



CITY OF MERRILL

REDEVELOPMENT AUTHORITY

AGENDA • WEDNESDAY DECEMBER 2, 2020

Regular Meeting

City Hall Council Chambers

8:00 AM

To attend virtually, call 502-465-6613 and meeting PIN 953 831 851 #

- I. Call to Order
- II. Consider approval of previous meeting minute(s):
 1. RDA Minutes October 7th Meeting
- III. Public Comment
- IV. Agenda Items for Consideration:
 1. Consider resolution authorizing a Development Agreement by and between the City of Merrill, Wisconsin and Weinbrenner Shoe Company Inc. - Tax Increment District (TID) No. 8 - West Side Area
 2. Update on Tax Increment District (TID) No. 11 single family home developments
- V. Next RDA meeting(s) - Potential for 6:00 p.m. public hearing on Tax Increment District No. 4 Share Plan and other TID Plan Amendments the week of January 18th
- VI. The RDA may convene in closed session per Wis. Stats. Sec. 19.85(1)(e) – deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session to consider:
 1. Consider approval of closed session RDA meeting minutes from June 17th
 2. Review and consideration of Development Incentive Job terms for FreMarq Innovations - Tax Increment District (TID) No. 7 - 1101 N. Mill St.
- VII. Open Session(s):
 1. The RDA may reconvene in open session to take action regarding the TID No. 7 Development Agreement with FreMarq Innovations
- VIII. Adjournment

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, October 7th, 2020 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Derek Woellner, Steve Sabatke, Sheila Polak, Lori Anderson-Malm, and Clyde Nelson (via phone)

RDA Excused: Val Mindak and Tony Kusserow

Others: Alderperson Mark Weix, City Clerk Bill Heideman, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl (via phone), Public Works Director/City Engineer Rod Akey, Bill Bialecki from Lincoln County Economic Development Corp. (LCEDC), Max Zelich from U Build, LLC, and Merrill Productions video operator

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

Consider approval of RDA meeting minutes from September 2nd, 2020:

Motion (Anderson-Malm/Sabatke) to approve the meeting minutes from September 2nd.
Carried.

Consider approval of Joint RDA-Committee of Whole meeting minutes from September 23rd, 2020:

Motion (Anderson-Malm/Nelson) to approve the meeting minutes from September 23rd.
Carried.

Public Comment: None

Review redevelopment project status and consider TID payment request from Max Zelich (2213 E. Main St. - TID No. 3):

Sabatke commented that he might have provided some misinformation to Zelich regarding timing of TID payment. There are outstanding exterior maintenance orders for hard surface parking. Zelich emphasized that he feels that the redevelopment is complete. In addition, he is constructing a machine/metal shop building which wasn't on the October 2018 improvement list.

Polak asked if the 2018 development agreement had been signed. Zelich responded that he never signed because the amount was only \$4,500 instead of the \$12,500 he requested. Johnson and Unertl noted that many items on Zelich's list were deferred maintenance. Unertl commented that the assessed valuation for concrete approach and parking lot would likely generate minimal increase. Unertl noted that no site plan was provided in 2018.

Review redevelopment project status and consider TID payment request from Max Zelich (2213 E. Main St. - TID No. 3) - Continued:

There is potential pending extension timeframe for the hard surface parking at the Board of Public Works. Hayden emphasized the potential daily fines for failing to complete the hard surfacing. Zelich advised that he would complete by July 31st, 2021.

(Motion Woellner/Sabatke) to approve release of the \$4,500 TID No. 3 cash development incentive upon obtaining signed revised development agreement and W-9 IRS tax form. . Motion carried.

Follow-up information to Joint Meeting discussion on potential single-family development on Lot 3 (Edgewater Dr. - Tax Increment District No. 11):

Unertl, Johnson, and Akey updated RDA Commissioners on questions asked at the Joint RDA – Committee of Whole meeting.

- Cost of the survey mapping is \$1,500 to \$2,000.
- The River Bend Trail will run along the future City street extending between Edgewater Dr. and Rock Ridge Ct.
- A copy of the Certified Survey Map (CSM) showing the three lots on Edgewater Dr. was included in the agenda packet.
- Public Works Director/City Engineer Akey estimated that future utility and new street infrastructure would cost \$180,000 to \$200,000.

Consider a resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and JJ Premier LLC (Tax Increment District No. 11 – State Highway 107):

Three single-family homes would be construction on Edgewater Dr. CSM lots as Phase 1. There is right-of-first refusal for JJ Premier for potential future development phases.

Motion (Polak/Woeller) to recommend the resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and JJ Premier LLC. Carried.

Consider a resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and RC-N-DI-Investments LLC (Tax Increment District No. 6 – Downtown Area):

There was discussion on past uses of the vacant building. Randy Wixson's Conditional Use Permit (CUP) request to the City Plan Commission was included in the RDA agenda packet along with proposed site plan. Wixson's plan includes rehabilitation and expansion of the existing building and construction of two new storage unit buildings. The existing building could be either used for commercial businesses or additional storage units.

Consider a resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and RC-N-DI-Investments LLC (Tax Increment District No. 6 – Downtown Area) - Continued:

Unertl reported that the Lighthouse Storage development on the Wisconsin River island was a previous Randy Wixson development. There was total of \$25,000 TID No. 8 cash development incentive for rehabilitation of vacant building and construction of two new storage unit buildings. A third storage unit building was also constructed. The total increase in assessed valuation since 2012 is over \$300,000 which is generating almost \$10,000 in tax increment.

Polak and Anderson-Malm supported the proposed redevelopment project which will include removal and replacement of the existing eyesore paved surface. In response to Sabatke question about proposed \$10,000 cash development incentive, Unertl advised that the City of Merrill had provided \$10,000 for both Studio 808 and Cup-n-Cone redevelopments.

For the Central City Lighthouse proposed development, Unertl recommended structuring the \$10,000 total TID No. 6 cash development incentive as follows: \$5,000 for rehabilitation of existing building and \$2,500 for each of the proposed new storage unit buildings.

Motion (Woeller/Nelson) to recommend the resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and RC-N-DI-Investments LLC.
Carried.

Review Project Plan for the Project Plan Amendment of Tax Increment No. 3 in Order to Share Increment with Tax Incremental Districts No. 6, 7, & 8:

The September 2nd, 2015 plan was included in the agenda packet. All current RDA Commissioners have been appointed after this TID share plan was adopted

A comparable TID No. 4 share plan will be developed to allow for transfers to Tax Increment District No. 9. Unertl anticipates that this new plan will be ready for consideration in early 2021.

Review and consider Finance Director's recommendations for Tax Increment Transfers in 2020 and 2021:

Unertl reported that any tax increment transfers occur in March (for the prior year) in conjunction with the annual City audit and in consultation with the City auditors from CLA.

From Brian Reilly's September 23rd presentation to the Joint RDA-Committee of Whole meeting, tax increment transfer from TID No. 3 to TID No. 8 should be the priority due to the TID No. 8 annual cash flow and begin to repay the City General Fund Advance.

Once there is an adopted TID No. 4 share plan, \$200,000 to \$250,000 should be available to transfer to TID No. 9 and repay the City General Fund Advance.

Review and consider 2021 Tax Increment Districts (TIDs) Budget Requests:

Unertl highlighted each of the proposed 2021 TID budget requests. In response to Sabatke question, Unertl reported that there is \$735,000 in TID cash development incentive payments. This includes the third \$100,000 for Phase 2 of Rock Ridge Apartments; potential \$100,000 for S.C. Swiderski apartments; and potential \$300,000 for proposed Weinbrenner Shoe Company rehabilitation of former Hurd Windows & Doors buildings. New borrowing is proposed for these three larger development incentive amounts.

TID No. 3 – Expenditure period for new items has expired. Just payment of cash development incentives; payment of Principal and Interest; and limited administration expense,

TID No. 8 – The Weinbrenner Shoe Company purchase and building improvements is moved up. Since there is Special Common Council meeting on Thursday, October 9th, a development agreement resolution and draft development agreement will go directly to that meeting. RDA Commissions previously recommended \$300,000 for the estimated \$3 million in building improvements to facilitate expansion of Weinbrenner manufacturing operations. Unertl recommended structuring the TID No. 8 cash development incentive as follows: \$150,000 upon completion of the roof replacement and then additional \$150,000 upon manufacturing operations in the former Hurd buildings.

The only TID capital investments proposed for 2021 include: TID No. 7 potential extension of water and sanitary sewer to the northern FreMarq Innovations building; TID No.8 for River Bend Trail west extension paving (which is paying a City of Merrill fiscal obligation to the River Bend Foundation for former Anson-Gilkey property acquisition); and TID No.11 for curb, gutter, paving, and streetlighting for W. St. Paul St. and potential utility and street infrastructure extension of Superior St.

The payment of the existing Series 2016C Note Anticipation Note (NAN) will include tax increment cash payment for TID No. 7 (N. Center Ave.) and refinancing for TID No. 10 (former FoxPoint) and TID No. 11 (Rock Ridge Apartments).

Next RDA meetings: Next RDA meeting scheduled for Wednesday, December 2nd at 8:00 a.m.

Adjournment: (Polak/Sabatke) to adjourn at 9:25 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

City of Merrill – TIF Development Incentive Overview

TID No. 8 (West Side Area)

Property Owner:	Weinbrenner Shoe Company, Inc. will be purchasing two existing buildings and the development site from Merrill Area Development Corp. (MADC).
Location:	211 S. Genesee St. (about 18 acre site with two vacant manufacturing buildings)
Development:	Rehab of existing 120,000 sq. ft. building, including roof improvements and electrical and building mechanical system improvements to facilitate manufacturing operations.
Investment:	In addition to site acquisition, developer estimating up to \$3,000,000 in building improvements.
Job Creation:	Potential for twenty (20) new manufacturing jobs.
Infrastructure:	None

TID Development Incentive:

City staff recommendation:

Total of \$300,000 with the following payment schedule:

- | | |
|---|-----------|
| • Upon completion of roof improvement | \$150,000 |
| • Upon implementation of manufacturing operations | \$150,000 |

TID Lifespan Tax Increment:

Spreadsheet provided – projected at almost \$670,000 and likely to be higher than conservative estimates.

See also historical real estate valuations for the entire about 28 acre former Hurd Windows & Doors property.

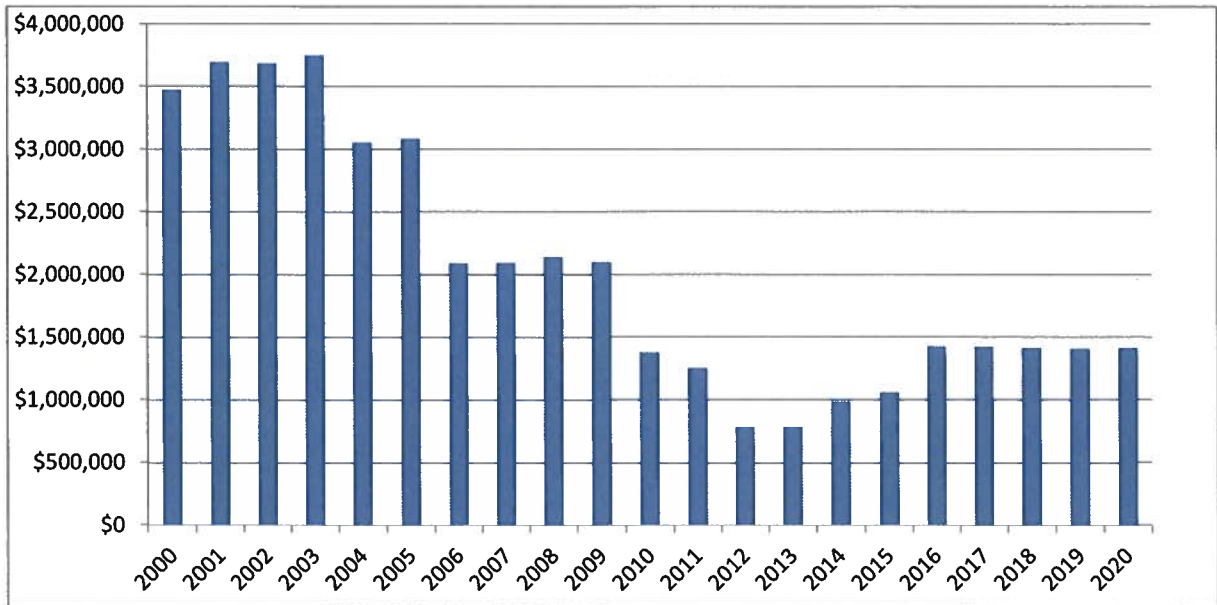
City of Merrill - Tax Increment District (TID) No. 8 (West Side)					
Projected Tax Increment for Existing Building Rehabilitation & Expanded Manufacturing Operations					
Weinbrenner Shoe Company, Inc.,					
PIN 251-3106-142-0103			211 S. Genesee St. (Former Hurd)		
Real Estate		Valuations			
		1/1/2020	City of Merrill Assessor		
	Land	\$101,400			
	Improved	\$761,500			
	Total	\$862,900			
		Projected	As of 1/1/2022, would be Wisconsin Department		
		Valuation	of Revenue - Manufacturing Assessment		
	Land	\$101,400			
	Rehab - 2021	\$2,000,000	Upon planned improvements to existing building		
	Projected	\$2,101,400			
		\$1,238,500 Projected Tax Increment			
Projected Tax Increment:					
Const.	Value	Revenue	Assessment	Tax	Tax
Year	Year	Year	Increase	Rate	Increment
2021	2022	2023	\$1,238,500	\$30.00	\$37,155
	2023	2024	\$1,238,500	\$30.00	\$37,155
	2024	2025	\$1,238,500	\$30.00	\$37,155
	2025	2026	\$1,238,500	\$30.00	\$37,155
	2026	2027	\$1,238,500	\$30.00	\$37,155
	2027	2028	\$1,238,500	\$30.00	\$37,155
	2028	2029	\$1,238,500	\$30.00	\$37,155
	2029	2030	\$1,238,500	\$30.00	\$37,155
	2030	2031	\$1,238,500	\$30.00	\$37,155
	2031	2032	\$1,238,500	\$30.00	\$37,155
	2032	2033	\$1,238,500	\$30.00	\$37,155
	2033	2034	\$1,238,500	\$30.00	\$37,155
	2034	2035	\$1,238,500	\$30.00	\$37,155
	2035	2036	\$1,238,500	\$30.00	\$37,155
	2036	2037	\$1,238,500	\$30.00	\$37,155
	2037	2038	\$1,238,500	\$30.00	\$37,155
	2038	2039	\$1,238,500	\$30.00	\$37,155
	2039	2040	\$1,238,500	\$30.00	\$37,155
			Projected Tax Increment		\$668,790

City of Merrill

Former Hurd Windows & Doors property - about 28 acres

Real Estate Assessed Valuations - 2000 to 2020

201 S. Prospect St., 201 Stange St., 205 Stange St., & 211 S. Genesee St.



	Land	Improvements	Total	Change
2000	\$131,200	\$3,343,500	\$3,474,700	
2001	\$123,600	\$3,568,200	\$3,691,800	\$217,100
2002	\$123,600	\$3,558,100	\$3,681,700	(\$10,100)
2003	\$123,600	\$3,626,600	\$3,750,200 Highest	\$68,500
2004	\$140,200	\$2,911,200	\$3,051,400	(\$698,800)
2005	\$141,600	\$2,939,600	\$3,081,200	\$29,800
2006	\$139,100	\$1,948,400	\$2,087,500	(\$993,700)
2007	\$139,200	\$1,949,900	\$2,089,100	\$1,600
2008	\$142,300	\$1,993,200	\$2,135,500	\$46,400
2009	\$147,000	\$1,951,500	\$2,098,500	(\$37,000)
2010	\$147,900	\$1,227,700	\$1,375,600	(\$722,900)
2011	\$147,900	\$1,105,300	\$1,253,200 TID 8	(\$122,400)
2012	\$146,500	\$640,300	\$786,800	(\$466,400)
2013	\$146,500	\$640,300	\$786,800	\$0
2014	\$146,800	\$844,200	\$991,000	\$204,200
2015	\$150,000	\$907,500	\$1,057,500	\$66,500
2016	\$151,300	\$1,272,600	\$1,423,900	\$366,400
2017	\$189,200	\$1,234,600	\$1,423,800	(\$100)
2018	\$188,500	\$1,224,800	\$1,413,300	(\$10,500)
2019	\$187,800	\$1,217,200	\$1,405,000	(\$8,300)
2020	\$187,800	\$1,221,800	\$1,409,600	\$4,600

Property included in TID No. 8 which was created 9/27/2011

RESOLUTION NO. ____

**A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND
BETWEEN THE CITY OF MERRILL, WISCONSIN AND
WEINBRENNER SHOE COMPANY, INC.**

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 8 on September 27, 2011 and the development site is within TID No. 8; and,

WHEREAS, Weinbrenner Shoe Company, Inc., has proposed rehabilitation of an existing vacant manufacturing building and expansion of boot manufacturing operations; and

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

WHEREAS, additional property tax will be generated and new jobs created from this development project; and,

WHEREAS, Weinbrenner Shoe Company, Inc. has negotiated the development agreement to provide for an incentive payment not to exceed \$300,000 for the manufacturing redevelopment project.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 8th day of December, 2020, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and Weinbrenner Shoe Company, Inc. and to facilitate the implementation thereof.

Recommended by:
Redevelopment Authority (RDA)

CITY OF MERRILL, WISCONSIN

Moved: _____

Derek Woellner
Mayor

Passed: _____

William N. Heideman
City Clerk

Attachment: TID8 Weinbrenner Shoe (5479 : TID No. 8 Weinbrenner Shoe)

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE
CITY OF MERRILL, WISCONSIN
AND WEINBRENNER SHOE COMPANY, INC.**

THE DEVELOPMENT AGREEMENT (the “Agreement”) is entered into as of _____, 2020 by and between the City of Merrill, Wisconsin, (the “City”) a political subdivision of the State of Wisconsin and Weinbrenner Shoe Company, Inc., (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. Weinbrenner Shoe Company, Inc. is purchasing a development area described as:
- LT 1 CSM 2536, V14, P225, D0517412
- Located at: 211 S Genesee St.
- E. The Developer proposes to facilitate rehabilitation of vacant manufacturing building and expansion of boot manufacturing operations located within the Development Area.
- F. As an inducement to Developer to undertake the Development in TID 8 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 retrofit and upgrade the manufacturing building within TID 8.

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

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

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

ARTICLE I

Section 1.01 Initial Undertaking of the City of Merrill

The City Has:

- a. Included the Development Area within TID #8.
- b. Reviewed the Business Plans of the Developers to ensure it is in the best interest of the City of Merrill and its citizens.

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 renovation and repair of the existing manufacturing building.
- d. Upon acquisition, the developer will commence the repairs and upgrades of the manufacturing building, with occupancy planned by October 1, 2021.
- e. This development incentive is to facilitate the manufacturing expansion plans of Weinbrenner Shoe Company, Inc.

ARTICLE II INCENTIVE PAYMENTS TO DEVELOPER

The City shall pay a development incentive to the Developer in the aggregate amount of Three Hundred Thousand Dollars (\$300,000). This incentive shall be paid to Weinbrenner Shoe Company, Inc. per the following schedule:

PAYMENT TIME FRAMEDEVELOPMENT INCENTIVES

Within 30 days after completion of roof improvement	\$150,000
Within 30 days after manufacturing operations are implemented within the rehabilitated facility	\$150,000

ARTICLE III MISCELLANEOUS

Section 3.01 Restriction on Sale.

Prior to the earlier of January 1, 2039 or the date TID #8 is dissolved, Weinbrenner Shoe Company, Inc., 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.

Weinbrenner Shoe Company, Inc., 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: Weinbrenner Shoe Company, Inc.
Attn: Jeff Burns
108 S Polk St.
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 _____, 2020 by the Common Council

IN WITNESS WHEREOF:

The parties have executed this Agreement as of _____, 2020

CITY OF MERRILL, WISCONSIN

Derek Woellner, Mayor

William N. Heideman, Clerk

Approved:

Approved as to Form:

Katherine G. Unertl, Finance Director

Thomas N. Hayden, City Attorney

STATE OF WISCONSIN)

) ss.

COUNTY OF LINCOLN)

Personally came before me this ____ day of _____, 2020, 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 _____

WEINBRENNER SHOE COMPANY, INC.

By _____
Jeff Burns, President

By _____

STATE OF WISCONSIN)

) ss.

COUNTY OF LINCOLN)

Personally appeared before me this ____ day of _____, 2020, the above named Jeff Burns and _____ to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public, State of Wisconsin

My commission _____

Attachment: TID8 Weinbrenner Shoe (5479 : TID No. 8 Weinbrenner Shoe)



City of Merrill - TID No. 7

1101 N. Mill St.

Fremarq Innovations, Inc. - Employee Count

Date	# of Employees	
08/16/19	51	Letter certifying
09/12/19	42	IRS Form 941*
12/12/19	54	IRS Form 941*
03/12/20	29	IRS Form 941*
06/12/20	41	IRS Form 941*
09/12/20		
12/12/20		
03/12/21		
06/12/21		
09/12/21		
12/12/21		

*Finance Director Kathy Unertl review of Non-Public information

Attachment: TID7 Fremarq Count-2020-06 (5484 : Review and consideration of Development Incentive)

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE
CITY OF MERRILL, WISCONSIN
AND
PRAIRIE RIVER PROPERTIES, LLC
D/B/A FREMARQ INNOVATIONS, INC.**

THE DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of April 1, 2019 by and between the City of Merrill, Wisconsin, (the "City") a political subdivision of the State of Wisconsin, and Prairie River Properties, LLC., D/B/A FreMarq Innovations, Inc., (the "Developer") a Delaware Corporation.

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 Developer owns a development area described as:
- Part of the Northeast Quarter of the Northwest Quarter (NE ¼ NW ¼)
now known as Lot One (1) of Certified Survey Map #2211
- (1101 N. Mill Street, City of Merrill, Wisconsin)

F. As an inducement to Developer to undertake the redevelopment in the Development Area, 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 assist in relocation of the business to Merrill and for job creation within the Development Area.

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

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

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

ARTICLE I

Section 1.01 Initial Undertaking of the City of Merrill

The City Has:

- a. Included the Development Area within TID #7, which was created August 11, 2009.

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 Developer

- a. Raised equity and financing necessary for the redevelopment.
- b. As necessary, file permit applications with the City.
- c. Developer will commence with redevelopment by April 1, 2019 with initial new job creation by July 1, 2019.
- d. This development incentive is to facilitate relocation to Merrill and job creation. Approximately 37 existing jobs will move with the relocation of this business and 14 new positions will be added.
- e. The Developer shall submit quarterly reports to the City of Merrill's Redevelopment Authority on full-time positions numbers.

ARTICLE II INCENTIVE PAYMENT TO DEVELOPER

The City shall pay a development incentive to Developer in the aggregate amount of One Hundred Thousand Dollars, which initially will be a TID loan paid within thirty (30) days after certification of 50 full-time positions being filled and those employees working in Merrill.

Upon creation and a two-year retention of fifty (50) new full time jobs at Prairie River Properties, LLC., D/B/A FreMarq Innovations, Inc. no later than July 1, 2019, this TID loan will become a development incentive with no repayment requirements. If fifty (50) full time jobs are not created and retained for two years within that timeframe, the development incentive shall become and shall be treated as a loan and is payable at 4.25% interest, amortized over a ten year period.

ARTICLE III MISCELLANEOUS

Section 3.01 Restriction on Sale.

Prior to the earlier of January 1, 2036 or the date TID #7 is dissolved, the Developer 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.

Section 3.02 Indemnification.

Prairie River Properties, LLC., D/B/A FreMarq Innovations, Inc. and the City, its successors and assigns shall indemnify and same 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 Developer in the performance of its obligations and responsibilities under the terms and conditions of this Agreement. The Developer specifically agrees that no representation, statements, assurances or guarantees will be made by Developer 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 Developer: Prairie River Properties, LLC
 D/B/A FreMarq Innovations, Inc.
 Renea Frederick
 8300 Highland Drive
 Wausau, WI 54401

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 Authorization.

The execution of this Agreement was authorized by Resolution No. 2593 adopted on March 19, 2019 by the Common Council.

IN WITNESS WHEREOF:

The parties have executed this Agreement as of April 1, 2019

CITY OF MERRILL, WISCONSIN

[Signature]
Derek Woellner, Mayor

[Signature]
William N. Heideman, Clerk

Approved:

[Signature]
Katherine G. Unertl, Finance Director

Approved as to Form:

[Signature]
Thomas N. Hayden, City Attorney

STATE OF WISCONSIN)

) ss.

COUNTY OF LINCOLN)

Personally came before me this 1st day of April, 2019, the above named Derek Woellner, Mayor and William N. Heideman, Clerk, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

[Signature]
Notary Public, State of Wisconsin
My commission 2-5-2023

**PRAIRIE RIVER PROPERTIES, LLC
D/B/A FREMARQ INNOVATIONS, INC**

By [Signature]
Todd Frederick, President

By [Signature]
Renea Frederick Secretary/Treasurer

STATE OF WISCONSIN)

) ss.

COUNTY OF LINCOLN)

Personally appeared before me this 29th day of March, 2019, the above named Todd Frederick and Renea Frederick to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.

[Signature]
Notary Public, State of Wisconsin.
Diane

My commission 2-5-2023

Attachment: TID7 FreMarq Dev Agreement (5481 : TID No. 7 - FreMarq Development Agreement)