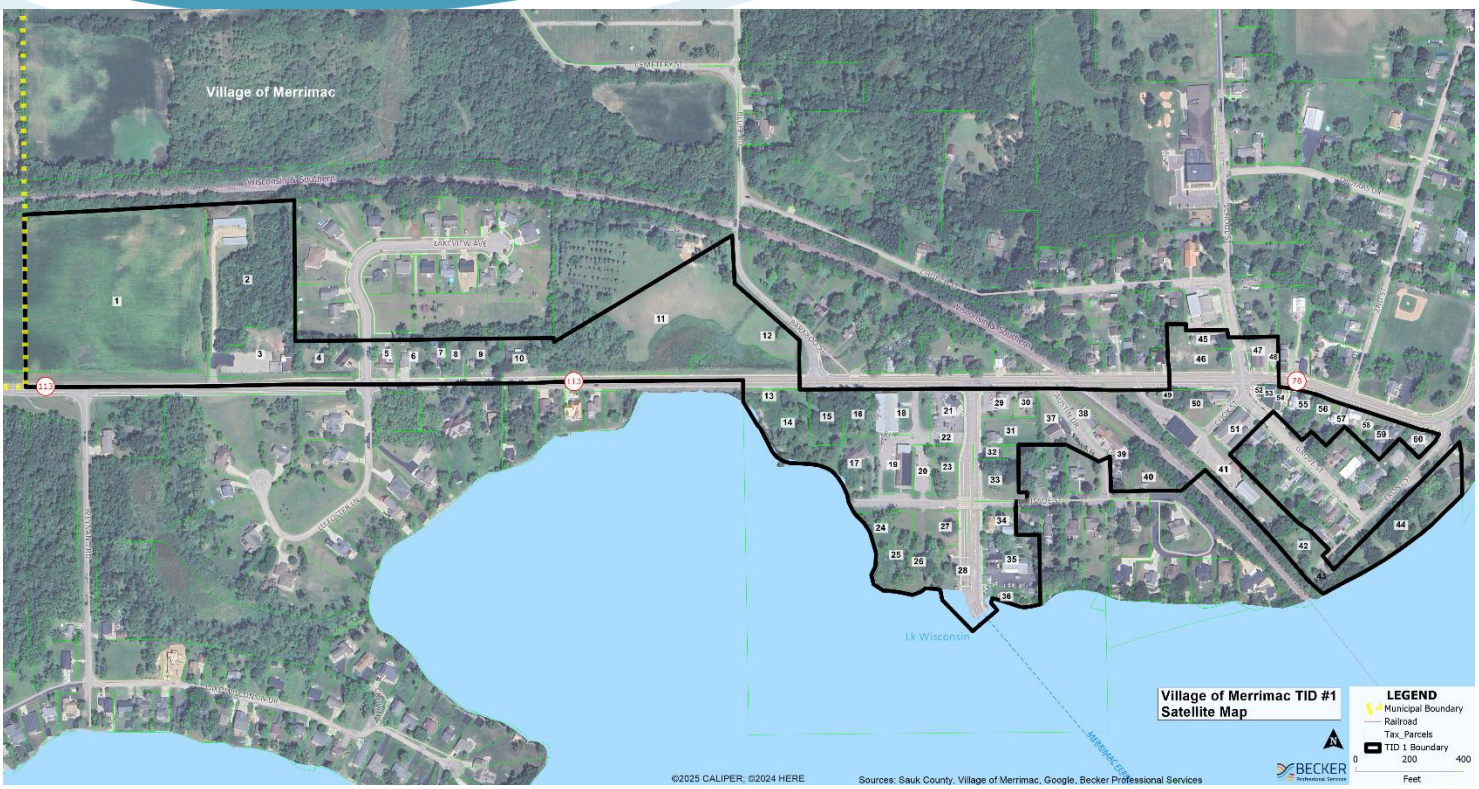
THE VILLAGE OF
Merrimac WISCONSIN
The Heart of Lake Wisconsin

VILLAGE OF MERRIMAC, SAUK COUNTY
TAX INCREMENT DISTRICT #1
PROJECT PLAN



8/12/25

TID #1 PUBLIC HEARING DRAFT PROJECT PLAN

Tax Increment District #1 is created as a Mixed-Use District to provide financial support for commercial and residential development in the southcentral area of the Village.
The TID will also fund improvements within ½ mile of the boundary.

ACKNOWLEDGEMENTS

Merrimac Planning Commission	Merrimac Village Board	Merrimac Village Staff
Collin Bourgeois (Chair)	Andrew Gallus, Village President	Jennie Klecker, Administrator/Clerk/Treasurer
Ann Hoffman	Margaret Budde, Trustee	Justin Schultz, Director of Public Works
Bob Pfaff	Nate Taylor, Trustee	Amy Stevens, Deputy Clerk
Robert Garrison	Stan Senger, Trustee	
Nicole Hartmann	Collin Bourgeois, Trustee	

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MIXED-USE TAX INCREMENT DISTRICT PROJECT PLAN

INTRODUCTION

The Village of Merrimac is a small community of approximately 527 residents located on the north shore of Lake Wisconsin in southeast Sauk County, Wisconsin. The Village of Merrimac sits within the larger boundary of the Town of Merrimac and is located approximately 11 miles northeast of the Villages of Prairie du Sac and Sauk City, and 12 miles southeast of the City of Baraboo, the largest city within close proximity.

The area within TID #1 is a mix of uses that include commercial and residential parcels. While largely developed land, there are vacant and underutilized parcels that provide opportunities for investment and redevelopment. The goal for the TID is to promote infill, redevelopment, and physical improvements within the downtown area and support tourism and commercial development while maintaining a separation of land uses that allow for a livable community and protect the quality of life of residential neighborhoods.

A hotel development is in process (Merrimac's first hotel) that is going to change traffic in the area. The Village would like to use TIF to address the impacts caused by this development, as well as to leverage the hotel to catalyze additional development in the downtown.

The developer of the hotel is proposing additional commercial development on two underutilized parcels directly north of the hotel. TID #1 also includes several parcels located along Main Street (STH 78/113) that are either currently zoned agriculture as a holding for future development, vacant, or underutilized and are expected to be developed as commercial, residential, or mixed-use.

There is ample opportunity for additional redevelopment, façade improvements, and other housing and business support to revitalize the downtown into a vibrant, mixed-use neighborhood. Merrimac's location on Lake Wisconsin and within a regional outdoor recreation-focused area makes the community well-suited to capitalize on this new hotel development and the existing Merrimac Ferry to grow tourism opportunities and increase the tax base.

Retail business will be promoted within TID #1 but is expected to be less than 35% of the area.

See Map on Page 36 for the proposed development and infrastructure improvements.

APPROVAL PROCESS

After discussion about priority development areas and proposed projects in the downtown, Merrimac Village Staff asked Becker Professional Services to present an overview of TIF and the potential for TID creation at the Village Board meeting on July 8th, 2025. The Village Board approved moving forward with the TID planning process, and Becker Professional Services prepared a draft project plan and boundary options for the proposed TID #1, which were reviewed and discussed at the Planning Commission meeting on July 24th, 2025.

As a result of that discussion, revisions to the plan were made and the public hearing date was set for August 18th, 2025. The Joint Review Board held its first meeting concerning the creation of TID #1 on August 13, 2025. A Public Hearing was held on August 18th, 2025. The Planning Commission approved the TID #1 creation following the public hearing and recommended it to the Village Board for adoption. The project plan and boundary for TID #1 was adopted by resolution of Merrimac Village Board on September 9th, 2025. The Joint Review Board met on September ___, 2025, to approve the Village Board Resolution creating TID #1.

Documentation of all resolutions, notices, and minutes can be found in the appendix of this project plan. As required by Wisconsin Statutes Chapter 66.1105(5)(b), a copy of this project plan will be submitted to the Wisconsin Department of Revenue and used as the basis for the certification of Tax Increment District #1 in the Village of Merrimac.

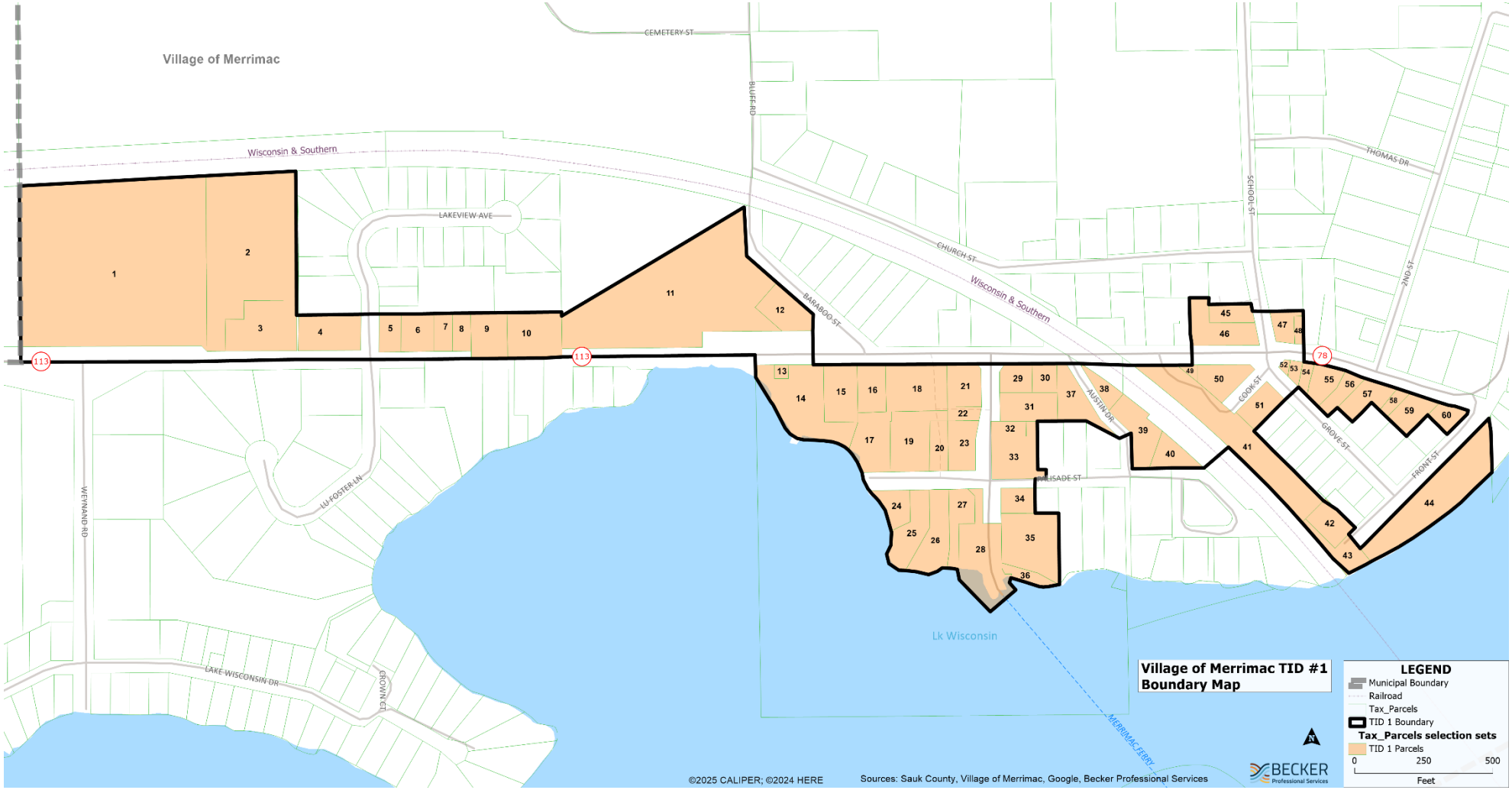
This is to be used as the official plan that guides development activities within TID #1. Implementation of the plan and completion of the proposed activities will require a case-by-case authorization by the Planning Commission and Village Board. Public expenditures for projects listed in the plan will be based on the development status of the land and economic conditions existing at the time the project is scheduled for construction. The Village Board or Planning Commission is not mandated to make expenditures described in this plan and is limited to implementing only those project cost categories identified. Changes in boundaries or additional project categories not identified here will require formal amendment to the plan involving public review, Village Board, and Joint Review Board approval.

Type of District, Size, and Location

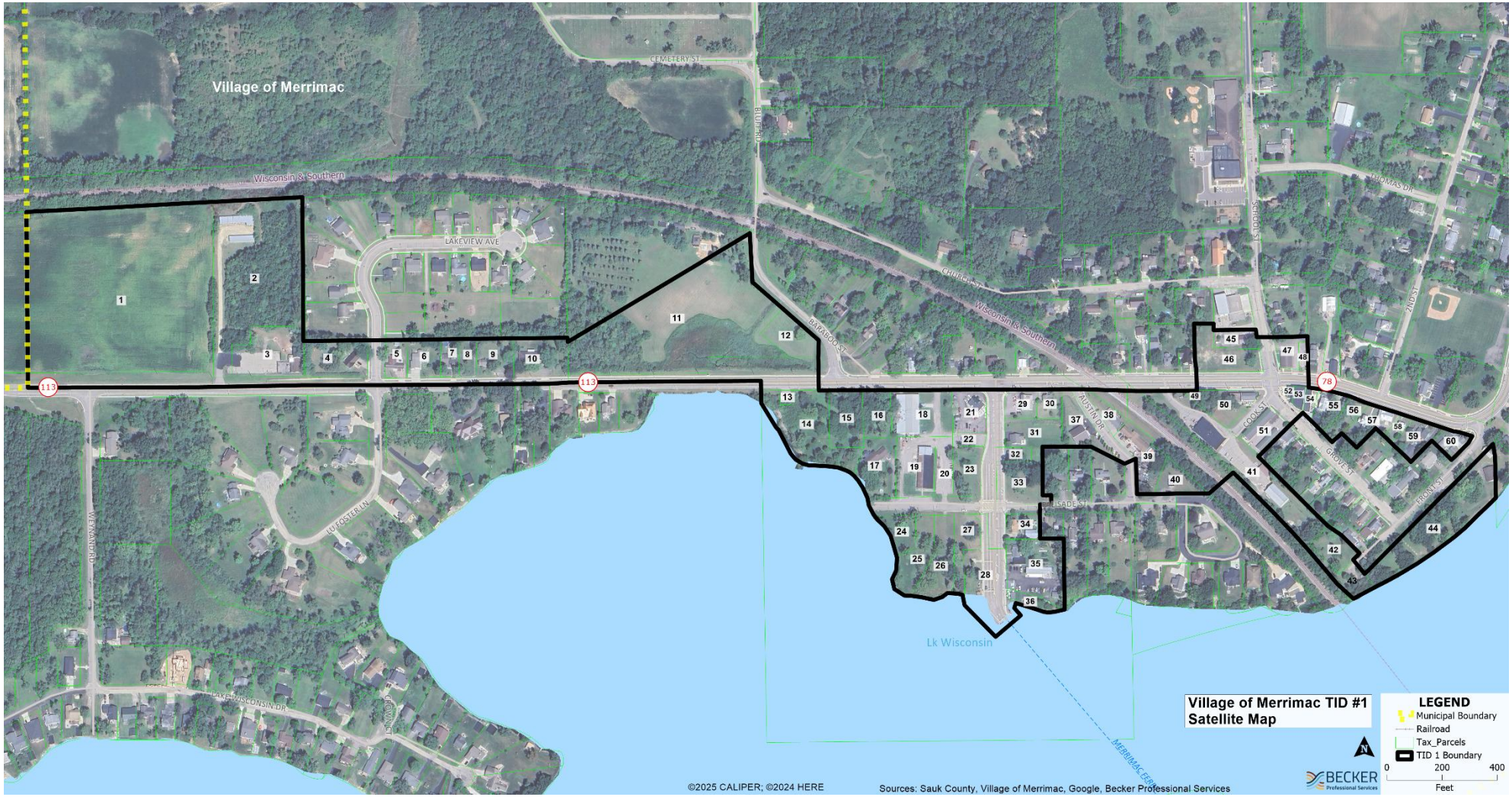
TID #1 is being created as a 20-year mixed-use TID of approximately 51.6 acres in size generally located in the southcentral part of the village, between the western village boundary on the west, STH 78 and Lake Wisconsin on the east, Wisconsin & Southern Railroad to the north, and Lake Wisconsin to the south, bisected by STH 78/113, located within the Village limits.

See map on following page for boundary.

Boundary Map



SATELLITE MAP



District Boundaries

Prior to considering the specific area to include within the TID, the Planning Commission established criteria, consistent with the Wisconsin TIF law, to act as guidelines in their work. The boundary criteria are as follows:

1. The equalized value of taxable property of the district plus the value increment of all existing tax increment districts does not exceed 12 percent of the total equalized value of taxable property within the Village.
2. Not less than 50%, by area, of the real property within the district is suitable for mixed-use development as described in ss.66.1105(2)(cm): “Mixed-use development" means development that contains a combination of industrial, commercial, or residential uses, except that lands proposed for newly platted residential use, as shown in the project plan, may not exceed 35 percent, by area, of the real property within the district.”
3. Less than 35% of the district is land proposed for newly-platted residential development and density is at least three units per acre.

Boundary Description

Tax Incremental Financing District Number One
Village of Merrimac, WI
Boundary Legal Description

To be added.

PARCELS INCLUDED in TID #1

TABLE 1: INVENTORY OF PARCELS WITHIN TID #1

Parcel ID (PIN)	Parcel Number	Owner	Site Address	Acres	Current Land Use	Future Land Use	Prelim. 2025 Land	Prelim. 2025 Improvement	Prelim. 2025 Assessed Value
1	151-0246-00000	Thompson Farms 9194 LLC		9.95	Agriculture	Commercial	$1,900	$0	$1,900
2	151-0247-10000	Lake Wisconsin Storage LLC	W Main St	3.81	Commercial	Mixed-Use	$90,800	$90,000	$180,800
3	151-0247-00000	Joseph Krasovec LC	627 Main St	0.97	Commercial	Mixed-Use	$34,000	$92,600	$126,600
4	151-0074-00000	Jeanne M Fuchs	607 Lake View Ave	0.68	Residential	Public Lands	$36,400	$109,400	$145,800
5	151-0075-00000	All-Tim-It Properties LLC	577 W Main St	0.248	Residential	Residential	$30,700	$57,500	$88,200
6	151-0077-00000	Thomas & Patricia Gallus Irrevocable Trust	567 W Main St	0.374	Residential	Residential	$41,900	$254,900	$296,800
7	151-0078-00000	Robert W Wandry	555 W Main St	0.208	Residential	Residential	$27,600	$111,600	$139,200
8	151-0079-00000	Robert W Wandry		0.208	Residential	Residential	$20,700	$1,200	$21,900
9	151-0252-00000	Diane Grastorf	537 W Main St	0.5	Residential	Residential	$34,000	$106,600	$140,600
10	151-0253-00000	Susan M Caldwell	521 W Main St	0.75	Residential	Residential	$37,300	$185,800	$223,100

11	151-0255-10000	Timothy Klecker		5.04	Residential	Residential	$23,200	$0	$23,200
12	151-0255-20000	Jeremiah Cizerle		0.5	Residential	Residential	$20,000	$0	$20,000
13	151-0281-00000	Merrimac, Village Of		0.06	Public	Public Lands	$0	$0	$0
14	151-0280-00000	Bart A Olson		0	Residential	Residential	$0	$0	$0
15	151-0184-00000	Bart A Olson	336 W Main St	1.805	Residential	Commercial	$132,500	$4,400	$136,900
16	151-0186-20000	Bartlett A Olson	316 W Main St	0.41	Commercial	Commercial	$23,000	$0	$23,000
17	151-0185-10000	Bartlett A Olson	337 Palisade St	0.6	Res. & Com.	Commercial	$301,500	$313,800	$615,300
18	151-0186-00000	Bartlett A Olson	320 W Main St	0.86	Commercial	Commercial	$40,700	$253,200	$293,900
19	151-0186-10000	Bartlett A Olson	327 Palisade St	0.73	Commercial	Commercial	$39,000	$196,300	$235,300
20	151-0199-00000	Bartlett A Olson	317 Palisade St	0.26	Residential	Commercial	$23,200	$0	$23,200
21	151-0187-10000	AMM Enterprises LLC	306 W Main St	0.443	Commercial	Commercial	$35,300	$128,300	$163,600
22	151-0187-00000	Bartlett A Olson		0.141	Commercial	Commercial	$13,100	$0	$13,100
23	151-0197-00000	Bartlett A Olson	307 Palisade St	0.401	Residential	Commercial	$27,800	$0	$27,800
24	151-0200-10000	Colsac Lodge		1.13	Vacant	Commercial	$0	$0	$0

25	151-0200-20000	Colsac Lodge		0.32	Vacant	Commercial	$0	$0	$0
26	151-0200-30000	Colsac Lodge		0.25	Vacant	Commercial	$0	$0	$0
27	151-0200-40000	Colsac Lodge		0.16	Vacant	Commercial	$0	$0	$0
28	151-0203-00000	Wis Dept Transportation	236 Wisconsin St	0.430	Public	Commercial	$0	$0	$0
29	151-0188-00000	Brandon J Suchla	226 W Main St	0.279	Residential	Commercial	$31,200	$83,800	$115,000
30	151-0188-10000	Breanna Smith	220 W Main St	0.213	Residential	Commercial	$28,300	$45,500	$73,800
31	151-0189-00000	Lee B Anderson	135 Wisconsin St	0.499	Commercial	Commercial	$23,400	$61,400	$84,800
32	151-0194-00000	Wis Dept Transportation	137 Wisconsin St	0.15	Public	Public Lands	$0	$0	$0
33	151-0193-01000	Lomaki LLC	245 Palisade St	0.67	Residential	Commercial	$32,600	$0	$32,600
34	151-0204-00000	Gallus Rentals LLC	212 Wisconsin St	0.267	Residential	Commercial	$31,000	$72,400	$103,400
35	151-0206-00000	Gallus Rentals LLC	217 Wisconsin St	1.4	Res. & Com.	Commercial	$303,200	$154,800	$458,000
36	151-0279-00000	Gallus Rentals LLC		0	Commercial	Commercial	$0	$0	$0

37	151-0190-20000	Merrimac Workshops		0.48	Commercial	Commercial	$24,200	$82,300	$106,500
38	151-0190-10000	Candace L Hanson	115 Austin Dr	0.17	Commercial	Commercial	$16,800	$48,600	$65,400
39	151-0190-00000	Nathan J Taylor	117 Austin Dr, 119 Austin Dr	0.367	Commercial	Commercial	$36,000	$115,800	$151,800
40	151-0191-00000	Merrimac, Village Of	127 Palisade St	0.31	Public	Commercial	$0	$0	$0
41	151-0276-00000	Merrimac, Village Of	100 Cook St	2.36	Public	Residential	$0	$0	$0
42	151-0160-00000	Raymond F Maly	236 Front St	0.362	Residential	Residential	$25,800	$0	$25,800
43	151-0275-00000	Raymond F Maly	236 Front St	0.25	Residential	Residential	$183,900	$0	$183,900
44	151-0277-00000	Merrimac, Village Of		1.61	Public	Public Lands	$0	$0	$0
45	151-0315-00000	Benish Family Properties LLC	110 School St	0.24	Commercial	Commercial	$32,600	$97,900	$130,500
46	151-0313-10000	Thomas Luck Trust	127 W Main St	0.6	Vacant	Commercial			
47	151-0103-00000	Scott A Schneider	111 E Main St	0.221	Commercial	Commercial	$31,200	$118,400	$149,600
48	151-0104-00000	Scott A Schneider		0.080	Commercial	Commercial	$8,500	$0	$8,500
49	151-0162-00000	Patricia L Ruda		0.057	Commercial	Residential	$6,000	$0	$6,000
50	151-0161-00000	Patricia L Ruda	106 W Main St	0.41	Res. & Com.	Mixed-Use	$36,000	$110,000	$146,000

51	151-0024-00000	John J Kewitz	100 Grove St	0.34	Residential	Commercial	$28,700	$240,600	$269,300
52	151-0013-00000	Lakeside Park Properties LLC	120 E Main St	0.03	Commercial	Commercial	$8,300	$33,500	$41,800
53	151-0014-00000	Lakeside Park Properties LLC	110 E Main St	0.08	Commercial	Commercial	$11,300	$123,100	$134,400
54	151-0012-00000	Sean E McLaughlin LC	140 E Main St	0.1	Commercial	Commercial	$14,200	$208,000	$222,200
55	151-0011-00000	Dawn M Best	150 E Main St	0.29	Residential	Residential	$31,300	$70,700	$102,000
56	151-0010-00000	Prairie Construction LLC		0.261	Commercial	Commercial	$26,300	$0	$26,300
57	151-0007-00000	Prairie Construction LLC	170 E Main St	0.339	Commercial	Commercial	$33,500	$122,300	$155,800
58	151-0008-00000	Rose Thomas	230 E Main St	0.128	Residential	Residential	$17,000	$21,800	$38,800
59	151-0003-00000	John A Muszanowski	240 E Main St	0.343	Residential	Residential	$32,000	$92,200	$124,200
60	151-0001-00000	Luke J Kamnetz	250 E Main St	0.222	Residential	Residential	$29,500	$91,000	$120,500
				44.366					**$6,017,100**

TABLE 2: SUMMARY OF CURRENT LAND USES WITHIN TID #1

Land Use	Acres	% of TID Area
Agriculture	9.95	19.3%
Commercial	10.29	19.9%
Vacant	2.46	4.8%
Residential	14.34	27.8%
Mixed-Use	2.41	4.7%
Public Lands	4.92	9.5%
Roads/ROW	7.23	14%
Total TID Area:		**100%**

TABLE 3: SUMMARY OF FUTURE LAND USES WITHIN TID #1

Land Use	Acres	% of TID Area
Agriculture	0	0%
Commercial	24.84	48.1%
Vacant	0	0%
Residential	11.84	22.9%
Mixed-Use	5.19	10.1%
Public Lands	2.5	4.8%
Roads/ROW	7.23	14%
Total TID Area:		**100%**

TABLE 4: NEWLY PLATTED RESIDENTIAL CALCULATION

	Acres	% of TID Area
Newly Platted Residential	0.00	0%

0 acres are designated for newly-platted residential.

Existing Conditions: Summary of Findings

Summary of proposed development in the TID:

- There is a hotel development in progress that is not receiving direct TIF assistance.
- In order to address the impact of the hotel on the Village, including traffic impacts, the Village will need to incur some costs that will be paid by the TID.

- The Village would like to leverage the hotel development to promote additional commercial and mixed-use development in the downtown.

As required by Wis. Stat. 66.1105 and as documented in this Project 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 Project Plan: a) would not occur, or b) would not occur in the manner, at the values, or within the timeframe desired by the Village. In making this determination, the Village has considered the following information:
    a. The Village desires to address the impact of a new hotel development in the Village, promote additional commercial and mixed-use development in the downtown, and support a healthy balance and separation of residential and commercial land uses while maintaining a livable community for residents. But for TIF, and the ability to finance the public and private infrastructure, this development would not happen in this area or in the timeframe or manner desired by the Village. Infrastructure and other development related expenses are not likely to be borne exclusively by private developers who need to achieve price points that are within the means of the local market; therefore, the Village has concluded that new public and private infrastructure will be required to fully achieve the Village's objectives for this area and that but for TIF, neither the new development nor the Village of Merrimac could pay the costs of the needed infrastructure while meeting market demand.
    b. To achieve its objectives, the Village has determined that it must take an active role in encouraging development by making appropriate public expenditures in the area. Without the availability of tax increment financing, these expenditures are unlikely to be made. Enhancement of this area will complement existing establishments in the Village and benefit not only the Village but all overlapping taxing jurisdictions. Accordingly, the costs to implement the needed projects and programs are appropriately funded through tax increment financing.
2. The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the Village has considered the following information:
    a. As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected will be more than sufficient to pay for the proposed project costs and their financing.

b. Over time, the district is expected to add significant new tax base with a mix of residential and commercial uses. As such, property values are expected to be significantly higher by the time the TID closes.

c. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.

d. For valuation purposes, the District will become effective as of January 1, 2025. The property values as of this date will be the base value for the purposes of the TID, and the property taxes collected on this base value will continue to be distributed amongst the various taxing entities as they are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2025 will be collected by the TID and used to repay the costs of the TIF-eligible projects identified in this Plan.

3. Since the development expected to occur is unlikely to take place without the use of Tax Incremental Financing (see Finding #1) and since the TID will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the Village reasonably concludes that the overall benefits of the TID outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the "but for" test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the TID is not created.

4. The improvements to be made within the TID are likely to significantly enhance the value of substantially all other real property in the Village surrounding the TID.

5. The equalized value of taxable property of the TID does not exceed 12% of the total equalized value of taxable property within the Village (see details on Page 30.)

6. The Project Plan for the TID is feasible, is in conformity with the master plan of the Village and promotes the orderly development of the Village. The Village's comprehensive plan identified this area as suitable for a mix of uses, with the future land use map designating some parcels as proposed commercial, some as proposed residential, and some as both residential and commercial (mixed-use).

   Although one of the parcels within the TID designated as proposed commercial is currently zoned agriculture, this is considered a temporary zoning classification until the area is ready for development.

   The Village's master plan includes the following relevant goals:

- Identify and provide home repair programming to address aging housing stock.
- Create a local economic development and promotion entity.
- Enhance viability of local businesses through incentive programming and development assistance.
- Promote the redevelopment of existing properties and historic structures for retail use.
- Encourage development of an array of local services.
- Evaluate viability of reserving funding for revolving business loan fund or other economic development programming.
- Identify ways to capture the local tourist traffic exiting the Merrimac Ferry.
- Neighborhood beautification.
- Traffic calming and bike and pedestrian plan.
- Establish a downtown commercial district.

The creation of this TID will help to coordinate the scope and timing of private sector investment and public improvements with proposed mixed-use development in the downtown area. Changes to the comprehensive plan and zoning ordinance will need to be made to reflect the transitioned status of the land uses as development occurs.

7. The Village estimates that less than 35% of the territory within the district will be devoted to retail business at the end of the district's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b).
8. There is no area (0% of the TID area) planned for newly-platted residential.
9. TID #1 is being created as a Mixed-Use District. This project plan has met the definition and requirements for a Mixed-Use District. Not less than 50% of the proposed district's land by area is suitable for a mix of commercial and residential uses. The future land use map designates the area to include a mix of residential and commercial uses.
10. The project costs relate directly to promoting commercial and residential development in the Village. This mix of uses is consistent with the requirements of a mixed-use TID and the purpose for which the District is created.

Proposed Public Works

TID #1 is being created as a mixed-use district to promote the development of land and redevelopment of underutilized parcels into a well-balanced mix of commercial and residential uses, enhance the value of property, and broaden the tax base. The Village and Planning Commission may spend funds on planning, public improvements, parcel assembly, demolition of existing structures, financial incentives, and site improvements to promote mixed-use activities.

Costs directly or indirectly related to achieving the objectives of promoting mixed-use development are considered "project costs" and eligible to be paid from tax increments of this tax increment district, including but not limited to the list below. The costs of planning, engineering, design, surveying, legal and other consultant fees, testing, environmental studies, permits necessary for public work, easements, judgments or claims for damages, and other expenses for all projects are included as project costs. Funds may be expended up to a half mile outside the TID boundary.

Listed below are major public improvement categories, which are necessary and standard improvements for promoting mixed-use development. Table 4 on Page 23 summarizes total costs by category. Actual costs incurred may vary significantly by category, and the total budget may change depending upon the character and values of any project approved for this TID.

A. Utilities

That portion of costs related to the construction, installation, or alteration of sanitary or storm sewer, water system improvements, gas or electric infrastructure, or public safety infrastructure that serves the district. This includes but is not limited to sewerage treatment plants, water treatment plants or other environmental protection devices, storm or sanitary sewer lines, stormwater management facilities, water lines, natural gas, electric, telecommunications and other utility connections.

$50,000 is budgeted for utilities infrastructure in the District.

B. Streets and Amenities

Amenities on streets or the construction, alteration, rebuilding, or expansion of streets, the construction, alteration, rebuilding, or expansion of which promotes the development of a mix of uses within the district and which is within the district or within ½ mile of the district boundary. Streetscape amenities include, but are not limited to, waste receptacles, street lighting, bicycle racks, seating, street signs, curbs, and parking meters.

$1,050,000 is budgeted for streets and amenities.

C. Site Preparation

Site preparation activities required to make sites suitable for development including, but not limited to, the construction of public works or improvements, new buildings, structures, and fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures, and fixtures other than the demolition of listed historic properties and the acquisition of equipment to service the district; environmental studies and remediation, stripping topsoil, grading, compacted granular fill, topsoil replacement, access drives, parking areas, landscaping, storm water detention areas, signs, fencing, and related activities.

$10,000 is budgeted for site preparation costs within the district.

D. Land Acquisition and Assembly Costs

This may include but is not limited to fee title, easements, appraisals, environmental evaluations, consultant and broker fees, closing costs, surveying and mapping, lease and/or the sale of property at below market price to encourage or make feasible an economic development project. This could also include the cost of relocating existing businesses or residents to allow redevelopment.

$5,000 is budgeted for land acquisition and assembly.

E. Development Incentives

The Village may use TID #1 funds to provide incentives to developers and businesses to promote and stimulate new development.

The Village may enter into agreements with property owners, businesses, developers, or nonprofit organizations for the purpose of sharing costs to encourage the desired kinds of improvements. In such cases, the Village will execute development agreements with the developers and/or businesses, which will identify the need, type and amount of assistance to be provided, the benefits to the District and the Village, and the terms by which any TIF benefits may be provided.

The Village may provide funds either directly or through an organization authorized by Wisconsin Statutes for the purpose of making capital available to developers to stimulate or enable economic and housing development projects within TID #1. Funds may be provided in the form of a cash grant, forgivable loan, direct loan, land write down or loan guarantee. Such funds may be provided at terms appropriate to, and as demonstrated to be required by

the proposed economic development and/or housing project and shall be set forth in a development agreement.

$70,000 is budgeted for Development Incentives throughout the District.

F. Professional Services

Including, but not limited to, those costs incurred for architectural, planning, engineering, and legal advice related to implementing the project plan, negotiating with property owners and developers, and planning for the redevelopment of the area.

$60,000 is budgeted for professional services.

G. Discretionary Payments

Payments made, at the discretion of the local legislative body, which are found to be necessary or convenient to the creation of tax incremental districts or the implementation of project plans. This could include expenditures to remove social obstacles to development, provide labor force training, day care services, tourism development, or neighborhood improvements to improve the quality of life or safety of the residents, workers, or visitors and other payments which are necessary or convenient to the implementation of this project plan.

$50,000 is budgeted for discretionary payments over the life of the TID.

H. Administrative Costs

Administrative costs including, but not limited to, a reasonable portion of the salaries and/or charges of the Village Administrator, Building Inspector, Attorney, Finance Director, Auditor, Assessor, Public Works employees, Village Engineer, consultants, and others directly involved with planning and administering the projects and overall District. Administration costs also include money budgeted for ongoing Planning Commission activities throughout the TID's 20-year lifespan. These activities include such things as coordination of redevelopment activities, negotiations with developers, and overall administration of TID-funded activities.

$100,000 is budgeted for administration costs.

I. TIF Organizational Costs

Organization costs including, but not limited to, the fees of the financial consultant, attorney, engineers, planners, surveyors, map makers, environmental consultants,

appraisers, and other contracted services related to the planning and creation of the TID. This shall include the preparation of feasibility studies, project plans, engineering to determine project costs and prepare plans, maps, legal services, environmental investigations, grant applications, regulatory approvals and other payments made which are necessary or convenient to the creation of this tax incremental district. Also included as an eligible administrative cost is the $1,000 Certification Fee charged by the Wisconsin Department of Revenue.

$26,000 is budgeted for TID organizational costs.

J. Inflation

Anticipated inflation between the time of creation of the TID and the planned time of expenditures. The actual amount will vary depending upon the timing of expenditure and the inflation rate.

$0 is budgeted for inflation of projected project costs in this district.

K. Financing Costs

Including, but not limited to, all interest paid to holders of evidence of indebtedness issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations prior to maturity. The actual amount will vary depending upon the interest rates at the time of issuance.

$788,710 is estimated for financing costs over the life of the TID.

The projects listed above will provide necessary support to enable and encourage the development of TID #1 and help promote a mix of uses in and around TID #1. These projects may be implemented to varying degrees in response to development needs. Most of the planned improvements will be located within TID #1, but the Village reserves the right to locate improvements outside of TID #1 as provided by law and described elsewhere in this document.

Detailed Project Costs

Table 4 describes the detailed project costs for project categories anticipated to be implemented during the expenditure period of TID #1. This format follows Department of Revenue guidance on detailed project costs, which states that the list should show estimated expenditures expected for each major category of public improvements.

All costs listed are based on 2025 prices and are preliminary estimates made without the benefit of an approved project. The Village reserves the right to revise these cost estimates to reflect change in project scope, inflation, and other unforeseen circumstances between 2025 and the time of construction or implementation. The Village should pursue grant programs to help share project costs included in this project plan, as appropriate. Planned project costs are listed in the table below.

The Village may fund specific project cost items shown below in significantly greater or lesser amounts in response to opportunities that will help the Village accomplish the purposes of TID #1. The Village will generally use overall benefit to the Village and economic feasibility (i.e. the availability of future revenue to support additional project costs) in determining the actual budget for project cost items over the course of the TID's expenditure period.

TABLE 4: TID #1 PLANNED PROJECT COSTS

	Type of Expenditure	Amount	% Paid By		Total TID Costs
			Project	Other	
A.	***Utilities***				
	Sanitary sewer, storm water, waste water	$50,000	100%	0%	$50,000
	Total Utilities	**$50,000**	**100%**	**0%**	**$50,000**
B.	***Streets and Amenities***				
	Boulevard Construction	$400,000	100%	0%	$400,000
	Sidewalks, lighting, landscaping, bike lanes	$50,000	100%	0%	$50,000
	Other Road Improvements	$600,000	100%	0%	$600,000
	Total Streets and Amenities	**$1,050,000**	**100%**	**0%**	**$1,050,000**
C.	***Site Preparation***				
	Site Preparation	$10,000	100%	0%	$10,000
	Total Site Preparation	**$10,000**	**100%**	**0%**	**$10,000**
D.	***Land Acquisition and Assembly***				
	Land Acquisition and Assembly	$5,000	100%	0%	$5,000
	Total Land Acquisition and Assembly	**$5,000**	**100%**	**0%**	**$5,000**
E.	***Development Incentives***				
	Development Grant(s)	$70,000	**100%**	**0%**	**$70,000**
	Total Development Incentives	**$70,000**	**100%**	**0%**	**$70,000**
F.	***Professional Services***				
	Legal	$15,000	100%	0%	$15,000
	Planning	$15,000	100%	0%	$15,000
	Engineering	$15,000	100%	0%	$15,000
	Environmental Review & Assessment	$15,000	100%	0%	$15,000
	Total Professional Services	**$60,000**	**100%**	**0%**	**$60,000**
G.	***Discretionary Payments***				
	Park improvements	$30,000	100%	0%	$30,000
	Tourism development	$20,000	100%	0%	$20,000
	Total Discretionary Payments	**$50,000**	**100%**	**0%**	**$50,000**
H.	***Administration Costs***				
	Village TID Administration	$100,000	100%	$0	$100,000
	Total Administration	**$100,000**	**100%**	**0%**	**$100,000**
I.	***Organizational Costs***				
	Department of Revenue Submittal Fee	$1,000	100%	0%	$1,000
	TID Creation Fees	$20,000	100%	0%	$20,000
	Village Staff & Publishing	$5,000	100%	0%	$5,000
	Total Organization Costs	**$26,000**	**100%**	**0%**	**$26,000**
	Inflation	**$0**	**100%**	**0%**	**$0**
	Total Project Costs	***$1,421,000***	***100%***	***0%***	***$1,421,000***
	Total Financed by Others				***$0***
	Interest, Financing Fees, Less Cap. Interest				$669,710
	Plus Capitalized Interest				$119,000
	Total TIF Budget				***$2,209,710***

List of Non-Project Costs

The following project costs are not eligible to be fully paid by the TID. These costs will be allocated between the TID and other sources based upon calculated benefit to the TID.

Infrastructure Improvements
Any infrastructure improvement projects funded with tax incremental financing will have an allocation made of benefit to property. It is presumed that infrastructure improvements within the TID benefit property within the TID. For infrastructure projects within ½ mile of the TID, an allocation of costs will be made on the basis of benefit to property within the TID and the ½ mile area. For these expenditures, only costs allocated to property within ½ mile of TID #1 are considered eligible project costs. The remaining costs will be non-project costs. The TID #1 budget shows the maximum TIF funding and does not show a share of TIF to non-TIF funding as the appropriate allocations are not known currently.

Economic Feasibility

To evaluate the economic feasibility of the TID, it is necessary to project the amount of tax incremental revenue that can reasonably be generated from the district. The ability of the municipality to finance proposed projects must also be determined. TID #1 is economically feasible if the tax incremental revenue projected to be generated over the life of the TID is sufficient to pay all project and financing costs incurred during the TID's expenditure period. The components of such an analysis include:

- The expected increase in property valuation due to inflation and the impact of general economic conditions on the TID.
- The expected increase in property valuation due to new development encouraged by the TID.
- Any change that may take place in the full value tax rate.
- The expected TID revenues.
- The expected TID cash flow (the timing of the revenue).

Following is a discussion of these components.

A. Inflation

Over the past 10 years, the annual rate of inflation for commodities has averaged approximately 3% (source: Federal Reserve Bank Economic Data, Producer Price Index by Commodity). As such, inflation for the purpose of projecting future project costs is assumed

to be 3.0%. Over the same time period, the average annual change in total equalized property value was 6.67% in the state of Wisconsin (source: Wisconsin Policy Forum). To be conservative, an annual inflation rate of 1% over the life of the TID will be used for the purpose of making projections of equalized value/property appreciation.

B. Increased Property Value

The proposed plan for TID #1 includes the development of parcels within the TID.

There is currently a hotel development underway within TID #1 and additional commercial development proposed. The creation of TID #1 will enable the Village to provide developer incentives that will promote a mix of uses in the area to support the redevelopment of commercial and residential properties in the TID. The hotel development alone will increase property values by an estimated $10 million. The actual values may be higher or lower than this depending upon the timing, character and financing structure of the actual projects.

C. Full Value Tax Rate

Table 5 summarizes the historic full value effective tax rate in the Village between 2018 and 2024. The full value rate increased from 2019 to 2020. In all other years it has decreased. For our purposes, the tax rate of $12.56 per $1,000 with a 0.5% annual decrease will be used in this project plan to project TID revenues. This mill rate considers property tax levies from the School District, City, County, Technical College, and State.

TABLE 5: FULL VALUE EFFECTIVE TAX RATE

Year	Mill Rate/ $1,000	Percent Change
2018	0.01638	
2019	0.0163	-0.49%
2020	0.01704	4.54%
2021	0.01602	-5.99%
2022	0.01471	-8.18%
2023	0.01295	-11.96%
2024	0.01256	-3.01%

Source: Wisconsin Department of Revenue, Town, Village and City Taxes.

D. TIF Revenues

A projected construction increment of $10 million is expected over the life of the TID. The projected TIF Revenue in TID #1 is shown in Table 6 below. The total tax increment revenue is sufficient to pay all TID related costs for the projects and amounts shown in the Planned Project Costs in Table 4 on Page 23.

TABLE 6: TID #1 REVENUE

Assumptions			
Base Value (assessed)	$ 6,017,100.00		
Tax Rate (effective) 2025	0.01256	For County, Village, Technical College, and School District	
Property Appreciation Rate	1.00%	For Existing Construction	
Annual Change in Tax Rate	-0.50%	Proposed Project Final Value	$10,000,000
Construction Inflation Rate	3.00%	For New Construction	

Year	Previous Valuation	Inflation Increment	TIF Increment		Total Valuation	Cumulative Increment	TIF Tax Rate*	TIF Revenue
			Construction	Land				
2025	$6,017,100	$0	$2,500,000	$0	$8,517,100	$2,500,000	0.01256	$0
2026	$8,517,100	$0	$7,500,000	$0	$16,017,100	$10,000,000	0.01250	$0
2027	$16,017,100	$160,171	$0	$0	$16,177,271	$10,160,171	0.01243	$31,243
2028	$16,177,271	$161,773	$0	$0	$16,339,044	$10,321,944	0.01237	$124,347
2029	$16,339,044	$163,390	$0	$0	$16,502,434	$10,485,334	0.01231	$125,707
2030	$16,502,434	$165,024	$0	$0	$16,667,458	$10,650,358	0.01225	$127,070
2031	$16,667,458	$166,675	$0	$0	$16,834,133	$10,817,033	0.01219	$128,436
2032	$16,834,133	$168,341	$0	$0	$17,002,474	$10,985,374	0.01213	$129,805
2033	$17,002,474	$170,025	$0	$0	$17,172,499	$11,155,399	0.01207	$131,178
2034	$17,172,499	$171,725	$0	$0	$17,344,224	$11,327,124	0.01201	$132,553
2035	$17,344,224	$173,442	$0	$0	$17,517,666	$11,500,566	0.01195	$133,931
2036	$17,517,666	$175,177	$0	$0	$17,692,843	$11,675,743	0.01189	$135,313
2037	$17,692,843	$176,928	$0	$0	$17,869,771	$11,852,671	0.01183	$136,698
2038	$17,869,771	$178,698	$0	$0	$18,048,469	$12,031,369	0.01177	$138,086
2039	$18,048,469	$180,485	$0	$0	$18,228,954	$12,211,854	0.01171	$139,478
2040	$18,228,954	$182,290	$0	$0	$18,411,243	$12,394,143	0.01165	$140,873
2041	$18,411,243	$184,112	$0	$0	$18,595,356	$12,578,256	0.01159	$142,271
2042	$18,595,356	$185,954	$0	$0	$18,781,309	$12,764,209	0.01153	$143,673
2043	$18,781,309	$187,813	$0	$0	$18,969,123	$12,952,023	0.01148	$145,078
2044	$18,969,123	$189,691	$0	$0	$19,158,814	$13,141,714	0.01142	$146,487
2045	$19,158,814	$191,588	$0	$0	$19,350,402	$13,333,302	0.01136	$147,899
Total		**$3,333,302**	**$10,000,000**	**$0**				**$2,480,128**

E. Cash Flow

The timing of revenue and expenditures is another consideration when assessing the economic feasibility of TID #1. There are sufficient TID revenues over the life of the TID to pay all costs. Table 7 below summarizes the expected cash flow of TID #1. The Village plans to borrow $1,050,000 to pay for streets and amenities costs. Financing fees are estimated at 2% of principal ($21,000) for a total borrowing cost of $1,190,000, including $119,000 of capitalized interest. Assuming 17 years of payments at 5% interest, the total debt service over the life of the TID is estimated to be $1,838,710.

TABLE 7: TID #1 CASH FLOW

Year	Beginning Balance	Revenues				Expenses			Annual Surplus (Deficit)	Balance
		Capitalized Interest	TIF Revenues	Interest Income	Total Revenues	City Debt Service	Admin Expenses	PAYGO TIF Award		
2025	$0	$0	$0	$0	$0	$0	$26,000	$0	($26,000)	($26,000)
2026	($26,000)	$0	$0	$0	$0	$0	$8,421	$0	($8,421)	($34,421)
2027	($34,421)	$59,500	$31,243	$0	$90,743	$59,500	$8,421	$0	$22,822	($11,599)
2028	($11,599)	$59,500	$124,347	$0	$183,847	$59,500	$8,421	$0	$115,926	$104,327
2029	$104,327	$0	$125,707	$522	$126,229	$114,647	$8,421	$0	$3,160	$107,487
2030	$107,487	$0	$127,070	$537	$127,608	$114,647	$8,421	$0	$4,539	$112,027
2031	$112,027	$0	$128,436	$560	$128,996	$114,647	$8,421	$0	$5,928	$117,954
2032	$117,954	$0	$129,805	$590	$130,395	$114,647	$8,421	$0	$7,327	$125,281
2033	$125,281	$0	$131,178	$626	$131,804	$114,647	$8,421	$0	$8,736	$134,017
2034	$134,017	$0	$132,553	$670	$133,223	$114,647	$8,421	$0	$10,155	$144,171
2035	$144,171	$0	$133,931	$721	$134,652	$114,647	$8,421	$0	$11,584	$155,755
2036	$155,755	$0	$135,313	$779	$136,092	$114,647	$8,421	$0	$13,024	$168,779
2037	$168,779	$0	$136,698	$844	$137,542	$114,647	$8,421	$0	$14,474	$183,252
2038	$183,252	$0	$138,086	$916	$139,003	$114,647	$8,421	$0	$15,934	$199,187
2039	$199,187	$0	$139,478	$996	$140,474	$114,647	$8,421	$0	$17,406	$216,592
2040	$216,592	$0	$140,873	$1,083	$141,956	$114,647	$8,421	$0	$18,888	$235,480
2041	$235,480	$0	$142,271	$1,177	$143,449	$114,647	$8,421	$0	$20,380	$255,860
2042	$255,860	$0	$143,673	$1,279	$144,952	$114,647	$8,421	$0	$21,884	$277,744
2043	$277,744	$0	$145,078	$1,389	$146,467	$114,647	$8,421	$0	$23,399	$301,143
2044	$301,143	$0	$146,487	$1,506	$147,993	$0	$8,421	$0	$139,572	$440,715
2045	$440,715	$0	$147,899	$2,204	$150,103	$0	$0	$0	$150,103	$590,817
Total		**$119,000**	**$2,480,128**	**$16,399**	**$2,615,527**	**$1,838,710**	**$186,000**	**$0**		

F. Impact to Overlying Taxing Jurisdictions

TABLE 8: IMPACT TO OVERLYING TAXING JURISDICTIONS

Taxing Jurisdiction	% of Mill Rate by Jurisdiction	Annual Taxes Collected on Base Value Distributed to Taxing Jurisdictions	Annual Taxes Collected After TID	Increase in Annual Tax Collections After TID
School District	52.7%	$39,855	$116,516	$76,662
Tech. College	4.5%	$3,427	$10,020	$6,592
County	24.3%	$18,397	$53,785	$35,388
Local	7.1%	$5,380	$15,730	$10,349
Other (State)	11.3%	$8,515	$24,895	$16,380
Total	**100.0%**	**$75,575**	**$220,946**	**$145,371**

Taxing Districts overlying TID #1 in the Village of Merrimac include Sauk County, the Sauk Prairie School District, Madison College, and the State of Wisconsin. Impact on the overlying taxing districts is based on the percentage of tax collections in 2025. Total TIF Increment over the life of the district is taken by the proportionate share from each taxing jurisdiction. An analysis of the impact on overlying taxing districts is included in the table above.

The projects planned for the TID would not occur, or would occur at significantly lower values, but for the availability of tax incremental financing. TID #1 is a mechanism to make improvements in an area of Merrimac with the potential for development to support growth in the Village's tax base. All taxing jurisdictions will benefit from increased property values, additional and improved infrastructure, and enhanced community vitality which will result from the projects planned in TID #1.

Description of Financing Methods and Timeframe

A. Financing Methods

Another important aspect to consider in assessing the economic feasibility of TID #1 is the ability of the Village to finance desired projects to encourage development. Financial resources available to the Village include general obligation notes and bonds, revenue bonds, special assessments, and federal and state community development programs.

General obligation bonds of the Village are limited by state law to five percent of equalized property value. As of January 1, 2025, the Village's equalized property value was $143,049,000. Five percent of this value yields approximately $7,152,450 of debt capacity. As of January 1, 2025, the Village of Merrimac had an outstanding debt of $1,196,313. The Village's remaining debt capacity is $5,956,137. There is approximately $2,209,710 in anticipated project costs within TID #1. Some project costs will be financed from the general fund and some project costs will be

financed from municipal borrowing. Additionally, TID administration costs can be paid out of Village operating funds and reimbursed by the TID when funds are available. Other expenses can be paid out of TID cash flow as projects are constructed, assessed, and begin paying property taxes. Alternatively, the Village may decide to issue debt to finance proposed TID costs, using the projected stream of TIF revenue not otherwise committed to service the debt.

The Village will be borrowing the money to fund the $1,050,000 in streets and amenities costs for the construction of the boulevard and other road improvements (see Cash Flow section on page 28 for details).

B. Timetable

The maximum life of the TID is twenty-years and a three-year extension may be requested. The Village has a maximum of fifteen years, or until 2040, to incur TIF expenses for the projects outlined in this plan. Actual implementation of the projects may be accelerated or deferred depending on existing conditions at the time. The Village may also opt to take advantage of the current state statute that allows a municipality to collect revenue from a TID that is about to close for one additional year to benefit affordable housing in the municipality.

The project costs for TID #1 can be financed over the life of the TID with projected TID revenue.

C. 12% Test

Merrimac's 2025 municipal equalized value is $143,049,000. The maximum amount of equalized value allowed in TIF districts for a municipality is 12%, which would be $17,165,880. This would be the first TID created in the Village, so there is $0 of value in existing TIDs. The base value of TID #1 is $6,017,100, which means 4.21% of Merrimac's equalized value would be in TIF districts once TID #1 is created. There is no concern about going over the 12% limit with the creation of TID #1 as proposed.

TABLE 9: VILLAGE OF MERRIMAC TID CAPACITY

2025 Equalized Value	%	Maximum TID Capacity
$143,049,000	12%	$17,165,880

New TIDs cannot be created, or properties added to existing TIDs if this level is exceeded.

TABLE 10: PROPOSED TID EQUALIZED VALUES

TID 1 Base Value	Percent of Municipal Equalized Value
$6,017,100	4.21%

The Village of Merrimac has available capacity to establish TID #1 as proposed.

Changes to Maps, Plans, Ordinances

Two parcels (PINs 24 and 25) will need to be re-zoned as B1 – General Business as part of the hotel development. No other changes will be needed to zoning maps, future land use maps, the Village's comprehensive plan, or zoning ordinances.

Relocation

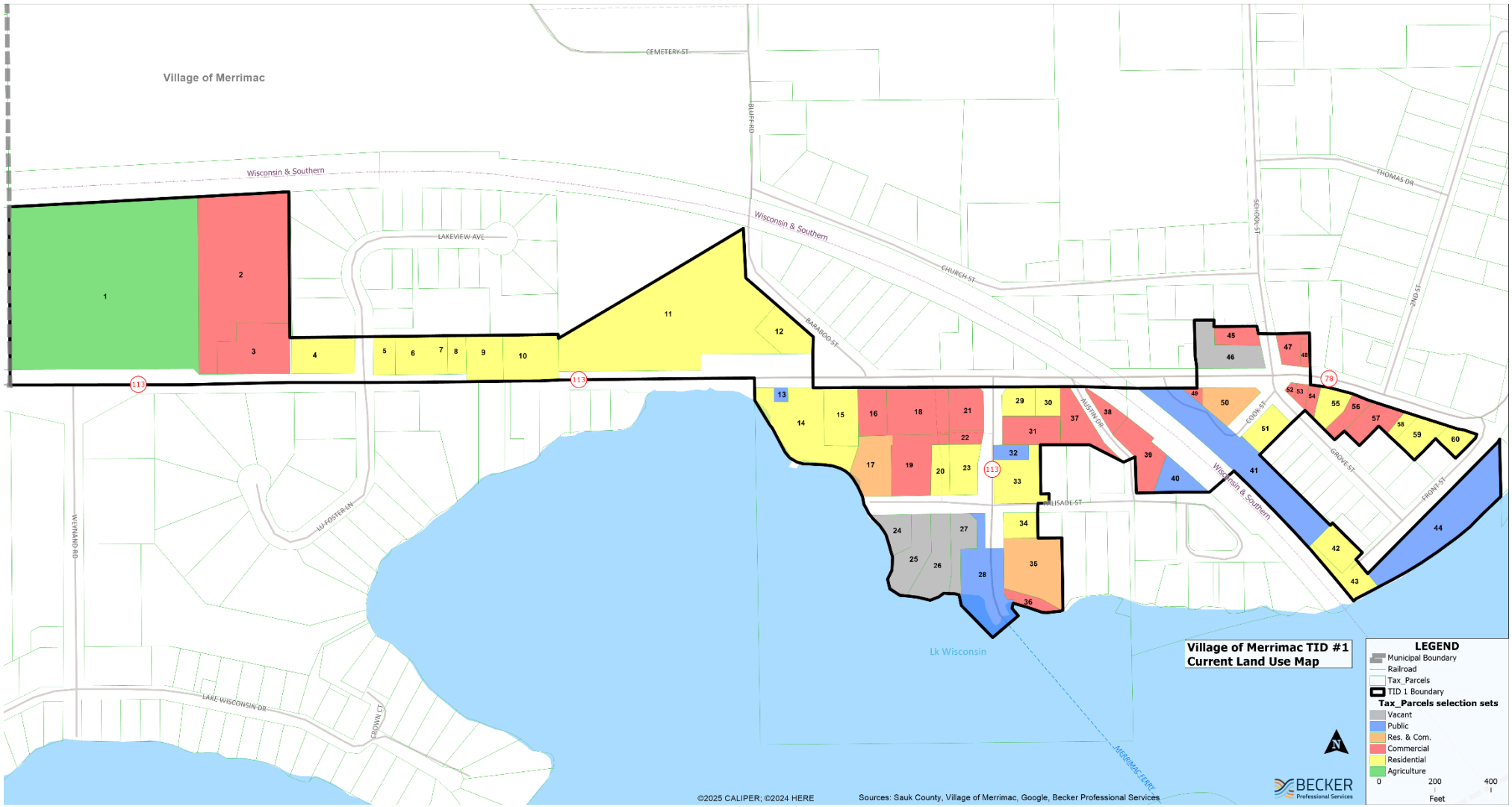
No persons or businesses are expected to be displaced or relocated as a result of proposed projects in TID #1. However, if relocation were to become necessary in the future, the following is the method proposed by the Village/Planning Commission for displacement or relocation:

> Before negotiations begin for the acquisition of property or easements, all property owners will be contacted to determine if there will be displaced persons as defined by Wisconsin Statutes and Administrative Rules. If it appears there will be displaced persons, all property owners and prospective displaced persons will be provided an informational pamphlet prepared by the Wisconsin Department of Administration (DOA). If any person is to be displaced as a result of the acquisition they will be given a pamphlet on "Relocation Benefits" as prepared by the DOA. The Village will file a relocation plan with the DOA and shall keep records as required in Wisconsin Statutes section 32.27. The Village will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of neighboring landowners to whom offers are being made as requested by law.

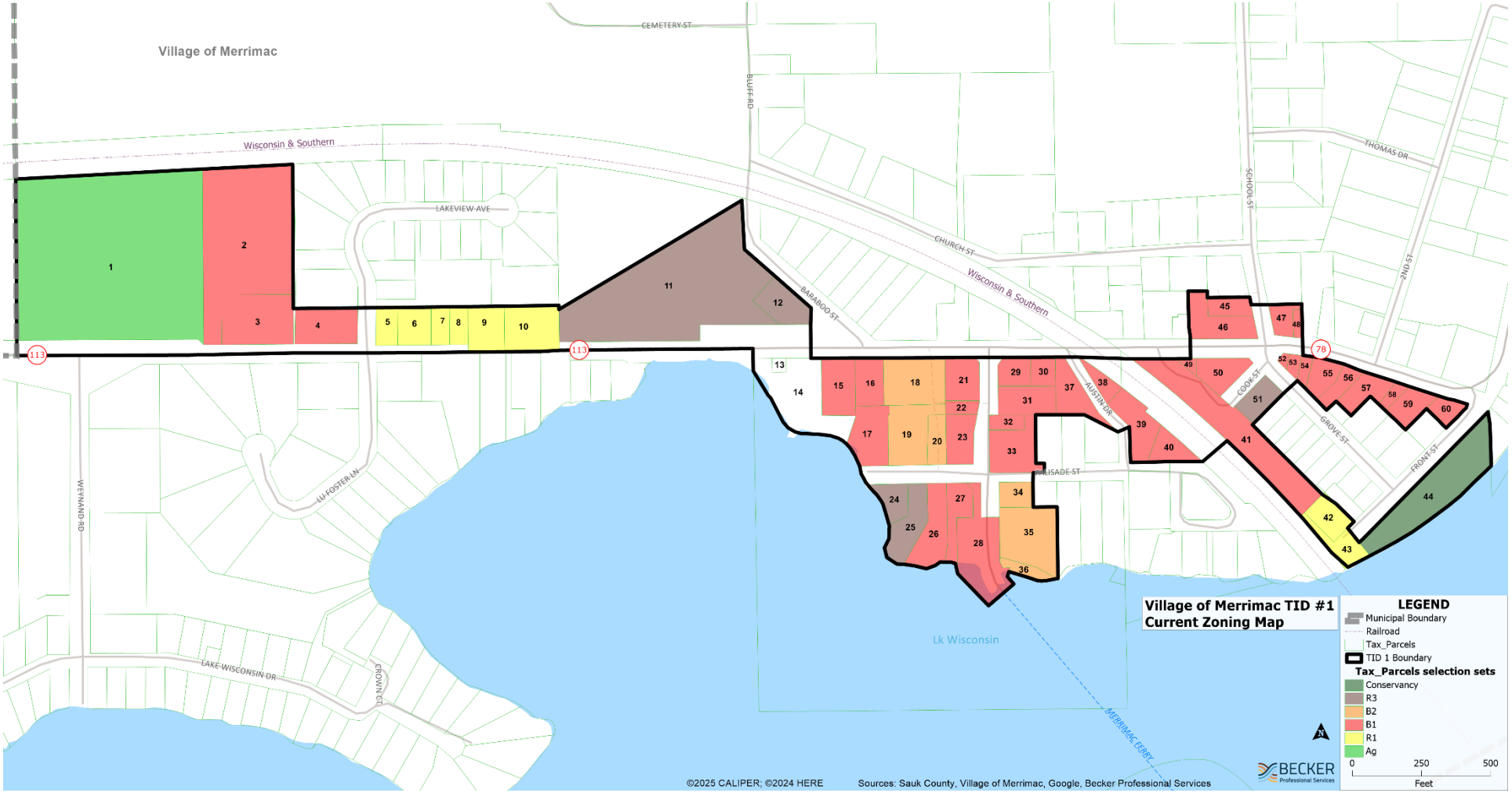
Promoting Orderly Development

The creation of TID #1 will encourage mixed-use development in the downtown core of the Village. Creation of the TID will promote the development of the tax base of the Village and, in general, promote public health, safety, and general welfare. Successful implementation of the projects planned in TID #1 will build tax base for the Village and overlying taxing jurisdictions.

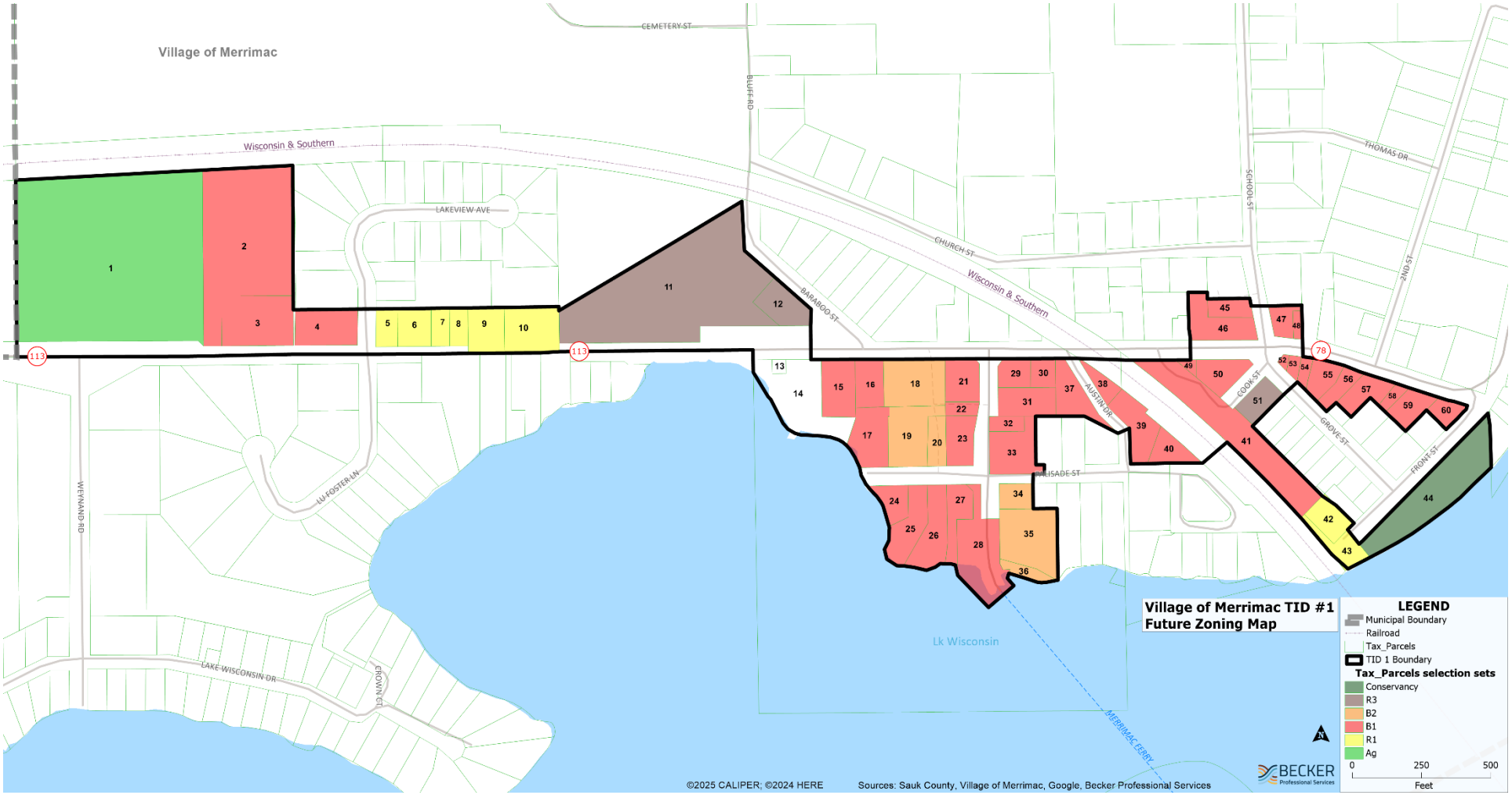
Map of Existing Uses and Conditions of Property



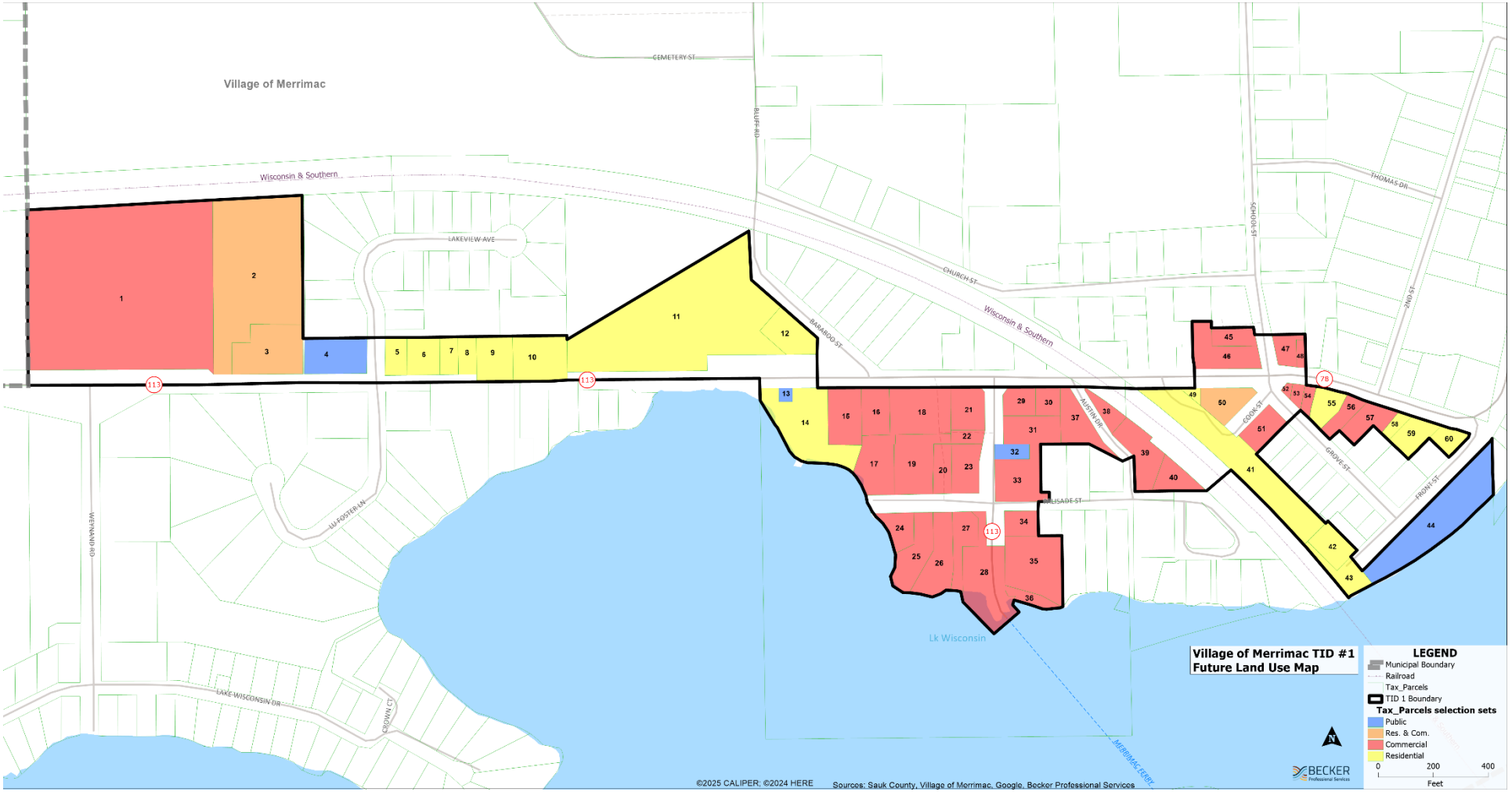
District Current Zoning Map



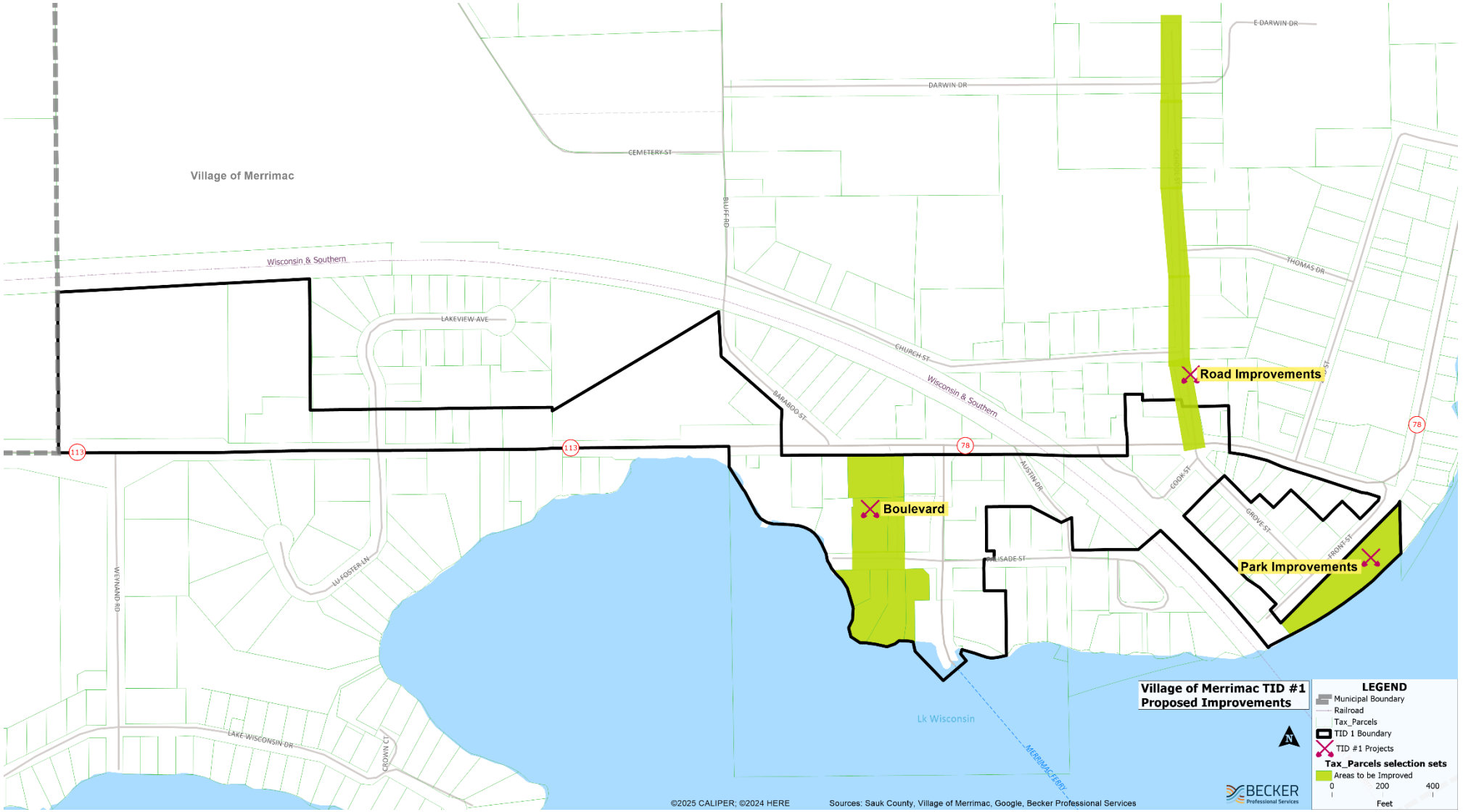
District Future Zoning Map



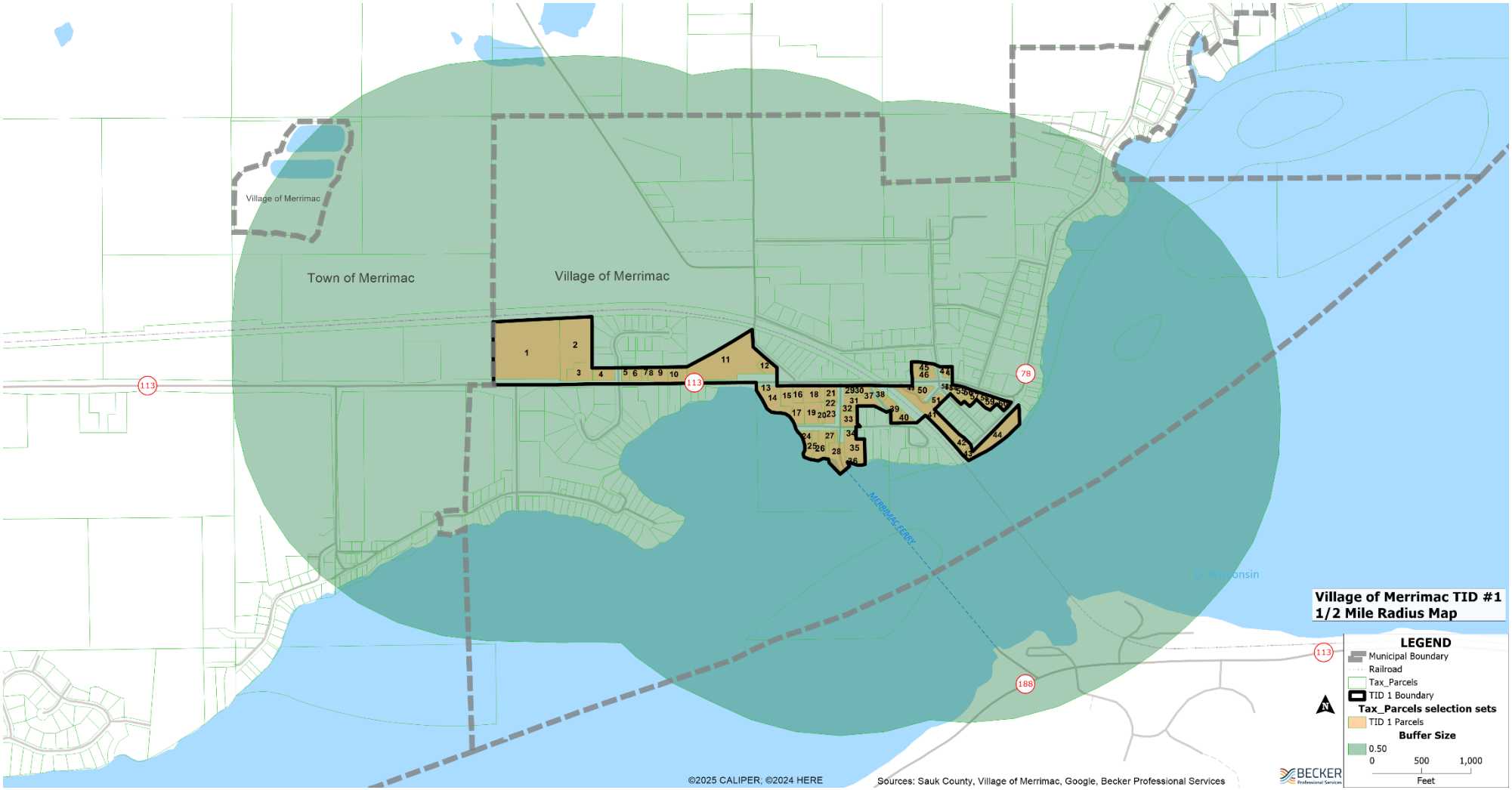
District Future Land Use Map



MAP SHOWING PROPOSED USES AND IMPROVEMENTS IN THE DISTRICT



Map showing ½ mile radius of District



Appendix

A. Attorney's Opinion Letter

B. Public Hearing Notice

C. Joint Review Board Meeting Notices

D. Planning Commission Resolution

E. Village Board Resolution

F. Joint Review Board Resolution