

City of Merrill, Wisconsin

TIF Loan Program

Adopted July 12th, 2016 - Common Council

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

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

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

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

Eligible Activities: Loan funds could be used for:

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

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

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

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

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

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