



CITY OF MERRILL
REDEVELOPMENT AUTHORITY

AGENDA • WEDNESDAY SEPTEMBER 4, 2019

Regular Meeting

City Hall Council Chambers

8:00 AM

- I. Call to order
- II. Minutes of previous meeting(s)
 - 1. RDA meeting minutes from August 21st
- III. Public comment
- IV. Agenda items for consideration:
 - 1. Update on FreMarq Innovations TID Development Incentive (1101 N. Mill Street) in TID No. 11 - Forgivable Loan issued on August 20, 2019
 - 2. Continued review and discussion of TID developments overview, background information, and development agreement formats
 - 3. Consider revised draft development agreement by and between the City of Merrill and Ryan Ott Development & Construction LLC for single home residential development on former Kienitz property (between W 10th St and W St Paul St in TID No. 11)
 - 4. Review and discuss information on City of Marshfield housing incentive program and whether to consider comparable housing incentives in City of Merrill
- V. Next RDA meeting
- VI. The RDA may convene in closed session per Wis. Stats. Sec. 19.85(1)(e) – deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session to consider:
 - 1. Consider approval of closed session RDA meeting minutes from August 21st
 - 2. Negotiation of potential sale of City-owned property and potential development incentives for Impact Seven multi-family housing development on former Fox Point site (1905 E. 14th St. in TID No. 10)
 - 3. Consider potential City purchase of property and development agreement terms to facilitate new restaurant development if the Developer is successful in obtaining accepted offer to purchase land (TID No. 3)
- VII. The RDA may reconvene in open session to consider action(s) on closed session development items
- VIII. Adjournment

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, August 21st, 2019 at 8:00 a.m.
City Hall Common Council Chambers

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

Others: City Clerk Bill Heideman, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl, City Building Inspector/Zoning Administrator Darin Pagel, Public Works Director/City Engineer Rod Akey, Paul Russell from Merrill Area Housing Authority, Bill Bialecki from Lincoln County Economic Development Corp., Ryan Ott (from Ryan Ott Development & Construction), Eric Dayton, Dawn Burnett from Church Mutual Insurance, and Merrill Productions camera operator

Call to Order: RDA Secretary Kathy Unertl called the meeting to order at 8:00 a.m.

New RDA Commissioner: Dan Koblitz replaces former RDA Commissioner Jill Laufenberg and Alderperson Steve Sabatke replaces former Alderperson Tim Meehean.

Consider election of new RDA President/Chairperson: Motion (Sabatke) to elect Derek Woellner. Motion (Kusserow) to elect Clyde Nelson. **RDA Commissioners voted 5 – 2 to elect Nelson as RDA President/Chairperson.**

Consider approval of RDA meeting minutes from July 10th:

Motion (Maule/Polak) to approve the meeting minutes from July 10th. Carried.

Public Comment: Unertl read an August 14th, 2019 letter from Park City Credit Union President/CEO Val Mindak that was addressed to Merrill Area Chamber of Commerce CEO Debbe Kinsey expressing support for Merrill to move forward on housing development proposals for both single family and apartments.

Dawn Burnett from Church Mutual Insurance emphasized that all types of housing were needed in Merrill to assist with their employee recruitment.

LCEDC Executive Director Bill Bialecki recommended housing development on former FoxPoint and Anson-Gilkey sites.

Attachment: 2019-08-21 RDA Minutes (4458 : RDA meeting minutes from August 21st)

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).

Review and discussion of Impact Seven offer to purchase the former Fox Point site for market-rate multi-family housing development (1905 E. 14th St. in TID No. 10):

Unertl emphasized that development at this site needs to be fully taxable for the TID to cash flow. Additional information has been requested by Impact Seven on how tax increment financing is generated.

Sabatke commented that potential sale price should be more than \$1.00 and noted that there were potential neighborhood concerns with multi-family development. Pagel reported that a Planned Unit Development (PUD) process would be needed and that public would have input on the layout proposed by the Developer.

Review and discuss information on City of Marshfield housing incentive program:

Due to length of the RDA meeting, this review and discussion deferred to the next RDA meeting.

Next RDA meeting: Wednesday, September 4th at 8:00 a.m.

Before moving into potential Closed Session, drone video footage of east side of Merrill was projected on the wall for RDA Commissioners and individuals at the meeting to view.

Closed Session:

Chair Nelson read the following notice: 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 July 10th
- b. Negotiation of potential development incentives (including proposed sale of City-owned property) for market-rate housing development on former Fox Point site (1905 E. 14th St. in TID No. 10)
- c. Review and discussion of potential purchase of properties for new restaurant development(s) in TID No. 3 and TID No. 4 (East Side area); potential use of “spot blight” legal authority; and potential TID development incentives to facilitate new development(s)

Motion (Polak/Maule) to move into closed session. Carried 7-0 on roll call vote at 9:22 a.m.

- **Motion (Kusserow/Sabatke) to approve the Closed Session meeting minutes from July 10th.** Carried.

Closed Session (Continued):

- RDA Commissioners reviewed the offer to purchase from Impact Seven for former Fox Point site in TID No. 10. Unertl emphasized that any development at this site needed to be fully taxable. Additional information will be provided to Impact Seven.
- Bialecki from LCEDC highlighted two potential restaurant sites (in TID No. 3 and TID No. 4). RDA Commission consensus to proceed with negotiations to potentially secure the two sites.

Adjournment from Closed Session: Motion (Kusserow/Koblitz) to adjourn at 9:57 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

Attachment: 2019-08-21 RDA Minutes (4458 : RDA meeting minutes from August 21st)



August 16, 2019

City of Merrill

1004 East First Street

Merrill WI 54452

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

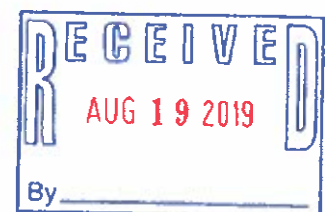
RE: FrēMarq certification of employees in Merrill

This letter is to inform you that as of August 16, 2019, there are 51 employees employed at FrēMarq 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



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

Attachment: TID Dev Paperwork (4435 : Continued review and discussion of TID developments)

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

[Signature]
Derek Woellner, Mayor

[Signature]
William N. Heideman, Clerk

Approved:

[Signature]
Katherine G. Unertl, Finance Director

Approved as to Form:

[Signature]
Thomas N. Hayden, City Attorney

STATE OF WISCONSIN)

) ss.

COUNTY OF LINCOLN)

Personally came before me this 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.

[Signature]
Notary Public, State of Wisconsin
My commission 2-4-2019

MERRILL DEVELOPMENT GROUP LLC

By [Signature]
Richard W. Johnson, Managing Member

By [Signature]
Member

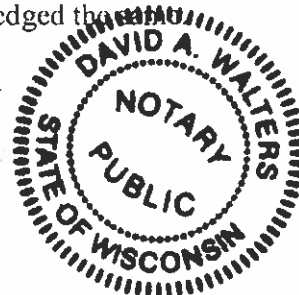
STATE OF WISCONSIN)

) 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.

[Signature]
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.

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

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.

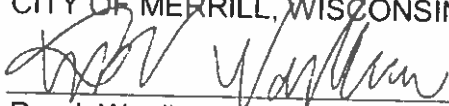
NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 9th day of October, 2017, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and United Development Group LLC and to facilitate the implementation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

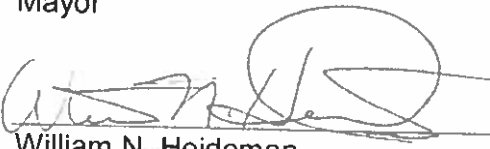
Recommended by:
Redevelopment Authority (RDA)

Moved: Alderman Meehean

Passed: October 9, 2018

CITY OF MERRILL, WISCONSIN

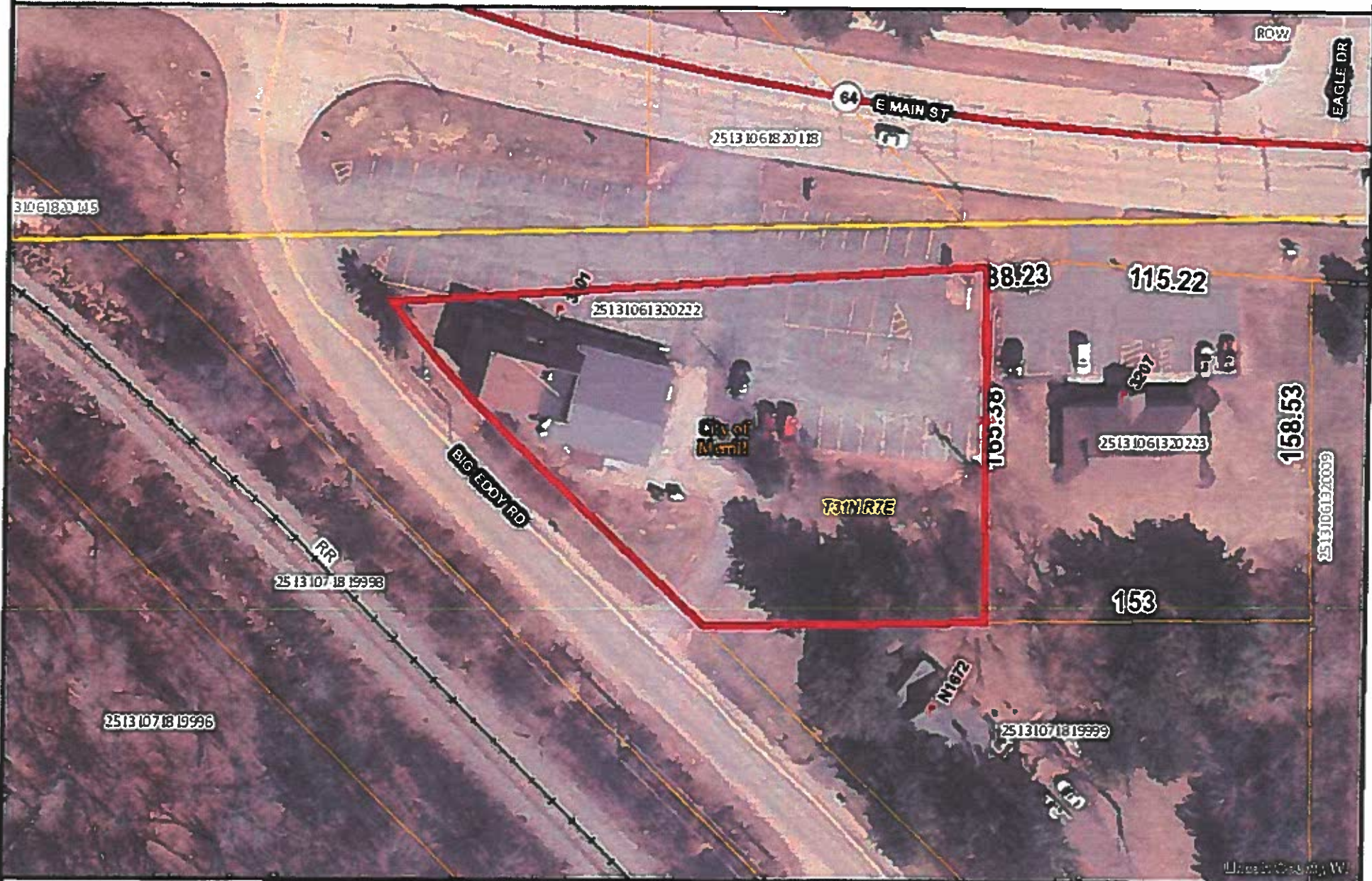

Derek Woellner
Mayor


William N. Heideman
City Clerk

Attachment: TID Dev Paperwork (4435 : Continued review and discussion of TID developments)

5

Lincoln County Public Access Land Records Viewer



Author: Public
Date Printed: 9/17/2018



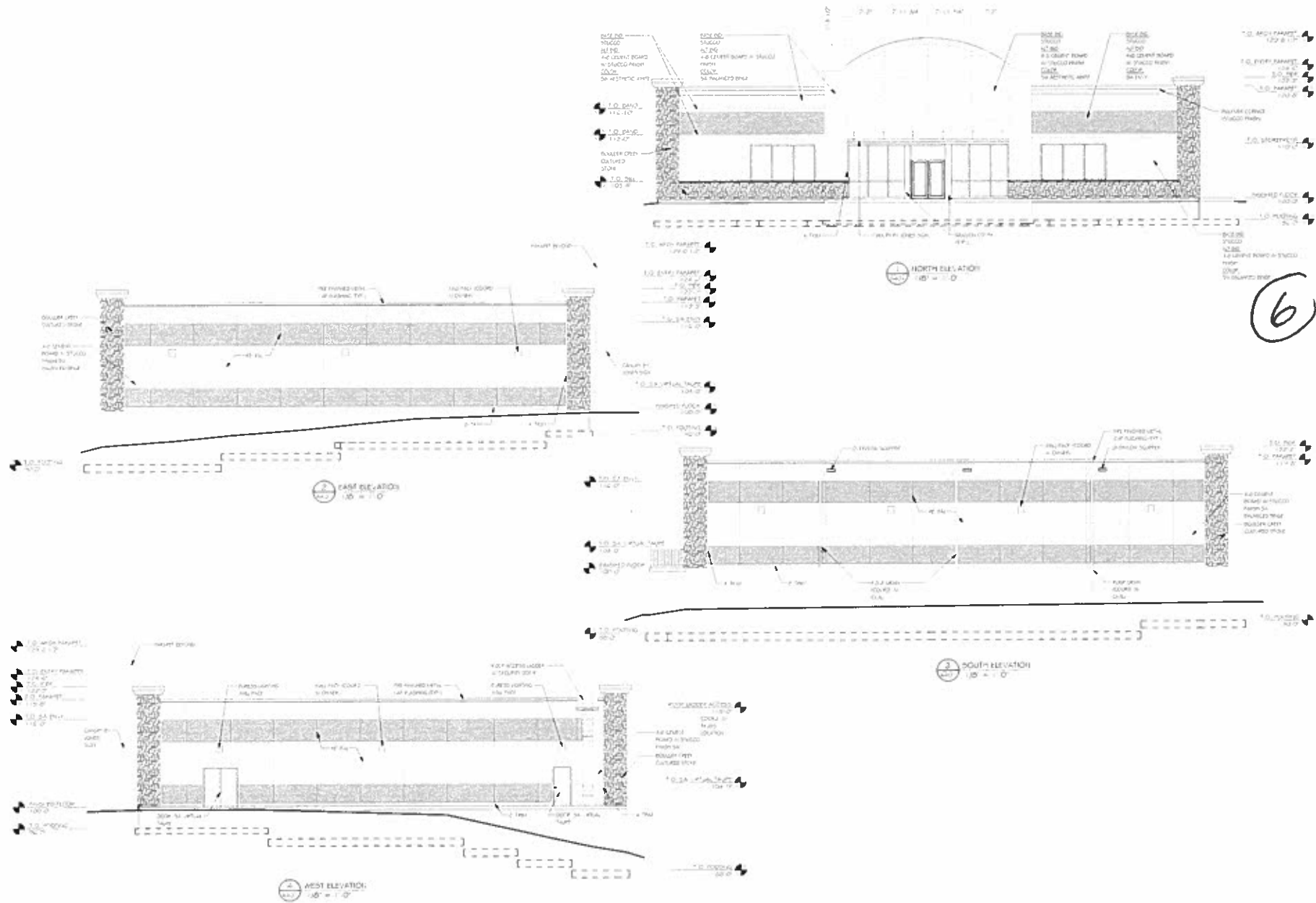
The information depicted on this map is a compilation of public record information including aerial photography and other base maps. No warranty is made, express or implied, as to the accuracy of the information used. The data layers are a representation of current data to the best of our knowledge and 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 (4435 : Continued review and discussion of TID developments)



engineers • architects • planners • environmental specialists —

Control
C102



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



City of Merrill - Walgreen's
Minimum Assessed Valuation

7

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 (4435 : Continued review and discussion of TID developments)

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

Fox Con - Racine Area

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

TAX INCREMENT DISTRICT (TID) No. 11

Through TID No. 11, the former Kienitz property (6.707 acres) was acquired by the City of Merrill in 2016 for \$9,741 (i.e. equivalent of W. 10th St. special assessments and 2015 property taxes).

Key development background:

- Existing City utility services (i.e. water and sanitary sewer) is available on W. St. Paul St. frontage. Three new lots will be created through Certified Survey Map (CSM) process for Phase 1 housing development.
- A Plat is needed for the rest of the development site. City has contracted with REI for the survey and Plat development work.
- The W. 10th St. frontage cannot be developed until City sanitary sewer service is extended south from W. St. Paul St.
- There will also need to be extension of City water to service the interior of the site and curb/gutter & paving of proposed Superior Street extension between W. St. Paul St. and W. 10th St.
- W. St. Paul St. between Champagne St. east to State St. (except for intersections) is currently gravel and there will need curb/gutter & paving.

Note: Western side of the parcel is adjacent to City-owned Champagne St. stormwater drainage.

Phased Development:

Phase 1 – three new homes on W. St. Paul St. (need Certified Survey Map – CSM)

If Phase 1 starts by end of 2019, City utility and street infrastructure improvements would be planned for 2020 construction to facilitate future housing phases.

Conceptual Development Fiscal:

Preliminary overall development fiscal spreadsheet (including projected infrastructure debt service) is attached. Overall development project cash flows and would allow about \$250,000 for other TID No. 11 investments or potential transfer of tax increment to “blighted area” TIDs.

Lincoln County Public Access Land Records Viewer



Author: Public
Date Printed: 7/1/2019



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) 839-1049.



X New Infrastructure W St Paul St Area Development

City of Merrill - TID No. 11 (Hwy 107/MARC Area)						Four Phases - 3 Houses Annually (Over Four Years)			
Projected Tax Increment for single-family home development									
PIN 251-3106-101-0214 - City-owned property (former Kienitz family)									
- between W. 10th St. and W. St. Paul St. (6.707 acres)									
Projected assessments for new single-family home:						Preliminary engineering probable estimated costs:			
	Land	Improved		Total RE		Superior St. extension - New Utilities/Street		\$245,000	
	Valuation	Valuation		Valuation		W. St. Paul St. - Curb, gutter, and paving (Champagne St. east to State St.)		\$155,000	
	\$5,000	\$150,000		\$155,000		Preliminary Estimate		\$400,000	
Projected Tax Increment and TID No. 11 Cash Flow:						*From available TID No. 11 Tax Increment			
Const.	Value	Revenue	Total #	TID Value	Tax	Projected	Dev.	Debt	Available
Year	Year	Year	of Homes	Increment	Rate	Tax Increment	Incentives	Service	Increment
2019	2020	2022	Footings - 3	\$25,000	\$31.08	\$777			\$777
2020	2021	2023	3 plus Footings	\$490,000	\$31.08	\$15,229	\$30,000		(\$14,771) *
2021	2022	2024	6 plus Footings	\$955,000	\$31.08	\$29,681	\$30,000	\$33,500	(\$33,819) *
2022	2023	2025	9 plus Footings	\$1,420,000	\$31.08	\$44,134	\$30,000	\$33,500	(\$19,366) *
2023	2024	2026	12 Total Homes	\$1,860,000	\$31.08	\$57,809	\$30,000	\$33,500	(\$5,691) *
2024	2025	2027		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2025	2026	2028		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2026	2027	2029		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2027	2028	2030		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2028	2029	2031		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2029	2030	2032		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2030	2031	2033		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2031	2032	2034		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2032	2033	2035		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2033	2034	2036		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2034	2035	2037		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
2035	2036	2038		\$1,860,000	\$31.08	\$57,809		\$33,500	\$24,309
						\$841,336	\$120,000	\$502,500	\$218,836

RESOLUTION NO. _____

DRAFT – 2019-08-13

**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 ____ day of _____, 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)

CITY OF MERRILL, WISCONSIN

Moved: _____

Derek Woellner
Mayor

Passed: _____

William N. Heideman
City Clerk

Attachment: TID11 - Single-Family Homes (4434 : Revised draft development agreement Ryan Ott Development & Construction LLC)

REQUEST FOR TIF DEVELOPMENT INCENTIVE**TID No. 11 – Hwy 107 Area:**

Contact Name, Address, and Telephone Number:

Ryan Ott Development & Construction co., LLC
W5646 Tug Lake Ave.
Irma, WI 54442
(715) 536-1910

Property Owner (how property will be titled):

Ott Property Holdings LLC

Business Entity and Type:

Sole Proprietor LLC located in Lincoln county Wisconsin

Name(s) of Signers and Position They Hold in Company:

Ryan Ott (owner)
W5646 Tug Lake Ave.
Irma, WI 54442
(715) 218-5801

JOBS, (Number of existing and new positions):

5 existing jobs with future jobs possible

DEVELOPMENT PROPOSAL

Construction of up to twelve (12) new single-family homes on former Kienitz parcel that is owned by City of Merrill – PIN 251-3106-101-0214.

Three lots to be conveyed by Certified Survey Map (CSM) on W. St. Paul St. to begin 2019 construction of three new homes. Future title conveyance after new Plat finalized and approved.

INFRASTRUCTURE

Requesting future extension of City water, sanitary sewer, and stormwater utilities, as well as new street (i.e. curb, gutter, and paving) between W. 10th St. and W. St. Paul St. Pavement including curb and gutter of west saint paul street.

REQUESTED CASH DEVELOPMENT INCENTIVE PER NEW HOUSE

\$10,000 (Ten thousand dollars)

PROJECT TIMEFRAMES: This section completed by Finance Director/RDA Secretary Kathy Unertl (8/29/2019)

Dependent upon City transfer of lots via new Certified Survey Map (CSM) – if accomplished by October 1st, 2019:

Phase I Start by December 31st, 2019 Planned Completion October 31st, 2020

If house foundations not completed by December 31st, 2019, cash development incentive will be reduced by \$777 per house.

If construction not underway by May 20th, 2020, title to the property reverts back to City of Merrill.

**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 _____

RESOLUTION NO. ____

DRAFT – 2019-08-13

**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 ____ day of ____, 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)

CITY OF MERRILL, WISCONSIN

Moved: _____

Derek Woellner
Mayor

Passed: _____

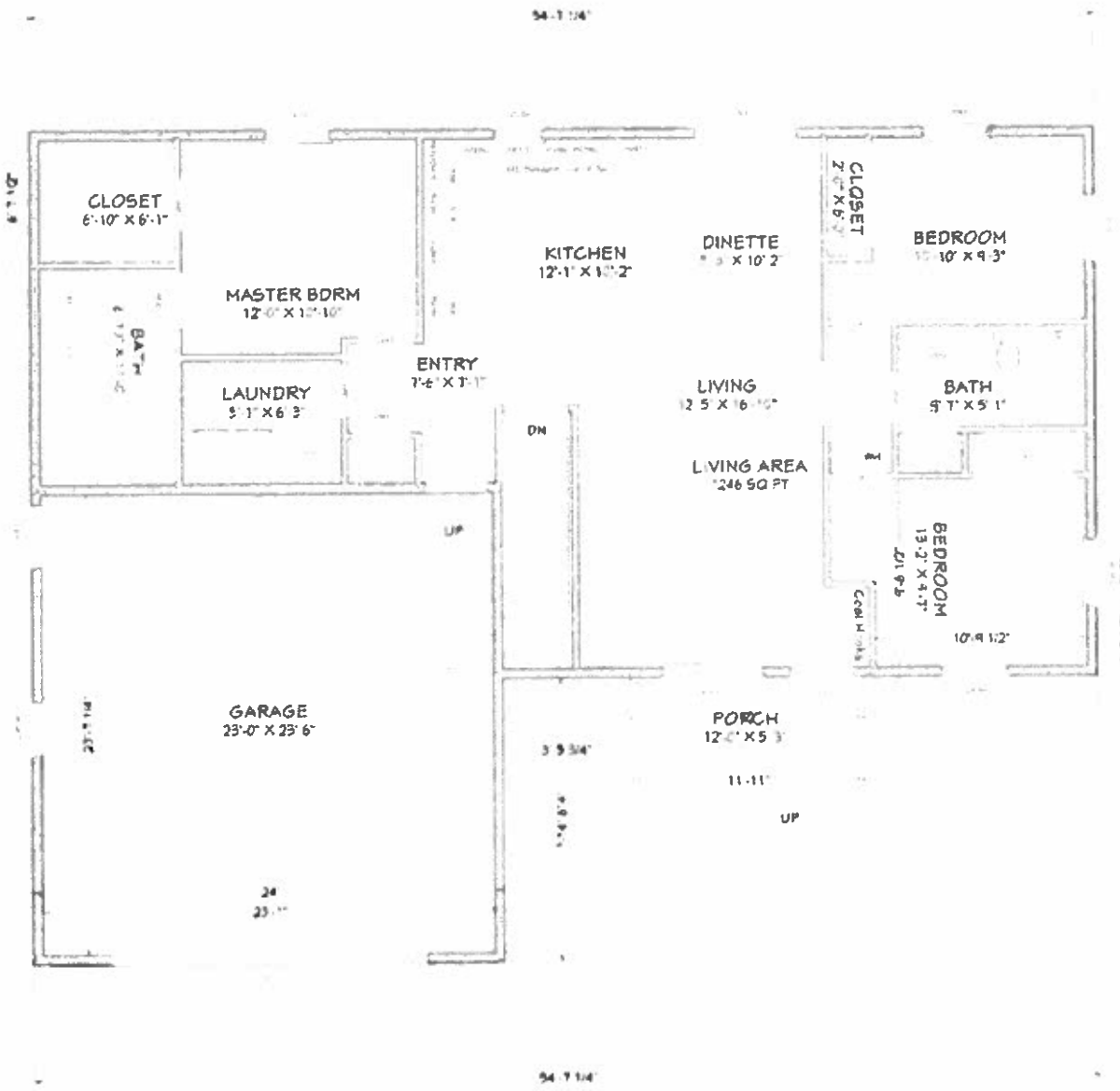
William N. Heideman
City Clerk

Attachment: TID11 - Single-Family Homes (4434 : Revised draft development agreement Ryan Ott Development & Construction LLC)

City of Merrill - TID No. 11 (Hwy 107/MARC Area)					Phase I - W. St. Paul St. - 3 new homes		
Projected Tax Increment for single-family home development PIN 251-3106-101-0214 - City-owned property (former Kienitz family) - between W. 10th St. and W. St. Paul St. (6.707 acres - Lot 1)							
Projected assessments for new single-family home:							
	Land Valuation	Improved Valuation	Total RE Valuation				
	\$5,000	\$150,000	\$155,000				
Projected Tax Increment and TID No. 11 Cash Flow:					Phase 1 - three new homes on St. Paul St. frontage		
					1 new home		
Const. Year	Value Year	Revenue Year	TID Value Increment	Tax Rate	Projected Tax Increment	TID Value Increment	Projected Tax Increment
2019	2020	2022	\$25,000	\$31.08	\$777	Footings	\$2,331
2020	2021	2023	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2021	2022	2024	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2022	2023	2025	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2023	2024	2026	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2024	2025	2027	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2025	2026	2028	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2026	2027	2029	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2027	2028	2030	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2028	2029	2031	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2029	2030	2032	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2030	2031	2033	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2031	2032	2034	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2032	2033	2035	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2033	2034	2036	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2034	2035	2037	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
2035	2036	2038	\$155,000	\$31.08	\$4,817	\$465,000	\$14,452
Total					\$77,855	Total	\$233,566

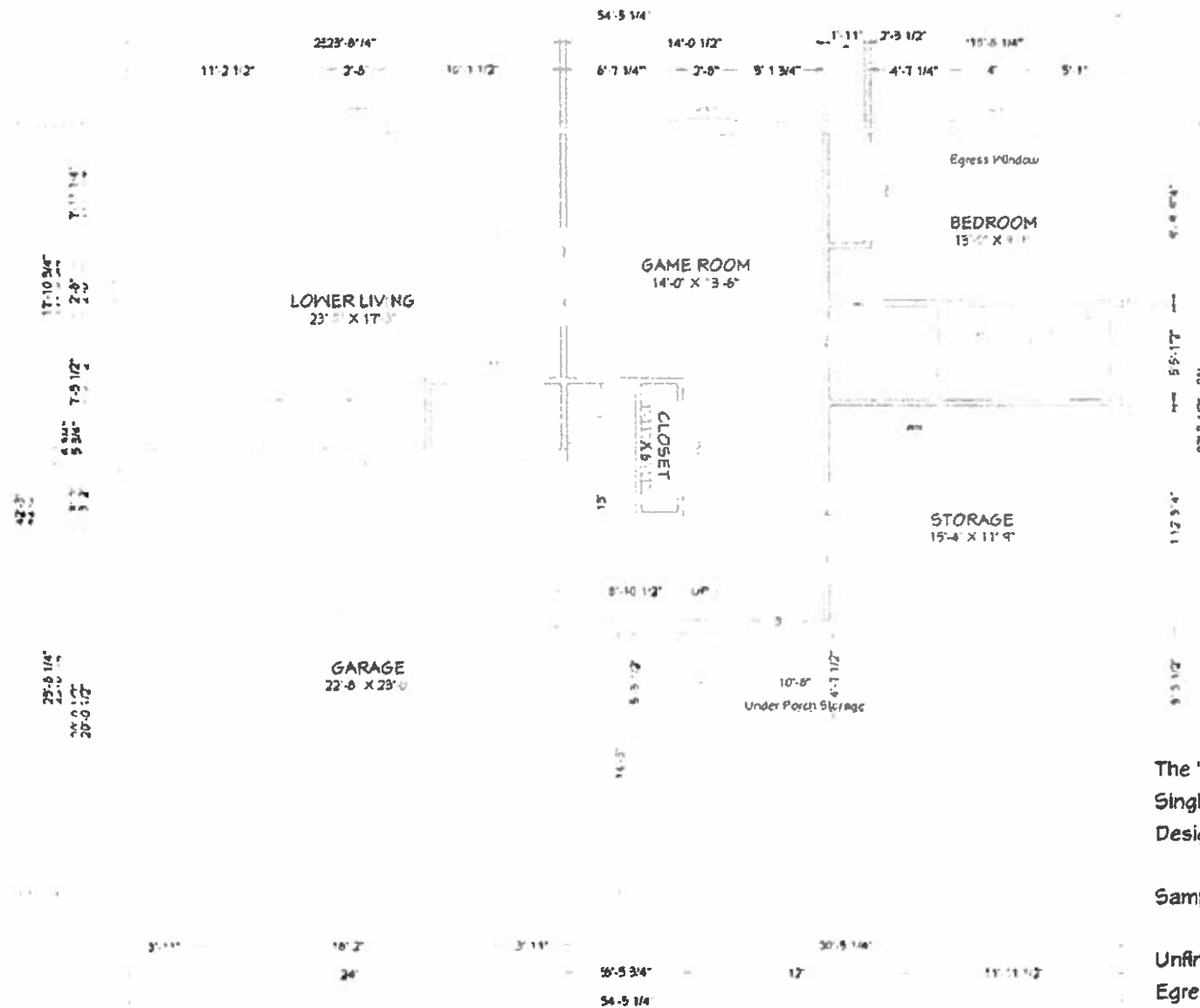
TID11 - Potential Houses

revised: 8/7/2019



The "Neenah" Floor Plan Updated 6/12/20
 Single Family Proposed New Construction
 Designed by J. Mason Builders
 3 bedroom 2 full baths

1246 SQFT



The "Neenah" Floor Plan Updated 6/12/20
Single Family Proposed New Construction
Designed by J. Mason Builders

Sample Finished Lower Level

Unfinished basement with rough in bath
Egress window 48x48

Merrill RDA Agenda Item – Review and discuss information on City of Marshfield housing incentive program

Looking for input from RDA Commissioners and Merrill Common Council on whether to consider comparable new housing incentives?

City of Marshfield – Residential Incentive Program Results

From: Josh Miller – Marshfield Development Services Director (8/7/2019)

The program has been successful, here's a summary of the program by year:

In 2017, the City received 11 MRI applications (10 single family and 1 duplex), starting June 1, 2017. The estimated assessed values of the 11 homes total \$2,073,700 with a total incentive payment of \$65,383 being paid to developers/home owners. The average assessed value has been \$188,518 with an average incentive payment of \$5,943.91 being paid. In 2017, there were 15 new single family home building permits taken out and one permit taken out for a duplex.

In 2018, the City received 24 MRI applications (14 single family and 10 duplexes). Not all the projects are completed yet, but of the 16 projects assessed, the estimated assessed values of the homes total \$3,909,100 with a total incentive payment of \$85,890 being paid developers/home owners. The average assessed value has been \$244,319 with an average incentive payment of \$5,368 being paid.

For the first two years of the program, the City has added 24 single family homes, and 11 duplexes for a total of 46 dwelling units. So far (before all the estimated assessments and incentive payments have been made), the total investment from the City and economic development partners has been \$151,273. A total of \$5,982,800 in new assessed value has been added, generating an estimated \$149,000 in new annual tax revenue.



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Development Services

MRI (Marshfield Residential Incentive) Program

Marshfield Residential Incentive Program is made possible by the Marshfield Economic Development Board and Marshfield Utilities. A printable brochure for this program can be found [here](#).

*****ONLY BUILDING PERMITS FOR NEW SINGLE AND TWO FAMILY RESIDENTIAL DWELLING UNITS ISSUED AFTER JUNE 1, 2017 ARE ELIGIBLE FOR INCENTIVE*****

Program Goals

Based upon the findings of the 2014 Housing Study, there is an inadequate supply of desirable owner-occupied housing in the City under \$200,000. While there is an abundance of homes in this range, many are deemed unacceptable due to their condition. The Marshfield Residential Incentive (MRI) program is a grant program with the purpose of encouraging developers and/or residents to invest or rehabilitate the City's housing stock by providing financial incentives to new single family and two family residential dwelling units.

How to Apply

- When submitting a building permit application also complete the [MRI Program application](#) with the Development Services Department
- Only building permits for new single family and two family residential dwelling units issued after June 1, 2017 are eligible for an incentive

Restrictions

- The permit must be for a single family or two family construction following the WI UDC standards
- The incentive payment does not apply to additions, remodeling, or construction of accessory buildings/uses
- New multifamily developments (3+ units) are not eligible for an incentive payment

Program Award

The incentive payment can be applied to any new single family or two family residential construction

- An award shall not be granted until an Occupancy Permit is granted by the Building Inspector
- The incentive payment will be calculated based upon the improvement value as determined by the City Assessor's Office (land value not included)
- Maximum amount of incentive payment is \$7,500 per property (two family duplexes/twin homes are considered one property)
- Awards made are also based on available funding
- Payment/actual incentive will be made to the owner of record

property.

- Incentives are limited to available funds and applicants may not receive incentive payments if funds are no longer available

Examples of Payment/Award

- Assessed value \$0.00 - \$150,000; 5% incentive; \$0.00 - \$7,500 payment
- Assessed value \$150,001 - \$175,000; 4% incentive; \$6,000 - \$7,000 payment
- Assessed value \$175,001 - \$200,000; 3% incentive; \$5,250 - \$6,000 payment
- Assessed value \$200,001+; 2% incentive; \$4,000 - \$7,500 max payment

Questions

Any questions about the MRI Program can be directed to Josh Miller, Development Services Director at 715-486-2075 or by email at josh.miller@ci.marshfield.wi.us. Other building related questions can be directed to Natalie Delo at 715-486-2016 or by email at natalie.delo@ci.marshfield.wi.us.



MARSHFIELD
The City on the Coast

Development Services Department

City of Marshfield
207 West 6th Street
Marshfield, WI 54449
Ph: 715-486-2075 Fax: 715-384-7831
Email: josh.miller@ci.marshfield.wi.us

Marshfield Residential Incentive (MRI) Program Application

Office Use Only

Date Received:	Permit Holder Name:	Zoning District:	Parcel #:
Permit #:	Permit Issue Date:	Certificate of Occupancy (CO) #:	CO Issue Date:
Final Assessed Value:	Eligible Incentive:	Assessment Date:	Incentive Award (\$):

Applicant Information

Site Address:		Owner Address, City, State, Zip:	
Owner Name:		Owner Phone #:	Owner Email Address:
Home Type: ☐ Single Family ☐ Two Family			
Construction Purpose: ☐ Spec Home ☐ Rental Unit ☐ Private Party			
Person Entitled to Incentive: ☐ Land Owner ☐ Builder ☐ Purchaser ☐ Other			
Additional info (if needed):			
Entitlement Name:			
Phone #:	Email Address:	Fax #:	
Bank/Lender:		Bank/Lender Address:	
Checks Payable to:		Mailing Address for Incentive Payment:	

Questions?

For questions about this application, or the MRI Program itself, please contact :

Josh Miller, Development Services Director
Ph: 715-486-2075
Email: josh.miller@ci.marshfield.wi.us

Additional Information

I hereby apply for the Marshfield Residential Incentive (MRI) Program and I acknowledge that the information above is complete and accurate;
 I understand that an incentive shall not be granted until a clean certificate of occupancy is granted and an assessed value has been calculated (excluding land value);
 I understand that failure to comply with all required inspections or failure to comply with all ordinance and code requirements may void an incentive;
 I understand that funds are based on availability; I understand that an award shall not be granted if there are any outstanding charges or violations against the property;
 and I shall not hold the City liable;
 I understand that incentives are limited to available funds and I may not receive some or all of the incentive if funds are no longer available.

Applicant Signature: _____

Date: _____

F.A.Q.

- **Is the incentive a loan or a grant?** The incentive is a grant and does not need to be paid back.
- **When is the incentive applied?** The payment is made after a clean occupancy permit has been granted and an improvement value has been determined by the City Assessor Office. Funds may not be paid out until the following calendar year.
- **Does the newly constructed home have to be owner-occupied?** No. Developers building spec homes or rental developments may still qualify for the MRI program.
- **Are there any restrictions to how the awarded incentive is used?** No. The City will not regulate how the money is spent after it has been awarded. The purpose is to offset the cost of construction and encourage new development.
- **Is there anything that would cause the City not to release an incentive?** Failure to comply with all regulations, inspections, and orders, could cause the City to void incentive
- **Does the incentive apply to previous developed sites where an old dilapidated home was removed?** Yes.



Marshfield Residential Incentive (MRI) Program is made possible by the Marshfield Economic Development Board and Marshfield Utilities



CITY OF MARSHFIELD

Development Services Department
Josh Miller—Director of Dev. Services
 207 W 6th Street
 Marshfield, WI 54449

Phone: 715-486-2075
Fax: 715-384-7631
E-mail: josh.miller@ci.marshfield.wi.us

CITY OF MARSHFIELD

Marshfield Residential Incentive Program

Let us help.



Program Goals

Based upon the findings of the 2014 Housing Study, there is an inadequate supply of desirable owner-occupied housing in the City under \$200,000. While there is an abundance of homes in this range, many are deemed unacceptable due to their condition. The Marshfield Residential Incentive (MRI) program is a grant program with the purpose of encouraging developers and/or residents to invest or rehabilitate the City's housing stock by providing financial incentives to new single family and two family residential dwelling units.

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Examples of Payment

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• Assessed value \$150,001—\$175,000	4% incentive	\$6,000—\$7,000
• Assessed value \$175,001—\$200,000	3% incentive	\$5,250—\$6,000
• Assessed value \$200,001+	2% incentive	\$4,000—\$7,500 max

TAX INCREMENT DISTRICT (TID) No. 10

Closed Session – Negotiation of sale terms of City-owned property and potential development agreement terms

Besides deleting Property Taxes provision and requiring “fully taxable” development, what other potential terms should be negotiated in response to the Purchase Offer for 1905 E. 14th St. (former FoxPoint site) from Impact Seven?

Attachment: TID10 - Impact Seven Purchase Offer (4438 : Negotiation of potential sale of former Fox Point site)



August 1, 2019

Mr. Tom Hayden
Merrill City Hall
1004 E 1st Street
Merrill, WI 54462

Re: Purchase offer for 1905 E. 14th Street

Dear Attorney Hayden:

Please accept this purchase offer for the parcel at 1905 E. 14th Street. The offer describes our preliminary intent to develop the property for multi-family housing. We expect that our plans for the development may change and improve as we investigate and explore the possibilities and opportunities for the site with our design and construction team.

Impact Seven is committed to practice transparency and to engage the community as a partner in our work. As a condition of this offer, we commit to communicate regularly and openly with City staff and other identified stakeholders as we develop plans for the property, as information and knowledge may affect the terms and intentions described in this offer.

For purposes of this Offer, "Impact Seven" and "Developer" and "Buyer" shall refer to the same party, and "Seller" and "City" and "City of Merrill" shall refer to the same counterparty.

Property address: 1905 E. 14th Street, Merrill, Wisconsin

Purchase price: One dollar (\$1.00)

Property size: Approx. 5.43 acres (per survey provided by City)

Proposed use: Multi-family housing

Unit count: 60 units

Property taxes: Developer shall pursue property tax exemption subject to Wis. Stat. 70.11(a) in proportion to the statutorily compliant units included within the development.

Finance Director Kathy Unertl - needs to be fully taxable development.



"This institution is an equal opportunity provider and employer."



2961 Decker Drive, Rice Lake WI 54868 >>> 800-685-9353 >>> impact@impactseven.org >>> connect:

Attachment: TID10 - Impact Seven Purchase Offer (4438 : Negotiation of potential sale of former Fox Point site)

Developer's due diligence: During the investigation period, Developer shall conduct such tests and enlist the counsel and advice of competent professionals so to:

- Conduct a thorough ALTA-compliant survey of the lot;
- Conduct a bona fide market study of the property with a service provider acceptable to Buyer's lender, and such market study shall support the rent and income levels projected in Developer's pro forma;
- Secure permanent financing on Buyer's preferred terms and in sufficient volume to pay fully for the cost of the development;
- Conduct soil borings and test digs on the site and to return site to good condition;
- Conduct a Phase I environmental analysis and other environmental analyses as recommended by Buyer's environmental service provider;
- Secure rezoning consistent with Buyer's proposed use for the property;
- Secure purchase approval of the Impact Seven Board of Directors as a precondition of sale.

Due diligence period: Buyer requests 180 days from the date of acceptance of this offer to perform the tasks and due diligence investigation described above. Buyer commits to working deliberately and in earnest to investigate and to design the site within the 180-day due diligence period. Buyer may request extensions to the due diligence period in good faith and with sufficient and reasonable notice to the City.

Brokerage fees: None.

If the terms of this offer are acceptable to the City, please sign below and return to me by any convenient means. Alternatively, please reply in writing or by phone with any proposed changes to the offer.

Thank you for your time and consideration. Please contact me with any question or concerns. I can be reached by phone at 608-405-9064 and by email at michael.carlson@impactseven.org.

Sincerely,

Michael Carlson
Vice President, Real Estate Development
Impact Seven, Inc.

ACCEPTANCE

The proposal set forth in this purchase offer is acceptable to the City of Merrill. I further certify that I have the full authority to execute this purchase offer on behalf of the City.

For: The City of Merrill, Wisconsin

By: _____ Date: _____

Its: _____