

January 19, 2021

Project Plan

Tax Incremental District No. 13

City of Merrill, Wisconsin

Organizational Joint Review Board Meeting Held:	January 19, 2021
Public Hearing Held:	January 19, 2021
Approval by RDA:	January 19, 2021
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Approval by the Joint Review Board:	February 23, 2021

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SECTION 1:

Executive Summary

Description of District

Tax Incremental District (“TID”) No. 13 (“District”) is a proposed Industrial District comprised of approximately 71.34 acres located adjacent to US Highway 51 to the east and County Road G to the south. The District will be created to pay the costs of public infrastructure, property acquisition, demolition and reasonable development incentives needed (“Projects”) to fully develop the area.

Authority

The City is creating the District under the provisions of Wis. Stat. § 66.1105.

Estimated Total Project Cost Expenditures

The City anticipates making total expenditures of approximately \$3,027,500 (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”).

Incremental Valuation

The City projects that new land and improvements value of approximately \$10,800,000 will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumption’s as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

Expected Termination of District

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will generate sufficient tax increment to pay all Project Costs within the District’s allowable maximum term of 20 years.

Summary of Findings

As required by Wis. Stat. § 66.1105, and as documented in this Plan and the exhibits contained and referenced herein, the following findings are made:

1. That “but for” the creation of this District, the development projected to occur as detailed in this Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City. In reaching this determination, the City has considered:

The substantial investment needed to provide the public infrastructure necessary to allow for development within the District. Absent the use of tax incremental financing, the City is unable to fully fund this program of infrastructure improvements.

2. The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
4. Not less than 50% by area of the real property within the District is suitable for industrial sites as defined by Wis. Stat. § 66.1101 and has been zoned for industrial use. Any real property within the District that is found suitable for industrial sites and is zoned for industrial use at the time of creation of the District will remain zoned for industrial use for the life of the District.
5. Based on the foregoing finding, the District is designated as an industrial district.
6. The Project Costs relate directly to promoting industrial development in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).
10. That for those parcels to be included within the District that were annexed by the City within the three-year period preceding adoption of this Resolution, the City pledges to pay the Town of Merrill an amount equal to the property taxes the town last levied on the territory for each of the next five years.

11. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

SECTION 2: Preliminary Map of Proposed District Boundary



SECTION 3: Map Showing Existing Uses and Conditions



SECTION 4: Preliminary Parcel List and Analysis

City of Merrill, Wisconsin																			
Tax Increment District # 13																			
Base Property Information																			
Property Information					Assessment Information					Equalized Value					District Classification				
					Annexed														
Map Ref #	Parcel Number	Street Address	Owner	Acreage	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Industrial (Zoned and Suitable)	Commercial/Business	Existing Residential	Newly Platted Residential	Suitable for Mixed Use	
	251-3107-064-9928	Lincoln County Hwy G frontage	City of Merrill	64.83	0	0	0	0	100.00%	0	0	0	0	64.83				0.00	
	251-3107-053-9980	Lincoln County Hwy G frontage	City of Merrill	1.89	0	0	0	0	100.00%	0	0	0	0	1.89				0.00	
	251-3107-053-9981	3500 Lincoln County Hwy G	N&J Investments, LLC	4.62	13,300	45,000	0	58,300	100.00%	13,300	45,000	0	58,300	4.62				0.00	
								0											
				Total Acreage	13,300	45,000	0	58,300		13,300	45,000	0		71.34	0	0	0	0	
													Estimated Base Value	100.00%	0.00%	0.00%	0.00%	0.00%	
																		58,300	

SECTION 5:

Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals \$53,765,500. This value is less than the maximum of \$55,688,028 in equalized value that is permitted for the City.

City of Merrill, Wisconsin	
Tax Increment District # 13	
Valuation Test Compliance Calculation	
District Creation Date	2/9/2021
	Valuation Data Currently Available 2020
Total EV (TID In)	464,066,900
12% Test	55,688,028
Total Existing Increment	53,707,200
Projected Base of New or Amended District	58,300
Less Value of Any Underlying TID Parcels	0
Total Value Subject to 12% Test	53,765,500
Compliance	PASS

SECTION 6:

Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning, design and construction is completed.

With all Project Costs, the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number and location of potential Project Costs.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development

To promote and facilitate development the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred to make the property suitable for development. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as

defined in Wis. Stat. § 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Property Acquisition for Conservancy

To promote the objectives of this Plan, the City may acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

Acquisition of Rights-of-Way

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

Site Preparation Activities

Environmental Audits and Remediation

If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

Demolition

To make sites suitable for development, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

Land within the District may require grading to make it suitable for development, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Wis. Stat. § 66.1105(2)(f)1 k.

Water System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will

make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

Gas Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.

Communications Infrastructure

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

To allow development to occur, the City may need to construct or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

To attract development consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

Community Development

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

Contribution to Redevelopment Authority RDA

As provided for in Wis. Stat. § 66.1105(2)(f)1.h and Wis. Stat. § 66.1333(13), the City may provide funds to its RDA to be used for administration, planning operations, and capital costs, including but not limited to real property

acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the RDA for this purpose are eligible Project Costs.

Revolving Loan/Grant Program (Development Incentives)

To encourage private development consistent with the objectives of this Plan, the City, through its RDA, may provide loans or grants to eligible property owners in the District. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the RDA in the program manual. Any funds returned to the RDA from the repayment of loans made are not considered revenues to the District and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving fund and will continue to be used for the program purposes stated above. Any funds provided to the RDA for purposes of implementing this program are considered eligible Project Costs.

Miscellaneous

Property Tax Payments to Town

Property tax payments due to the Town of Merrill under Wis. Stat. § 66.1105(4)(gm)1. because of the inclusion of lands annexed after January 1, 2004 within the boundaries of the District are an eligible Project Cost.

Projects Outside the Tax Increment District

Pursuant to Wis. Stat. § 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries; and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The City intends to make the following project cost expenditures outside the District:

- Property acquisition
- Street improvements and appurtenances within the ROW
- Water system improvements
- Sewer system improvements

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the

undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include but are not limited to: architectural; environmental; planning; engineering; legal; audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

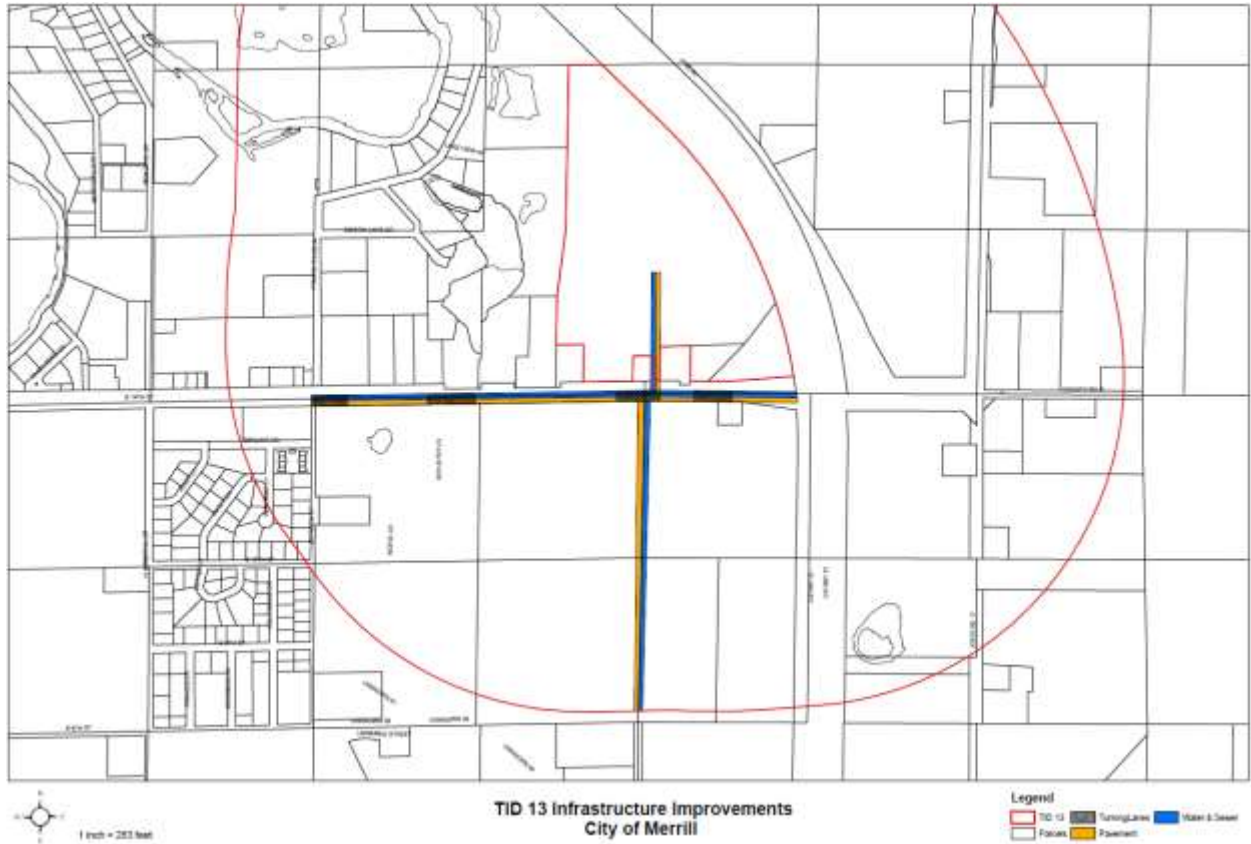
Administrative Costs

The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan.

Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

SECTION 7: Map Showing Proposed Improvements and Uses



SECTION 8:

Detailed List of Estimated Project Costs

The following list identifies the Project Costs that the City currently expects to incur in implementing the District’s Plan. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

City of Merrill, Wisconsin						
Tax Increment District # 13						
Estimated Project List						
Project ID	Project Name/Type	Phase I 2021	Phase II 2022-24	Phase III 2024-26	Phase IV Future	Total (Note 1)
	1 Development Incentives	25,000	500,000	500,000		1,025,000
(Note 2)	2 Real Estate Acquisitions		25,000		175,000	200,000
	3 Relocation Costs				10,000	10,000
	4 Demolition				25,000	25,000
	5 Environmental Remediation				25,000	25,000
	6 Engineering Services	25,000	15,000	15,000	20,000	75,000
(Note 2)	7 Street Improvements (Including Lighting)		750,000			750,000
(Note 2)	8 Sanitary Sewer Improvements		400,000			400,000
(Note 2)	9 Water System Improvements		400,000			400,000
	10 Professional Costs and Admin	15,000			100,000	115,000
	11 Town Tax Payments	500	2,000			2,500
	Total Projects	<u>65,500</u>	<u>2,092,000</u>	<u>515,000</u>	<u>355,000</u>	<u>3,027,500</u>
Notes:						
Note 1 Project costs are estimates and are subject to modification						
Note 2 Projects outside of, but within 1/2 mile of TID 4 boundary						

SECTION 9:

Economic Feasibility Study, Description of the Methods of Financing Estimated Project Costs and the Time When Related Costs or Monetary Obligations are to be Incurred

This Section includes a forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how Project Costs would be financed, and a projected cash flow demonstrating that the District is economically feasible.

Key Assumptions

The Project Costs the City plans to make are expected to create \$10,800,000 million in incremental value by 2040. Estimated valuations and timing for construction of the Project are included in Table 1. Assuming the City's current equalized TID Interim tax rate of \$30.00 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate \$4,431,077 in incremental tax revenue over the 20-year term of the District as shown in Table 2.

Table 1 - Development Assumptions

City of Merrill, Wisconsin									
Tax Increment District # 13									
Development Assumptions									
Construction Year		Actual	Acquisition/ Demolition	Lincoln Highway/ Hwy G	Industrial/ Business Park	Annual Total	Construction Year		
1	2021			250,000		250,000	2021	1	
2	2022				1,500,000	1,500,000	2022	2	
3	2023				1,500,000	1,500,000	2023	3	
4	2024			400,000		400,000	2024	4	
5	2025			750,000	2,000,000	2,750,000	2025	5	
6	2026					0	2026	6	
7	2027			550,000		550,000	2027	7	
8	2028					0	2028	8	
9	2029					0	2029	9	
10	2030		(200,000)		1,500,000	1,300,000	2030	10	
11	2031					0	2031	11	
12	2032					0	2032	12	
13	2033			550,000		550,000	2033	13	
14	2034					0	2034	14	
15	2035				1,000,000	1,000,000	2035	15	
16	2036					0	2036	16	
17	2037				1,000,000	1,000,000	2037	17	
18	2038					0	2038	18	
19	2039					0	2039	19	
20	2040					0	2040	20	
Totals		0	(200,000)	2,500,000	8,500,000	10,800,000			

Notes:

Table 2 – Tax Increment Projection Worksheet

City of Merrill, Wisconsin										
Tax Increment District # 13										
Tax Increment Projection Worksheet										
Type of District	Industrial		Base Value	58,300						
District Creation Date	February 9, 2021		Appreciation Factor	0.00%		Apply to Base Value				
Valuation Date	Jan 1,	2021	Base Tax Rate	\$30.00						
Max Life (Years)	20		Rate Adjustment Factor							
Expenditure Period/Termination	15	2/9/2036	Tax Exempt Discount Rate	2.50%						
Revenue Periods/Final Year	20	2042	Taxable Discount Rate	4.00%						
Extension Eligibility/Years	Yes	3								
Eligible Recipient District	No									

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation	
1	2021	250,000	2022	0	250,000	2023	\$30.00	7,500	6,965	6,668
2	2022	1,500,000	2023	0	1,750,000	2024	\$30.00	52,501	54,528	51,546
3	2023	1,500,000	2024	0	3,250,000	2025	\$30.00	97,502	140,705	131,685
4	2024	400,000	2025	0	3,650,000	2026	\$30.00	109,502	235,128	218,226
5	2025	2,750,000	2026	0	6,400,000	2027	\$30.00	192,003	396,654	364,133
6	2026	0	2027	0	6,400,000	2028	\$30.00	192,003	554,240	504,428
7	2027	550,000	2028	0	6,950,000	2029	\$30.00	208,504	721,195	650,919
8	2028	0	2029	0	6,950,000	2030	\$30.00	208,504	884,078	791,777
9	2029	0	2030	0	6,950,000	2031	\$30.00	208,504	1,042,988	927,217
10	2030	1,300,000	2031	0	8,250,000	2032	\$30.00	247,504	1,227,021	1,081,807
11	2031	0	2032	0	8,250,000	2033	\$30.00	247,504	1,406,565	1,230,452
12	2032	0	2033	0	8,250,000	2034	\$30.00	247,504	1,581,731	1,373,380
13	2033	550,000	2034	0	8,800,000	2035	\$30.00	264,005	1,764,017	1,519,972
14	2034	0	2035	0	8,800,000	2036	\$30.00	264,005	1,941,857	1,660,926
15	2035	1,000,000	2036	0	9,800,000	2037	\$30.00	294,005	2,135,076	1,811,861
16	2036	0	2037	0	9,800,000	2038	\$30.00	294,005	2,323,582	1,956,990
17	2037	1,000,000	2038	0	10,800,000	2039	\$30.00	324,006	2,526,256	2,110,777
18	2038	0	2039	0	10,800,000	2040	\$30.00	324,006	2,723,988	2,258,649
19	2039	0	2040	0	10,800,000	2041	\$30.00	324,006	2,916,896	2,400,833
20	2040	0	2041	0	10,800,000	2042	\$30.00	324,006	3,105,100	2,537,549
Totals	10,800,000		0		Future Value of Increment		4,431,077			

Notes:
 Actual results will vary depending on development, inflation of overall tax rates.
 NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Financing and Implementation

Table 3. provides a summary of the District’s debt financing plan. Some costs will be funded from annual and accumulated tax increment revenues.

Table 3 – Financing Plan

City of Merrill, Wisconsin				
Tax Increment District # 13				
Estimated Financing Plan				
	G.O. Bond 2023	G.O. Bond 2025	State Trust Fund Loan 2030	Totals
Projects				
Phase II	2,065,000			2,065,000
Phase III		515,000		515,000
Phase IV			175,000	175,000
Total Project Funds	2,065,000	515,000	175,000	2,755,000
Estimated Finance Related Expenses				
Costs of Issuance	50,000	25,000		
Underwriter Discount (\$s/\$1,000)	10.00 22,000	10.00 5,650	10.00 1,750	
Capitalized Interest	60,500	15,538		
Total Financing Required	2,197,500	561,188	176,750	
Rounding	2,500	3,813	0	
Net Issue Size	2,200,000	565,000	175,000	2,940,000
Notes:				

Based on the Project Cost expenditures as included within the cash flow exhibit (Table 4), the District is projected to accumulate sufficient funds by the year 2040 to pay off all Project cost liabilities and obligations. The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

Table 4 - Cash Flow

City of Merrill, Wisconsin																					
Tax Increment District # 13																					
Cash Flow Projection																					
Year	Projected Revenues				Expenditures									Balances			Year				
	Tax Increments	Other Revenues	Capitalized Interest	Total Revenues	G.O. Bond 2,200,000			G.O. Bond 565,000			State Trust Fund Loan 175,000			Cash Outlays	Other	Admin.		Total Expenditures	Annual	Cumulative	Principal Outstanding
					Dated Date: 12/01/23	Est. Rate	Interest	Dated Date: 12/01/25	Est. Rate	Interest	Dated Date: 06/01/30	Est. Rate	Interest								
2021	0			0										65,500		0	65,500	(65,500)	(65,500)	2,200,000	2021
2022	0			0												2,500	2,500	(2,500)	(68,000)	2,200,000	2022
2023	7,500			7,500										25,000		2,500	27,500	(20,000)	(88,000)	2,200,000	2023
2024	52,501		60,500	113,001			60,500									5,000	65,500	47,501	(40,499)	2,200,000	2024
2025	97,502			97,502			60,500							10,000		5,000	75,500	22,002	(18,497)	2,765,000	2025
2026	109,502		15,538	125,039			60,500			15,538				25,000		5,000	106,038	19,002	505	2,765,000	2026
2027	192,003			192,003	110,000	2.75%	60,500	30,000	2.75%	15,538				25,000		5,000	246,038	(54,034)	(53,530)	2,625,000	2027
2028	192,003			192,003	115,000	2.75%	57,475	30,000	2.75%	14,713						5,000	222,188	(30,184)	(83,714)	2,480,000	2028
2029	208,504			208,504	120,000	2.75%	54,313	30,000	2.75%	13,888				20,000		5,000	243,200	(34,696)	(118,410)	2,330,000	2029
2030	208,504			208,504	120,000	2.75%	51,013	30,000	2.75%	13,063	15,265	3.00%	5,250			5,000	239,590	(31,087)	(149,497)	2,339,735	2030
2031	208,504			208,504	125,000	2.75%	47,713	30,000	2.75%	12,238	15,723	3.00%	4,792			5,000	240,465	(31,962)	(181,458)	2,169,011	2031
2032	247,504			247,504	125,000	2.75%	44,275	35,000	2.75%	11,413	16,195	3.00%	4,320			5,000	241,203	6,301	(175,157)	1,992,816	2032
2033	247,504			247,504	130,000	2.75%	40,838	35,000	2.75%	10,450	16,681	3.00%	3,834			5,000	241,803	5,701	(169,456)	1,811,136	2033
2034	247,504			247,504	135,000	2.75%	37,263	35,000	2.75%	9,488	17,181	3.00%	3,334			5,000	242,265	5,239	(164,217)	1,623,954	2034
2035	264,005			264,005	140,000	2.75%	33,550	35,000	2.75%	8,525	17,697	3.00%	2,819			5,000	242,590	21,414	(142,802)	1,431,258	2035
2036	264,005			264,005	140,000	2.75%	29,700	35,000	2.75%	7,563	18,228	3.00%	2,288			5,000	237,778	26,227	(116,576)	1,238,030	2036
2037	294,005			294,005	145,000	2.75%	25,850	35,000	2.75%	6,600	18,774	3.00%	1,741			5,000	237,965	56,040	(60,536)	1,039,255	2037
2038	294,005			294,005	150,000	2.75%	21,863	40,000	2.75%	5,638	19,338	3.00%	1,178			5,000	243,015	50,990	(9,546)	829,918	2038
2039	324,006			324,006	155,000	2.75%	17,738	40,000	2.75%	4,538	19,918	3.00%	598			5,000	242,790	81,215	71,669	615,000	2039
2040	324,006			324,006	160,000	2.75%	13,475	40,000	2.75%	3,438						5,000	221,913	102,093	173,762	415,000	2040
2041	324,006			324,006	165,000	2.75%	9,075	40,000	2.75%	2,338						5,000	221,413	102,593	276,356	210,000	2041
2042	324,006			324,006	165,000	2.75%	4,538	45,000	2.75%	1,238						5,000	220,775	103,231	379,586	0	2042
Total	4,431,077	0	76,038	4,507,115	2,200,000		730,675	565,000		156,200	175,000		30,153	170,500	0	100,000	4,127,528				Total
Notes:																					

SECTION 10: Annexed Property

A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. Since property within the proposed District boundary has been annexed within the past three years, the City pledges to pay the Town of Merrill for each of the next five years an amount equal to the property taxes levied on the territory by the town at the time of the annexation. Such payments allow for inclusion of the annexed lands as a permitted exception under Wis. Stat. § 66.1105(4)(gm)1.

SECTION 11: Estimate of Property to Be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 12: Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances

Zoning Ordinances

The proposed Plan is in general conformance with the City's current zoning ordinances. Individual properties may require rezoning at the time of development. Land within the District zoned industrial at the time of District creation will remain in a zoning classification suitable for industrial sites for the life of the District.

Master (Comprehensive) Plan and Map

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for industrial development.

Building Codes and Ordinances

Development within the District will be required to conform to State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

SECTION 13:

Statement of the Proposed Method for the Relocation of any Persons to be Displaced

Should implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

SECTION 14:

How Creation of the Tax Incremental District Promotes the Orderly Development of the City

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by creating new industrial sites, providing necessary public infrastructure improvements and appropriate financial incentives for private development projects. Through use of tax increment financing, the City can attract new investment that results in increased tax base and employment opportunities. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses.

SECTION 15:

List of Estimated Non-Project Costs

Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

The City does not anticipate any non-project costs. To the extent funding for eligible project costs comes from sources other than tax increment revenue of the District, eligible expenditures will be reduced, accordingly.

SECTION 16:

Legal Opinion Advising Whether the Plan is
Complete and Complies with Wis. Stat. §
66.1105(4)(f)

Legal Opinion Found on Following Page.



CITY OF MERRILL

Office of the City Attorney

Thomas N. Hayden, City Attorney

1004 East First Street • Merrill, Wisconsin • 54452

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January 21, 2021

Mayor Derek Woellner
City of Merrill
1004 E First St.
Merrill, WI 54452

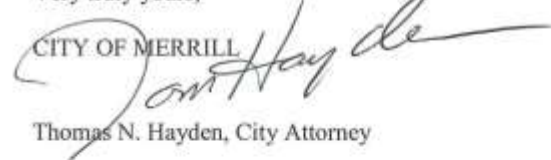
Re: Project Plan for Tax Incremental District No. 13

Dear Mayor Woellner:

Wisconsin Statute 66.1105(4)(f) requires that a project plan for a tax incremental financing district include an opinion provided by the City Attorney advising as to whether the plan is complete and complies with Wisconsin Statute 66.1105.

As City Attorney for the City of Merrill, I have been asked to review the above-referenced project plan for compliance with the applicable statutory requirements. Based upon my review, in my opinion, the Project Plan for the city of Merrill Tax Incremental District No. 13 is complete and complies with the provisions of Wisconsin Statute 66.1105.

Very truly yours,

CITY OF MERRILL

Thomas N. Hayden, City Attorney

TNH/km

SECTION 17:

Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

The following projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.						
Statement of Taxes Data Year:		2020		Percentage		
County		2,275,282			17.01%	
Technical College		509,166			3.81%	
Municipality		7,159,908			53.52%	
School District		3,432,409			25.66%	
Total		13,376,765				
Revenue Year	County	Technical College	Municipality	School District	Total	Revenue Year
2023	1,276	285	4,014	1,924	7,500	2023
2024	8,930	1,998	28,101	13,471	52,501	2024
2025	16,584	3,711	52,188	25,018	97,502	2025
2026	18,625	4,168	58,611	28,098	109,502	2026
2027	32,658	7,308	102,770	49,267	192,003	2027
2028	32,658	7,308	102,770	49,267	192,003	2028
2029	35,465	7,936	111,601	53,501	208,504	2029
2030	35,465	7,936	111,601	53,501	208,504	2030
2031	35,465	7,936	111,601	53,501	208,504	2031
2032	42,099	9,421	132,477	63,508	247,504	2032
2033	42,099	9,421	132,477	63,508	247,504	2033
2034	42,099	9,421	132,477	63,508	247,504	2034
2035	44,905	10,049	141,308	67,742	264,005	2035
2036	44,905	10,049	141,308	67,742	264,005	2036
2037	50,008	11,191	157,366	75,440	294,005	2037
2038	50,008	11,191	157,366	75,440	294,005	2038
2039	55,111	12,333	173,424	83,138	324,006	2039
2040	55,111	12,333	173,424	83,138	324,006	2040
2041	55,111	12,333	173,424	83,138	324,006	2041
2042	55,111	12,333	173,424	83,138	324,006	2042
		753,691	168,662	2,371,732	1,136,992	4,431,077

Notes:
The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.