

City of Merrill
Redevelopment Authority (RDA)

Tuesday, June 7th, 2016 at 8:00 A.M.
City Hall Common Council Chambers

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

RDA Absent: None

Others: Alderperson 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 and Mike Morrissey from Redevelopment Resources, Ken Maule from Lincoln County Economic Development Corp. (LCEDC), Jeremy Ratliff from Merrill Courier, Dave Sukow, Robert Caylor, and about five residents of Whispering Pines Community

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

Public Comment: None.

Consider approval of meeting minutes:

Motion (Laufenberg/Smith) to approve the RDA meeting minutes from April 26th and the joint RDA/Committee of Whole meeting minutes from May 10th. Carried.

Consider a resolution authorizing purchase of 1905 E. 14th St. to facilitate future multi-family residential redevelopment (TID No. 10 – Highway G Area):

Unertl highlighted the resolution which emphasized that there are four major employers located on East 14th Street (Lincoln County Highway G); there is strong market demand for rental housing; the site is served by existing infrastructure; there are schools in close proximity; and that there are parks and recreational amenities nearby.

Johnson reported that Merrill Housing Authority and Horizon Design Build Manage are interested in developing sixty (60) units of new housing of which 51 would be income-based and 9 apartments would be market rate. There would be three buildings with one, two, and three bedroom units with attached garages.

Bialecki emphasized that developers are looking for “clean site” for construction without existing buildings or potential environmental issues. The existing former light manufacturing building will be demolished prior to City ownership of the almost five and a half acre site.

Consider a resolution authorizing purchase of 1905 E. 14th St. to facilitate future multi-family residential redevelopment (TID No. 10 - Continued):

There is public hearing scheduled for July 5th at the Plan Commission for rezoning the property to allow Plan Unit Development (PUD). The proposed Housing Authority/Horizon development is contingent upon WHEDA tax credits and other potential grant funding. Unertl advised if the development proceeds, there would be a formal development agreement and future RDA and Common Council review and action as noted in the final resolve clause of the resolution. Potential future TIF development incentive of about \$525,000 has been requested.

Motion (Schwartzman/Karow) to recommend a resolution authorizing purchase of 1905 E. 14th St. for \$450,000.00 to facilitate future multi-family residential redevelopment (TID No. 10 – Highway G Area). Carried.

Consider a resolution authorizing purchase of various properties along State Highway 64 (East Main Street) to facilitate future commercial redevelopment:

Mayor Bialecki reported that City staff has requested deleting the potential purchase of the three Badger Portfolio, LLC parcels from the resolution. Unertl advised that additional discussions are needed with Continental Properties regarding potential relocation of the existing mobile homes.

The City will be acquiring two small lots the front on State Highway 64 (East Main Street). One is vacant lot which had structure razed in 2014. The yellow house is owned by former Merrill resident whom now lives in Tennessee. The house will be vacant when acquired by the City of Merrill and will then be demolished.

Pagel and Unertl reported that City staff have previously tried to market the vacant lot for small office building. Based upon Unertl's review of existing east side commercial developments, it is possible that over \$3,000,000 in new future commercial/business buildings could be developed on the entire eight acre redevelopment area.

Motion (Kostman/Karow) to recommend a resolution authorizing purchase of two properties along State Highway 64 (East Main Street) for \$73,000.00 to facilitate future commercial redevelopment. Motion carried.

Consider a resolution authorizing development agreement by and between the City of Merrill and Badger Portfolio, LLC (Continental Properties):

There is a 15.572 acre site that fronts on Thielman Street which will continue to operate as Whispering Pines Community. There was no additional discussion or action on the draft resolution.

Consider purchase of the lot between W. 10th St. and W. St. Paul St. – vacant lot owned by Kathleen Kienitz-Olson and Geraldine Knowles (TID No. 11 – Northwest Area):

The parcel is about 6.767 acres. The property owners live in Florida and have no interest in future development. Immediately to the west of the lot, the City of Merrill owns property that is part of the Champagne Street drainage way. City staff and consultant discussion has included potential “pocket neighborhood” development.

Motion (Schwartzman/Kostman) to recommend the purchase of the lot between W. 10th St. and W. St. Paul St. – vacant lot owned by Kathleen Kienitz-Olson and Geraldine Knowles (TID No. 11 – Northwest Area) for \$9,165.84. Motion carried.

Consider purchase of 911 E. Main St. – vacant lot owned by Merrill Federal Savings & Loan for Downtown “Pocket Park” (TID No. 6 – Downtown):

Johnson reported that Merrill Federal is offering the small lot for \$3,000 to expand the downtown “pocket park”. There would be an access easement to maintain the building. In addition, Merrill Federal would have the right to purchase the property back for \$10,000 within five years.

Kusserow asked how likely it would be that Merrill Federal would expand in the future. Johnson reported that the area would be mainly grass with some shrub beds instead of proposed rocks that Merrill Federal would use for landscaping. City acquisition of the lot would allow for continuous retaining wall on the alley side.

Motion (Karow/Laufenberg) to recommend the purchase of the lot at 911 E. Main Street (TID No. 6 – Downtown) for \$3,000.00. Motion carried.

Consider implementation of TIF loan program for vacant “blighted” commercial or manufacturing buildings to facilitate environmental review and demolition:

Unertl emphasized that the City of Merrill was not in position to purchase every property in need of redevelopment. With developers looking for vacant developable properties without “blighted” buildings and/or environmental contamination, there are properties with obsolete existing structures that hinder marketability for redevelopment, as well as negatively impact on adjacent properties.

One potential option would be a TIF loan for properties that had property taxes current; City staff would not recommend use of TIF development incentives to rehabilitate existing buildings; and the proposed TIF loan would be secured by mortgage on the property with repayment due upon property sale.

RDA Commissioners suggested requiring that the property be listed for sale. Discussion also focused upon what would happen if existing property owners would redevelop themselves. There will be further review and discussion at the next RDA meeting.

Next RDA meeting: Next meeting is scheduled for Tuesday, July 5th 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(s) and potential TIF development incentives to facilitate redevelopment opportunities in Tax Increment District No. 8 (West Side Area)

Motion (Schwartzman/Kostman) to move to closed session. Motion carried 7-0 on roll call vote at 8:30 a.m. Alderperson Paul Russell arrived at 8:47 a.m.

There was discussion on above items.

Adjournment: Motion (Schwartzman/Kusserow) to adjourn at 9:02 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl