

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

**Tuesday, June 4th, 2013 at 8:00 A.M.
City Hall Council Chambers**

RDA Present: Bill Bialecki, Ryan Schwartzman, Wally Smith, David Hayes, and Jill Laufenberg (at 8:08 a.m.)

RDA Absent: Ralph Sturm and Karen Karow

Others: Finance Director Kathy Unertl, City Administrator Dave Johnson, Mike Morrissey from Redevelopment Resources, City Attorney Administrative Assistant Diane Wais, City Building Inspector/Zoning Administrator Darin Pagel from Northwinds Inspection, Jim Beam from WJMT Radio, and MP-3

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

Approval of meeting minutes from April 23rd, 2013:

Motion (Schwartzman/Smith) to approve the meeting minutes. Carried.

Consider Request for Proposal (RFP) response(s) for sale of 318 Grand Ave. and proposed redevelopment plans:

Only one RFP response was received. Richard and Sharon Schmidt propose paving of an area off Merrill Street for private parking and green space throughout the rest of the property. Estimated costs for these site improvements are \$5,000. Their proposed purchase offer is \$4,350 for 318 Grand Ave.

The Schmidt's own the two buildings immediately to the west of the 318 Grand Ave. parcel which have been restored and are now occupied by Tactical Search and Rescue LLC and To Your Health LLC. The Schmidt's have a track record of rehabilitating historical buildings and running successful businesses. Building Inspector Darin Pagel advised that he has discussed the proposed site plan with the Schmidt's and has the legal authority to approve the plan.

Motion (Schwartzman/Hayes) to recommend accepting Richard and Sharon Schmidt's RFP response including sale price of \$4,350 for 318 Grand Ave. for private parking and green space. Carried.

Update on Committee of Whole May 14th actions on Lincoln House and continued discussion of future site redevelopment options:

City Administrator Dave Johnson highlighted the COW actions on May 14th to reject the demolition bid; directed a RFP be issued offering the building/site for \$1.00 subject to demolition of the existing structure and a site redevelopment plan; relocation of existing tenants; and rebidding of demolition project if no RFP responses by end of August.

Laufenberg asked about notice to tenants. The City has given the three tenants sixty (60) day notice to move. Mike Morrissey from Redevelopment Resources is assisting the City Attorney Office in preparation of Relocation Plan for the two residential tenants and the radio station. The plan will need to be submitted and approved by the State of Wisconsin's Department of Administration.

Kristen Fish from Redevelopment Resources is checking on potential CDBG funding for asbestos abatement, demolition, and site redevelopment. Wisconsin Department of Administration is now managing the CDBG programs instead of the Wisconsin Economic Development Corporation (WERC). Grant funding for 2013 is pending determination of Federal Housing and Urban Development (HUD) allocation to Wisconsin. Fish and Unertl will continue to review as potential funding option.

Laufenberg inquired about insurance settlement. The City has received \$130,000 which could be used for demolition if no interested developers. The insurance amount is based upon what it would cost just to restore the interior to the condition it was prior to the February 2013 water leak. Johnson reported that there would need to be major expenditures on the exterior to comply with the City's exterior maintenance code.

Update on proposed El Mezcal restaurant development TIF incentive which is located in TID No. 3:

Public interest in potential new restaurant was one of the items emphasized in the recent community survey. Commissioners commented that El Mezcal would be another business to attract travelers off Highway 51 turning left into City of Merrill.

The proposed TIF development incentives include up to \$35,000 for regional stormwater drainage, as well as \$100,000 pay-as-you-go TIF cash development incentive to be paid over five-year period after new tax increment generated. Bialecki and Unertl advised that the potential TIF development incentives were discussed in closed session of February 5th Committee of Whole meeting.

The cash development incentive is consistent with what City has done for other construction projects such as Walgreen's, Lincoln Community Bank, Caylor's Corners, Culver's, and the Wisconsin River island storage buildings. Bialecki also noted the Hurd/Superseal forgivable TIF loan based upon meeting job creation targets.

Update and discussion on “blight” elimination activities, including exterior maintenance enforcement and demolitions:

Building Inspector Darin Pagel reported that there are over two hundred properties on the exterior maintenance enforcement list; however, that just scratches the surface of the issues. Pagel emphasized that what is in a community and how buildings are being maintained are key evaluation criteria for potential new property owners and businesses.

Johnson, Unertl, and Pagel advised that the City is willing to work with property owners. For example, Development & Leasing and SEMCO just provided a plan for the next two+ years for demolitions of structures along the Wisconsin River east of North Center Avenue. Some “blighted” buildings in this area have already been demolished. When there is no response to exterior maintenance orders or failure to meet deadlines, the City is issuing citations and taking property owners to Merrill Municipal Court. It was noted that despite the yellow tape around the building and a scaffold, the property owner of Grecian Delight failed to meet the May 31st deadline for exterior painting.

Update and discussion of “The Distinctive City – Community Appeal Drives Economic Prosperity” article, Mayor’s Business Recruitment Task Force, and Merrill Community Forum Series activities:

Morrissey from Redevelopment Resources highlighted the key points in the Edward McMahon article on “The Distinctive City”, including that a community’s appeal drives economic prosperity and makes a City attractive for tourists to visit. Morrissey noted that areas of the City of Merrill have no trees, no hanging baskets, no bike racks, no benches, industrial-like streetlights, and no directional signage.

The McMahon article emphasizes that distinctiveness involves streetscapes, architecture, and historical preservation. Morrissey commented that Old City Hall and continuing deterioration of this highly visible property needs further RDA discussion. Various “blighted” commercial properties were highlighted via pictures.

As to status of various façade rehabilitation projects, Morrissey reported:

811-813 East 1 st Street	Just sold to the Hoffman’s for their antique business
406 West Main Street	Façade project completed
1502 West Main Street	Mark Raymer has started rehabilitation of building
Humphrey’s Pub	Concepts prepared and costs being evaluated for phasing
Central Carpet	Concept sketches done – waiting for contractor estimates
316 Grand Ave.	Waiting for contactor estimates

Unertl advised that City staff and contractors were discouraging commercial property owners from removing historical brick facades with vinyl siding replacement. RDA Commissioner consensus with this approach and reluctance to recommend any TIF incentives for vinyl siding façade replacements.

Next RDA Meeting: At the call of the RDA Chair.

Public Comment:

Jim Beam from WJMT Radio suggested that City explore recycling, including floor subway tile, when demolishing Lincoln House. He emphasized that for Quick Silver Broadcasting the key issues in relocating include technical connections, parking, and rental cost.

Beam also suggested that rather than paying \$10,000 for the El Mezcal restaurant liquor license that there should be potential negotiation with Club Modern and a deal worked out. Mayor Bialecki advised that the City's last liquor license was issued to Club Modern in May and noted that that business property is for sale.

Potential Closed Session: No closed session was held.

Adjournment:

Motion (Schwartzman/Smith) to adjourn the meeting at 9:10 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl