

City of Merrill  
Redevelopment Authority (RDA)

Tuesday, April 26<sup>th</sup>, 2016 at 6:00 P.M.  
City Hall Common Council Chambers

RDA Present: Bill Bialecki, Ryan Schwartzman, Karen Karow, and Amanda Kostman

RDA Absent: Wally Smith, Tony Kusserow, and Jill Laufenberg

Others: Alderperson Paul Russell, Sean Lentz from Ehlers & Associates, 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, Ken Maule from Lincoln County Economic Development Corp. (LCEDC), Dewey Pfister, Jeremy Ratliff from Merrill Courier, and about ten property and business owners. MP-3 students also filmed the meeting.

**Call to Order:** Chair Bialecki called the meeting to order at 6:00 p.m.

**Public Comment:** None.

**Consider approval of meeting minutes:**

**Motion (Schwartzman/Karow) to approve the meeting minutes from April 7<sup>th</sup>.**  
Carried.

**Public Hearing regarding the proposed project plan, boundaries and creation of Tax Increment District No. 11:**

The public hearing notice was published on April 8<sup>th</sup> and April 15<sup>th</sup> in the Merrill Courier. There have been no changes made in the draft Project Plan for Creation of TID No. 11 that was distributed at the April 7<sup>th</sup> RDA meeting.

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. Construction of additional apartments and potential industrial and commercial developments/expansions are projected. There could be two City streets and utility infrastructure, as well as major expansion of the street lighting system. 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.

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**Public Hearing regarding the proposed project plan, boundaries and creation of Tax Increment District No. 11 (Continued):**

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.

There was a Joint Review Board meeting earlier on April 26<sup>th</sup>. Next steps after potential RDA action are the May 10<sup>th</sup> Common Council meeting and May 31<sup>st</sup> Joint Review Board meeting.

**Motion (Schwartzman/Karow) to open the public hearing.** Carried at 6:15 p.m.

Gary Dietrich (1309 Highland Dr.): Dietrich asked if TIF would be used for curb, gutter, and paving of Edgewater and Highland. Unertl reported that the Board of Public Works had an informational meeting on this planned 2017 street improvement project earlier this year. The City/Board of Public Works intends to special assess benefited property owners for street improvements. TIF will be used to extend water service lines to Dietrich’s home and his duplex. Other adjacent residential properties were connected to water mains funded through TID No. 1 more than a decade ago.

There were no additional public comments or questions.

**Motion (Kostman/Karow) to close the public hearing.** Carried at 6:20 p.m.

**Consider a resolution designating proposed boundaries and approving a Project Plan for Tax Incremental District No. 11, City of Merrill, Wisconsin:**

**Motion (Kostman/Karow) to adopt RDA Resolution No. 2016-01 – a resolution designating proposed boundaries and approving a project plan for Tax Incremental District No. 11, City of Merrill, Wisconsin.** Motion carried.

**Consider a resolution authorizing development agreement by and between the City of Merrill and TSI State Property LLC (Nelson’s Power House):**

Unertl distributed site plan for the two-building development area, as well as circulated Urban Construction concept drawings. The development site is south of Merrill Manufacturing on S. State St./Kinzel St. in TID No. 8. The new development would be in \$1.2 million range and potentially a couple new jobs would be created.

Schwartzman commented that this is type of development RDA/City is interested in supporting and this would help TID No. 8’s fiscal status. RDA Commissioners reviewed recent City TIF incentives for new buildings and concurred with staff recommendation for total of \$225,000 (\$45,000 annually over five years) cash development incentive.

**Motion (Schwartzman/Kostman) to recommend the resolution authorizing development agreement by and between the City of Merrill and TSI State Property LLC (Nelson’s Power House).** Motion carried.

**Next RDA meetings:** Next RDA meeting is scheduled for Tuesday, May 10<sup>th</sup> at 6:00 p.m. of joint meeting with the Committee of Whole. Unertl advised that the majority of the meeting will be closed session discussing potential property acquisitions and potential development incentives to facilitate new development or redevelopment.

The next regular RDA meeting will be Tuesday, June 7<sup>th</sup> 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 4-0 on roll call vote at 8:30 p.m. There was discussion on above item.

**Adjournment:** Motion (Schwartzman/Kostman) to adjourn at 6:50 p.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl