City of Merrill
Joint Review Board

Tuesday, April 26th, 2016 at 4:30 P.M.
City Hall Council Chambers, 1004 East First Street

Members Present: Mayor Bill Bialecki (City of Merrill representative), Rob Elliott (Northcentral Technical District representative), Brian Dasher (Merrill Area Public Schools representative), Bob Weaver (Lincoln County representative), and Amanda Kostman (public member)

Others Present: RDA Commissioner Karen Karow, Finance Director/RDA Secretary Kathy Unertl, Sean Lenz from Ehlers & Associates, City Administrator Dave Johnson, City Attorney Tom Hayden, Dewey Pfister, and several other members of the public

Call to order: Bialecki called the meeting to order at 4:30 P.M.

Representation remains the same as the October 2015 Joint Review Board except for Merrill Area Public Schools and Northcentral Technical College representatives. MAPS representative is Brian Dasher and NTC representative is Rob Elliott.

Public Comment: None.

Review and consideration of minutes from October 6th, 2015 meeting:

Motion (Weaver/Kostman) to approve the meeting minutes. Carried.

Reconfirm appointment of Public Member:

Motion (Bialecki/Weaver) to confirm Amanda Kostman as Public Member. Carried.

Reconfirm Chairperson:

Motion (Weaver/Kostman) for Bialecki to continue as Chairperson. Carried.

Discuss responsibilities of the Joint Review Board:

Sean Lentz from Ehlers & Associates noted that this is an experienced Joint Review Board. The primary purpose of a Joint Review Board is to ensure that all taxing jurisdictions are represented and allowed input when the creation of Tax Increment District is being considered.

Discuss responsibilities of the Joint Review Board (Continued):

As listed in the overview of Joint Review Board responsibilities included in the agenda packet, the primary decision criteria include whether the development expected in the TID would occur without the use of tax increment financing; whether the economic benefits of the TID as measured by increased employment, business and personal income, and property value, are insufficient to cover the costs of proposed improvements; and whether the benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing districts.

Review and discuss proposed project plan amendments and TID creation:

Sean Lentz from Ehlers & Associates highlighted the basics of tax increment finance (TIF), district creation proposal, and timeline. The handout presentation included illustrations on how TIF works, eligible project costs, and an overview of the proposed district which is mixed-use district including 42 tax parcels and covering 138 acres. There is twenty-year lifespan for mixed-use TIDs.

The initial development would be residential including three 12-unit apartment buildings on a parcel currently owned by Lokemoen Construction. The City would be purchasing the property and then selling to the developer in phases. Unertl distributed a draft development agreement with Premier Merrill Apartments LLC (Phase 1)

City Administrator Dave Johnson reported that there could be two future phases of apartments. Unertl emphasized with the City's almost one million investment to facilitate Phase 1, there would be needed land, infrastructure, and visible State Road 107 frontage to encourage future development.

Potential industrial and commercial developments/expansions are projected. There could be City street, utility, and street lighting infrastructure improvements. There is a summary project cost overview using potential four phases of future development which totals $3,237,500. The projected future development growth totals $14,000,000.

Lentz advised that financing for the TID would include general obligation debt for Phase 1 of the apartment development. Pay-As-You-Go financing is planned for future development incentives. Future infrastructure improvements would be financing by general obligation debt. As far as economic feasibility, the district is expected to have strong cash flow if development occurs as projected.

It is possible to transfer tax increment out of a mixed-used TID to "blighted area" tax increment districts. Unertl advised that she will have fiscal overview information related to the City's TIDs at the next meeting. Unertl added that she has proposed to the auditors to transfer about $500,000 from TID No. 3 to several of the "blighted area" TIDs. The City will be borrowing in 2016 to reimburse some prior TID expenditures that advances from the City General Fund have been covering.

Next Joint Review Board meeting date:

Merrill Common Council action on Redevelopment Authority (RDA) recommendation is anticipated on Tuesday, May 10th, 2016.

Consensus for Joint Review Board to meet on Tuesday, May 31st at 4:00 p.m.

Adjournment:

Motion (Kostman/Weaver) to adjourn. Carried at 4:58 p.m..

Minutes prepared and submitted by:

Kathy Unertl, Finance Director/RDA Secretary