

City of Merrill
Redevelopment Authority (RDA)

Tuesday, February 2nd, 2016 at 8:00 A.M.
City Hall Common Council Chambers

RDA Present: Bill Bialecki, Wally Smith, Amanda Kostman, Tony Kusserow,
Ryan Schwartzman, Karen Karow, and Jill Laufenberg

RDA Absent: None

Others: Alderpersons Dave Sukow and Chris Malm, Alderperson candidate Paul
Russell, City Administrator Dave Johnson, Finance Director Kathy Unertl,
City Attorney Tom Hayden, Public Works Director Rod Akey, City Building
Inspector Darin Pagel, Mary Rajek from Redevelopment Resources,
Tonia Speener from Clark Dietz and several additional individuals

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

Public Comment: None.

Consider approval of meeting minutes:

**Motion (Schwartzman/Karow) to approve the open session meeting minutes from
January 5th, 2016. Carried.**

**Motion (Schwartzman/Kostman) to approve the closed session meeting minutes
on 120 S. Mill St. redevelopment proposal from January 5th, 2016. Carried.**

**Motion (Schwartzman/Kostman) to approve the joint RDA/City Plan
Commission/Committee of whole meeting minutes from January 20th, 2016.
Carried with one requested word change.**

**Update on proposed new apartment development at 1501 Highway 107
(Tax Incremental District No. 5):**

Unertl distributed map showing proposed location of new City street with access off
Highway 107. Engineering estimate of probable cost is just under \$261,000. Public
Works Director Akey advised that there is discussion with the property owner of the 80'
strip of land that runs from Highland Dr. to Highway 107 on the west side of the
Lokemoen Development parcel.

In addition to providing direct access to Phase 1 apartment location, the City street
would serve future development(s) along Highway 107 (such as potential Phase 2 and
Phase 3 apartments). Laufenberg suggested that there would need to be appropriate
signage related to pedestrian and bicycle crossing of the proposed City street. There
are sidewalks on both sides of Highway 107.

**Update on proposed new apartment development at 1501 Highway 107
(Tax Incremental District No. 5) - Continued:**

In response to Kusserow and Smith questions, Johnson reported that only one development proposal had been received from Nicolet/Premier. Rental range for the apartments is projected at \$800 to \$1,200 per month.

Bialecki emphasized that City of Merrill employers have indicated that rental housing is a need in the community. Several Merrill employers continue hiring additional employees on on-going basis.

The land acquisition and new City street construction would be funded through Tax Increment District No. 5 borrowing. The proposed \$500,000 TIF cash development incentive would be a pay-as-you-go. As property taxes paid, the developer would receive an annual TIF development incentive payment until agreement amount fulfilled.

Consider a motion recommending purchase of Lot 4 of Certified Survey Map No. 2467 for \$200,000 to facilitate the 1501 Highway 107 apartment development:

Motion (Schwartzman/Kostman) to recommend purchase of Lot 4 of CSM No. 2467 for \$200,000 to facilitate 1501 Highway 107 apartment development. Carried.

Consider a resolution authorizing development agreement by and between the City of Merrill and Nicolet/Premier's LLC (Phase 1 Apartments):

Unertl highlighted tax increment projections for Phase 1, as well as potential for additional development. Current property tax generated annually is \$1,697 based upon \$65,000 real estate assessment. There is potential for future real estate valuation of over \$10 million.

Motion (Schwartzman/Karow) to recommend a resolution authorizing development agreement by and between the City of Merrill and Nicolet/Premier's LLC (Phase 1 Apartments). Carried.

Follow-up discussion on MSP Real Estate proposal for 120 S. Mill St. redevelopment (former Lincoln House site) in Tax Increment District No. 6:

Mary Rajek highlighted the strong walkability score for WHEDA tax credits for the former Lincoln House site. There was discussion of potential other downtown locations.

Laufenberg requested alternative with potential 30 units instead of 40 apartments. Karow expressed support for commercial 1st floor and rental units above such as Jefferson Street development in downtown Wausau.

Follow-up discussion on MSP Real Estate proposal for 120 S. Mill St. redevelopment (former Lincoln House site) in Tax Increment District No. 6 (Continued):

As far as parking, Johnson noted that parking at a shopping mall or Wal-Mart generally involves walking a distance to get to the commercial business. Preliminary estimate for potential two-story parking ramp is estimated at about \$1.8 million.

Laufenberg reported that the City parking lot to the west of Trophy Bar is generally full during the daytime. The City Parking Commission has not met since 2002. Mayor Bialecki requested that the continued existence of the Parking Commission be included on the next Board of Public Works meeting agenda.

City has meet improvements in the downtown with implementation of angle parking on Main Street, repaving of the City parking lot, and upcoming "pocket park" development. There has been limited investment by current downtown property owners compared to façade improvements in the west side business district.

Karow supports multi-story project with potential market-rate residential. Commissioners discussed WHEDA tax credits and fiscal implications. Unertl noted that even if considering a new TID, the lower income-based assessment would not cash flow a potential \$1 million TIF incentive. However, the proposed development at about \$1.2 million real estate assessment would be among the top twenty-five valuations in the City. Unertl emphasized that the fiscal reality is that it is necessary to transfer TIF from east side (TID No. 3) to Downtown and West Side TIDs.

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

Bialecki read the following notice:

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: Potential property acquisition to facilitate redevelopment opportunities in Redevelopment Area No. 3 (Tax Increment District No. 10)

Motion (Schwartzman/Karow) to move to closed session. Motion carried 7-0 on roll call vote at 9:10 a.m. There was discussion on above item.

Adjournment: Motion (Schwartzman/Smith) to adjourn at 9:17 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl