CITY OF MERRILL
Redevelopment Authority (RDA)

Tuesday, October 1st, 2013 at 8:00 a.m.
Location – City Hall Council Chambers 1004 East 1st Street

AGENDA

Voting RDA Members: Bill Bialecki, Ryan Schwartzman, Ralph Sturm, Wally Smith, Karen Karow, Jill Laufenberg, and David Hayes

1. Call to order
2. Consider approval of meeting minutes from September 10th, 2013
3. Update on Lincoln House tenant relocation and demolition schedule
4. Review of proposed 2014 budget requests for Tax Increment Districts (TIDs)
5. Next RDA meeting
6. Public Comment
7. The RDA may convene in closed session per Wis. Stats. Sec. 19.85(1)(e) - deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session to consider:

   a) Identification/discussion of specific properties for possible RDA acquisition to facilitate redevelopment

8. Adjournment

Agenda Prepared by RDA Secretary Kathy Unertl
Reviewed by RDA President Bill Bialecki

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Date and time agenda was posted: _____ *Posted by:* _____

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City of Merrill
Redevelopment Authority (RDA)

Tuesday, September 10th, 2013 at 5:30 P.M.
City Hall Council Chambers

RDA Present: Bill Bialecki, Ryan Schwartzman, Wally Smith, Karen Karow, David Hayes, Jill Laufenberg, and Ralph Sturm

RDA Absent: None

Others: Alderpersons Steve Hass, Dave Sukow, and Kandy Peterson, Brian Reilly from Ehlers & Associates, City Administrator Dave Johnson, Finance Director Kathy Unertl, City Attorney Tom Hayden, Street Commissioner Dick Lupton, Mike Morrissey from Redevelopment Resources, City Building Inspector/Zoning Administrator Darin Pagel from Northwinds Inspection, Dewey Pfister, Collin Lueck from FotoNews, about forty members of the public, and student taping for Merrill Productions

Call to Order: Chair Bialecki called the meeting to order at 5:30 p.m.

Approval of meeting minutes from August 6th, 2013:

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

Update on Lincoln House tenant relocations, demolition plan, and apartment developer recruitment efforts:

Mike Morrissey from Redevelopment Resources advised that the two residential tenants have been successfully relocated. City contractors and staff continue to work on the move of the radio station as technical requirements are determined and resolved.

The demolition project award to C&D Excavating, LLC will be on the September 10th, 2013 Common Council agenda. Insurance proceeds will cover the majority of the demolition expense.

Morrissey advised that about six residential developers have been contacted. Laufenberg asked about potential mixed use. Morrissey noted the City team has been looking at potential underground parking, potential 1st floor commercial, and then residential floors. Having a vacant site should assist in recruiting a potential developer.

Update on proposed 201 South Prospect Street site redevelopment, including planned Site Assessment Grant (SAG) and potential Idle Industrial Site Redevelopment Program:

City Administrator Johnson advised that a Special Common Council meeting was held on Thursday, September 5th to assist in moving the proposed redevelopment project forward. Merrill Area Development Corp. (MADC) has made an offer to purchase the thirty-three acre site from the individual who purchased from Hurd Windows & Doors.

MADC would be selling two buildings to a manufacturing company. About thirty-five jobs would be relocated to the site with planned doubling of workforce in near future. Average wage for these jobs is about $18.00 per hour.

City TIF development incentives would include the following:

- City $100,000 purchase of five acre site north of Zastrow's (TID No. 5) for stormwater drainage and development site along North Pine Ridge Ave.; and
- City $200,000 TID No. 8 loan to MADC to facilitate site acquisition and environmental remediation cash flow; and
- City submission of proposed $150,000 Site Assessment Grant (SAG) for some demolition and additional environment assessment with local match from MADC; and
- Potential Idle Industrial Site Redevelopment Program grant application for demolition, environmental remediation, and potential construction of new public infrastructure (such as new water and sanitary sewer mains, stormwater drainage, street, sidewalk, street lighting, etc.) to facilitate business park redevelopment.

Consider potential damage settlement for 316 Grand Ave. in TID No. 8:

Property owner Jo Ellen James has decided not to proceed with major façade improvements. City staff noted that due to demolition of adjacent building that there are some water issues in the basement, about 250 missing bricks on the northwest corner of the front façade, and some holes from former common floor joists.

Motion (Schwartzman/Karow) to authorize damage settlement of $3,500 to the property owner. Carried.

Consider Resolution 2013-01 recommending dissolving Redevelopment District No. 1 and related Redevelopment Plan for Redevelopment District No. 1: This redevelopment district area and plan was combined in the Tax Increment District No.3/Redevelopment District No.1 Plan – authorized in September 2005 and amended in July 2006.

Unertl advised that this was a technical resolution to dissolve the Redevelopment District No. 1 and related Plan since the majority of the "blighted" properties are proposed to be deleted from TID No. 3 and then included within the new TID No. 9.

Motion (Schwartzman/Karow) to adopt RDA Resolution No. 2013-01 recommending dissolving Redevelopment District No. 1 and related Redevelopment Plan for Redevelopment District No 1. Carried.

Next RDA meeting: Next meeting scheduled for Tuesday, October 1st at 8:00 a.m.

The Redevelopment Authority meeting recessed from 5:50 p.m. to 6:00 p.m.

Public Hearing @ 6:00 p.m. – "Blighted Property":

Consider the designation of the following properties: 419 W. Main St. - vacant commercial building and 413 W. Main St. - vacant lot east of 419 W. Main St. building as "blighted property" within the meaning of Wisconsin Statutes Section 66.1333:

Bialecki opened the public hearing at 6:00 p.m. Pagel and Unertl highlighted the existing "blighted" conditions and code enforcement orders. No one interested in testifying. Hearing adjourned at 6:03 p.m.

Consider adoption of Resolution No. 2013-02 determining property to be blighted and submitting proposed acquisition and redevelopment to Common Council for Approval – 413 & 419 W. Main St.:

Motion (Schwartzman/Laufenberg) to adopt RDA Resolution No. 2013-02 determining property to be blighted and submitting proposed acquisition and redevelopment to Common Council for Approval – 413 & 419 W. Main St. Carried.

Consider RFP response related to demolition/site redevelopment of 413 & 419 W. Main St.:

There was one RFP response received – C&D Excavating, LLC. Proposal to remove the building and clear lot by June 1st, 2014. Future plan is for possible restaurant or retail commercial business construction. There will be no TIF development incentive for demolition; however, the RFP emphasized that RDA/City will discuss potential TIF development assistance for the future new development.

Motion (Schwartzman/Hayes) to recommend the sale of 413 & 419 West Main Street to C& D Excavating, LLC. for $1.00 to facilitate demolition and future site redevelopment. Carried.

Public Hearings – Various Tax Increment Districts (TIDs):

City Attorney Tom Hayden highlighted the public hearing notices to consider potential boundary and plan changes to various Tax Increment Districts (TIDs) and potential creation of new Tax Increment District, including:

- TID 3 – Project Plan and Boundary Amendment
- TID 4 – Project Plan and Boundary Amendment
- TID 5 – Project Plan Amendment
- TID 8 – Project Plan and Boundary Amendment
- TID 9 – Creation [Proposed as "Blighted" Area TID]

Unertl highlighted changes to the various TIDs as shown on larger scale maps. Unertl emphasized that both TID No. 8 and proposed TID No. 9 are "blighted" area TIDs. City Building Inspector Darin Pagel and Unertl noted that the definition of "blight" is very broad. The City provided copies of Section 66.1105 Tax Increment Law and Section 66.1333 Blight Elimination and Slum Clearance.

Brian Reilly from Ehlers & Associates reported that both TID No. 8 and TID No. 9 meet the "blighted" area criteria of more than 50% "blighted" and with less than 25% of the TID land area considered vacant. Unertl noted that City management had removed Merrill Equipment parcel from the TID No. 9 preliminary "blighted" property designation.

Unertl advised that the City of Merrill and the Redevelopment Authority is not interested in condemning property. Just like 419 West Main Street, the City/RDA wants to work with property owners. The objectives of using tax increment financing are to create expanded tax base and facilitate new jobs.

Public testimony began about 6:12 p.m. with the following comments/questions:

Mike Nolan asked why the St. Vincent Help Center on West Main Street was being included in TID No. 8. Unertl responded that the RDA views the west side as historical business district and is interested in maintaining historical facades (such as 406 West Main Street). RDA would like to remove the white bubble façade on the St. Vincent building and restore the historical brick façade using TIF development incentive.

Lisa Miller – 703 S. Center Ave. advised that their corner property is available for sale.

Dave Schmumitsch – Merrill Sand & Gravel noted that their property is being split between TID No. 3 and TID No. 9 and wondered about intent to implement the waterfront plan? Unertl reported that to meet the 25% vacant land criteria for proposed TID No. 9, it was necessary to drop several vacant parcels on the north side of the Wisconsin River that remain in TID No. 3. Unertl added that any redevelopment is dependent upon interested property owners.

Bill Weber – representing Development & Leasing Corp. asked why moving properties into to TID No. 9? Unertl advised that a "blighted" area TID has lifespan of 27 years vs. only 20 years for mixed-use TID. Since TID No. 3 was created in 2005, moving properties into TID No. 9 provides an opportunity to restart the TID timeframes to facilitate redevelopment. Weber also asked about the $5 million TID budget. Unertl noted that this was preliminary budget. Depending upon projects, it is likely that the TID No. 9 budget/plan will need to be amended in the future.

Joe Rudolph – Merrill Equipment emphasized that he keeps his property up and didn't feel that "blighted" definition fit his property. Unertl re-emphasized that City management had review this property and had removed from the "blighted" designation. This change will be reflected in final TID No.3 and TID No. 9 plans and maps.

Motion (Schwartzman/Sturm) to close the public hearings at 6:25 p.m. Carried.

Consideration of Resolution No. 2013-03: Amending the Boundaries of and Adopting an Amended Project Plan for Tax Incremental District No. 3 of the City of Merrill, Wisconsin, and Submitting such Boundaries and Plan to the Common Council for Approval:

Motion (Schwartzman/Smith) to adopt Resolution No. 2013-03: Amending the Boundaries of and Adopting an Amended Project Plan for Tax Incremental District No. 3 of the City of Merrill, Wisconsin, and Submitting such Boundaries and Plan to the Common Council for Approval. Carried.

Consideration of Resolution No. 2013-04: Amending the Boundaries of and Adopting an Amended Project Plan for Tax Incremental District No. 4 of the City of Merrill, Wisconsin, and Submitting such Boundaries and Plan to the Common Council for Approval:

Motion (Schwartzman/Karow) to adopt Resolution No. 2013-04: Amending the Boundaries of and Adopting an Amended Project Plan for Tax Incremental District No. 4 of the City of Merrill, Wisconsin, and Submitting such Boundaries and Plan to the Common Council for Approval. Carried.

Consideration of Resolution No. 2013-05: Adopting an Amended Project Plan for Tax Incremental District No. 5 of the City of Merrill, Wisconsin, and Submitting such Plan to the Common Council for Approval:

Motion (Schwartzman/Smith) to adopt Resolution No. 2013-05: Adopting an Amended Project Plan for Tax Incremental District No. 5 of the City of Merrill, Wisconsin, and Submitting such Plan to the Common Council for Approval. Carried.

Consideration of Resolution No. 2013-06: Amending the Boundaries of and Adopting an Amended Project Plan for Tax Incremental District No. 8 of the City of Merrill, Wisconsin, and Submitting such Boundaries and Plan to the Common Council for Approval:

Motion (Schwartzman/Smith) to adopt Resolution No. 2013-06: Adopting an Amended Project Plan for Tax Incremental District No. 8 of the City of Merrill, Wisconsin, and Submitting such Plan to the Common Council for Approval. Carried.

Consideration of Resolution No. 2013-07: Designating the Boundaries of and Adopting a Project Plan for Tax Incremental District No. 9 of the City of Merrill, Wisconsin, and Submitting such Boundaries and Plan to the Common Council for Approval:

Motion (Schwartzman/Sturm) to adopt Resolution No. 2013-07: Designating the Boundaries of and Adopting a Project Plan for Tax Incremental District No. 9 of the City of Merrill, Wisconsin, and Submitting such Boundaries and Plan to the Common Council for Approval. *Carried.*

Consideration of a TIF development incentive overview recommending development agreement by and between the City of Merrill, Wisconsin and Neumann Lot 2 (for Burgener Contract Carriers) for property located in proposed Tax Increment District No. 9:

Motion (Schwartzman/Karow) to recommend TIF development incentive overview recommending development agreement by and between the City of Merrill, Wisconsin and Neumann Lot 2 (for Burgener Contract Carriers) for property located in proposed Tax Increment District No. 9. Carried.

Public Comment: None.

Motion (Schwartzman/Smith) to adjourn the meeting at 6:30 p.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

CITY OF MERRILL

Redevelopment Authority (RDA)

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Location. Nature. People.
Smart Move

Kathy Unertl, RDA Secretary

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Date: September 26th, 2013

To: RDA Commissioners

From: Kathy Unertl, Finance Director/RDA Secretary Kathy Unertl

RE: 2014 Budget Requests – Tax Increment Districts

The proposed 2014 budgets will be distributed at the RDA meeting.

Status – TID Planning/Approval Process:

On Tuesday, September 24th, the Merrill Common Council adopted resolutions amending TIDs (No. 3, No. 4, No. 5, and No. 8), as well as creating new TID No. 9. Also approved was a development agreement for Neumann Lot 2 (Burgener Contract Carriers LTD).

Final review/approval step in the TID planning/approval process is the Joint Review Board meeting scheduled for Monday, October 7th at 3:30 p.m. Then, we need to get all the Wisconsin DOR paperwork submitted by the end of October.