnson and Hayden provided update on potential land purchase to facilitate new housing construction in TID No. 8 (West Side Area). Negotiations continue. Additional potential properties will be reviewed.

Maximum potential negotiation terms for cash development incentive for multi-family housing proposal were discussed and City staff will relay to the developer.

Johnson reported that there is developer interest in construction of both single-family homes and rental duplexes. However, nothing is possible without available land.

Adjournment: (Mindak/Kusserow) to adjourn at 7:25 p.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

City of Merrill – TIF Development Incentive Overview

TID No. 14 – New Overlay (East Side)

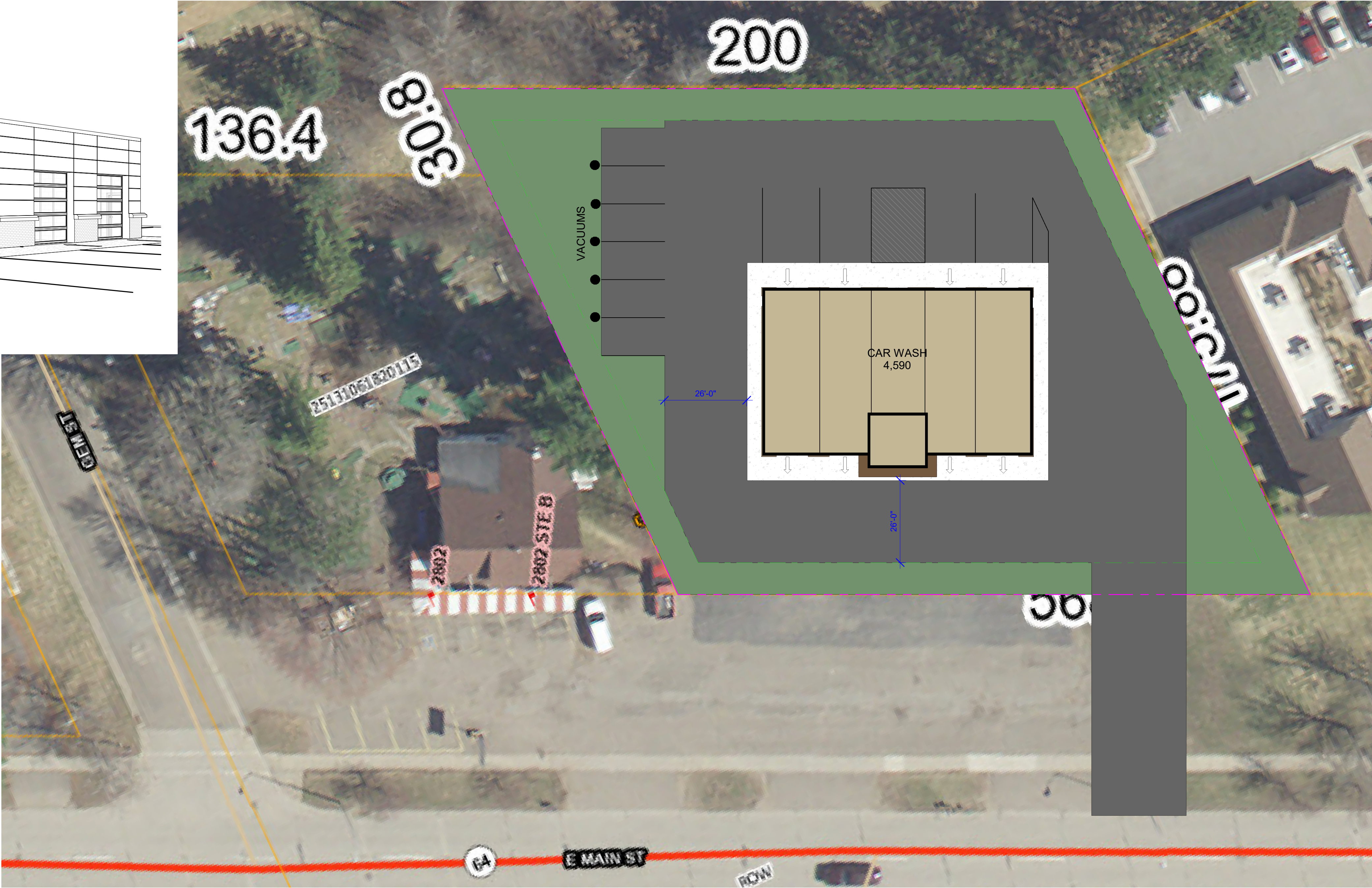
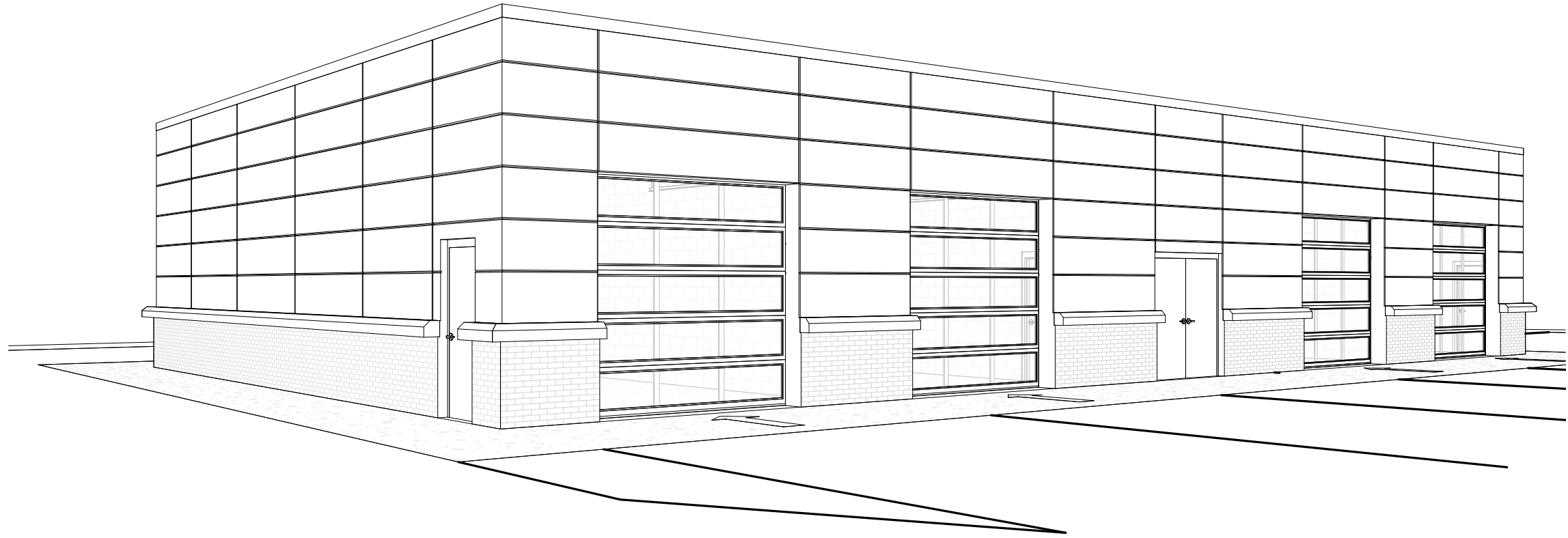
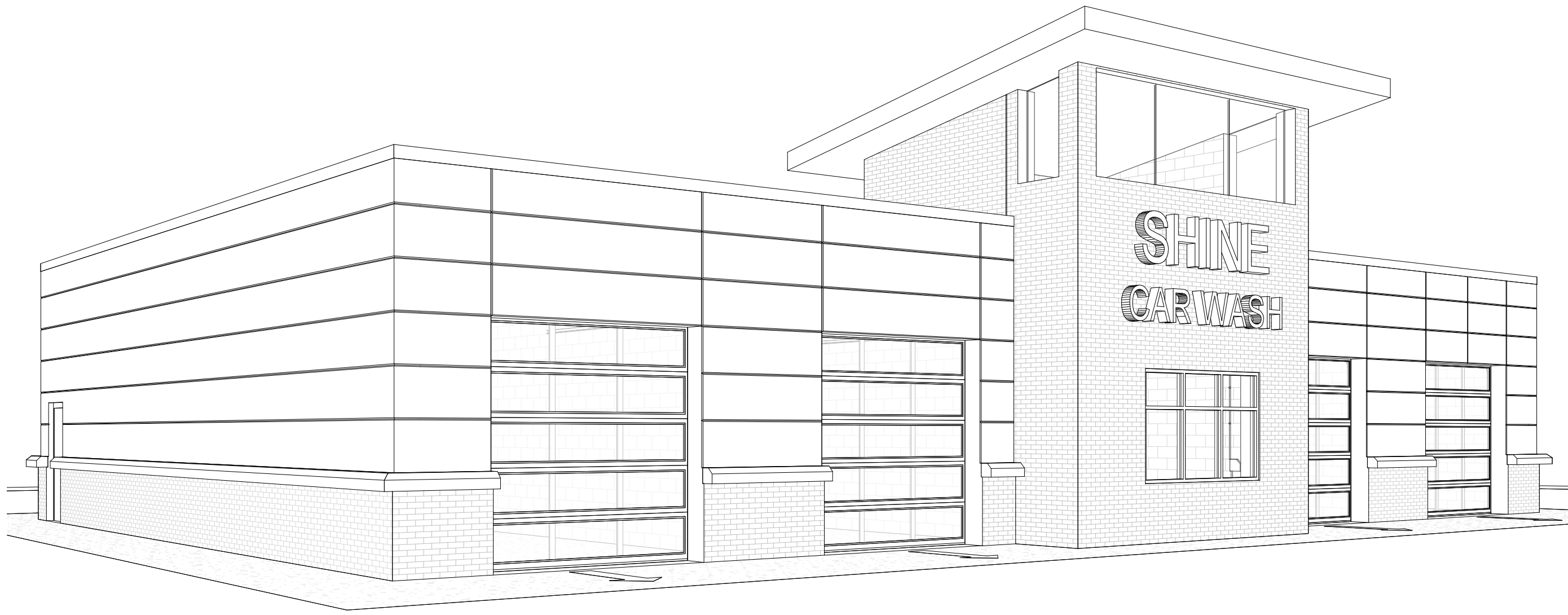
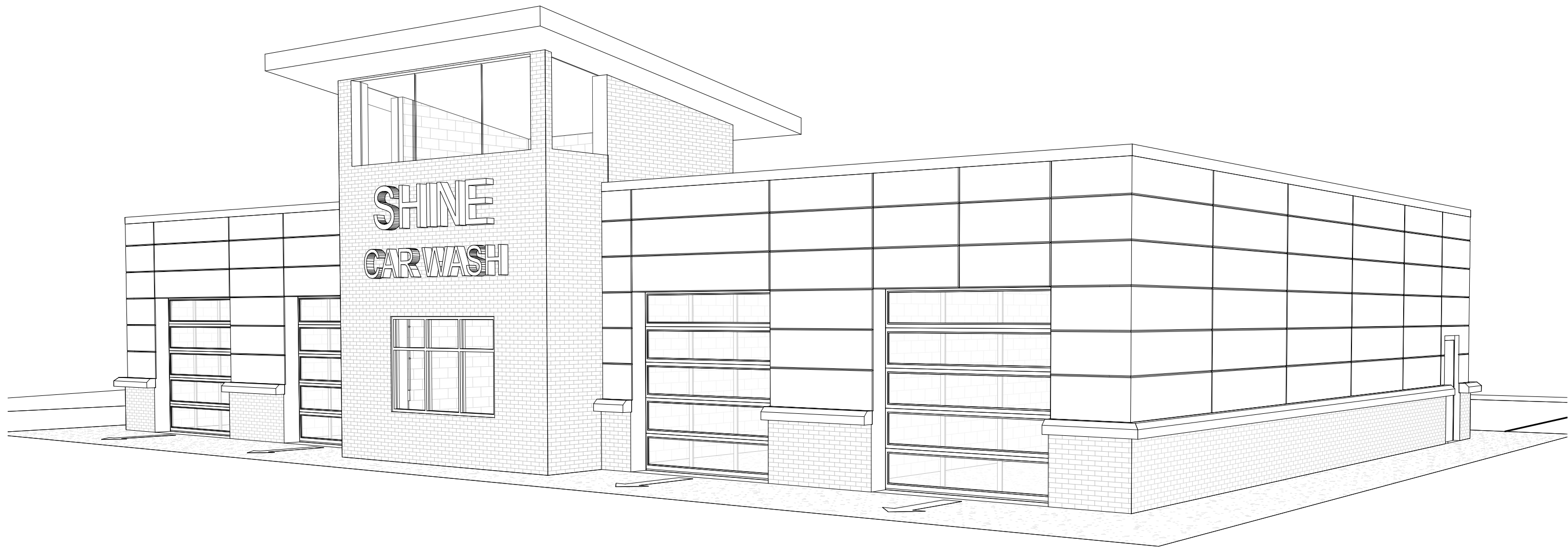
Property Owner:	Rain Auto Wash LLC (Mike VanDerGeest from Premier Companies) is purchasing from Gail Mattson
Location:	2806 - 2808 E. Main St.
Development:	Demolition of existing block real estate building and construction of new cash wash/showroom. Removal and replacement of paved surfaces. See following site plan and elevations.
Investment:	Developer estimating about \$1.5 million investment, including: \$190,000 for property purchase \$ 50,000 for demolition of existing building \$ 35,000 for new 3-phase electrical power \$850,000 for new building construction, including engineering/architectural services, permits, and new paved surfaces \$350,000 for car wash equipment Petroleum Environment Contamination: Preliminary testing & proposed vapor barrier capping - \$50,000
Infrastructure:	Just Water and Sanitary Sewer service lines

TID Development Incentive:

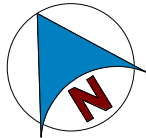
Total of \$130,000 with the following payment structure:

Upon completion \$50,000 and then \$40,000 for each of the next two years

Tax Increment projection of over \$550,000 if TID lifespan is 27 years



1 SITE PLAN
A-0.1 1" = 20'-0"



RESOLUTION NO. ____

For Council action, after creation of TID No. 14 (Overlay)

**A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND
BETWEEN THE CITY OF MERRILL, WISCONSIN AND
RAIN AUTO WASH LLC**

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No.14 on June 8, 2021 and the redevelopment site is within TID No. 14; and,

WHEREAS, Rain Auto Wash LLC has proposed acquisition of the former real estate office site at 2806 – 2808 East Main Street; demolition of existing building; and construction of new car wash and showroom; and,

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

WHEREAS, additional property tax will be generated from this redevelopment project; and,

WHEREAS, Rain Auto Wash LLC has negotiated the development agreement to provide an incentive payment not to exceed \$130,000 to facilitate the commercial redevelopment project.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 8th day of June, 2021, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and Rain Auto Wash LLC and to facilitate the implementation thereof.

Recommended by:
Redevelopment Authority (RDA)

CITY OF MERRILL, WISCONSIN

Moved: _____

Derek R. Woellner
Mayor

Passed: _____

William N. Heideman
City Clerk

Attachment: /*TID14 - Rain Car Wash (5885 : Consider Resolution between City of Merrill & Rain Auto Wash LLC)

City of Merrill - Tax Increment District (TID) No. 14 Overlay								
Projected Tax Increment (if open for 27-years)								
New Car Wash and Showroom								
Real Estate		Valuations						
		<u>1/1/2020</u>						
	Land	\$52,400						
	Improved	\$56,100						
	Total	\$108,500						
		Projected						
		<u>Valuation</u>						
	Land	\$58,500				Projected RE Tax Increment \$515,000		
	Improved	\$565,000						
	New Total	\$623,500						
Projected Tax Increment:				Personal				
Const.	Value	Revenue	Real Estate	Property	Total Tax	Tax		Total New
Year	Year	Year	Increment	Increment	Increment	Rate		Increment
2021	2022	2023	\$515,000	\$315,000	\$830,000	\$30.00		\$24,900
	2023	2024	\$515,000	\$291,375	\$806,375	\$30.00		\$24,191
	2024	2025	\$515,000	\$269,522	\$784,522	\$30.00		\$23,536
	2025	2026	\$515,000	\$249,308	\$764,308	\$30.00		\$22,929
	2026	2027	\$515,000	\$230,610	\$745,610	\$30.00		\$22,368
	2027	2028	\$515,000	\$213,314	\$728,314	\$30.00		\$21,849
	2028	2029	\$515,000	\$197,315	\$712,315	\$30.00		\$21,369
	2029	2030	\$515,000	\$182,517	\$697,517	\$30.00		\$20,926
	2030	2031	\$515,000	\$275,000	\$790,000	\$30.00		\$23,700
	2031	2032	\$515,000	\$254,375	\$769,375	\$30.00		\$23,081
	2032	2033	\$515,000	\$235,297	\$750,297	\$30.00		\$22,509
	2033	2034	\$515,000	\$217,650	\$732,650	\$30.00		\$21,979
	2034	2035	\$515,000	\$201,326	\$716,326	\$30.00		\$21,490
	2035	2036	\$515,000	\$186,226	\$701,226	\$30.00		\$21,037
	2036	2037	\$515,000	\$275,000	\$790,000	\$30.00		\$23,700
	2037	2038	\$515,000	\$254,375	\$769,375	\$30.00		\$23,081
	2038	2039	\$515,000	\$235,297	\$750,297	\$30.00		\$22,509
	2039	2040	\$515,000	\$217,650	\$732,650	\$30.00		\$21,979
	2040	2041	\$515,000	\$201,326	\$716,326	\$30.00		\$21,490
	2041	2042	\$515,000	\$186,226	\$701,226	\$30.00		\$21,037
	2042	2043	\$515,000	\$172,259	\$687,259	\$30.00		\$20,618
	2043	2044	\$515,000	\$275,000	\$790,000	\$30.00		\$23,700
	2044	2045	\$515,000	\$254,375	\$769,375	\$30.00		\$23,081
	2045	2046	\$515,000	\$235,297	\$750,297	\$30.00		\$22,509
	2046	2047	\$515,000	\$217,650	\$732,650	\$30.00		\$21,979
			Projected Tax Increment					\$561,549
								Total

Attachment: /*TID14 - Rain Car Wash (5885 : Consider Resolution between City of Merrill & Rain Auto Wash LLC)

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE
CITY OF MERRILL, WISCONSIN
AND RAIN AUTO WASH, LLC**

THE DEVELOPMENT AGREEMENT (the “Agreement”) is entered into as of _____, 2021 by and between the City of Merrill, Wisconsin, (the “City”) a political subdivision of the State of Wisconsin and Rain Auto Wash, LLC a Wisconsin Limited Liability Company, (the “Developer”).

RECITALS

- A. The City desires to encourage economic development, the development of underutilized land, expand its tax base and create new jobs within the City.
- B. Wis. Stat. §66.1105 (the “Tax Increment Law”) provides the authority and establishes procedures by which the City may exercise powers necessary and convenient to carry out the purposes of the Tax Increment Law, cause project plans to be prepared, approve such plans, implement provisions and effectuate the purposes of such plans and finance such development through the use of tax incremental financing.
- C. Wis. Stat. §66.1333 (the “Redevelopment Law”) provides the authority and establishes the procedures by which the City acting through and by the Redevelopment Authority of the City of Merrill (the “RDA”) may exercise powers necessary and convenient to carry out the purposes of the Redevelopment Law, cause redevelopment plans to be prepared, approve such plans, borrow money and issue bonds, implement provisions and effectuate the purposes of such plans and finance redevelopment through the Redevelopment Law.
- D. Rain Auto Wash, LLC is purchasing a development area described as:
- Prt of SW ¼ SE ¼ Cm at Intrs of W Ln Sd ¼ ¼ & N Row Ln Hwy 64 E Alg Sd Row
165’ to Pob E 200’ N 160’ W 200’ S 160’ to Pob
- Located at: 2806-2808 E. Main Street, Merrill, Wisconsin
- E. The Developer proposes to construct a new car wash and showroom, located within the Development Area.
- F. As an inducement to Developer to undertake the Development in TID 14 and to construct or cause to construct the Development, the City and the RDA intend to provide

an incentive to Developer by making an incentive payment to the Developer for project costs incurred to construct the new car wash and showroom within TID 14.

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 will:

- a. Include the Development Area within TID #14.
- b. Has reviewed the Business Plans of the Developers

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

Section 1.02 Initial Undertakings of the Developers

- a. Raised equity and financing necessary for the development.
- b. File site plan and permit applications with the City and/or State.
- c. Contracted for construction of a new car wash and showroom.
- d. Developer will commence construction of a new building, with occupancy planned by December 31, 2021.
- e. This development incentive is to facilitate the construction of a new car wash and showroom.

ARTICLE II INCENTIVE PAYMENTS TO DEVELOPER

The City shall pay a pay-as-you-go development incentive to the Developer in the aggregate amount of One Hundred Thirty Thousand Dollars (\$130,000). This incentive shall be paid to Rain Auto Wash, LLC per the following schedule:

<u>PAYMENT TIME FRAME</u>	<u>DEVELOPMENT INCENTIVES</u>
Within 30 days upon occupancy of the building	\$50,000
Annually by September 1 st for two (2) years following completion:	
2021	\$40,000
2022	\$40,000

ARTICLE III MISCELLANEOUS

Section 3.01 Restriction on Sale.

Prior to the earlier of January 1, 2046 or the date TID #14 is dissolved, Rain Auto Wash, 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.

Rain Auto Wash, 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 Party by bringing an action for specific performance. If after the specified time period for cure proceedings are initiated to cure an alleged default, the prevailing party in such proceedings shall be entitled to reimbursement from the other party for its reasonable attorney’s fees and associated costs incurred in such proceedings.

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

Section 3.05 Non Discrimination.

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

Section 3.06 Parties and Interest; Survival of Agreements.

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

Section 3.07 Notices.

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

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

With a copy to the City Attorney.

To the Developers: Rain Auto Wash, LLC
 Att: Mike VanDerGeest
 N1308 Wisconsin River Rd.
 Merrill, WI 54452

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 June 8, 2021 by the Common Council

IN WITNESS WHEREOF:

The parties have executed this Agreement as of _____, 2021

CITY OF MERRILL, WISCONSIN

Derek Woellner, Mayor

Approved:

Katherine G. Unertl, Finance Director

William N. Heideman, Clerk

Approved as to Form:

Thomas N. Hayden, City Attorney

STATE OF WISCONSIN)

) ss.

COUNTY OF LINCOLN)

Personally came before me this ____ day of _____, 2021, the above named Derek Woellner, Mayor and William N. Heideman, Clerk, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public, State of Wisconsin
My commission _____

RAIN AUTO WASH LLC

By _____
Mike VanDerGeest, Owner

STATE OF WISCONSIN)

) ss.

COUNTY OF _____)

Personally appeared before me this ____ day of _____, 2021, the above named Mike VanDerGeest, Owner, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public, State of Wisconsin
My commission _____

City of Merrill, Wisconsin

TIF Loan Program

Adopted July 12th, 2016 - Common Council

Loan Program Objective: To promote redevelopment within the City of Merrill through demolition of blighted and environmentally contaminated commercial and industrial buildings.

Purpose: To establish a Tax Incremental Financing (TIF) funded loan program to improve the marketability of properties with vacant buildings to facilitate redevelopment of sites served with existing public infrastructure.

Program: The TIF loan program is a low interest, short term loan to property owners who apply for funding for eligible TIF activities and purposes.

Eligible Properties: Eligible properties include vacant commercial and industrial properties that City staff would **not** recommend use of TIF development incentives to rehabilitate existing buildings. All property taxes must be current as to payment status. Property owners must be actively marketing the property for sale.

Eligible Activities: Loan funds could be used for:

- 1) Assessment and remediation of environmentally contaminated sites; and
- 2) Demolition of buildings and property clean-up.

Loan Administration and Terms: Loans shall be approved by the Redevelopment Authority and Common Council. Program will be administered by the Finance Director/RDA Secretary.

Loans shall be offered at 2% interest*. Repayment would be deferred for two (2) years from date of first disbursement of loan funds will all remaining principal and interest due and payable at the end of year five (5).

Unless there is another redevelopment TIF development agreement, the City's TIF loan is to be paid at closing with proceeds from the land sale and any additional owner monies as necessary when the property is sold.

Collateral shall consist of a mortgage on subject property. These terms shall be set forth in a TIF development agreement which shall include a provision whereby the City may purchase the vacant property as the assessed fair market land value if not sold or redeveloped by the property owner within five (5) years.

*With fifteen (15) year amortization schedule. After five years, there would be balloon payment due.