



CITY OF MERRILL
COMM OF THE WHOLE/REDEV AUTHORITY
AGENDA • TUESDAY JUNE 13, 2017

Joint Meeting

City Hall Council Chambers

6:00 PM

- I. Call to Order
- II. Public Comment
- III. Agenda items for consideration:
 1. Notification of Weinbrenner Shoe Company intent to purchase factory property subject to lease agreement
 2. Consider request from Horizon Development Group, Inc to extend authorization for TID No. 10 development agreement and sale of the City-owned property into 2018
- IV. Adjournment



1978

NORTHWOODS HISTORIAN

The Merrill Historical Society's mission is to educate the public about our heritage using the unique historical and cultural resources we collect and preserve.

Vol. 40 No. 3

May 2017

Summer Hours:

Monday, Tuesday,
Thursday & Friday
9 a.m. to 1 p.m.

Wednesday
9 a.m. to 3 p.m.

Saturday
10 a.m. to 1 p.m.



Welcome!

New Members

Jeni Hinz

Janet Kleinschmidt

Denni Radloff

Larry Zipp

Membership Information

Annual

Student...\$5 (under 18, non-voting)

Individual...\$20

Household...\$30

Sustaining...\$50

Benefactor...\$100

Non-Profit Organization...\$20

Business...\$35

Lifetime

Individual...\$400

Household...\$600

The Merrill Historical Society Inc.
is a private nonprofit corporation.

Office Phone: 715-536-5652

E-mail: merrillhs@frontier.com

Website: www.merrillhistory.org

On Exhibit Now...

It is exciting to announce that our Museum has just opened four new exhibits! Two of them celebrate important anniversaries of local organizations, one of them focuses on World War I, and the fourth is a traveling exhibit. Be sure to visit the museum soon to view, learn, enjoy.

Weinbrenner Shoe Company

For over a year we have been working with Bianca Boettcher, Marketing Director of the Weinbrenner Shoe Company, to develop an exhibit showcasing this company as it observes 125 years of making and selling boots and shoes. The company was founded in Milwaukee in 1892 by Albert H. Weinbrenner and his partner, Joseph Peffer; in 1905, when Peffer retired, Weinbrenner acquired full ownership.

The firm's Thorogood brand was introduced in 1917, stressing styles designed for specific occupations such as loggers, farmers, railroad workers, roofers, miners, and oil well drillers. The Official Boy Scout Boot, the "Hike n' Camp," introduced in 1964 and still available in its original design, is Weinbrenner's best-selling boot of all time.

It was in 1936 that a group of businessmen invited Weinbrenner officials to come to Merrill to discuss the possibility of opening a shoe factory here, as the company had done in Marshfield. Weinbrenner agreed, the Merrill Industrial Foundation was formed, and fundraising for the project began. On December 5 of that year the building was dedicated.

In 2000 Weinbrenner employees took ownership of the company. It is now the largest manufacturer of Made in USA footwear. As stated in the most recent catalog, "The dedication of our people allows us to continue the legacy of quality and service so valued by our founder - a legacy that is still a 'perfect fit' in the twenty-first century."

Weinbrenner has printed a beautiful 1917 catalog as part of its anniversary celebration. A mural that covers much of the northwest wall of the museum's main exhibit room was enlarged from the catalog, and combines information about company products as well as historical reference points.



Krippendorf Calculator

The exhibit includes dozens of examples of company products--from a tiny salesman's sample shoe to a size 19 boot! There are boots and shoes for firemen, soldiers, policemen, mailmen, hunters, and golfers among others. An old factory sewing machine was brought out of storage, along with an intriguing machine called the Krippendorf Calculator, which was used to maximize leather use via super precise measurements of footwear patterns.

Also on display is a copy of a ledger from 1936-37 that lists the businesses and individuals who pledged their monetary support in order to bring Weinbrenner to this

(Continued on page 2)



**Merrill Historical Society
Board of Directors**

Executive Committee

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Michael Weckwerth

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Corporate Secretary
David Johnson

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Central Wisconsin

Forest History Association
of Wisconsin

Northwoods Historian

*Published quarterly including
an annual report, by the Merrill
Historical Society, Inc. Distributed
as part of member's dues.*

community to provide new jobs during the depths of the Depression. This document is a tribute to the people who had a vision for the future of Merrill. Because of their willingness to sacrifice in order to make their vision a reality, Merrill today is home to the international headquarters of the Weinbrenner Shoe Company.

Military Mascots

A traveling exhibit titled, "Fur, Feathers, & Fidelity: Military Mascots," is on loan to us from the Wisconsin Veterans Museum in Madison. Each of the display's thirteen panels relates to a war in which the United States was involved and includes a photo of a mascot from the war, including a Civil War rooster, a Korean War monkey, an Operation Desert Storm camel. These beloved creatures provided stress relief, distraction, and a sense of home, as well as offering opportunities for military personnel to show compassion. This small, but moving, exhibit will be available to us for only a couple of months—don't miss it.

The Merrill Post Office

This year the Merrill Post Office is celebrating 100 years in its 2nd Street location. But postal service in this community actually started 156 years ago. In 1859 the U.S. Postal Service began sending mail destined for the north country to Wausau. From there delivery was rather haphazard, depending on whomever might be traveling in or out of the village by canoe or over Indian trails. As the road from Wausau to Jenny was gradually improved, mail was carried on horseback, then by wagon, sled, and stagecoach. The route was over the old Indian trail that ran approximately where Highway W is today.



Merrill Post Office Memorabilia



Schendel's General Store
Postal Station No. 4

Cyrus Stowbridge was the first Postmaster, with the office located in his Jenny Hotel located on East Main Street. Zephania Space became Postmaster in 1864, but it was in the early 1870s that the first regular mail service into Jenny was started when Miss Etta Space, Zephania's daughter was hired. For two years she made two round trips a week on horseback between Jenny and Wausau.

Other early post office locations were in the Eagle House, Peterman's Store (1882-1886), Berard's Opera House (1886-1897), T.B. Scott Lumber Company (1897-1907), and the Masonic Building (1907-1917). Herman Krueger was Postmaster when the current building opened in 1917.

The post office exhibit includes history, trivia, and

(Continued on page 3)



CITY OF MERRILL
Office of the City Attorney
Thomas N. Hayden, City Attorney

1004 East First Street • Merrill, Wisconsin • 54452
Phone (715) 539-3510 • FAX (715) 536-0514
e-mail: tom.hayden@ci.merrill.wi.us

M E M O R A N D U M

DATE: June 6, 2017
TO: MEMBERS OF THE COMMON COUNCIL
FROM: City Attorney Thomas N. Hayden
RE: Notification of Weinbrenner's Intent to Purchase Factory Property Pursuant to Lease Dated May 12, 1993.

We have been notified by the Weinbrenner Shoe Company that they wish to exercise their option to purchase pursuant to their lease agreement dated May 12, 1993, Paragraph #9. The price for purchase will be \$234,300.00 less the price of sums expended for maintenance under paragraph 11, but not less than \$10.00.

David K. Cyrtnus, Vice President of Finance and Treasurer of Weinbrenner, by his affidavit, and copies of invoices paid, that the purchase price for this property will be \$10.00, as indicated in the lease. The costs of maintenance has come to more than \$400,000.00.

A Quit Claim Deed will be drafted and the transfer of property completed.

Encl: Letter from Weinbrenner
Paragraph #6 – Lease dated May 12, 1993
Affidavit of David K.Cyrtnus



**WEINBRENNER
SHOE COMPANY, INC.**

Dave Johnson
Merrill City Administrator
City Hall
1004 E. First Street
Merrill, WI 54452

Date: May 18, 2017

Dear Dave,

Please accept this as Weinbrenner's notification to the city that it will accept ownership of the 108 S. Polk Street property per our existing lease agreement with the City of Merrill. The effective date will be determined by a City Council vote.

We have received and paid in full a property insurance bill from the city which is dated for one year beginning 3/1/2017. We would ask you to file for a partial refund effective the date Weinbrenner takes possession of the property and issue a credit payment back to Weinbrenner for the unused portion of the policy.

Sincerely,



Patrick J. Miner
Headcoach/President

Weinbrenner Shoe Company/Thorogood Shoes since 1892

CC Dave Cyrtmus

(ii) shall merge or consolidate with or into Weinbrenner, or

(iii) shall succeed to all or substantially all of the assets, property and business of Weinbrenner.

Notwithstanding the foregoing, no such assignment or subletting shall relieve Weinbrenner of its obligations hereunder, and provided further that Weinbrenner may at any time sell, assign, or otherwise transfer its assets or stock or any part thereof without the consent of the City, provided that the transferee or assignee shall agree to operate an industrial or commercial business, including but not limited to the manufacturing or marketing of footwear and facilities appurtenant thereto on the Premises and provided further that if the proposed transferee or assignee plans to change the use from the manufacturing or marketing of footwear and facilities appurtenant thereto, it will make a good faith attempt to maintain as nearly as possible the number of jobs in existence at the time of any use change.

9. Option to Purchase. Weinbrenner is granted an Option to Purchase the Premises at anytime during the term of this Lease Agreement but in no event later than December 31, 2016. Said option shall be exercised by giving written notice to the City at least 60 days in advance. The City shall transfer the Premises within 60 days after receipt of the notice from Weinbrenner to exercise this Option to Purchase. However, failure to complete the transfer of the Premises within the time required under this paragraph shall not be an event of default under this Lease Agreement. In consideration for the purchase of the Premises, if this Option to Purchase is exercised and the transfer of the property is completed in December, 2016, Weinbrenner shall pay the sum of Two Hundred Thirty-four Thousand Three Hundred Dollars (\$234,300) exactly to the City. If Weinbrenner exercises this option and completes the transfer of the property prior to December, 2016, then the purchase price shall be decreased by \$825 for each month prior to December, 2016. Weinbrenner shall be entitled to credit against the purchase price all sums expended for maintenance under paragraph 11 hereunder, but in no event shall the credits provided for maintenance expenses reduce the purchase price below Ten Dollars exactly (\$10.00). Weinbrenner shall be responsible for all closing costs associated with the transfer of the property, including but not limited to an abstract of title or title insurance policy, at Weinbrenner's option. The City shall transfer the Premises by warranty deed.

10. Warehouse Construction. As part of the consideration for this Lease Agreement, the City hereby grants to Weinbrenner permission to build a warehouse on the southwest end of the Premises as further described in Exhibit B. The warehouse shall be constructed substantially according to plans submitted to the

AFFIDAVIT OF DAVID K. CYRTMUS

Re: City of Merrill – Weinbrenner Shoe Company, Inc. – Lease Matters

David K. Cyrtmus, being first duly sworn, deposes and states as follows:

1. My name is David K. Cyrtmus and my business address is 108 S Polk Street, Merrill, Wisconsin 54452.
2. I make this affidavit (the "Affidavit") at the request of my employer, Weinbrenner Shoe Company, Inc. ("Weinbrenner") for the benefit of the City of Merrill, Wisconsin (the "City") and authorize the City to rely on the statements made in this Affidavit.
3. I am the current Vice President of Finance and Treasurer of Weinbrenner.
4. I have researched and/or have personal knowledge concerning the execution of that certain Lease Agreement between the City and Weinbrenner dated May 13, 1970 (the "1970 Lease"), that certain Agreement between the City and Weinbrenner dated November 21, 1991 (the "1991 Agreement"), and that certain Lease Agreement between the City and Weinbrenner dated May 1, 1993 (the "1993 Lease"), each of which relate to the leasing of the premises described in Exhibit A attached hereto (the "Leased Premises") by the City to Weinbrenner.
5. The 1993 Lease includes an Option to Purchase provision granted by the City to Weinbrenner to permit Weinbrenner to purchase the Leased Premises from the City upon the terms included therein, and such Option to Purchase provision includes a credit against the option purchase price which would be granted to Weinbrenner if Weinbrenner expended its own resources to make certain specified improvements to the Leased Premises as described in the 1993 Lease (the "Specified Improvements").
6. Pursuant to Resolution No. 1580 dated May 11, 1999, a copy of which is attached hereto as Exhibit B, the City did acknowledge the completion of the Specified Improvements by Weinbrenner and did further acknowledge the credit against the option purchase price under the 1993 Lease upon submission by Weinbrenner to the City of sufficient evidence of the cost of such Specified Improvements. The purpose of this Affidavit is to provide that evidence to the City.
7. Prior to Resolution No. 1580, James G. Godlewski as the City Attorney clarified in a letter to Weinbrenner dated March 17, 1999, a copy of which is attached hereto as Exhibit C, that Weinbrenner should certify its expended costs on the Specified Improvements by submission of an affidavit outlining the repairs and associated costs and that the City would be required to complete an independent inspection of the Leased Premises to confirm completion of the Specified Improvements.



City of Merrill
Redevelopment Authority (RD)

Kathy Unertl, RDA Secretary
1004 East 1st Street • Merrill, Wisconsin • 54452
Phone: 715.536.5594 • Fax: 715.539.2668
e-mail: Kathy.Unertl@ci.merrill.wi.us

Date: June 8th, 2017

To: RDA Commissioners, Mayor Bill Bialecki, and Alderpersons

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

RE: Request - Horizon Development Group & Merrill Area Housing Authority (MAHA)

Need for affordable housing in Merrill:

Please see Chapter 4 of the Merrill Comprehensive Plan. The revised 40-unit proposal has more three bedroom apartments than the previous 60-unit plan. Please see following comparison of the Horizon 2016 and revised 2017 development proposals.

Previous RFP Housing Proposal – Evaluation Process:

Please see RDA meeting minutes from September 6th (Closed) and September 19th (both Open and Closed).

Overall TID No. 10 Fiscal, TID Plan, and Additional MAHA PILOT:

Section 42 housing is assessed at lower value than non-subsidized housing units. This significantly impacts the potential property taxes (i.e. TID No. 10 tax increment). Please see spreadsheets as to the potential TID No. 10 funding deficit.*

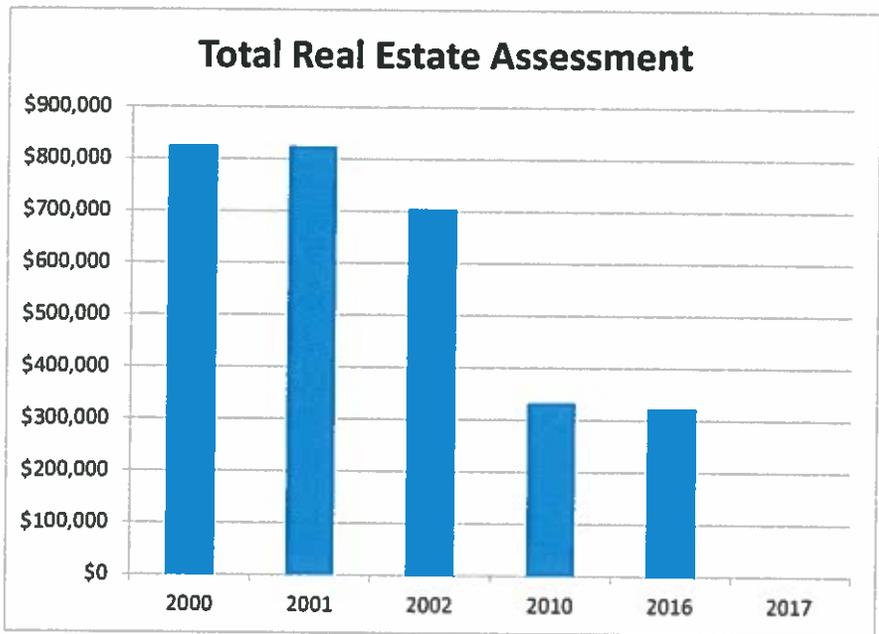
Demolition of the “blighted” building and site control were the primary City of Merrill TID No. 10 objectives to facilitate redevelopment. These objectives have been accomplished.

Most potential infrastructure improvements are within ½ mile of TID No. 7 and could be funded through that tax increment district.

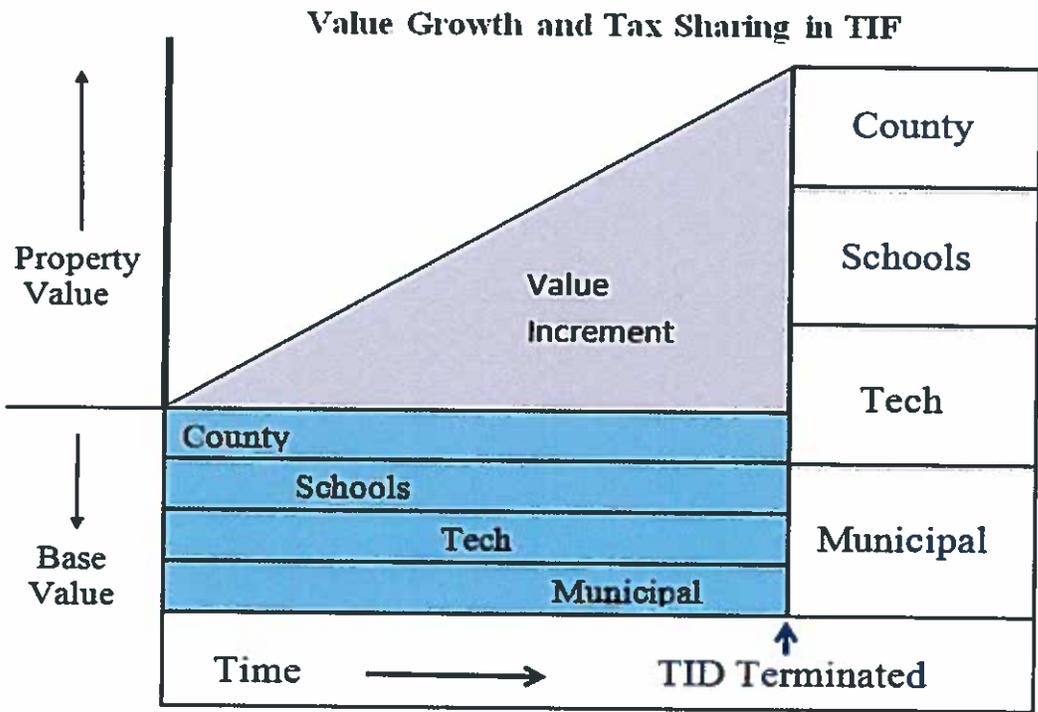
TID 10 Plan amendment is being prepared to reflect changes in site redevelopment with City of Merrill 2016 acquisition of the property (after the building had been demolished).

*MAHA Executive Director Paul Russell has committed to PILOT (Payment in lieu of property taxes) from Merrill Area Housing Authority to cover any annual deficits, as well as special assessment contributions for streetlight improvements.

City of Merrill - TID No. 10 - 1905 E. 14th St. (Former Fox Point Sportswear tax parcel)



Assessment Year	Total Valuation	Manufacturing Commercial	Base Taxes
2000	\$825,600		
2001	\$825,000		
2002	\$705,600		
2010	\$333,200	Base Value - TID No. 10	\$8,957
2016	\$322,900		
2017	\$0	City purchase 7/2016	



City of Merrill - Tax Increment District No. 10

1905 E. 14th St. Site

Since the WHEDA tax credits were not awarded for 2016, the Offer to Purchase from Horizon Development Group would need to be extended. In addition, Horizon/MAHA have submitted a revised Phase I development plan.

Horizon/Merrill Area Housing Authority (MAHA)		Horizon/Merrill Area Housing Authority (MAHA)	
Total of 60 units	51 - Affordable - Section 42 9 - Market rate rentals	Total of 40 units Phase I	34 - Affordable - Section 42 6 - Market rate rentals
		Total of 24 units Potential - Phase II	20 - Affordable - Section 42 4 - Market rate rentals

Estimated construction cost of about \$9.8 million	Estimated construction cost for Phase I - \$7.18 million
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Three Buildings		Townhomes		Market Rate - # Units
20-Units	Potential for future additional 20-unit building			
Bedrooms	# Units	Sq. Ft.		
1	21	850		5
2	30	1,150		4
3	9	1,375		0
Total	60			9

Bedrooms	Preliminary Market Rents
1	\$700
2	\$830

See separate page for maximum income and rents for affordable - Section 42 units (30%, 50%, and 60%)

Garages Attached to 27 of the townhomes
Detached garages

HVAC Forced air for heating/cooling

Three Buildings		Townhomes		Market Rate - # Units
Two with 13 units/One with 14 units	Potential for future additional building(s) in Phase II			
Bedrooms	# Units	Sq. Ft.		
1	8	850		0
2	20	1,150		6
3	12	1,375		0
Total	40			6

Bedrooms	Preliminary Market Rents
1	N/A
2	\$830

See separate page for maximum income and rents for affordable - Section 42 units (30%, 50%, and 60%)

Garages Attached to 28 of the townhomes
Detached garages - 12

HVAC Forced air for heating/cooling

Attachment: TID10-Revised Redevelopment Finance (2543) : Request from Horizon Dev Group to extend

City of Merrill - Tax Increment District No. 10
Tenant has "utility allowance" as part of maximum rent amount

1905 E. 14th St. Site
Tenant has "utility allowance" as part of maximum rent amount

Horizon/Merrill Area Housing Authority (MAHA)

Horizon/Merrill Area Housing Authority (MAHA)

Developer Experience/History

Horizon started in 1984
and has previous 82 projects
MAHA established in 1965

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Horizon started in 1984
and has previous 82 projects
MAHA established in 1965

Portfolio

Horizon 4,400 rental units
MAHA 245 rental units

Portfolio

Horizon 4,400 rental units
MAHA 245 rental units

Timeframes/Issues

by 10/2016
TIF agreement - 12/2016
WHEDA tax credits - 4/2017 awards

Timeframes/Issues

by 6/15/2017 - revised Offer to Purchase
TIF agreement - 12/2017
WHEDA tax credits - 2/2018 awards

Construction starting in later 2017
with occupancy potentially summer 2018

Construction starting in later 2018
with occupancy summer 2019

TIF Development Incentive

Request for lot at no cost

TIF Development Incentive

Request for lot at no cost

Preliminary Projected Tax Increment

\$1,115,198 Revised 9/27/2016 - PILOT from MAHA
Additional if future 4th building before 2040

Preliminary Projected Property Tax

\$744,957 Revised 6/8/2017 - PILOT from MAHA*
Additional \$21,000 annually if additional 24-units before 2040

*Proposed additional PILOT from MAHA if TID No. 10
fiscal deficits, as well as potential street lighting specials

**Wisconsin Housing and Economic Development Authority (WHEDA)
Standard Multi-Family - Maximum Income and Rent Limits - 2016**

Lincoln County Information

Estimated Maximum Household Income Limits:

Household Size	One	Two	Three	Four	Five
60%	\$26,460	\$30,240	\$34,020	\$37,800	\$40,860
50%	\$22,050	\$25,200	\$28,350	\$31,500	\$34,050
30%	\$13,230	\$15,120	\$17,010	\$18,900	\$20,430

Estimated Maximum Rent Limits:

Bedrooms	One	Two	Three
60%	\$708	\$850	\$983
50%	\$590	\$708	\$819
30%	\$354	\$425	\$491

Attachment: TID10-Revised Redevelopment Finance (2543 : Request from Horizon Dev Group to extend

City of Merrill - TID No. 10 (Former Fox Point site redevelopment)

Projected Tax Increment for proposed multi-family housing development - 40 units.

Series 2016C Note Anticipation Note (NAN) included capitalized interest for 2017 and 2018 debt service payments.

Projected Income-Based Property Tax Generation:

TID No. 10	Land Valuation	Improved Valuation	Total RE Valuation	Base Property Taxes	Series 2016C
01/01/15	\$43,400	\$289,800	\$333,200	\$8,957	NAN - Note Anticipation Note (including Capitalized Interest)
					2016 \$445,505
					2017 \$49,495
					Total \$495,000

These base values and property taxes need to be deducted from TID No. 10 revenue projections.

Projected Property Taxes and Expenses:

Preliminary Debt Service & Cash Flow

Const. Year	Value Year	Revenue Year	Property Tax Projection	TID No. 10 Projection	TIF Fees - Administrative	Mowing & Snow	Series 2016C NAN	\$505,000 Future Debt Service	Projected Total	Available TIF
		2014	\$8,957	\$0	\$8,491				\$8,491	(\$8,491)
		2017	\$0	\$0	\$12,192	\$2,220	\$6,763		\$21,174	(\$21,174)
		2018	\$0	\$0	\$7,500	\$6,500	\$19,750		\$33,750	(\$33,750)
		2019	\$0	\$0	\$1,500	\$2,500	\$19,750		\$23,750	(\$23,750)
2018	2019	2020	\$1,000	\$0	\$1,500	\$500	\$19,750		\$21,750	(\$21,750)
2019	2020	2021	\$35,000	\$26,043	\$1,500		\$19,750		\$21,250	\$4,793
		2022	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2023	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2024	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2025	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2026	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2027	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2028	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2029	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2030	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2031	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2032	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2033	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2034	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2035	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2036	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2037	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2038	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2039	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2040	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2041	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
TID10 - Horizon-MAHA 2017-06 Fiscal			\$744,957	\$546,911	\$62,682	\$11,720	\$85,763	\$721,340	\$881,505	Revised (\$ 342,294)

Attachment: TID10-Revised Redevelopment Finance (2543 : Request from Horizon Dev Group to extend

City of Merrill - TID No. 10 (Former Fox Point site redevelopment)

Projected Tax Increment for proposed multi-family housing development - 64 units (two phases)

Series 2016C Note Anticipation Note (NAN) included capitalized interest for 2017 and 2018 debt service payments.

Projected Income-Based Property Tax Generation:

TID No. 10	Land Valuation	Improved Valuation	Total RE Valuation	Base Property Taxes
01/01/15	\$43,400	\$289,800	\$333,200	\$8,957

Series 2016C	
NAN - Note Anticipation Note (including Capitalized Interest)	
2016	\$445,505
2017	\$49,495
Total	\$495,000

These base values and property taxes need to be deducted from TID No. 10 revenue projections.

Projected Property Taxes and Expenses:

Preliminary Debt Service & Cash Flow

Const. Year	Value Year	Revenue Year	Property Tax Projection	TID No. 10 Projection	TIF Fees - Administrative	Mowing & Snow	Series 2016C NAN	\$505,000 Future Debt Service	Projected Total	Available TIF
		2014	\$8,957	\$0	\$8,491				\$8,491	(\$8,491)
		2017	\$0	\$0	\$12,192	\$2,220	\$6,763		\$21,174	(\$21,174)
		2018	\$0	\$0	\$7,500	\$6,500	\$19,750		\$33,750	(\$33,750)
		2019	\$0	\$0	\$1,500	\$2,500	\$19,750		\$23,750	(\$23,750)
2018	2019	2020	\$1,000	\$0	\$1,500	\$500	\$19,750		\$21,750	(\$21,750)
2019	2020	2021	\$35,000	\$26,043	\$1,500		\$19,750		\$21,250	\$4,793
		2022	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2023	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2024	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2025	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2026	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
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		2028	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2029	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
		2030	\$35,000	\$26,043	\$1,500			\$36,067	\$37,567	(\$11,524)
2029	2030	2031	\$56,000	\$47,043	\$1,500			\$36,067	\$37,567	\$9,476
		2032	\$56,000	\$47,043	\$1,500			\$36,067	\$37,567	\$9,476
		2033	\$56,000	\$47,043	\$1,500			\$36,067	\$37,567	\$9,476
		2034	\$56,000	\$47,043	\$1,500			\$36,067	\$37,567	\$9,476
		2035	\$56,000	\$47,043	\$1,500			\$36,067	\$37,567	\$9,476
		2036	\$56,000	\$47,043	\$1,500			\$36,067	\$37,567	\$9,476
		2037	\$56,000	\$47,043	\$1,500			\$36,067	\$37,567	\$9,476
		2038	\$56,000	\$47,043	\$1,500			\$36,067	\$37,567	\$9,476
		2039	\$56,000	\$47,043	\$1,500			\$36,067	\$37,567	\$9,476
		2040	\$56,000	\$47,043	\$1,500			\$36,067	\$37,567	\$9,476
		2041	\$56,000	\$47,043	\$1,500			\$36,067	\$37,567	\$9,476
			\$975,957	\$777,911	\$62,682	\$11,720	\$85,763	\$721,340	\$881,505	(\$103,594)

TID10 - Horizon MAHA 2017-06 Fiscal Phase II

Revised: 6/8/2017

Attachment: TID10-Revised Redevelopment Finance (2543 : Request from Horizon Dev Group to extend



June 8, 2017

David Johnson
City of Merrill – City Administrator
1004 East First Street
Merrill, WI 54452

VIA EMAIL: david.johnson@ci.merrill.wi.us
kathy.unertl@ci.merrill.wi.us

RE: Prairie View Townhomes
1905 East 14th Street
New proposal – Phase I 40 units, Phase II 24 units

Dear Dave,

As a follow up to recent discussions, the City of Merrill is aware that the proposal for 60 units of affordable housing did not receive an allocation of tax credits from Wisconsin Housing and Economic Development Authority (WHEDA) earlier this spring. Horizon Development Group, Inc. (“Horizon”) and Merrill Area Housing Authority (“MAHA”) have evaluated several options for development of this parcel. The recommended course of action is to split the site into two phases with Phase I consisting of 40 units of housing and Phase II being 24 units of housing. After reviewing the scoring outcomes for the 2017 WHEDA tax credit program, we have concluded that the project would be more competitive in the rural set aside, as the scoring threshold was lower in the 2017 program. One limitation in the rural set aside, however, is that development size is capped at 40 units. This is the reason why we are proposing the change from 60 to 40 units. At a future date, then, the additional 24 units could be developed, bringing the site total to 64 units.

The Phase I 40-unit development would be identical in product type to what was proposed previously. We would still build 2-story townhomes with attached garages using approximately 3.95 acres, see site plan attached. At the request of MAHA, the unit mix was reconfigured slightly to include more two and three bedroom units. The updated 40-unit development unit mix will include eight (8) one bedroom units, twenty (20) two bedroom units, and twelve (12) three bedroom units. We believe this unit mix will serve the target population very well. Rents and income targeting for the 40-unit Phase I development are unchanged from the previous proposal and are configured in a way to maximize scoring in our financing applications. A mix of 30%, 50%, and 60% of county median income are included and will have rents starting at \$260 for a one bedroom 30% unit and ranging up to \$775 for a three bedroom 60% unit. Six (6) two-bedroom market rate units will be provided which will rent for approximately \$830 per month. Additionally, like the previous proposal, one to one garage parking will be provided in the project with 28 attached garage spaces and 12 detached garage spaces as illustrated on the site plan.



The schedule for the Phase I 40-unit development would be to submit a new application for tax credits in December 2017. WHEDA has announced that this year's allocation cycle will be pushed up to the December timeline which will benefit the project. We anticipate that award announcements would be made in winter 2018 which would allow the project to get moving quicker on design, due diligence and financial closing and hopefully start construction summer 2018.

In advance of this timeline, and in the very near term, we are pursuing an updated application to the Federal Home Loan Bank of Chicago for an allocation of AHP funds. We anticipate hearing back on this by early December 2017. In order to proceed with this financing application, we are requesting that the Offer to Purchase dated February 21, 2017 be updated to include a revised closing date and revised list of contingencies, including the WHEDA award announcement date expected early in 2018. We are advised by City Attorney Tom Hayden that the terms of this Offer to Purchase may be updated following the June 13 approval of the project revisions discussed above.

Thank you for your continued patience in pursuing this development. We are confident that this project will score competitively in both the AHP application (June 2017) and WHEDA application (December 2017). The development and construction of the proposed project will result in a very high quality product that the City and Housing Authority will be proud of. The development undertaking will provide an exceptional affordable housing solution in a community where the demographics, studies, and surveys support it.

Please feel free to contact me with any questions about the revised proposal. I may be reached at 608-354-0820 or s.kwiecinski@horizondbm.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott J. Kwiecinski".

Scott J. Kwiecinski
Development Manager

Enclosures:

1. Sources and uses of funds for Phase I 40-unit
2. Site Plan

Prairie View Townhomes
Sources and Uses Statement
June 8, 2017

Phase I - 40 unit tax credit

Sources of Funds

Permanent Mortgage	\$	760,000	10.6%
Federal Home Loan Bank AHP Grant	\$	600,000	8.4%
Development Team Equity	\$	1,300,000	18.1%
Deferred Development Fees	\$	106,336	1.5%
Tax Credit Equity @ \$0.92	\$	<u>4,416,836</u>	<u>61.5%</u>
	\$	7,183,172	100.0%

Uses of Funds

Land Acquisition	\$	-	0.0%
Hard Construction Costs	\$	5,646,660	78.6%
Soft Costs	\$	1,246,412	17.4%
Financing and Reserves	\$	<u>290,100</u>	<u>4.0%</u>
	\$	7,183,172	100.0%

ADDENDUM TO OFFER TO PURCHASE

BUYER: Horizon Development Group, Inc., or Assigns
SELLER: City of Merrill
DATE: 02/21/2017

1. **Property Description** - The Property shall be described as 1905 E. 14th Street, City of Merrill, Lincoln County, Wisconsin. Property map attached as Exhibit A.
2. **Buyers Contingencies** - Buyer's obligation to conclude this transaction is subject to and conditioned upon the following:
 - a. Buyer obtaining affordable housing tax credits on or before June 1, 2017 in an amount sufficient for Buyer to feasibly construct the proposed development. In the event the Low Income Housing Tax Credits are not awarded to this project by June 1, 2017, Buyer shall have option to declare this offer null and void and all earnest monies returned to Buyer. *(zero earnest)*
 - b. Buyer obtaining, by August 31, 2017, assurance from the City of Merrill that there is adequate municipal utility capacity for the proposed 60-unit multifamily development.
 - c. Buyer obtaining, by August 31, 2017 and at Buyer's expense, a Phase I Environmental Site Assessment Report of the property which, in Buyer's sole discretion, indicates the site is acceptable for the proposed residential development.
 - d. Buyer obtaining, by March 3, 2017 and at Buyer's expense, a market study which in Buyer's sole discretion indicates adequate demand and absorption for 60 units of housing based on Buyer's development requirements.
 - e. Buyer obtaining, by September 29, 2017 and at Buyer's expense, a low interest loan commitment from Wisconsin Department of Administration's HOME loan program. Loan shall be in second position with interest rate based on the then Applicable Federal Rate, and include 27-year amortization and 30-year term. Loan amount shall not be less than \$258,560.
 - f. Buyer obtaining, by September 1, 2017, an equity commitment from a qualified tax credit investor offering not less than \$0.92 per dollar of tax credits purchased.
3. **Earnest Money** - Earnest Money of \$0.00 shall be paid to Seller within five days of acceptance and shall be disbursed as set forth in the Vacant Land Offer to Purchase. Earnest money to be held in the Horizon Development Group Real Estate Trust Account.
4. **Title Insurance** - Seller shall obtain and deliver to Buyer within 60 days of acceptance of this Offer, a title report on the property which includes copies of all documents which create a lien, encumbrance, or easement on the Property. No later than thirty days prior to Closing, Seller shall deliver to Buyer an updated title report in the amount of the full purchase price, naming Buyer (or its designee) as the insured, and which policy shall guarantee Seller's title to be in the condition called hereunder as of the Closing Date, except for mortgages, judgments, and other liens which shall be satisfied out of the proceeds of the sale. Seller, at Seller's cost and expense, shall provide Buyer with a GAP endorsement to Buyer's title policy at closing and shall provide all documentation necessary to delete and remove all

standard title exceptions from the policy, except for real estate taxes levied in the year of closing, which are not due and payable.

- 5. **Broker Disclosure** - Buyer hereby discloses to Seller that Buyer, or one or more of its principles, are licensed to sell real estate in the State of Wisconsin and that it is entering into this transaction with the expectation of profit.
- 6. **Authority** - The persons signing this Offer to Purchase on behalf of Buyer and Seller hereby represent and warrant that they have full authority to bind their respective companies to the terms and conditions of this Offer to Purchase.

AGREED:

Buyer: David D. Dyer

Seller: William R. Balak

RESOLUTION NO. 2495

A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MERRILL, WISCONSIN AND HORIZON DEVELOPMENT GROUP, INC. (1905 EAST 14TH STREET)

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 10 on September 22, 2015; and,

WHEREAS, the Common Council of the City of Merrill adopted Resolution No. 2462 on June 14, 2016 which authorized City of Merrill purchase of 1905 East 14th Street property for future multi-family residential redevelopment; and

WHEREAS, the Redevelopment Authority (RDA) of the City of Merrill solicited requests for proposals for the redevelopment site, evaluated development proposal responses, and the Common Council of the City of Merrill concurred on October 11, 2016 with the RDA recommendation to select Horizon Development Group, Inc. as the Developer; and

WHEREAS, the City of Merrill finds that the proposed development and the fulfillment of the items and conditions of the attached Development Agreement are in the vital and best interest of the City of Merrill, the Merrill Redevelopment Authority and City residents and serves a public purpose in accordance with State law; and,

WHEREAS, Horizon Development Group, Inc. representatives have negotiated the development agreement for acquisition of the development site from the City of Merrill for \$1.00 for multi-family housing;

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 14th day of February, 2017, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and the Horizon Development Group, Inc., and to facilitate the implementation thereof.

Recommended by: Redevelopment Authority (RDA)

Moved: Alderman Schwartzman

Passed: February 14, 2017

CITY OF MERRILL, WISCONSIN


William R. Bialecki

Mayor

William N. Heideman
City Clerk

City of Merrill – TIF Development Incentive Overview

TID No. 10 (1905 E. 14th St.)

Property Owner: Developer offering \$1.00 for purchase of the property from the City of Merrill

City will be granting right of first refusal on property purchase through July 1st, 2018 while developer is applying for WHEDA tax credit funding.

Business Entity: Horizon Development Group, Inc.

Location: Vacant Lot (4.57 acre site) – 1905 E. 14th St.

Development: New multi-family housing

Majority of this redevelopment project would be income-based affordable rental housing.

Jobs: During development construction.

Then, on-going property management and maintenance.

Infrastructure: N/A – None for City of Merrill.

Developer will need to connect to City water, sanitary sewer, and have stormwater drainage for site.

TID Development Incentives:

Developer: Sale of the site for \$1.00 by the City of Merrill

TID Lifespan Tax Increment:

New increment projected at over \$1.1 million - please see TIF spreadsheet.

Chapter Three

Housing

This chapter is organized into three sections: Background, Inventory & Trends, and Goals, Objectives and Policies. There is also an overview of programs available to help local communities to meet their housing needs.

Previous Studies

Several plans that relate to housing are relevant to housing in Merrill. These range from statewide housing plans to architectural and history surveys.

City of Merrill Comprehensive Plan, 2007

The 2007 Comprehensive Plan for Merrill included an inventory of existing housing in Merrill and goals for the future, with supporting objectives and policies. The three goals identified were: Provide an adequate supply of affordable housing for individuals of all income levels throughout the community; Encourage compact housing development patterns, where appropriate; Encourage the production of new units and the rehabilitation of existing units, including the development of large family units and elderly housing with accompanying support services; and Promote access to housing throughout the community for all citizens.

City of Merrill, Intensive Architectural & History Survey Project

This 1992 Architecture and History Report identifies Merrill's major historic properties within those historic contexts. Residential, Commercial & Industrial, Governmental, & Church Architectures are described within the historical context of when each structure was built. Only objects, buildings, sites, and structures that are potentially eligible for the National Register of Historic Places are listed and described in this report.

Lincoln County Comprehensive Plan

Lincoln County's Comprehensive Plan was most recently updated in 2012, and contains a Housing element with data and an inventory of existing housing. This plan also includes

a housing plan for the County with 3 main goals, including: Promote collaboration amongst housing agencies located throughout the county and use those strong ties to free up the exchange of housing information; Improve older homes to increase affordable housing and so especially the aging can remain in them; and develop much more specialized senior housing.

Regional Livability Plan: Housing Assessment

The Housing Assessment of the Regional Livability Plan was one of the four key assessments identifying issues and opportunities for livability in North Central Wisconsin. Housing is a crucial component of livability. The type of housing and the costs of various housing options were researched and analyzed. The assessment studied the availability and affordability of housing and introduced the impact higher density housing developments can have on traffic levels. Housing options in close proximity to employment opportunities has a significant impact on the workforce's ability to get to and from work efficiently and effectively. Proximity also expands the workforce shed allowing more citizens access to more employment opportunities.

Understanding the type of housing units, their age and value, and the tenure of the housing stock can provide valuable insight into a community and the demands that will face the community in the future. The assessment introduces the need to build smaller housing units to attract a younger demographic to the region while accommodating an aging population's need and desire for small housing units with less maintenance such as; condos, townhomes, and units incorporating universal design standards. Connecting people's homes to their places of work, schools, and shopping opportunities is a primary function of a transportation system. This report looks at the existing housing stock, factors that affect current residents and trends that are likely to determine the future of housing in the Region.

The housing goal for the Regional Livability Plan is: Promote a variety of safe and affordable housing options that meet the needs of all community members. The housing goal includes 3 objectives and 20 recommendations

Wisconsin State Consolidated Housing Plan

The Consolidated Housing Plan is required by the Department of Housing and Urban Development (HUD) in the application process required of the State in accessing formula program funds of Small Cities Community Development Block Grants (CDBG), HOME Investment Partnerships, Emergency Shelter Grants, and Housing Opportunities for Persons with HIV/AIDS. “The Consolidated Plan provides the framework for a planning process used by States and localities to identify housing, homeless, community, and economic development needs and resources, and to tailor a strategic plan for meeting those needs.” This is how the Department of Housing and Urban Development (HUD) describes the Consolidated Plan, which consists of a 5-year strategic plan, annual action plans, and annual performance reports. The Plan must be updated annually.

The Consolidated Plan, in assessing housing needs, looks at a number of different factors that are significant components of the housing picture. Housing affordability is a primary consideration. According to federal guidelines a family should not have to spend more than thirty percent of its

income on housing. Using this standard “...households in the low-income range have great difficulty finding adequate housing within their means and that accommodates their needs...”

Inventory & Trends

Existing Housing Stock

In 2013, the City of Merrill contained a total of 4,741 housing units, compared to 4,045 in 1990 and 4,397 in 2000 as listed in Table 11. The City added 696 housing units between 1990 and 2013, which represents an increase of about 17.2 percent. The State and County increased housing units by 27.7 percent and 26.3 percent respectively over that same period. The surrounding towns grew at even higher percentages. Taken together, the three towns added a total of 839 housing units, a 41.4 percent growth over the 23 year period.

About 7.8 percent of all housing units in the City were built after 2000. Table 12 lists about 9.8 percent of the housing units were built in the previous decade from 1990 to 1999. The most were constructed prior to 1939, when about 33.5 percent of all housing units were built. Overall, about 58 percent of the existing housing stock is at least 55 years old (built before 1960).

Table 11: Total Housing Units

Minor Civil Division	1990	2000	2010	2013	1990-2013 % Change	1990-2013 Net Change
City of Merrill	4,045	4,397	4,619	4,741	17.2%	696
Town of Merrill	1,037	1,210	1,355	1,385	33.6%	348
Town of Pine River	566	724	822	880	55.5%	314
Town of Scott	423	488	572	600	41.8%	177
Lincoln County	13,256	14,681	16,784	16,743	26.3%	3,487
State of Wisconsin	2,055,774	2,321,144	2,624,358	2,626,142	27.7%	570,368

Source: U.S. Census

Table 12: Year Structure Built, 2013

Year	Merrill	Merrill %	Lincoln Co. %	Wisconsin %
2010 or later	30	0.6%	0.6%	0.4%
2000 to 2009	339	7.2%	12.0%	12.9%
1990 to 1999	466	9.8%	15.7%	14.0%
1980 to 1989	316	6.7%	10.8%	9.8%
1970 to 1979	575	12.1%	15.9%	14.9%
1960 to 1969	262	5.5%	7.7%	9.8%
1950 to 1959	732	15.4%	10.1%	11.3%
1940 to 1949	431	9.1%	7.3%	6.0%
1939 or earlier	1,590	33.5%	19.9%	20.9%

Source: U.S. Census

Housing Issues

Affordability. The affordability of housing, both to rent and to own, is a key component of livability. In 2013, 19.1 percent of Merrill households reported incomes below \$15,000 per year, and about 31.5 percent of city households have incomes below \$25,000. Roughly 16.4 percent of all city residents were living in poverty in 2013. For many of these people this poses a difficulty in paying for decent, safe, and sanitary housing. When a household pays more than 30 percent its income on housing costs, it is considered to be house burdened. Burdened households have less income to spend on other essentials, such as transportation and groceries. Roughly 20.3 percent of homeowners were house burdened, while 46.4 percent of renters were house burdened in 2013.

Although, housing prices rose across Lincoln County, they rose faster in the surrounding towns. The median home value rose by 125.5 percent in Merrill from 1990 to 2013. However, the median value of a home in Merrill is almost half the median home value in the towns of Merrill, Pine River, and Scott. The median gross rent in the City of Merrill also increased 103.5 percent between 1990 and 2013. On average, renters pay \$296 more per month in 2013 than they did in 1990.

Appearance & Maintenance. The condition of housing stock is important to examine as part of the needs assessment of the city. Broken concrete driveways, shifting porches, siding in poor repair all show to various extents how well maintained the housing is within a community. Analyzing which housing units need rehabilitation and which units are beyond repair will show how much effort is needed by individuals and by government to promote restoration of such units.

Sometimes the age of homes is used as a measure of condition, but many older homes may have been remodeled and kept in good repair. Over 58 percent of the housing units in the City of Merrill were constructed prior to 1960. Age alone is not a good measure of housing condition. Combining housing age and assessed value for individual units may indicate a percentage of older homes that have not been maintained.

A community may want to do a visual assessment of housing conditions. Windshield Surveys entail a person driving or walking through the community and evaluating each housing unit based upon visual appearance. The advantages of using a Windshield Survey are that it does not intrude upon the occupant and is relatively quick and inexpensive.

Elderly/Retiree Housing Needs. Persons over the age of 65 decreased 10.8 percent in the City of Merrill between 2000 and 2013. The surrounding Towns, especially Merrill (48.8%) and Pine River (51.5%), all experienced an increase in this demographic. Lincoln County and the State of Wisconsin also experienced considerable increases in people over the age of 65 during this time period.

It can become a challenge to perform the basic tasks of maintaining a household as people age. The use of "Universal Design" can help accommodate the needs of an older population, allowing them to age in place. "Aging in place" is the phrase used to describe how a person is able to remain in their home as they age. "Universal Design" involves designing products and spaces for use by the widest range of people possible.

Housing options located in proximity to the downtown area provides easy access to key amenities. National trends indicate that the Baby Boomer generation is interested in smaller homes in closer proximity to the central business district, or downtown, of a community. Multifamily housing options featuring universal design marketed towards this generation will help accommodate those over the age of 65 and allow them to continue to live in the City well beyond their working years.

Subsidized/Special-needs Housing. In 2010, the City of Merrill's federally assisted affordable rental housing stock included 220 subsidized housing units; this is one unit for every forty four people. In 2010, 77 units were financed through the Low Income Housing Tax Credit program (LIHTC), 140 through the Section 8 program, 40 through the RD 515 program, and 102 through public housing. In Merrill, there are four affordable housing properties and scattered sites providing rental assistance; Jenny Towers, Park Place, Westgate Apartments, and Woodbines Apartments. Jenny Towers is the largest housing property assisting 110 units through Section 8 and eight units through the RD 515 program.

The City of Merrill Housing Authority provides affordable housing for qualified low income individuals and families. The Housing Authority manages the City's four properties and reviews all applications. Westgate Apartments, Woodbine Apartments and scattered sites require at least one child under the age of 18 residing in the household more than 50 percent of the time and do not work with Section 8 vouchers.

As a comparison, housing in Lincoln County has been built more evenly over the decades. About 12.6 percent of housing units were constructed after 2000. The decades of the 70's, 80's, and 90's saw the building of about 11 to 16 percent in each decade of existing housing stock. The remaining 37.3 percent of housing was built before 1960, 20.7 percentage points less than the City of Merrill.

Lower taxes and land value in the surrounding towns have attracted new home development. Many people who work in Merrill who are interested in building a home choose the neighboring towns due to these reduced costs. Easy accessibility and access to the City of Merrill from the surrounding townships makes this possible. With an older and lower valued housing stock, new home owners are unable to maximize their housing value in the City and therefore elect to build in the surrounding towns.

Table 13 shows that single-family detached units dominate about two-thirds of all housing unit types in Merrill, as in the state and to a greater degree the county. Duplexes and 4-unit or fewer multi-family buildings represent about 12.6

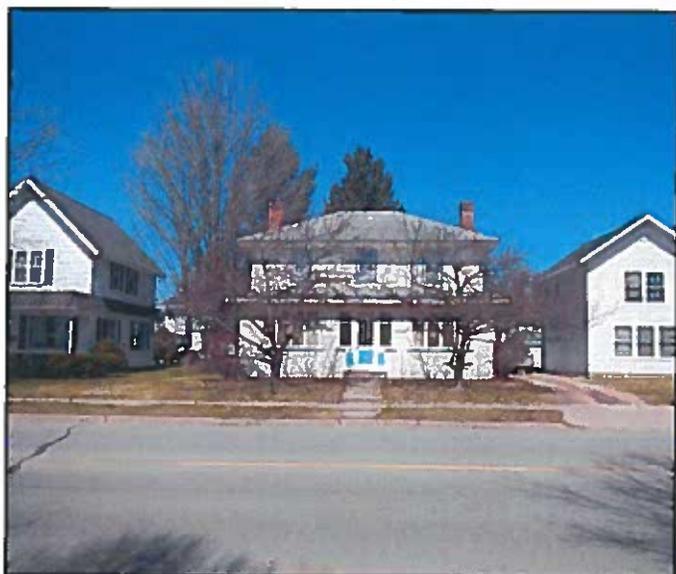
percent of all housing in the city. The number of units in buildings with two to four units decreased 6.2 percentage points over the past 13 years. Meanwhile larger buildings of 10 or more units increased the total number of units in such buildings from 383 units in 2000 to 667 units in 2013, accounting for over 14 percent of the housing stock. Over 33 percent of the housing units in the City of Merrill are multifamily housing. A number of the larger 1-unit detached and attached homes have been modified into multifamily units, especially in close proximity to the downtown area. This trend has decreased the number of 1 unit structures and has slightly increased the number of multi-unit structures in the City over the past 20 years.

Compared to the County, the City of Merrill has a high number of 10 or more unit structures, almost 10 percentage points more than the County. Lincoln County's housing stock is predominately one unit homes- detached, making up 79.3 percent of the housing stock. The percentage of housing stock in all other categories is less than Merrill. Only 12.6 percent of the housing units in the county are multifamily units.

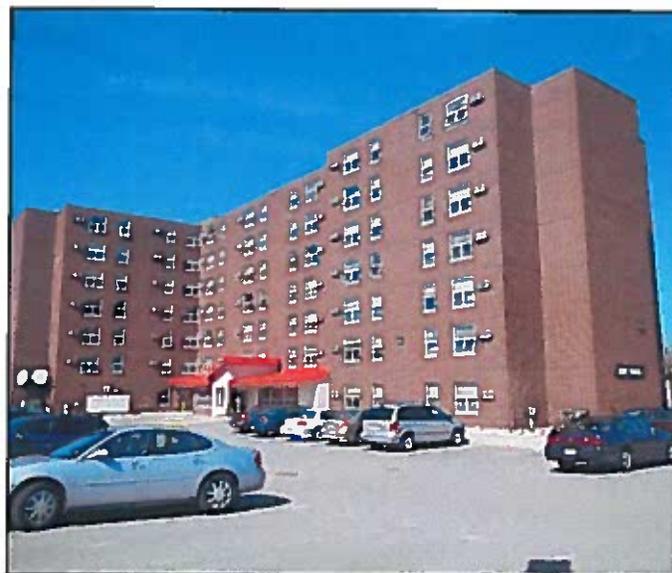
Table 13: Type of Structure

	City of Merrill		City of Merrill Percentages		Lincoln County Percentages	Wisconsin Percentages
	2000	2013	2000	2013	2013	2013
1-unit detached	2,811	3,028	64%	63.9%	79.3%	66.5%
1-unit attached	42	26	1%	0.5%	0.5%	4.4%
2 to 4 units	827	599	19%	12.6%	5.5%	10.4%
5 to 9 units	161	300	4%	6.3%	2.4%	4.9%
10 or more units	383	667	9%	14.1%	4.7%	10.0%
Mobile home, trailer, or other	174	121	4%	2.6%	7.6%	3.7%

Source: U.S. Census



Single family residential buildings.



Multifamily Residential building.

Table 14: Median Value for Specified Owner-Occupied Housing Units

Minor Civil Division	1990	2000	2013	1990-2013 % Change	1990-2013 Net Change
City of Merrill	\$38,400	\$76,100	\$86,600	125.5%	\$48,200
Town of Merrill	\$54,400	\$101,100	\$154,300	183.6%	\$99,900
Town of Pine River	\$49,800	\$103,600	\$163,500	228.3%	\$113,700
Town of Scott	\$46,700	\$98,100	\$154,000	229.8%	\$107,300
Lincoln County	\$42,700	\$86,500	\$129,100	202.3%	\$86,400
State of Wisconsin	\$62,100	\$112,200	\$167,100	169.1%	\$105,000

Source: U.S. Census

Table 15: Median Gross Rent

Minor Civil Division	1990	2000	2013	1990-2013 % Change	1990-2013 Net Change
City of Merrill	\$286	\$430	\$582	103.5%	\$296
Town of Merrill	\$320	\$468	\$517	61.6%	\$197
Town of Pine River	\$352	\$456	\$685	94.6%	\$333
Town of Scott	\$358	\$469	\$671	87.4%	\$313
Lincoln County	\$297	\$433	\$600	102.0%	\$303
State of Wisconsin	\$399	\$540	\$759	90.2%	\$360

Source: U.S. Census

The City of Merrill's housing stock is in line with the State of Wisconsin. Over 25 percent of the housing stock in the State is multifamily and single family-detached units make up 66.5 percent of the housing stock.

National trends indicate that multifamily housing options near key amenities and activities are attractive to millennials and retirees. The ability to easily walk to healthcare offices, restaurants, grocery centers, and other services fits the lifestyle of a wide variety of people.

Value Characteristics

Median values of single-family houses, and duplexes in the City of Merrill were \$86,600 in 2010, an increase of roughly \$10,000 from 2000, see Table 14. Surrounding towns, the county, and state all had median housing values over \$150,000 in 2010 and experienced an increase in value of at least \$42,600 over the thirteen year period. Between 1990 and 2013, the median value of housing units increased 125.5 percent, drastically lower than the surrounding towns, county, and state. During the same time period, the county's home values increased 202.3 percent and the state increased 169.1 percent. The Town of Scott experienced the highest increase (229.8%) and the Town of Pine River has the highest net change (\$113,700) over the 23 year period. Median home value in the City of Merrill has historically been lower than the surrounding towns, county, and the state, and although it has increased in value, the value is increasing at a considerably slower pace.

Median gross rents throughout Lincoln County from 1990

Table 16 Percent of Total Households that Spent 30% or more of Household Income on Housing, 2013

	Owners in 2013	Renters in 2013
City of Merrill	20%	46%
Lincoln County	23%	42%
Wisconsin	27%	46%

Source: U.S. Census

to 2013 were lower than the state as a whole, see Table 15. Median rent in the City of Merrill increased 103.5 percent from \$286 a month in 1990 to \$582 a month in 2013. In 2013, median gross rent in the City of Merrill was roughly \$100 a month lower than the surrounding towns of Pine River and Scott, \$18 a month lower than the county, and \$177 lower than the state. The Town of Merrill has the lowest 2013 median gross rent at \$517 a month. Over the past 13 years, rent in the City of Merrill increased \$152 a month. Only the Town of Merrill had a lower net income increase at \$49 more per month.

The most commonly applied standard for housing affordability is spending no more than thirty percent of income on housing. Table 16 shows that as of the year 2013 in the City of Merrill 20 percent of households spend more than 30 percent of their household income on housing, while throughout the county about 23 percent of households spent more than 30 percent of their household income on housing, and 27 percent of households statewide did the same. A much higher percentage of renters spend more than 30 percent of their income on rent compared to home

owners. In the City of Merrill, over 46 percent of renters spend greater than 30 percent of their income on housing, compared to 20 percent of home owners.

Occupancy Characteristics

The percentage of housing units that are owner occupied decreased 6 percentage points between 2000 and 2013. Roughly 59 percent of occupied housing units in the City of Merrill were owner occupied in 2013, down from 65 percent in 2000, see Table 17. After increasing the number of owner occupied units between 1990 and 2000, the City experienced a decrease of 154 owner occupied units between 2000 and 2013. In comparison, the surrounding towns, county, and state all increased the total number of owner occupied units between 1990 and 2013 at the same rate, or faster than the increase in total housing units. The percentage of housing units that were owner occupied in Lincoln County (77%) and the State (68%) has remained the same since 2000.

Roughly 41 percent of all occupied housing units in the City of Merrill were renter occupied in 2013, up from 34 percent in 2000, see Table 18. Overall, the City of Merrill increased the number of rental occupied housing units 35 percent over the 23 year period. Over the same time the county (23%) and the state (32%) held the number of housing units steady.

National trends show that renting is becoming more common, especially by young professionals between the

ages of 20 and 29. Young professionals coming out of college are burdened with college loans, low paying entry jobs, and do not see home ownership as an investment due to the housing collapse during the 2000s. Many do not qualify for mortgage loans. Some young professionals also enjoy the flexibility of renting and the ability to move in a month's notice should a better employment opportunity present itself. The City of Merrill should continue to see an increase in rental demand as more Millennials enter the workforce.

Almost 100 percent of the housing units in the City of Merrill are year round residences. Only 0.5 percent of all housing units in the City of Merrill were seasonal units in 2010, up 0.2 percentage points from 1990. The Town of Scott (10 units) was the only municipality with fewer seasonal units than the City of Merrill (21 units) in 2010, see Table 19. In comparison, 7.5 percent of the State's 2.5 million housing units and 22.3 percent of the County's 16,743 housing units were seasonal units in 2010. The Town of Merrill had the most seasonal units (107) in 2010 and experienced the largest net increase since 1990, increasing 48 units, 81.4 percent

Demand Characteristics

Over the 23 year period, 1990 to 2013 the city's median age increased from 34.5 to 41.3 years old, see Table 20. During the same time period, the median age for the county climbed to 45.3 years old and the state's median age has gone up to 38.7 years of age. In comparison to the surrounding towns and county, the City of Merrill has the lowest median age.

Table 17: Owner Occupied Units

Minor Civil Division	1990	2000	2010	2013	1990-2013 % Change	1990-2013 Net Change
City of Merrill	2,602	2,732	2,575	2,578	-0.9%	-24
Town of Merrill	855	1,035	1,095	1,151	34.6%	296
Town of Pine River	459	601	688	755	64.5%	296
Town of Scott	345	417	483	514	49.0%	169
Lincoln County	7,751	9,162	9,318	9,646	24.4%	1895
State of Wisconsin	1,215,350	1,426,361	1,551,558	1,558,846	28.3%	343,496

Source: U.S. Census

Table 18: Renter Occupied Units

Minor Civil Division	1990	2000	2010	2013	1990-2013 % Change	1990-2013 Net Change
City of Merrill	1,317	1,451	1,600	1,777	34.9%	460
Town of Merrill	99	90	109	88	-11.1%	-11
Town of Pine River	60	72	66	52	-13.3%	-8
Town of Scott	54	41	54	64	18.5%	10
Lincoln County	2,408	2,559	2,776	2,867	19.1%	459
State of Wisconsin	606,768	658,183	728,210	729,486	20.2%	122,718

Source: U.S. Census

Table 19: Seasonal Units

Minor Civil Division	1990	2000	2013	1990-2013 % Change	1990-2013 Net Change
City of Merrill	12	19	21	75.0%	9
Town of Merrill	59	48	107	81.4%	48
Town of Pine River	25	26	37	48.0%	12
Town of Scott	14	9	10	-28.6%	-4
Lincoln County	2,521	1,949	3,736	48.2%	1,215
State of Wisconsin	150,601	142,313	193,046	28.2%	42,445

Source: U.S. Census

The median age in the City of Merrill is likely to increase over the next 15 year. In 2011, the first of the Baby Boomers reached what used to be known as the retirement age of 65. It is estimated that there are over 77 million Baby Boomers in the United States comprising 20 percent of the nation's population. And for the next 18 years, Baby Boomers will be turning 65 at a rate of about 10,000 a day. As a result, over 20 percent of the nation's population will be over the age of 65 in 2029. In addition, with the advancement in medical technology and care, people are living longer lives which will contribute to the increase in the median age of communities.

The demand of an additional 696 housing units between 1990 and 2013 is likely due to the increase in total households over the time period. Total households increased by 822 over the 23 year period, see Table 21. The 21.0 percent growth in households is 3.8 percentage points higher than the increase in housing units. The net

increase in households in the City of Merrill was more than double the increase in the surrounding towns. However, the surrounding towns all increased households at a higher rate. The Town of Pine River experienced the highest rate of growth at 69.6 percent. The City of Merrill is the only municipality that increased households over the 23 year period at a slower rate than the state and county. As a result, the percentage of the county's households located in the City of Merrill decreased from 38.6 percent in 1990 to 28.3 percent in 2013. The decrease in the percentage of the county's households located in the City of Merrill indicates that the majority of growth the county is experiencing is taking place outside of the central City of Merrill.

The Wisconsin Department of Administration projects a 3.4 percent increase in households between 2015 and 2040 in the City of Merrill. Lincoln County is expected to increase households three times as fast over the same time period. Projections show that the City of Merrill will have a total

Table 20: Median Age

Minor Civil Division	1990	2000	2010	2013	1990-2013 % Change	1990-2013 Net Change
City of Merrill	34.5	37.3	40.4	41.3	19.7%	6.8
Town of Merrill	32.8	38.7	45.5	46.7	42.4%	13.9
Town of Pine River	31.8	37.0	46.0	46.6	46.5%	14.8
Town of Scott	32.5	37.3	42.6	42.1	29.5%	9.6
Lincoln County	34.9	38.9	44.7	45.3	29.8%	10.4
State of Wisconsin	32.9	36.0	38.5	38.7	17.6%	5.8

Source: U.S. Census

Table 21: Total Households

Minor Civil Division	1990	2000	2010	2013	1990-2013 % Change	1990-2013 Net Change
City of Merrill	3,919	4,183	4,175	4,741	822	21.0%
Town of Merrill	954	1,125	1,204	1,385	431	45.2%
Town of Pine River	519	673	754	880	361	69.6%
Town of Scott	399	458	537	578	179	44.9%
Lincoln County	10,159	11,721	12,094	16,743	6584	64.8%
State of Wisconsin	1,822,118	2,084,544	2,279,768	2,626,142	804,024	44.1%

Source: U.S. Census

Table 22: Household Projections

Minor Civil Division	2015	2020	2025	2030	2035	2040
City of Merrill	4,180	4,321	4,472	4,566	4,527	4,324
Town of Merrill	1,217	1,285	1,360	1,418	1,439	1,408
Town of Pine River	766	813	862	907	925	911
Town of Scott	551	597	646	690	715	714
Lincoln County	12,329	12,922	13,557	14,046	14,126	13,693
State of Wisconsin	2,371,815	2,491,982	2,600,538	2,697,884	2,764,498	2,790,322

Source: WI DOA

of 4,324 households in 2040, 144 more households than in 2015. WI DOA projections indicate the City's population will decrease 355 people over the same time period, a 3.8 percent decline, see Table 22. These projections support the trend of a decrease in average household sizes due to fewer people living within the same household. All municipalities, the County, and the State project a larger increase in households than population over the next 25 years.

The decrease in population aged 17 and under in Merrill, partially due to the transition to the 18 and over cohort during the decade, has a direct impact on the increase in households. The increase in total households combined with a decrease in population indicates that the sizes of households are decreasing. The City of Merrill declined persons per household by .18 persons between 1990 and 2013, see Table 23. Over the 23 year period, the City of Merrill has had a smaller average household size than the County, State, and the surrounding towns. In 2013, the City

of Merrill had an average household size of 2.28, roughly 0.05 less than the County and 0.27 less than the State.

The City of Merrill is projected to decrease their average household size an additional 0.17 over the next 25 years, see Table 24. The projected median household size in the City of Merrill in 2040 is 2.01. Lincoln County is also projected to decrease median household size over the 25 year period, decreasing from 2.26 in 2015 to 2.08 in 2040. A variety of national trends help explain the projected decrease in average household sizes. Roughly 20 percent of the nation's population is turning 65 over the next 19 years. The children of this generation are reaching adulthood and are moving out into their own homes. What was a household of four people is now split into two, possibly three households with 2 or fewer people per household. The children of Baby Boomers, many of which are Millennials, are the largest living generation in terms of population. Much of this generation has not yet reached the point in their lives where they are

Table 23: Average Household Size

Minor Civil Division	1990	2000	2010	2013	1990-2013 Net Change
City of Merrill	2.46	2.34	2.25	2.28	-0.18
Town of Merrill	2.85	2.65	2.47	2.45	-0.40
Town of Pine River	2.99	2.79	2.48	2.43	-0.56
Town of Scott	3.03	2.81	2.67	2.57	-0.46
Lincoln County	2.60	2.46	2.33	2.32	-0.28
State of Wisconsin	2.61	2.50	2.43	2.55	-0.06

Source: U.S. Census

Table 24: Average Household Size Projections

Minor Civil Division	2015	2020	2025	2030	2035	2040
City of Merrill	2.18	2.14	2.10	2.07	2.03	2.01
Town of Merrill	2.40	2.34	2.30	2.26	2.23	2.20
Town of Pine River	2.40	2.35	2.31	2.27	2.24	2.21
Town of Scott	2.59	2.53	2.48	2.44	2.41	2.37
Lincoln County	2.26	2.21	2.17	2.14	2.11	2.08
State of Wisconsin	2.38	2.35	2.32	2.30	2.28	2.26

Source: WI DOA

Table 25: Population Projections

Minor Civil Division	2015	2020	2025	2030	2035	2040
City of Merrill	9,345	9,460	9,625	9,690	9,500	8,990
Town of Merrill	2,920	3,015	3,135	3,215	3,215	3,105
Town of Pine River	1,840	1,910	1,990	2,060	2,070	2,010
Town of Scott	1,425	1,510	1,605	1,685	1,720	1,695
Lincoln County	28,415	29,170	30,100	30,750	30,580	29,355
State of Wisconsin	5,783,015	6,005,080	6,203,850	6,375,910	6,476,270	6,491,635

Source: WI DOA

starting families and having children, and trends show that more people are choosing to start families in their late 30's and early 40's. The delay in starting families and having children will continue to drive the average household size to 2 people per household in the future. This trend also helps explain the increase in median age.

The Wisconsin Department of Administration (DOA) prepares population projections for the state and local units. Based on DOA projections, see Table 25, Merrill will lose 355 residents from the year 2015 to 2040, a decline of 3.8 percent. During the same time period the county is projected to gain over 940 new residents, an increase of 3.3 percent. Surrounding towns are projected to gain about 545 residents through the year 2025 but start declining after 2035, following Merrill. Growth in the City of Merrill and Lincoln County are significantly lower than the projected growth in the State. The State of Wisconsin is projected to increase its population by 708,620 people, an increase of 12.3 percent. Only the Town of Scott (18.9%) is projected to increase population at a higher rate than the state. Based on household projections prepared by the Wisconsin DOA, the City of Merrill will grow by roughly 145 households between 2015 and 2040. In 2013 the City had approximately 4,741 housing units, so if it is assumed the number of vacant units remains constant, an additional 145 housing units will be needed.

The City of Merrill's zoning code should be evaluated to ensure the older housing can be improved to meet modern living requirements and preferences. This potentially includes reducing minimum lot sizes, setbacks, and yard requirements and allowing or encouraging more variety of housing types such as bungalow courts and attached single family homes. If zoning prevents existing lots from being redeveloped or homes improved, it can incentivize disinvestment in properties and increase blight. Many people prefer to live in traditional neighborhoods like the City of Merrill's established areas, but also want modern housing amenities.

A variety of housing related programs are available in Appendix B.

Goals, Objectives & Policies

The following Goals, Objectives, and Policies will help guide the City of Merrill to ensure housing to all people within the planning area.

Goal 1: Supply an affordable mixture of housing options that meet the needs of all community members.

Objective 1: Decrease the percentage of renters spending greater than 30 percent of household income.

Objective 2: Decrease the percent growth of median rent to State levels.

Objective 3: Increase the percentage of multifamily (2 or more units) and attached single-family housing units.

Objective 4: Increase the percentage of housing options that accommodate low/moderate income people, disabled, and physically limited citizens.

Policy 1: Work with developers to provide mixed-income, market rate housing developments and a broad range of housing choices (apartments, townhomes, and condominiums).

Policy 2: Work with developers on funding mechanisms and programs to help make developments affordable and profitable.

Policy 3: Promote the construction of multifamily housing units, specifically close to the central business district.

Policy 4: Eliminate and redevelop blighted properties and units.

Policy 5: Develop a homestead program or low interest loan program to assist and encourage home owners improving their housing units in targeted areas.

Policy 6: Encourage "universal design" in all new units and modifications allowing a wide range of tenants and owners, especially near business districts and important services.

Policy 7: Promote "universal design" apartments near healthcare facilities and daily amenities.

Goal 2: Improve the housing stock, developing new housing that is in walking distance to food and entertainment options, to accommodate and attract new households.

Objective 1: Increase the percentage of renter occupied housing units with 2-3 bedrooms.

Objective 2: Identify target locations and develop a long range development plan for individual neighborhoods.

Objective 3: Develop assistance/improvement programs for low income homeowners to make property improvements.

Objective 4: Evaluate the zoning code in relation to its effect on older housing and the development/redevelopment potential of existing lots.

Policy 1: Eliminate and redevelop distressed/blighted housing units and lots.

Policy 2: Promote the construction of smaller housing units and multifamily units in close proximity to the central business area.

Policy 3: Work with the County to acquire delinquent tax properties for redevelopment opportunities.

Policy 4: Create developer incentives to encourage multifamily housing options and new developments (e.g. reduced permit fees and review times, increased density and building height, etc.).

Policy 5: Develop a homestead program in targeted areas to promote investment in distressed neighborhoods.

Policy 6: Develop a neighborhood housing TIF in blighted areas incentivizing redevelopment.

Policy 7: Ensure all vacant lots conform to the city's building code.

Policy 8: Aggressively enforce building inspection violations, enforce repairs, and document repeat offenders.

Policy 9: Increase developable land by exploring and implementing annexation agreements where feasible.

Goal 3: Eliminate dilapidated and tax delinquent housing units, especially in downtown areas, maximizing property values.

Objective 1: Reduce tax delinquent properties in the City.

Objective 2: Reduce blighted residential property.

Objective 3: Increase median housing values to Lincoln County levels.

Policy 1: Aggressively market vacant lots for redevelopment or improve them for public benefit with features such as pocket parks or rain gardens to improve nearby property values.

Policy 2: Work with County to collect property taxes from all land owners and tighten up the foreclosure process on delinquent properties.

Policy 3: Create an aggressive redevelopment plan on non-paying/ delinquent properties.

Policy 4: Strictly enforce building codes and violations and ensure housing units are safe.

Policy 5: Continue to apply for CDBG grants for income eligible home owners wishing to repair homes.

Policy 6: Develop a neighborhood housing Tax Incremental Financing program in blighted areas incentivizing redevelopment.

Policy 7: Apply for grants to help purchase, redevelop, and fund residential property projects.



Single family residential home.

City of Merrill
Redevelopment Authority (RDA)

Tuesday, September 6th, 2016 at 8:00 A.M. – **Closed Session**
City Hall Common Council Chambers

RDA Present: Bill Bialecki, Amanda Kostman, Tim Haight, Jill Laufenberg, Karen Karow, and Tony Kusserow

RDA Absent: Ryan Schwartzman

Others: Alderperson Mary Ball, 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, and Ken Maule from Lincoln County Economic Development Corp. (LCEDC)

There are separate Open Session meeting minutes.

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:

Request for Proposal housing responses for 1905 E. 14th St. (former Fox Point site)

Motion (Laufenberg/Karow) to move to closed session. Motion carried 6-0 on roll call vote at 8:30 a.m.

Discussion focused upon review of the draft summary comparison of the two proposals and the developer proposals. The construction investment difference of \$4.0 million for S. C. Swiderski and \$9.8 million for Horizon/MAHA will be added. The difference in HVAC will be added with wall-mounted air conditioners for Swiderski and forced-air heating/cooling for Horizon/MAHA.

There was discussion concerning the quality of construction of the Jackson Street apartments. Unertl advised that Clerk-Treasurer staff had review several years of public nuisance complaints. Only two January 2016 formal written complaints were identified related to potential mold growth. City Building Inspector Pagel advised that any building without adequate air circulation could lead to potential mold conditions.

In response to RDA Commission Laufenberg's question on how the tax increment projects were developed, Unertl distributed revised draft for the Swiderski proposal more clearly identifying that actual 1/1/2015 Jackson St. improved assessment valuations were used. Unertl took the total improved valuations for the two apartment complexes and then divided by number of units. The resulting average per unit was used in Unertl's calculations for the proposed Fox Point apartments.

As to Swiderski request for potential \$250,000 in additional TIF development financial assistance, e-mail response from City Utility Manager Kim Kriewald was provided with the summary proposal comparison. Soil conditions encountered in past utility construction projects in the area indicated gravely clay with no indication of potential rock. There is adequate municipal water and sanitary sewer available to the site. In addition, the City Street Department would handle removal of asphalt and concrete on the Fox Point site for reuse in future City infrastructure projects.

Representatives from both developers will be at the Redevelopment Authority meeting on Monday, September 19th to present their proposal and answer questions from RDA Commissioners, City staff, and the public.

Adjournment: Motion (Karow/Kusserow) to adjourn at 9:10 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

City of Merrill
Redevelopment Authority (RDA)

Monday, September 19th, 2016 at 6:00 P.M.
City Hall Common Council Chambers

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

Others: Alderpersons John Burgener, Mary Ball, Rod Norton, and Tim Meehean, City Administrator Dave Johnson, Finance Director Kathy Unertl, City Attorney Tom Hayden, Public Works Director Rod Akey, Mary Rajek from Redevelopment Resources, Ken Maule from Lincoln County Economic Development Corp. (LCEDC), John Donovan from S.C. Swiderski, LLC, Scott Kwiecinski from Horizon and Paul Russel from Merrill Area Housing Authority (MAHA), Jeremy Ratliff from Merrill Courier, IT Manager Ron Turner livestreaming the meeting, a student from MAPS taping the meeting, and about fifteen interested individuals

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

Consider approval of meeting minutes:

Motion (Schwartzman/Karow) to approve the RDA meeting minutes from September 9th, 2016. Carried.

Presentations and Questions/Answers from housing developers for 1905 14th St. (former Fox Point site):

S. C. Swiderski, LLC: John Donovan highlighted the S.C. Swiderski, LLC experience in residential apartment development. In Merrill, the firm already has 160 rental units on Jackson Street and 12 larger rental units with attached garages on Semling Drive. In response to the fall-out of the 2008 economic collapse, S.C. Swiderski identified the gap for rental housing in the region. The firm has about 1,200 rental units with another 400 under construction, and another 600 – 800 in design.

The Swiderski housing proposal is for four buildings (i.e. two 12 units and two 16 units – for total of 56 apartments) with market rate rents ranging from \$720 for one bedroom to \$995 for three bedroom. Construction could begin in spring 2017 with occupancy potentially by the end of 2017. In response to questions, Donovan advised that firm is reviewing installation of air exchange units in planning new developments.

Unertl asked about the Semling Drive rental pace. Donovan responded that they were a bit surprised by the demand for the larger units with attached garages. Rents range from \$995 to \$1,100. All 12 units are rented.

Horizon/MAHA: Scott Kwiecinski from Horizon highlighted on the proposed residential development involving three buildings with twenty-units in each building. There would be 51 affordable units and 9 market-rate apartments. All units would have 1st floor private entries. Nine of the twenty units in each building would have attached garages. No other covered parking is proposed. Greenspace and stormwater drainage are included in their plan, as well as leasing office and small-scale social area.

Development timeframe is dependent upon WHEDA (Wisconsin Housing and Economic Development Authority) tax credit financing. Applications are due in January 2017 with tax credit awards announced in late April/early May. Construction could start in late 2017 with occupancy in summer of 2018.

MAHA would control and manage the housing development. Waiting lists were noted for all types of MAHA housing.

Dean Hass: Asked about WHEDA tax credits. Swiecinski advised that investors provide financing for the development in return for Federal tax credits that support affordable housing options. Hass opposes tax credit use.

Warren Ament: Works for subcontractor building S.C. Swiderski developments. Both developers responded that there would be competitive bidding for construction work.

Paul Wagner: As employee of Church Mutual Insurance and member of MAHA, Wagner emphasized having quality housing product that was affordable.

Mary Rajek: Based upon her work with Redevelopment Resources, Rajek commented on the link between community development, business, and housing. There is need for affordable housing in communities. The low vacancy rate for rental housing in Merrill was also noted.

Karen Karow: She reported that someone contacted her concerned with Washington School enrollment and capacity.

MAHA Executive Director Paul Russell commented that not all potential tenants would have children. Russell noted about 40 to 50 families on MAHA housing waiting list.

Gene Bebel emphasized that having new kids could be positive development for Merrill Area Public Schools (MAPS). Although elementary school space is bit tighter, there is lots of vacant space at the middle school and the high school. Middle school has capacity for 1,000 students with enrollment trend heading toward 500 and high school has capacity for 1,100 with enrollment trend heading toward 800.

Bill Bialecki: Bialecki asked about long-term ownership of the proposed Horizon/MAHA development. There is 10-year tax credit period, followed by 5-year compliance period. Merrill Area Housing Authority (MAHA) could potentially purchase the housing development after Year 15 is complete.

In response to question about development of the Premier Apartments (by Merrill Area Recreational Complex), City Administrator Dave Johnson reported Phase 1 involves 36 units with potential for two additional phases based upon rental experience.

Public Comment: There was no additional public comment.

RDA meeting: Next RDA meeting is scheduled for Tuesday, October 4th 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:

Request for Proposal housing responses for 1905 E. 14th St. (former Fox Point site); possible recommendation for developer; and potential TID No. 10 development incentives.

Motion (Schwartzman/Kostman) to move to closed session. Motion carried 7-0 on roll call vote at 7:50 p.m.

There was discussion on above item.

Adjournment: Motion (Karow/Laufenberg) to adjourn at 8:17 p.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

City of Merrill
Redevelopment Authority (RDA)

Monday, September 19th, 2016 at 6:00 P.M. – **Closed Session**
City Hall Common Council Chambers

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

Others: Alderpersons John Burgener, Mary Ball, Rod Norton, and Tim
Meehean, City Administrator Dave Johnson, Finance Director
Kathy Unertl, City Attorney Tom Hayden, Public Works Director
Rod Akey, Mary Rajek from Redevelopment Resources, and Ken
Maule from Lincoln County Economic Development Corp. (LCEDC)

There are separate Open Session meeting minutes.

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:

Request for Proposal housing responses for 1905 E. 14th St. (former Fox Point site); possible recommendation for developer; and potential TID No. 10 development incentives.

Motion (Schwartzman/Kostman) to move to closed session. Motion carried 7-0 on roll call vote at 7:50 p.m.

From the developer presentations, a number of items needing follow-up were identified. In response to John Donovan's comment that potential assessment valuation were low, RDA Commissioner Laufenberg asked if Unertl was still comfortable with methodology used for tax increment projections for the Swiderski proposal. City staff will follow-up with City assessor from Bowmar Appraisal.

Only nine (9) of the twenty (20) units in each of the Horizon/MAHA proposed buildings will have attached garages. No other garages are in the proposal. RDA Commissioners expressed need for garages.

There was extensive discussion of the potential timing of new construction. The Swiderski development could be spring 2017 start dependent upon successfully negotiation of development agreement; potential approval by Plan Commission and Common Council of Planned Unit Development (PUD) zoning; and the developer securing financing. In contrast, the Horizon/MAHA proposal is dependent upon obtaining Wisconsin Housing and Economic Development Authority (WHEDA) Section 42 tax credits. The tax credit application is first due in January 2017 with awards typically announced at the end of April or early May.

Issues discussed related to the Swiderski proposal include willingness to have air exchange units and potential for better soundproofing between apartment units. The Swiderski proposal does not address stormwater. There were also concerns expressed related to landscaping and future maintenance.

RDA Commissioners expressed positive comments on Merrill Area Housing Authority (MAHA) management of the proposed Horizon development. Schwartzman emphasized that MAHA buys appliances from both appliance businesses in Merrill. MAHA would have the opportunity to purchase the development after fifteen-year tax credit timeframe. Significant reinvestment improvements are being implemented at both Park Place and Jenny Towers.

City staff will follow-up with both developers to clarify information. There will be both Open and Closed sessions at the Tuesday, October 4th RDA meeting.

Adjournment: Motion (Karow/Laufenberg) to adjourn at 8:17 p.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl