



CITY OF MERRILL
REDEVELOPMENT AUTHORITY
AGENDA • WEDNESDAY JANUARY 8, 2020

Regular Meeting

City Hall Council Chambers

8:00 AM

- I. Call to Order
- II. Introduction of New RDA Commissioner Lori Anderson-Malm
- III. Minutes of previous meeting(s)
 1. RDA meeting minutes from October 2019
- IV. Public Comment
- V. Agenda items for consideration
 1. Update on Ryan Ott's Construction single-family home development plan for former Kienitz parcel and potential alternative proposal (TID No. 11 - W. 10th St./Superior St. area) - follow-up from August 21st, 2019 RDA meeting & September 9th, 2019 Common Council
 2. Update on proposed new restaurant site acquisition from Wal-Mart (TID No. 3 - east of Park City Credit Union) and development status of proposed new restaurant - follow-up from September 4th, 2019 RDA meeting & September 9th, 2019 Common Council
 3. Request from Bryan Hoffman to consider potential creation of new Tax Increment District (TID) to facilitate construction of storage buildings on S. Center Ave. (Lincoln County Highway K - continued from October 2nd, 2019 RDA Meeting
 4. Quarterly employee count information from FreMarq Innovations (TID No.7 - 1101 N. Mill St.) - follow-up from September 4th, 2019 RDA meeting
 5. Monthly status update on Impact Seven's six-month purchase option (TID No. 10 - former Fox Point site) - from October 2nd, 2019 RDA meeting
 6. Continued review and discussion of TID development overview, background information, and development agreement formats
 7. Review and discuss why RDA has Closed Sessions and need to maintain confidentiality during negotiations
- VI. Next RDA meeting(s)
- VII. Adjournment

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, October 2nd, 2019 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Ken Maule, Clyde Nelson, Tony Kusserow, Steve Sabatke,
Dan Koblitz, and Derek Woellner

RDA Excused: Sheila Polak

Others: Alderperson Rick Blake, City Clerk Bill Heideman, City Administrator
Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl,
Building Inspector/Zoning Administrator Darin Pagel, Public Works
Director/City Engineer Rod Akey, Bill Bialecki from Lincoln County
Economic Development Corp., Ryan Schwartzman, and Bryan Hoffman

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

Consider approval of RDA meeting minutes from September 18th:

Motion (Maule/Woellner) to approve the meeting minutes from September 18th. Carried.

Public Comment: None.

Request from Bryan Hoffman to consider potential creation of new Tax Increment District (TID) to facilitate construction of storage buildings on S. Center Ave. :

Hoffman's development site is within the City of Merrill; however, is further than ½ mile from the southern boundary of existing TID No. 9. Hoffman is constructing storage buildings on about a five area site fronting South Center Ave. This development site is part of larger thirty-two acre undeveloped parcel.

Two storage building are under construction with up to another four units planned for either this site or outside the City of Merrill depending upon availability of TID cash development incentive to assist with paving costs. Maule requested estimates from Hoffman for potential paving cost.

City Zoning Administrator Pagel advised that a Conditional Use Permit (CUP) amendment would be needed to build more than two additional storage buildings. Ryan Schwartzman emphasized that the request met "but for" TID criteria in that up to four more buildings could be constructed within the City of Merrill instead of outside the City boundaries.

Further information will be provided at next RDA meeting. Estimated cost to create a new mixed use TID is about \$12,000. Unertl's preliminary fiscal projections show that about \$100,000 in new tax increment would be generated over twenty-years for two additional storage buildings. There is potential for additional development in this area.

Review and discuss proposed 2020 Tax Increment District (TID) budget requests:

Unertl briefly highlighted the preliminary 2020 TID budget requests.

Update on Impact Seven accepted Purchase Option - former Fox Point site (TID No. 10):

As of September 24th, City has a signed six-month Purchase Option for 1905 E. 14th St. (former Fox Point site). The City also received a \$25,000 earnest money payment. Title to the property remains with the City of Merrill. Sabtack expressed his concern that market-rate rentals are potentially being overbuilt.

Review and discuss why RDA has Closed Sessions and need to maintain confidentiality during negotiations):

City Attorney Hayden highlighted Wisconsin Statutes that allow for Closed Sessions related to litigation, employee matters, and negotiations. For competitive and bargaining reasons, it is important to maintain confidentiality during negotiations.

Next RDA meeting: Wednesday, December 4th at 8:00 a.m. or the call of the RDA Chair.

Closed Session: Nelson read 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 approval of closed session RDA meeting minutes from September 4th
- b. Consider potential City purchase of properties to facilitate redevelopment in TID No. 3 (East Side), TID No 4 (Pine Ridge Ave. area), TID No. 8 & 12 (Weinbrenner Factory area), and TID No. 9 (Wisconsin River area)

Motion (Maule/Kusserow) to move into closed session. Carried 6-0 on roll call vote at 8:50 a.m.

- **Motion (Kusserow/Koblitz) to approve the Closed Session meeting minutes from September 4th.** Carried.
- RDA Commissioners reviewed information on potential property purchases to facilitate redevelopment adjacent to TID No. 12 (Weinbrenner area), as well as TID No. 9 (Wisconsin River area). The potential TID No. 9 redevelopment opportunity would be dependent upon successful State of Wisconsin grant writing along with potential Federal EPA Brownfield's grant funding.

Due to length of the meeting, there were no discussion related to potential purchase of properties located within TID No. 3 and TID No. 4.

Adjournment: Motion (Kusserow/Woellner) to adjourn at 9:30 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

Update on 1/1/2019 Equalized Valuations – Overall City of Merrill and Tax Increment Districts (TIDs):

Unertl highlighted the Wisconsin Department of Revenue's 2019 Equalized Valuations for City of Merrill. The final 2019 amounts were released on August 15th.

The community's equalized valuation – TID IN (Tax Increment District valuations included) increased over \$25 million since 2018. That increase is split between the Tax Increment Districts (\$10,701,700) and outside the TIDs (\$14,486,900). In implementing the City's Strategic Plan and need to facilitate faster-paced new developments, the Equalized Valuations within the TIDs has increased almost 360% since 2013.

Although the locally assessed property valuations are used for property tax calculation (i.e. December 2019 tax bills based upon 1/1/2019 assessments), the manufacturing assessments from Wisconsin Department of Revenue are finalized (fully equated) about November 1st based upon Fair Market Ratio. Mayor Woellner and RDA Commissioners requested additional information on the assessments.

Review information on City of Merrill residential developments (2009 – July 2019):

Unertl reported that twenty new single-family homes had been built in Merrill during the past decade. There have been twelve multi-family buildings with total of 92 new housing units. Only two apartments remain available at Rock Ridge Apartments.

Merrill Area Housing Authority (MAHA) Executive Director Paull Russell confirmed that the total number of affordable housing units (i.e. 92 units) has not been increased through the new Stonebridge Apartment building and remodeling of Park Place. There are 38 apartments in Stonebridge and there will be 54 larger units when Park Place remodeling is completed. For the first time since 1979, there will be 30 units available for rent in the south tower of Park Place once the remodeling construction project is completed.

Update on costs for Certified Survey Map (CSM) and Plat survey work for former Kienitz property (between W. 10th St. and W. St. Paul St. in TID No. 11):

City of Merrill has contracted with REI for survey work to prepare the Certified Survey Map (CSM) and Plat to facilitate development of twelve single-family home lots. Contact is for \$12,750 which will be paid out of TID No. 11.

Consider resolution authorizing development agreement by and between the City of Merrill and Ryan Ott Development & Construction LLC for single-family residential development on former Kienitz property (between W. 10th St. and W. St. Paul St. in TID No. 11):

RDA Commissioners review the draft resolution and development agreement. Ryan Ott advised that he anticipates the new homes would be available for sale by summer 2020 if basements were constructed before end of 2019. The draft development agreement has title reversion if development construction was not underway by May 31st, 2020. Article II – Sections 2.03 and 2.04 include Minimum Valuation provisions as discussed at the July 10th RDA meeting. Woellner emphasized that there needs to be provisions in the original development agreement in the event that there were delays in proceeding with the development and generation of tax increment.

Motion (Woellner/Maule) to recommend the resolution authorizing the development agreement. Carried. There will be additional review and discussion of the draft development agreement at the next RDA meeting (which will be held before the September Common Council meeting scheduled on Tuesday, September 10th).

Section 3. Notice of Sale. The City Clerk (in consultation with Ehlers & Associates, Inc. ("Ehlers")) is hereby authorized and directed to cause the sale of the Bonds to be publicized at such times and in such manner as the City Clerk may determine and to cause copies of a complete Notice of Sale and other pertinent data to be forwarded to interested bidders as the City Clerk may determine.

Section 4. Official Statement. The City Clerk (in consultation with Ehlers) shall also cause an Official Statement to be prepared and distributed. The appropriate City officials shall determine when the Official Statement is final for purposes of Securities and Exchange Commission Rule 15c2-12 and shall certify said Statement, such certification to constitute full authorization of such Statement under this resolution.

Motion (Norton/Russell) to approve.

Motion carried 8 to 0 on roll call vote.

11. A Resolution authorizing a Development Agreement by and between the City and Ryan Ott Development and Construction LLC (Resolution #2616).

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 11 on May 10, 2016 and the development site is within TID No. 11; and,

WHEREAS, Ryan Ott Development and Construction LLC has proposed construction of up to twelve new single-family homes through a phased construction timeframe; 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 residential homes created from this development project; and,

WHEREAS, Ryan Ott Development and Construction LLC has negotiated the development agreement to provide for transfer of property ownership of three lots on West St. Paul Street and an incentive payment not to exceed \$30,000 to facilitate Phase 1 of the single-family home development project;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 9th day of September, 2019, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and Ryan Ott Development and Construction LLC and to facilitate the implementation thereof.

Motion (Norton/Russell) to approve.

Motion carried 7 to 1 on roll call vote. Voting No - Alderman Hass.

12. A Resolution authorizing a Development Agreement by and between the City and Merrill Pine Ridge LLC (Resolution #2617).

Attachment: TID11 - Ott Housing (4740 : Update on Ryan Ott's Construction TID No.11)

RESOLUTION NO. 2616

A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MERRILL, WISCONSIN AND RYAN OTT DEVELOPMENT AND CONSTRUCTION LLC

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 11 on May 10, 2016 and the development site is within TID No. 11; and,

WHEREAS, Ryan Ott Development and Construction LLC has proposed construction of up to twelve new single-family homes through a phased construction timeframe; 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 residential homes created from this development project; and,

WHEREAS, Ryan Ott Development and Construction LLC has negotiated the development agreement to provide for transfer of property ownership of three lots on West St. Paul Street and an incentive payment not to exceed \$30,000 to facilitate Phase 1 of the single-family home development project;.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 9th day of September, 2019, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and Ryan Ott Development and Construction LLC and to facilitate the implementation thereof.

Recommended by:
Redevelopment Authority (RDA)

Moved: Alderman Norton

Passed: September 9, 2019 7-1

CITY OF MERRILL, WISCONSIN



Derek Woellner
Mayor



William N. Heideman
City Clerk

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE
CITY OF MERRILL, WISCONSIN
AND RYAN OTT DEVELOPMENT AND CONSTRUCTION, LLC
(PHASE 1)**

THE DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of _____, 2019 by and between the City of Merrill, Wisconsin, (the "City") a political subdivision of the State of Wisconsin and Ryan Ott Development and Construction, 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. The City of Merrill has acquired and will be selling to the Developer land for \$1 by October 1, 2019.

Phase 1 – W. St. Paul St.:

Three Lots of Certified Survey Map No. _____

City will grant the Developer an option for land purchase for future phases after verification by the City Engineer or Building Inspector that the last building of Phase 1 is completed and continuing for a period of one hundred eighty (180) days.

E. The Developer proposes to construct three, single-family homes as Phase I, located within the Development Area (the "Project").

F. As an inducement to Developer to undertake the Development in TID 11 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 single-family homes within TID 11.

G. The City will construct, at City's sole cost and expense, a new City Street, to facilitate access to future phases within the Development Area and extend municipal water and sanitary sewer mains, at City's sole cost and expense, to service the Development Area. The City will permit the developer to connect to the extended water and sanitary sewer mains, for the benefit and servicing of the Project.

H. 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.

I. 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.

J. ~~In the event~~ If the City transfers title to the Developer by October 1, 2019 and the development construction is not underway by May 31, 2020, lot ownership shall revert to the City of Merrill and Developer agrees to sign the necessary documents therefore.

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 #11, which was created by the Merrill Common Council on May 10, 2016.
- b. Purchased the property and arranged for necessary survey services and preparation of certified survey maps and future plat.

- c. Will hold a City Plan Commission Public hearing on the Certified Survey Map and future plat.
- d. Will begin engineering design work for construction of new City Street and extension of municipal water and sanitary sewer service to serve the Development Area.
- e. Will plan for 2020 extension of City utilities and new street construction unless Developer fails to commence foundation construction by December 31, 2019.

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. Will raise equity and arrange for financing necessary for the Project.
- b. File site plan and permit applications with the City and/or State.
- c. Contract for construction of three single-family homes and related infrastructure improvements with occupancy planned by December 31, 2020. The new tax increment would be generated beginning with 2020 (to the extent of improvements completed as of January 1, 2020) property tax (2021 collection).

ARTICLE II INCENTIVE PAYMENTS TO DEVELOPER

This development incentive is to facilitate development of the Project, a three (3) single-family homes in Phase I.

The City shall pay a Cash TIF development incentive to the Developer in the aggregate amount of Ten Thousand Dollars (\$10,000) per home upon its completion/occupancy permit. If foundations are not completed by December 31, 2019, the amount will be reduced \$777 per house.

Section 2.03 Warranties and Representations of the City. The City hereby warrants and represents that until all incentive payments have been made to Developer pursuant to Article III of this Agreement: (i) the assessment ratio generally applicable to property within the City (and therefore applicable to the Development and the Development Area) shall be no less than ninety percent (90%) and (ii) the tax rate generally applicable to property within the City (and therefore applicable to the Development and the Development Area) shall be no less than Thirty and 00/100 Dollars (\$30.00) per Thousand Dollars (\$1,000) of assessed valuation.

Section 2.04 Warranties and Representations of Ryan Ott Development and Construction, LLC. Ryan Ott Development and Construction, LLC hereby warrants and represents the following: Ryan Ott Development and Construction, LLC will expend at least One Hundred Fifty Thousand Dollars (\$150,000) for each new single-family home relating to the construction of the Development within the Development Area. Further, Developer hereby agrees that, so long as the warranties and representations of the City in Section 2.03 above remain true and correct, the City shall receive a minimum of Four Thousand and 00/100 Dollars (\$4,000) in incremental taxes from each house in the Development and the Development Area, commencing with the first calendar year occurring after Developer's substantial completion of the Development.

ARTICLE III MISCELLANEOUS

Section 3.01 Restriction on Sale.

Prior to the earlier of January 1, 2037 or the date TID #11 is dissolved, Ryan Ott Development and Construction, 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.

Ryan Ott Development and Construction, LLC, its successors and assigns shall indemnify and save harmless and defend the City 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 Developer'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.

The City, its successors and assigns, to the extent permitted under Wisconsin law, shall indemnify and save harmless and defend the Developer and its respective officers, agents and employees from any and all liabilities, suits, action 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 accessioned wholly or in part by any act or omission on the City'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. Notwithstanding anything aforesaid to the contrary, the Developer may assign the payments due it under this agreement to the Developer's lender, for collateral purposes only.

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: The City Attorney, City of Merrill

To the Developers: Ryan Ott Development and Construction, LLC
 W5646 Tug Lake Ave.
 Irma, WI 54442

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 _____, by the Common Council

IN WITNESS WHEREOF:

The parties have executed this Agreement as of _____, 2019

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 _____, 2019, 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 _____

RYAN OTT DEVELOPMENT AND CONSTRUCTION, LLC

By _____

Ryan Ott, _____

STATE OF WISCONSIN)

) ss.

COUNTY OF LINCOLN)

Personally appeared before me this ____ day of _____, 2019, the above named
Ryan Ott Development and Construction, LLC to me known to be the persons who
executed the foregoing instrument and acknowledged the same.

Notary Public, State of Wisconsin

My commission _____



CIVIL & ENVIRONMENTAL ENGINEERING, SURVEYING
4080 N. 20TH AVENUE, WAUSAU, WI 54401
(715) 878-9784

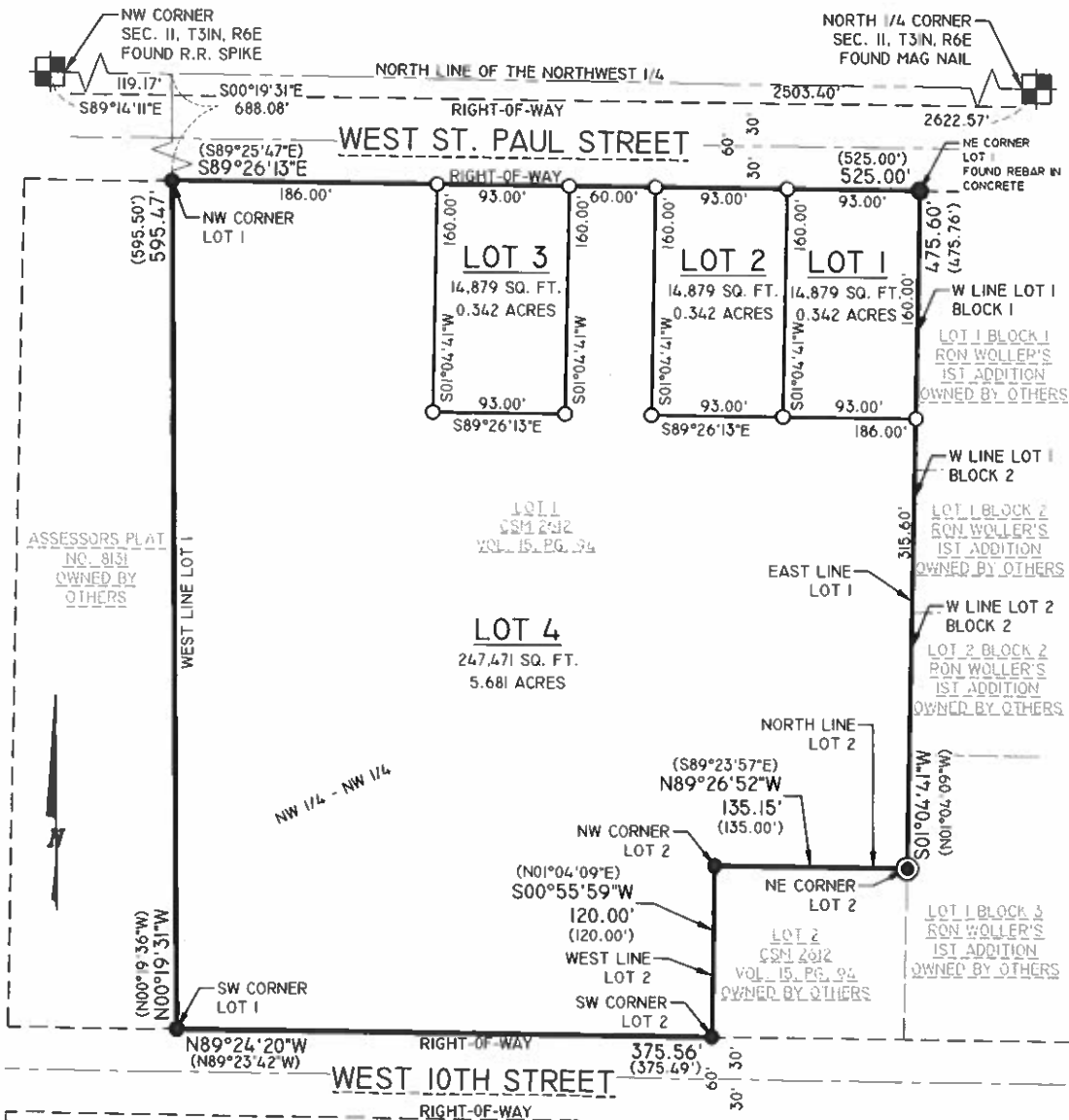
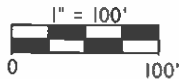
LINCOLN COUNTY CERTIFIED SURVEY MAP

MAP NO. _____ VOLUME _____ PAGE _____

PREPARED FOR: CITY OF MERRILL

LANDOWNER: CITY OF MERRILL

ALL OF LOT 1 OF CERTIFIED SURVEY MAP NUMBER 2612, RECORDED IN VOLUME 15, PAGE 94, AS DOCUMENT NUMBER 526182 FILED IN THE LINCOLN COUNTY REGISTER OF DEEDS OFFICE; BEING PART OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4, SECTION II, TOWNSHIP 31 NORTH, RANGE 6 EAST, CITY OF MERRILL, LINCOLN COUNTY, WISCONSIN.



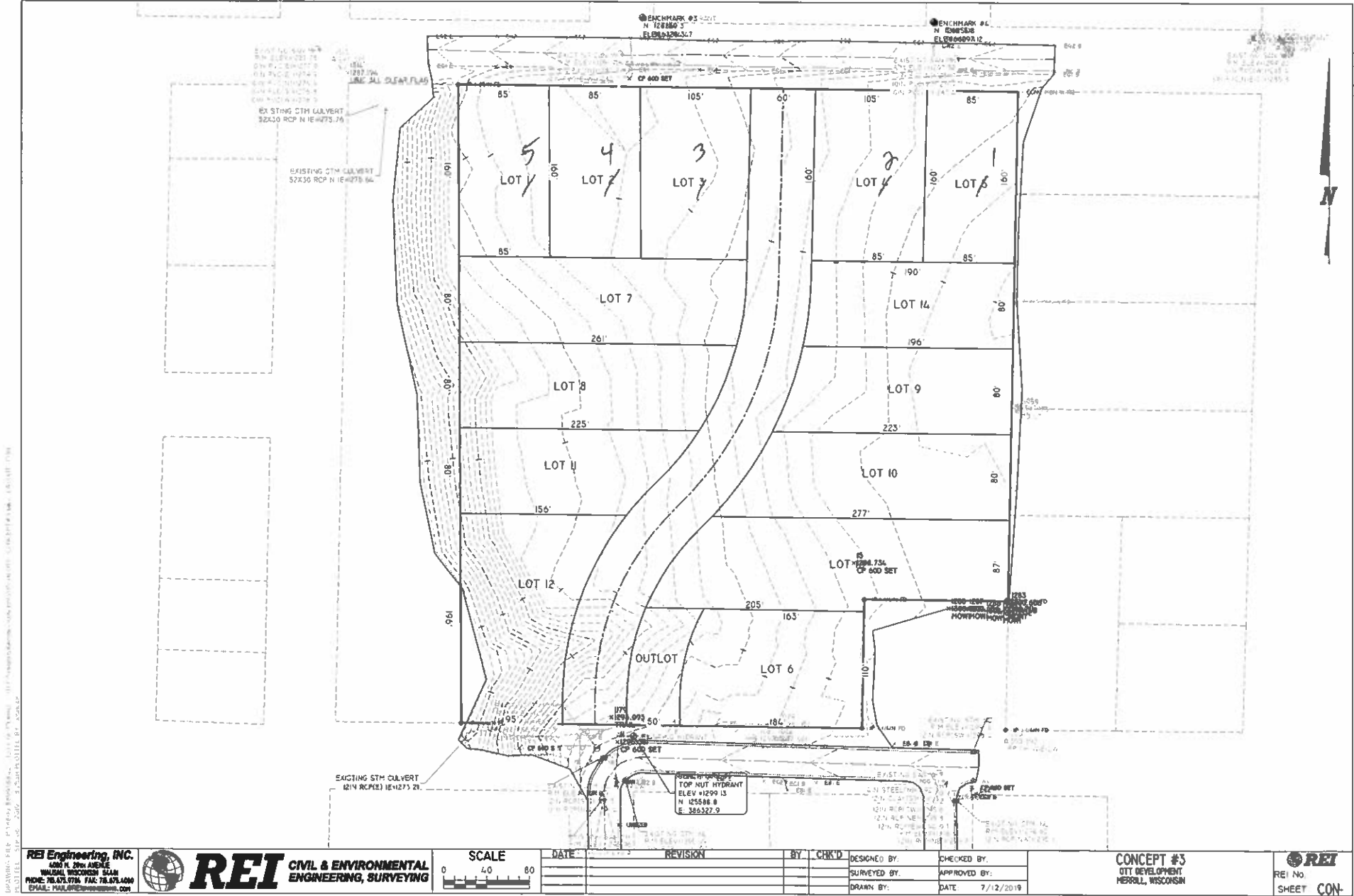
NOTES:

1. BEARINGS ARE BASED ON THE LINCOLN COUNTY COORDINATE SYSTEM, NAD 83(2011) DATUM AND REFERENCED TO THE SOUTH LINE OF THE SOUTHWEST 1/4 OF SECTION 2, TOWNSHIP 31 NORTH, RANGE 6 EAST. MEASURED TO BEAR SOUTH 89°14'11" EAST.
2. FIELD WORK WAS COMPLETED ON OCTOBER 1ST, 2019.
3. RIGHT-OF-WAY IS BASED ON MONUMENTS FOUND IN FIELD AND SURVEYS OF RECORD.

SHEET 1 OF 2

DRAWING FILE: P:\8800-8899\8842 - City of Merrill - 011 Subdivision\dwg\Survey\8842 CSM.dwg

Attachment: TID11 - Ott Housing (4740 : Update on Ryan Ott's Construction TID No.11)



Plat Concept

Attachment: TID11 - Ott Housing (4740 : Update on Ryan Ott's Construction TID No.11)

Motion (Kusserow/Koblitz) to reconvene in Open Session. Carried 9:02 a.m.

Acquisition of land and development agreement by and between City of Merrill and Merrill Pine Ridge LLC for new restaurant development:

The development site east of Park City Credit Union would be acquired by the City of Merrill from Wal-Mart for \$300,000 with sale to Merrill Pine Ridge LLC for \$150,000. If the new restaurant construction is not underway by June 30th, 2020, title to the property would revert to the City of Merrill with no reimbursement to Merrill Pine Ridge LLC for any expenditures (including purchase price).

The development site is on a private street (owned and maintained by Wal-Mart) and utility service for the new restaurant would be off the Wal-Mart-owned water main, sanitary sewer main, and stormwater drainage systems.

After property purchase, Merrill Pine Ridge LLC would like to clear the brush and trees from the site before the end of 2019 to facilitate spring 2020 construction. As shown on the preliminary site plan, Attorney Jim Wedemeyer reported that the natural gas line restricts where the restaurant building could physically be located with just parking lot over the natural gas main.

Motion (Maule/Woellner) to recommend the resolution authorizing the development agreement by and between the City of Merrill, Wisconsin and Merrill Pine Ridge LLC. Carried. RDA Commissioners requested opportunity to review building elevations and renderings once architectural design and State Approved Building Plans finalized.

Adjournment: Motion (Woellner/Kusserow) to adjourn at 9:10 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

Attachment: TID3 - Restaurant Site (4741 : Update proposed new restaurant site Wal-Mart (TID No. 3))

Section 3. Notice of Sale. The City Clerk (in consultation with Ehlers & Associates, Inc. ("Ehlers")) is hereby authorized and directed to cause the sale of the Bonds to be publicized at such times and in such manner as the City Clerk may determine and to cause copies of a complete Notice of Sale and other pertinent data to be forwarded to interested bidders as the City Clerk may determine.

Section 4. Official Statement. The City Clerk (in consultation with Ehlers) shall also cause an Official Statement to be prepared and distributed. The appropriate City officials shall determine when the Official Statement is final for purposes of Securities and Exchange Commission Rule 15c2-12 and shall certify said Statement, such certification to constitute full authorization of such Statement under this resolution.

Motion (Norton/Russell) to approve.

Motion carried 8 to 0 on roll call vote.

11.A Resolution authorizing a Development Agreement by and between the City and Ryan Ott Development and Construction LLC (Resolution #2616).

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 11 on May 10, 2016 and the development site is within TID No. 11; and,

WHEREAS, Ryan Ott Development and Construction LLC has proposed construction of up to twelve new single-family homes through a phased construction timeframe; 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 residential homes created from this development project; and,

WHEREAS, Ryan Ott Development and Construction LLC has negotiated the development agreement to provide for transfer of property ownership of three lots on West St. Paul Street and an incentive payment not to exceed \$30,000 to facilitate Phase 1 of the single-family home development project;.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 9th day of September, 2019, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and Ryan Ott Development and Construction LLC and to facilitate the implementation thereof.

Motion (Norton/Russell) to approve.

Motion carried 7 to 1 on roll call vote. Voting No - Alderman Hass.

12.A Resolution authorizing a Development Agreement by and between the City and Merrill Pine Ridge LLC (Resolution #2617).

Attachment: TID3 - Restaurant Site (4741 : Update proposed new restaurant site Wal-Mart (TID No. 3))

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 3 on September 13, 2005 and the redevelopment site is within TID No. 3; and,

WHEREAS, Merrill Pine Ridge LLC has proposed construction of a new restaurant; 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 redevelopment project; and,

WHEREAS, Merrill Pine Ridge LLC has negotiated the development agreement to provide for transfer of property ownership for \$150,000 to facilitate the commercial development project;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 9th day of September, 2019, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and Merrill Pine Ridge LLC and to facilitate the implementation thereof.

Motion (Norton/Van Lieshout) to approve.

Motion carried 7 to 1 on roll call vote. Voting No - Alderman Sabatke.

13.A Resolution honoring Dave Sukow for his extended service and great contribution to the City of Merrill.

WHEREAS, Dave Sukow completed his term as Sixth District Alderperson of the City of Merrill on August 2, 2019; and,

WHEREAS, Dave Sukow has served multiple terms as an alderperson for the City of Merrill from April 18, 2006 to April 17, 2012, and September 11, 2012 to April 19, 2016, and April 17, 2018 to August 2, 2019; and,

WHEREAS, the personal commitment and unselfish dedication and effort Dave Sukow has put forth has contributed greatly to the new development, progress and stability of the City of Merrill; and,

WHEREAS, the City of Merrill offers a solid and stable community environment for all of its citizens in part because of Dave Sukow's dedicated service; and,

WHEREAS Dave Sukow's knowledge, experience, and hard work will be missed at the Merrill City Hall;

RESOLUTION NO. 2617

A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MERRILL, WISCONSIN AND MERRILL PINE RIDGE LLC

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 3 on September 13, 2005 and the redevelopment site is within TID No. 3; and,

WHEREAS, Merrill Pine Ridge LLC has proposed construction of a new restaurant; 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 redevelopment project; and,

WHEREAS, Merrill Pine Ridge LLC has negotiated the development agreement to provide for transfer of property ownership for \$150,000 to facilitate the commercial development project;

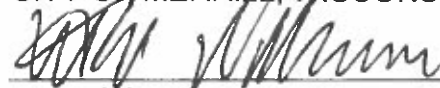
NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 9th day of September, 2019, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and Merrill Pine Ridge LLC and to facilitate the implementation thereof.

Recommended by:
Redevelopment Authority (RDA)

Moved: Alderman Norton

Passed: September 9, 2019 7-1

CITY OF MERRILL, WISCONSIN



Derek Woellner
Mayor



William N. Heideman
City Clerk

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE
CITY OF MERRILL, WISCONSIN
AND MERRILL PINE RIDGE, LLC**

THE DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of _____, 2019 by and between the City of Merrill, Wisconsin, (the "City") a political subdivision of the State of Wisconsin and Merrill Pine Ridge, 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. City of Merrill is purchasing a development area described as:
- Prt of NW ¼ NW ¼ NKA Lot 2 of CSM 2366, D0496457
- Located at: 3505 E. Main Street, Merrill, Wisconsin
- E. The Developer proposes to construct a new 3,800 square foot new restaurant/commercial building located within the Development Area.
- F. As an inducement to Developer to undertake the Development in TID 3 and to construct or cause to construct the Development, the City and the RDA intend to provide an incentive valued at \$150,000 by conveying to Developer the real estate/property described above to construct a 3,800 square foot restaurant/commercial building within TID 3.

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.

I. In the event the development construction is not underway by June 30, 2020, ownership of the property shall revert back to the City of Merrill and Developer agrees to sign the necessary documents therefore. There will be no reimbursement to Developer of any sums it has expended.

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 #3.
- b. Agree to acquire the vacant land from Wal-Mart Stores East LP.
- c. Agreed to convey to the Developer the real estate for this project.
- d. 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. Shall purchase the property from City of Merrill for \$150,000.
- c. File site plan and permit applications with the City and/or State.
- d. Contract for construction of a new 3,800 square foot restaurant/commercial building.
- e. Developer will commence construction of a new 3,800 square foot restaurant/commercial building, with occupancy planned by December 1, 2020.
- f. This development incentive is to facilitate acquisition of vacant land for a new restaurant site.

ARTICLE II MISCELLANEOUS

Section 3.01 Restriction on Sale.

Prior to the earlier of January 1, 2026 or the date TID #3 is dissolved, Merrill Pine Ridge, 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.

Merrill Pine Ridge, 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: Merrill Pine Ridge, LLC
Mr. Qemal Alimi
N4618 CTH Q
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 _____, 2019 by the Common Council

DRAFT

IN WITNESS WHEREOF:

The parties have executed this Agreement as of _____, 2019

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 _____, 2019, 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 _____

MERRILL PINE RIDGE, LLC

By _____

Qemal Alimi, Member

STATE OF WISCONSIN)

) ss.

COUNTY OF LINCOLN)

Personally appeared before me this ____ day of _____, 2019, the above named
_____ to me known to be the persons who executed the foregoing
instrument and acknowledged the same.

Notary Public, State of Wisconsin

My commission _____

Proposed New - Tax Increment District (TID)

Key development background:

- Property location is in the City of Merrill; however, it is outside the 1/2 mile buffer of TID No. 9.
- Two storage units were constructed in 2019. The potential TID funding request came after Conditional Use Permit (CUP) authorized 6/11/2019.
- An **additional four** storage units could be constructed at this five acre site fronting on Lincoln County Highway K
- The development site is part of a 32.01 acre parcel. There is an additional 36.38 acre vacant parcel to the west (owned by Pleasant Acres LJ LLC) which extends to Lincoln County Highway Q.

Cash Development Incentive Request:

Based upon \$2.25 per sq. ft. for paving, Bryan Hoffman is requesting **about \$67,500** (i.e. $\$2.25 \times 30,000$ sq. ft.).

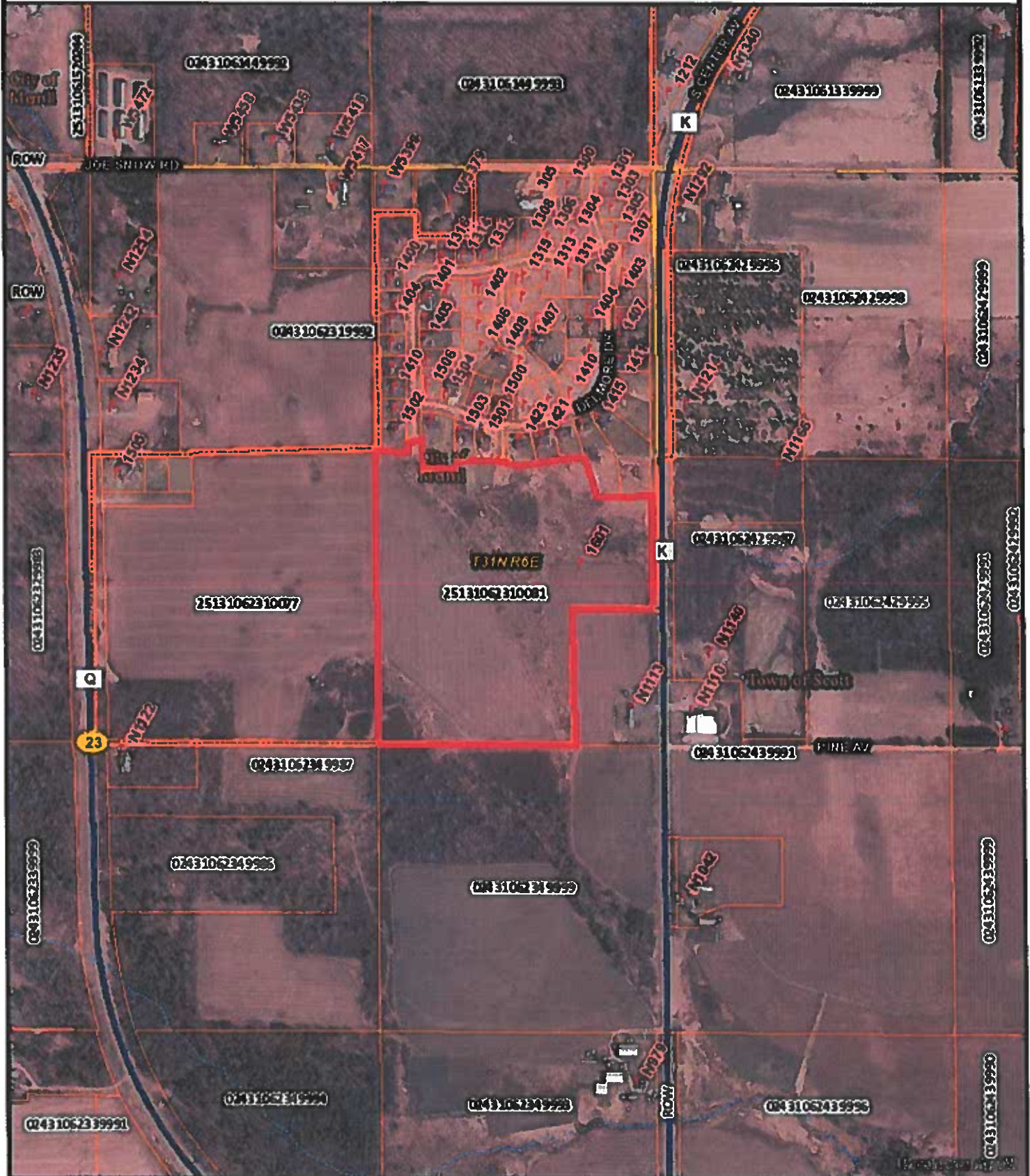
Without TID assistance, Hoffman indicated that additional storage units will be built outside the City of Merrill.

Conceptual TID and Development Fiscal:

TID creation cost would be about \$12,000

Preliminary fiscal project for additional two or four storage units is provided

Lincoln County Public Access Land Records Viewer



Author: Public
Date Printed: 9/23/2019



The information depicted on this map is a compilation of public record information including aerial photography and other base maps. No warranty is made, express or implied, as to the accuracy of the information used. The data layers are a representation of current data to the best of our knowledge and may contain errors. It is not a legally recorded map and cannot be substituted for field-verified information. Map may be reproduced with permission of the Lincoln County Land Services Department. Errors should be reported to Land Services Department, 801 North Sales St, Merrill, WI, 54452. Copyright © 2015 Phone (715) 539-1049

Attachment: New TID - Hoffman Storage (4742 : Request from Bryan Hoffman creation of new (TID) S. Center Ave)

Lincoln County

Owner (s):

HOFFMAN, BRYAN

Location:

NENE,Sect. 23, T31N, R6E

SENE,Sect. 23, T31N, R6E

Mailing Address:

BRYAN HOFFMAN

N5281 HORN LAKE RD

IRMA, WI 54442

School District:

3500 - MERRILL SCHOOL

Request Mailing Address Change

Tax Parcel ID Number: Tax District:

251-3106-231-0081 251-CITY OF MERRILL

Status:

Active

Alternate Tax Parcel Number:Acres:

33.3900

Description - Comments (Please see Documents tab below for related documents. For a complete legal description, see recorded document.):

PRT OF E 1/2 NE 1/4 EX PLAT OF PLEASANT ACRES AND EX TH E 416' OF TH S 627' OF SE 1/4 NE 1/4 AND EX V196 P31 V286 P690 V378 P474 V453 P726 AND EX LN AGRMNT IN V407 P309 EX D0501275 EX D0501276

Site Address (es): (Site address may not be verified and could be incorrect. DO NOT use the site address in lieu of legal description.)

1601 COUNTY RD K MERRILL, WI 54452

Tax Year: 2019

Real Estate Assessments

Code	Description	Acres	Land Value	Improvement Value	Total Value
4	Agriculture	14	\$2,000	\$0	\$2,000
5	Undeveloped	18.01	\$7,500	\$0	\$7,500
Total:		32.01	\$9,500	\$0	\$9,500

Estimated Fair Market Value:

-

Average Assessment Ratio:

0.925536777

2019 Taxes
\$293.42

* MFL and PFC values are not included in the total.

Special Assessments

Assessment	Amount
------------	--------

Lincoln County

Owner (s):

PLEASANT ACRES LJ LLC

Location:

NWNE, Sect. 23, T31N, R6E

SWNE, Sect. 23, T31N, R6E

Mailing Address:

PLEASANT ACRES LJ LLC

5555 COUNTY RD A

MERRILL, WI 54452-

School District:

3500 - MERRILL SCHOOL

Request Mailing Address Change

Tax Parcel ID Number: Tax District:

251-3106-231-0077 251-CITY OF MERRILL Active

Status:

Alternate Tax Parcel Number: Acres:

36.1100

Description - Comments (Please see Documents tab below for related documents. For a complete legal description, see recorded document.):

SW 1/4 NE 1/4 EX HWY AND LN AGREEMENT DES IN V407 P309 LCR EX W 418' OF N 209' SD 1/41/4 LYG E OF HWY Q AND EX FAUSCH RD AS SHOWN ON CSM 1359 V6 P296 D0384693 HWY TAKES 1.57A

Site Address (es): (Site address may not be verified and could be incorrect. DO NOT use the site address in lieu of legal description.)

Tax Year: 2019

Real Estate Assessments

Code	Description	Acres	Land Value	Improvement Value	Total Value
4	Agriculture	30	\$4,400	\$0	\$4,400
5	Undeveloped	2.5	\$500	\$0	\$500
5m	Agricultural Forest	3.88	\$3,900	\$0	\$3,900
Total:		36.38	\$8,800	\$0	\$8,800

Estimated Fair Market Value:

-

Average Assessment Ratio:

0.925536777

* MFL and PFC values are not included in the total.

Special Assessments

Assessment	Amount
------------	--------

2019 Taxes
\$2710.80

City of Merrill - Requested New Tax Increment District (TID)					
Mixed Use TID with 20-year lifespan					
Projected Tax Increment for new storage units					
PIN 251-3106-231-0081 (Bryan Hoffman)					
Projected assessments for two <u>additional</u> storage units:					
Assessment as of	Land Valuation	Improved Valuation	Total RE Valuation		
01/01/2019	\$9,500	\$0	\$9,500	32.01 Acres	2019 Taxes \$293
Two Units	\$17,500	\$180,000	\$197,500	Land increase on five acres	
	\$8,000	\$150,000	\$158,000		
Projected Tax Increment (if new TID Created):					
Const. Year	Value Year	Revenue Year	TID Value Increment	Tax Rate	Projected Tax Increment
2020	2021	2022	\$150,000	\$31.08	\$4,662
2021	2022	2023	\$150,000	\$31.08	\$4,662
2022	2023	2024	\$150,000	\$31.08	\$4,662
2023	2024	2025	\$150,000	\$31.08	\$4,662
2024	2025	2026	\$150,000	\$31.08	\$4,662
2025	2026	2027	\$150,000	\$31.08	\$4,662
2026	2027	2028	\$150,000	\$31.08	\$4,662
2027	2028	2029	\$150,000	\$31.08	\$4,662
2028	2029	2030	\$150,000	\$31.08	\$4,662
2029	2030	2031	\$150,000	\$31.08	\$4,662
2030	2031	2032	\$150,000	\$31.08	\$4,662
2031	2032	2033	\$150,000	\$31.08	\$4,662
2032	2033	2034	\$150,000	\$31.08	\$4,662
2033	2034	2035	\$150,000	\$31.08	\$4,662
2034	2035	2036	\$150,000	\$31.08	\$4,662
2035	2036	2037	\$150,000	\$31.08	\$4,662
2036	2037	2038	\$150,000	\$31.08	\$4,662
2037	2038	2039	\$150,000	\$31.08	\$4,662
2038	2039	2040	\$150,000	\$31.08	\$4,662
2039	2040	2041	\$150,000	\$31.08	\$4,662
Total - Two More					\$93,240
Total - Four More					\$186,480

**City of Merrill
Meeting of Redevelopment Authority (RDA)**

Wednesday, September 4th, 2019 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Sheila Polak, Ken Maule, Clyde Nelson, Tony Kusserow, Steve Sabatke, Dan Koblitz, and Derek Woellner (whom arrived at 8:27 a.m.)

Others: Alderperson Rick Blake, City Clerk Bill Heideman, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl, Public Works Director/City Engineer Rod Akey, Bill Bialecki from Lincoln County Economic Development Corp., Fire Chief Josh Klug, Qemal Alimi from Merrill Pine Ridge LLC, Attorney Jim Wedemeyer, and Ryan Schwartzman

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

Consider approval of RDA meeting minutes from August 21st:

Motion (Maule/Polak) to approve the meeting minutes from August 21st. Carried.

Public Comment: None.

Update on FreMarq Innovations TID Development Incentive (1101 N. Mill St) in TID No. 7):

The \$100,000 TID No. 7 Development Incentive Loan was paid on August 20th, 2019 after certification from the firm that there are now 51 employees working in Merrill.

The TID development loan becomes a grant if that employment level continues for two years. Unertl reported that RDA Commissioners had previously requested quarterly updates on employment levels.

Continued review and discussion of TID developments overview, background information and development agreement formats:

Every development agreement is going to be different. If City-owned land involved, there would be property title reversion provision if new development not started timely. Unertl reported that the Minimum Assessed Valuation and property tax guarantees would impact upon potential borrowing moving from tax-exempt to taxable status at higher interest rates. If City-funded infrastructure were planned, these types of developer guarantees should be avoided. If development is not timely, some type of fiscal penalty (such as reduced TID development incentive amount) would be preferable approach. City Attorney Hayden will continue research.

This agenda item will be included on the next RDA meeting when Woellner available for input.



August 16, 2019

City of Merrill

1004 East First Street

Merrill WI 54452

Attn: Kathy Unertl, David Johnson, Tom Hayden and Diane Wais.

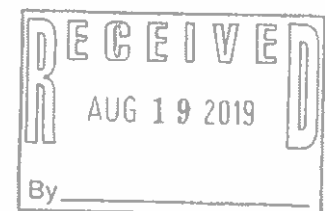
RE: FreMarq certification of employees in Merrill

This letter is to inform you that as of August 16, 2019, there are 51 employees employed at FreMarq Innovations, 1101 North Mill Street, Merrill WI.

Respectfully,

A handwritten signature in black ink that reads "Renea Frederick". The signature is written in a cursive, flowing style.

Renea Frederick



TID No. 7 - FreMarq Innovations

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.

TID No. 7 - FreMarq Innovations

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.

Agenda Request Overview

Board or Committee: Redevelopment Authority (RDA)

Date of Meeting: Wednesday – July 10th 2019

Request by: Finance Director/RDA Secretary Kathy Unertl

Review and discussion of TID development overview, background information, and development agreement formats:

In follow-up to the June 5th Redevelopment Authority (RDA) meeting, attached is an example of the City of Merrill's TID-related paperwork for redevelopment of 3201 E. Main St. (new Dollar Tree store).

1. Development Agreement – most is standard legal boilerplate. Items that the changes between different developments are highlighted in yellow.
2. **The key provisions of the development deal are summarized via the TIF Development Incentive Overview.**
3. A Projected Tax Increment spreadsheet is prepared by Finance Director Kathy Unertl based upon the development plans and sometimes in consultation with City Assessor Kitt Koski from Bowmar Appraisal.
4. Draft Merrill Common Council resolution is prepared.
5. Lincoln County GIS map of the development tax parcel(s) is printed.
6. RDA Commissioners have requested that site plans, elevations, and any color renderings be provided for review.

Other potential development agreement terms:

Reversionary title provision when City-owned land is included in the TID development incentive with this legal provision:

If the development is not substantially completed by _____, ownership to the property shall revert to the City of Merrill and the Developer agrees to sign the necessary documents (i.e. Warrant Deed) therefore.

Minimum Assessed Valuation :

Two examples are provided for your review and discussion at the July 10th, 2019 RDA meeting, including:

7. 2006 City of Merrill – Walgreen's development
8. FoxConn in Racine County

Finance Director Kathy Unertl Note: The Walgreen's language is way more understandable!

Date: 7/1/2019

①

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE
CITY OF MERRILL, WISCONSIN
AND MERRILL DEVELOPMENT GROUP LLC FOR
CONSTRUCTION OF A RETAIL BUILDING**

THE DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of Dec-21, 2018 by and between the City of Merrill, Wisconsin, (the "City") a political subdivision of the State of Wisconsin and Merrill Development Group, 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. Merrill Development Group, LLC is purchasing a development area described as:
- Beginning at a point 60 rods West of the Northeast corner of Section Eighteen (18), Township Thirty-one (31) North, Range Seven (7) East, running thence South 11 ½ rods (said 11 ½ rods including highway); thence running due West to a point in the highway known as the Wausau Road; running thence in a Northwesterly direction along said highway known as Wausau Road to a point intersected by the North line of said 18-31N-7E; running thence East along said Section line to the place of beginning, being a part of the Northeast Quarter of the Northeast Quarter (NE ¼ NE ¼) of Section 18, Township 31 North, Range 7 East, subject to highways, easements and rights of way, municipal and zoning ordinances, recorded easements for public utilities serving the property, recorded building and use restrictions and covenants and general taxes levied in the current year. Further Excepting lands conveyed in Volume 679 of Records, page 569.
- Located at: 3201 E. Main Street, Merrill, Wisconsin

E. The Developer proposes to construct a new 9,000 square foot new retail building located within the Development Area.

F. As an inducement to Developer to undertake the Development in TID 3 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 9,000 square foot retail building within TID 3.

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 #3.
- b. 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 9,000 square foot retail building.
- d. Developer will commence construction of a new 9,000 square foot retail building, with occupancy planned by September 30, 2019.
- c. This development incentive is to facilitate the construction of a new 9,000 square foot retail building.

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 Ninety Thousand Dollars (\$90,000). This incentive shall be paid to Merrill Development Group, LLC per the following schedule:

<u>PAYMENT TIME FRAME</u>	<u>DEVELOPMENT INCENTIVES</u>
Within 30 days upon occupancy of the building	\$30,000
Annually by September 1 st for three (3) years	
2020	\$20,000
2021	\$20,000
2022	\$20,000

ARTICLE III MISCELLANEOUS

Section 3.01 Restriction on Sale.

Prior to the earlier of January 1, 2026 or the date TID #3 is dissolved, Merrill Development Group, 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.

Merrill Development Group, 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: Merrill Development Group, LLC
 Att: Richard W. Johnson, Managing Member
 3027 Autumn Leaves Circle
 Green Bay, WI 54313

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 2583 adopted on October 9, 2018 by the Common Council.

IN WITNESS WHEREOF:

The parties have executed this Agreement as of December 21, 2018

CITY OF MERRILL, WISCONSIN

Derek Woellner
Derek Woellner, Mayor

William N. Heideman
William N. Heideman, Clerk

Approved:

Katherine G. Unertl
Katherine G. Unertl, Finance Director

Approved as to Form:

Thomas N. Hayden
Thomas N. Hayden, City Attorney

STATE OF WISCONSIN)

) ss.

COUNTY OF LINCOLN)

Personally came before me this 21 day of Dec., 2018, 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.

Diane M. Davis
Notary Public, State of Wisconsin
My commission 2-4-2019

MERRILL DEVELOPMENT GROUP LLC

By Richard W. Johnson
Richard W. Johnson, Managing Member

By Nick Garcia
Member

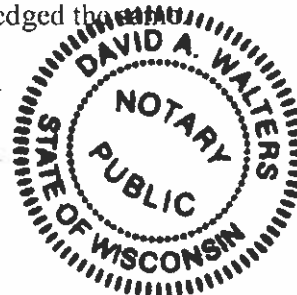
STATE OF WISCONSIN)

) ss.

COUNTY OF BROWN)

Personally appeared before me this 18th day of Dec., 2018, the above named
Richard W. Johnson, Managing Member, to me known to be the persons who executed
the foregoing instrument and acknowledged the same.

David A. Walters
Notary Public, State of Wisconsin
My commission 4-9-22





City of Merrill – TIF Development Incentive Overview

TID No. 3 (East Side)

Property Owner:	United Development Group, LLC (Green Bay, WI) will be purchasing the development site from 3's Company
Location:	3201 E. Main St. (Triangle-shaped .76 acre site)
Development:	About 9,000 sq. ft. new retail building
Jobs:	Retention of east-side existing jobs that will relocate to new building (3 to 4 full-time and 6 to 8 part-time)
Investment:	In addition to site acquisition, developer estimating \$27,000 for demolition of existing building and about \$783,000 for new building construction.
Infrastructure:	N/A for public. Developer would continue to lease East Main Street right-of-way (\$722 for 2018).

TID Development Incentive:

City staff evaluation: Demolition is the only option for existing building.

RDA recommendation:

Total of \$90,000 with the following payment schedule:

Upon completion (2019) \$30,000

Annually (2020-2022) \$20,000 – three years

TID Lifespan Tax Increment:

Spreadsheet provided – projected at \$92,790 and likely to be higher than conservative estimates.

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City of Merrill - Projected Tax Increment					
3201 E. Main St. - New retail 9,000 sq. ft. building					
PIN 251-3106-132-0222			East Side - TID No. 3		
Proposed developer: United Development Group, LLC. (Green Bay, WI)					
Acquisition of current 3's Company site; demolition of existing building; and construction of new 9,000 sq. ft. retail building.					
Development site is triangle-shaped totaling .76 acre. Much of existing paved area is in East Main Street right-of-way and leased from City of Merrill.					
Real Estate		Existing Valuation			Projected Valuation
	Land	\$65,500		Land	\$65,500
	Improved	\$138,000		Improved	\$638,000
	Total	\$203,500		Total	\$703,500
		Projected RE Tax Increment \$500,000			
Projected Tax Increment (TID No. 3 - East Side)					
Const. Year	Value Year	Revenue Year	Real Estate Increment	Tax Rate	Real Estate Tax Increment
2019	2020	2021	\$500,000	\$30.93	\$15,465
	2021	2022	\$500,000	\$30.93	\$15,465
	2022	2023	\$500,000	\$30.93	\$15,465
	2023	2024	\$500,000	\$30.93	\$15,465
	2024	2025	\$500,000	\$30.93	\$15,465
	2025	2026	\$500,000	\$30.93	\$15,465
			Projected Tax Increment		\$92,790
					TID Increment

Attachment: TID Dev Paperwork (4745 : Continued review & discussion of TID development overview)

④

RESOLUTION NO. 2583

**A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND
BETWEEN THE CITY OF MERRILL, WISCONSIN AND
UNITED DEVELOPMENT GROUP LLC**

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 3 on September 13, 2005 and the redevelopment site is within TID No. 3; and,

WHEREAS, United Development Group LLC has proposed acquisition of the site, demolition of existing building, and construction of new retail building; 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 existing jobs retained; and,

WHEREAS, United Development Group LLC has negotiated the development agreement to provide an incentive payment not to exceed \$90,000 to facilitate the commercial redevelopment project.

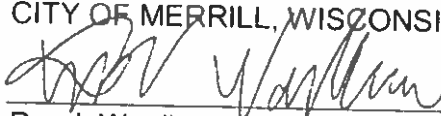
NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 9th day of October, 2017, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and United Development Group LLC and to facilitate the implementation thereof.

Recommended by:
Redevelopment Authority (RDA)

Moved: Alderman Meehean

Passed: October 9, 2018

CITY OF MERRILL, WISCONSIN

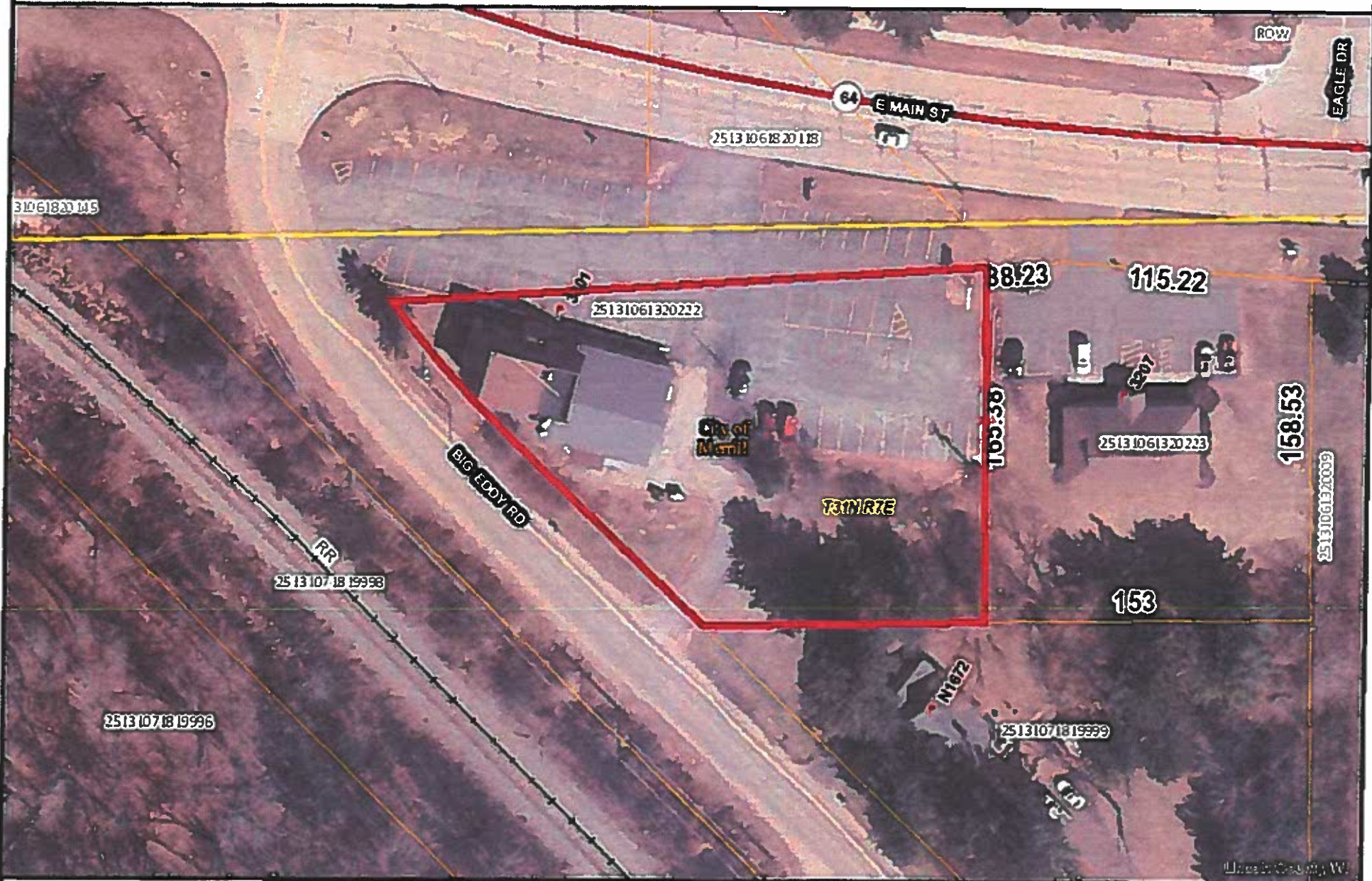

Derek Woellner
Mayor


William N. Heideman
City Clerk

Attachment: TID Dev Paperwork (4745 : Continued review & discussion of TID development overview)

5

Lincoln County Public Access Land Records Viewer



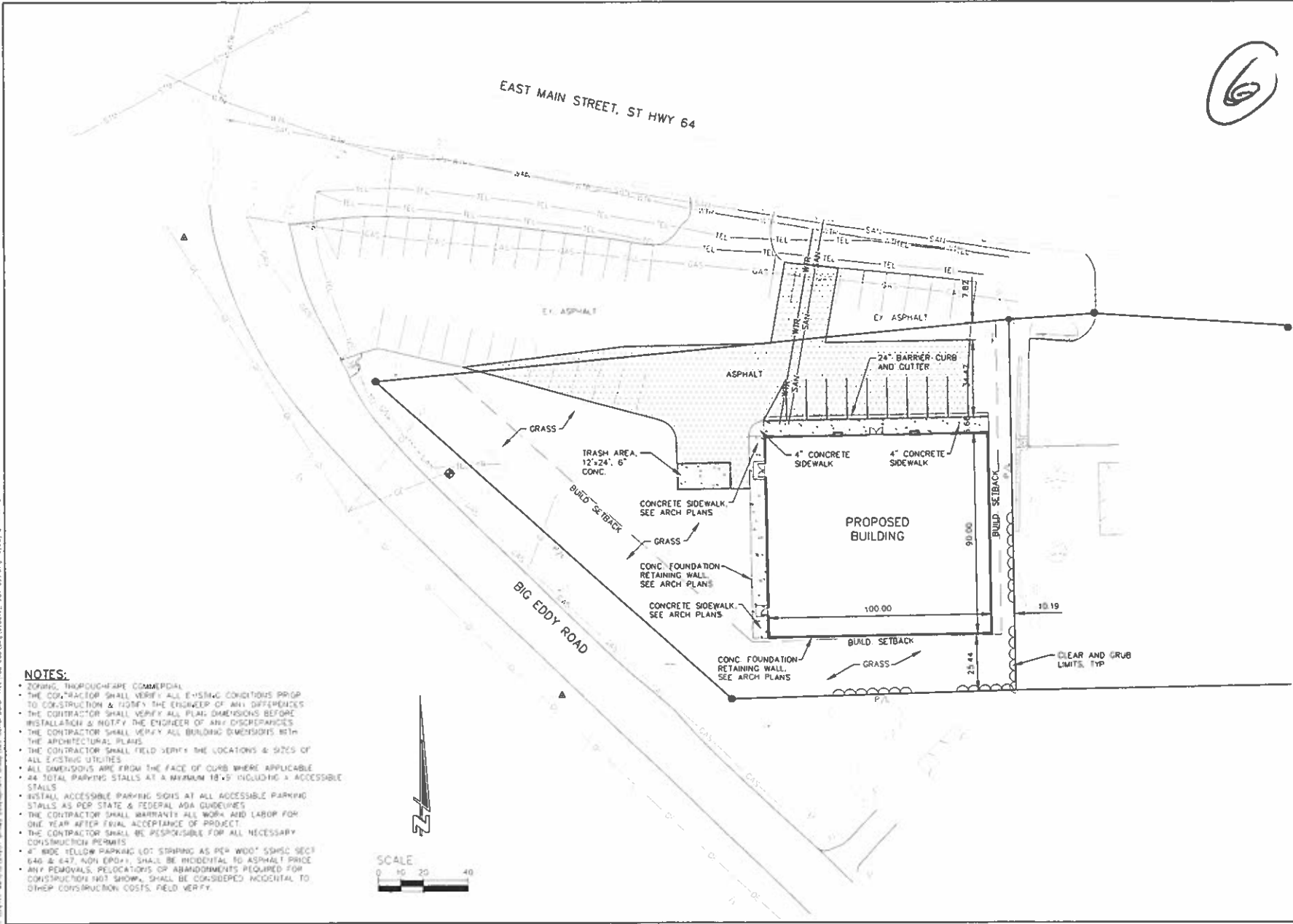
Author: Public
Date Printed: 9/17/2018



The information depicted on this map is a compilation of public record information including aerial photography and other base maps. No warranty is made, express or implied, as to the accuracy of the information used. The data layers are a representation of current data to the best of our knowledge and may contain errors. It is not a legally recorded map and cannot be substituted for field-verified information. Map may be reproduced with permission of the Lincoln County Land Services Department. Errors should be reported to Land Services Department, 801 North Sales St. Merrill, WI, 54452. Copy right © 2015 Phone (715) 539-1049.

Attachment: TID Dev Paperwork (4745 : Continued review & discussion of TID development overview)

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- NOTES:**
- ZONING: THOROUGHFARE COMMERCIAL
 - THE CONTRACTOR SHALL VERIFY ALL EXISTING CONDITIONS PRIOR TO CONSTRUCTION & NOTIFY THE ENGINEER OF ANY DIFFERENCES
 - THE CONTRACTOR SHALL VERIFY ALL PLAT DIMENSIONS BEFORE INSTALLATION & NOTIFY THE ENGINEER OF ANY DISCREPANCIES
 - THE CONTRACTOR SHALL VERIFY ALL BUILDING DIMENSIONS WITH THE ARCHITECTURAL PLANS
 - THE CONTRACTOR SHALL FIELD VERIFY THE LOCATIONS & SIZES OF ALL EXISTING UTILITIES
 - ALL DIMENSIONS ARE FROM THE FACE OF CURB WHERE APPLICABLE
 - 24 TOTAL PARKING STALLS AT A MINIMUM 18'5" INCLUDING 2 ACCESSIBLE STALLS
 - INSTALL ACCESSIBLE PARKING SIGNS AT ALL ACCESSIBLE PARKING STALLS AS PER STATE & FEDERAL ADA GUIDELINES
 - THE CONTRACTOR SHALL WARRANT ALL WORK AND LABOR FOR ONE YEAR AFTER FINAL ACCEPTANCE OF PROJECT
 - THE CONTRACTOR SHALL BE RESPONSIBLE FOR ALL NECESSARY CONSTRUCTION PERMITS
 - 4" 800C YELLOW PARKING LOT STRIPING AS PER WDOT 5545C SECS 646 & 647, NON DPOH, SHALL BE INCIDENTAL TO ASPHALT PRICE
 - ANY REMOVALS, RELOCATIONS OR ABANDONMENTS REQUIRED FOR CONSTRUCTION NOT SHOWN, SHALL BE CONSIDERED INCIDENTAL TO OTHER CONSTRUCTION COSTS. FIELD VERIFY.

ARCHITECT/ENGINEER

Cedar corporation

4707-009
MERRILL DOLLAR TREE
E MAIN STREET
MERRILL, WI 54452

DATE: OCTOBER 2018
SET FIVE
PRELIMINARY

SITE PLAN

SHEET NO.
C102

NO. DATE

NO. 4707-009

DESIGNED BY: CAS

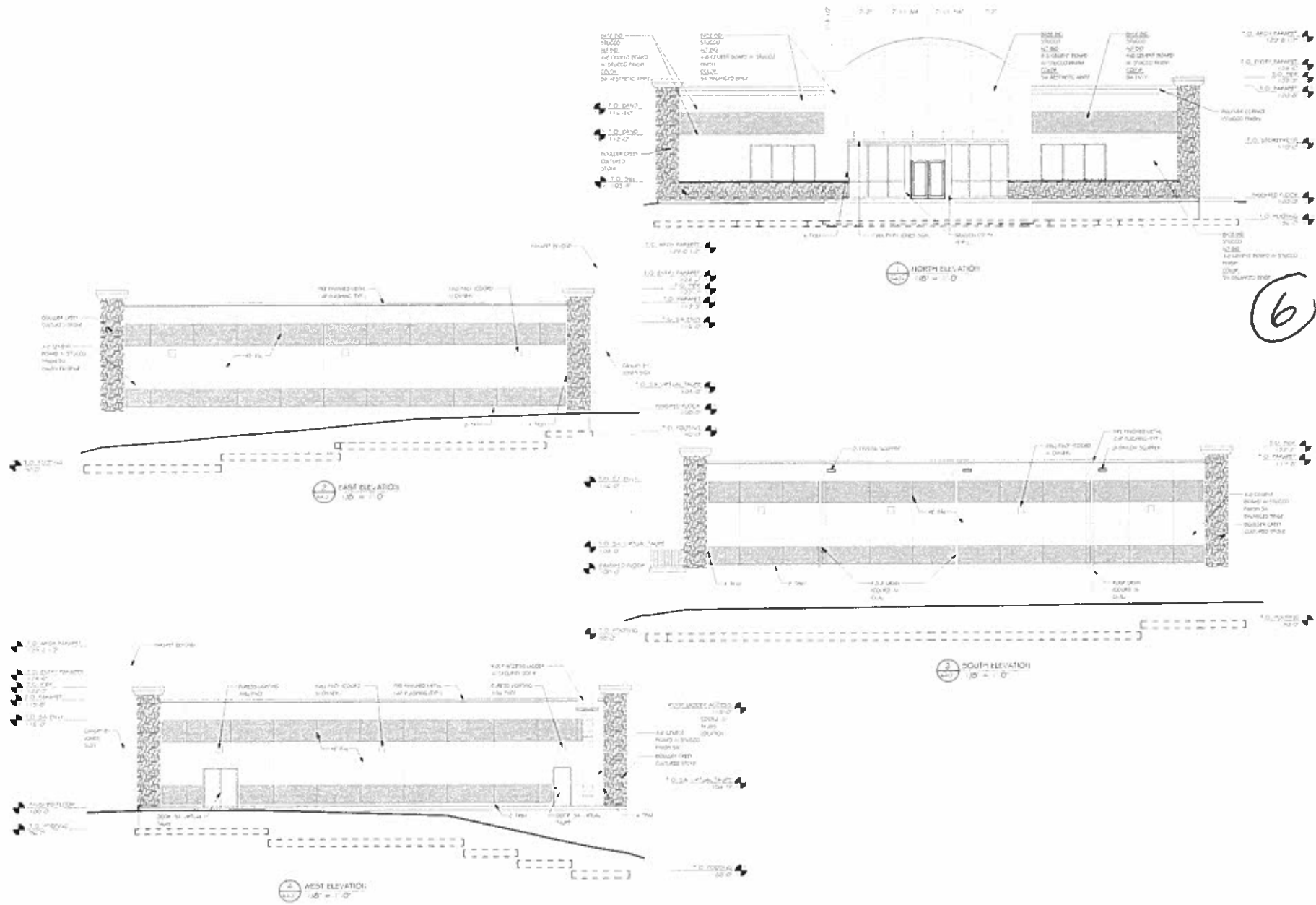
CHECKED BY: DB

APPROVED BY: [Signature]

PROJECT: [Signature]

DATE: [Signature]

SCALE: [Signature]



Cedar corporation
engineers • architects • planners • environmental specialists
land surveyors • landscape architects • interior designers

MERRILL DEVELOPMENT GROUP
MERRILL DOLLAR TREE
E MAIN STREET
MERRILL, WI 54452

UN207-009
DRAWN BY: UN207-009
CHECKED BY: CAS
DATE: OCTOBER 2018
PRELIMINARY
BUILDING
ELEVATIONS

A401

6



Attachment: TID Dev Paperwork (4745 : Continued review & discussion of TID development overview)

City of Merrill - Walgreen's
Minimum Assessed Valuation

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G. The City and RDA find such 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 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

Exhibits

A – Development Area, Lincoln County Land Record

B – Preliminary site plan and building exterior

ARTICLE II

Section 2.01 Initial Undertaking of the City of Merrill

The City Has:

- a. Included the Development Area within TID #3, and Redevelopment Area #1
- b. Approved zoning petition filed by the Developer on November 8, 2005
- c. Approved the site plan filed by the Developer on November 8, 2005

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

Section 2.02 Initial Undertakings of the Developer

- a. Acquire all necessary real estate interests.
- b. Raise equity and financing necessary for the Development.
- c. Will commence construction of the proposed commercial buildings by May 15, 2006 with substantial completion or occupancy by Walgreens anticipated to occur by December 15, 2006. Preliminary site plan and building exterior design are included as Exhibit B.

Section 2.03 Warranties and Representations of the City.

The City hereby warrants and represents that until all incentive payments have been made to Developer pursuant to Article III of this Agreement: (i) the assessment ratio generally applicable to property within the City (and therefore applicable to the

Attachment: TID Dev Paperwork (4745 : Continued review & discussion of TID development overview)

Development and the Development Area) shall be no less than ninety five percent (95%) and (ii) the tax rate generally applicable to property within the City (and therefore applicable to the Development and the Development Area) shall be no less than Twenty Seven and 55/100 Dollars (\$27.55) per each Thousand Dollars (\$1,000.00) of assessed valuation.

 Section 2.04 Warranties and Representations of MRED. MRED hereby warrants and represents the following: (i) an affiliate of MRED has entered into a contract of sale to acquire the Development Area from Lincoln County for a purchase price of One Million Seventy Thousand Dollars (\$1,070,000.00) and (ii) MRED will expend at least One Million Eight Hundred Fifty Thousand Dollars (\$1,850,000.00) relating to the construction of the Development within the Development Area. Further, Developer hereby agrees that, so long as the warranties and representations of the City in Section 2.03 above remain true and correct, the City shall receive a minimum of Sixty Seven Thousand Five Hundred One and 10/100 Dollars (\$67,501.10) in incremental taxes from the Development and the Development Area, commencing with the first calendar year occurring after Developer's substantial completion of the Development and continuing until all incentive payments have been made to Developer pursuant to Article III of this Agreement.

ARTICLE III INCENTIVE PAYMENTS TO DEVELOPER

The City shall pay a development incentive to Developer in the aggregate amount of Four Hundred Eighty Thousand Three Hundred Twenty Seven and 59/100 Dollars (\$480,327.59), payable in annual installments as set forth below, with the first such installment payment being made on September 1st of the calendar year occurring two (2) years after Developer's substantial completion of the Development. Assuming that substantial completion of the Development occurs prior to the end of 2006, such installment payments shall be made as follows:

September 1, 2008	\$50,625.83
September 1, 2009	\$50,625.83
September 1, 2010	\$50,625.83
September 1, 2011	\$50,625.83
September 1, 2012	\$50,625.83
September 1, 2013	\$50,625.83
September 1, 2014	\$50,625.83
September 1, 2015	\$50,625.83
September 1, 2016	\$50,625.83
September 1, 2017	<u>\$24,695.12</u>
Total	\$480,327.59

FoxConn - Racine Area

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failure of cure by the Developer or pursuant to the Developer Affiliate Guaranty, the Municipalities may apply the Developer Advance (and/or proceeds derived from the foreclosure of the Developer Advance Mortgages) to (i) the payment of the Area I Special Assessment and Area II/III Special Assessment; and (ii) the payment of any Makeup Payments. This requirement of the Developer Advance and the Developer Advance Mortgages to serve as security to the Municipalities for purposes of default by the Developer of its obligations under Section V, paragraphs 6, 7 and 8 herein shall terminate at such time as there is sufficient Area I Available Tax Increment to service the principal amount of \$195,000,000 of the 2018 Bonds (as defined in the Developer Affiliate Guaranty) and the pledge of the Developer Advance (and any Developer Advance Mortgages) shall be released at such time. At Developer's and Guarantor's option, upon at least 30 days' advance written notice to the Municipalities, Developer and Guarantor may elect to increase the amount of the Developer Affiliate Guaranty, in which case the amount of the Developer Advance pledged and/or the amount secured by the Developer Affiliate Mortgages shall be reduced commensurate with the increase in the Developer Affiliate Guaranty.

5. **Construction of Facility.** Developer shall establish and operate Developer's Generation 10.5 TFT-LCD Fabrication Facility (the "Facility") in Area I. Within Area I, Developer shall invest approximately \$10 billion to construct and equip the Facility, including approximately \$5.570 billion in direct construction expenditures ("CapEx Expenditures"), and Developer shall complete construction of the Facility within an approximately 7 year period, commencing no later than January 1, 2019. The Developer shall furnish to the Municipalities' Agent the same reports required under the WEDC Contract.

a. CapEx Expenditure includes only an investment in (i) machinery and equipment to be installed and used in Area I (including "finance leases" and "operating leases" (to the extent and in the amount that such operating leases give rise to a "right-of-use asset" on the balance sheet of a Recipient upon lease commencement, but not including "short term" operating leases of such machinery and equipment, and not including consigned machinery and equipment), and (ii) in land and buildings located in Area I that are needed to achieve the specific purpose of completing the Project. Notwithstanding any other provision of this Agreement, investments in residential or commercial, non-industrial property or construction of such property will not be considered to be eligible CapEx Expenditures for purposes of satisfying the test in this paragraph. The terms "finance lease", "operating lease", "right-of-use asset" have the meanings assigned to them under GAAP ASC 842.

b. The Developer shall give to the Municipalities' Agent any report to or conclusion of WEDC regarding WEDC's review of any construction contracts and subcontracts between Developer and affiliates, and leases to confirm that they reflect fair market value in determining Developer's performance under this section.

6. **Minimum Assessed Value.** As of ~~January 1, 2023~~ ²⁰²², the Developer agrees to cause the minimum "Value Increment" (as defined in Section 66.1105(2)(m) of the TIF Law) for Area I to be not less than ~~\$1.4 billion~~ (the "Minimum Guaranteed Value"), and to maintain that Minimum Guaranteed Value until ~~December 31, 2047~~ ²⁰⁴⁶ (the "Value Guaranty Period"). Developer shall, in any tax year during the Value Guaranty Period that the Value Increment for Area I is less than the Minimum Guaranteed Value, and following thirty (30) days written notice by the ~~Village~~ ^{CITY} to Developer, pay to the ~~Village~~ ^{CITY} for deposit into the ~~Area I TIF Account~~ ^{CITY TREASURY}, on or

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before the tax bills for that tax year must be paid, real and personal property taxes assessed for that year, plus the Makeup Payment defined below. The "Makeup Payment" shall be calculated to be the difference between:

- a. The real property and personal property taxes that would have been payable had the property in Area I had a Value Increment equal to the Minimum Guaranteed Value, using the tax rates for the year for which such calculation is to be performed; and
- b. The real and personal property taxes assessed to the actual Value Increment of the property in Area I payable for such tax year.

7. **Area I Special Assessment.**

a. **Levy.** In consideration of the Village conveying to Developer the Area I property acquired by Village, Developer agrees to the levying of a special assessment by the Village, encumbering the Area I property acquired by Developer, in the amount of the Area I Purchase Price plus interest on the debt funding of such Area I Purchase Price, and inclusive of all of the costs of issuance and related, legal and professional fees ("Area I Special Assessment"), and further Developer agrees to pay such Area I Special Assessment to the Village, in 20 equal payments, with the first such payment included in the 2019 real estate tax bill for the Area I property, coming due in 2020, and with each such subsequent payment included in the real estate tax bills for the Area I property, for each year thereafter, with a final assessment included in the 2039 tax bill, payable in 2040, but subject to the provisions of Section IV, paragraph 12(b) above, for reimbursement of this amount from Developer Available Tax Increment.

b. **Waiver.** In consideration of the benefit derived from the Village's acquisition of the Area I property, Developer hereby consents to the imposition of such Area I Special Assessment so levied, and hereby waives pursuant to Section 66.0703(7)(b), Wis. Stats., and any other applicable provision, any and all requirements of the Wisconsin Statutes which must be met prior to the imposition of this Area I Special Assessment including, but not limited to, the notice and hearing requirements of Section 66.0703 and the notice requirements of Section 66.0715(3).

c. **Application of Special Assessment.** The parties agree that the Area I Special Assessment is levied to secure the debt of the Municipalities, for the Area I Purchase Price, and that the annual payments received by the Village from the Area I Special Assessment shall be applied to such debt for the Area I Purchase Price, as shown in the Flow of Funds Chart, but agree that the Village on its behalf shall annually defer in whole or in part the installments of the Area I Special Assessment levied herein to the extent the Developer Available Tax Increment received by the Village is sufficient to pay this amount consistent with the Flow of Funds Chart.

d. **Reimbursement from Developer Available Tax Increment.** As provided in Section IV, paragraph 12(b) above, the amount of any Area I Special Assessment payments made by Developer under this Section 7, shall be repaid to Developer, to the extent of Developer Available Tax Increment, in the manner shown on the Flow of Funds Chart, until any