

City of Merrill  
Joint Meeting of Redevelopment Authority (RDA)  
and Committee of Whole (COW)

Tuesday, June 27<sup>th</sup>, 2017 at 6:00 p.m.  
City Hall Common Council Chambers

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

RDA Absent: None

COW Present: Bill Bialecki, Ryan Schwartzman, Kandy Peterson, Mary Ball,  
Paul Russell, John Burgener, Rob Norton, and Tim Meehean

COW Absent: Pete Lokemoen (Excused)

Others: City Clerk Bill Heideman, City Attorney Tom Hayden,  
Finance Director Kathy Unertl, Public Works Director Rod Akey,  
City Building Inspector Darin Pagel, Ken Maule from Lincoln  
County Economic Development Corp. (LCEDC), Gene Bebel,  
and Lori Anderson Malm

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

**Consider approval of meeting minutes from June 13<sup>th</sup>, 2016:**

Motion (Laufenberg/Schwartzman) to approve the joint RDA-COW meeting minutes from June 13<sup>th</sup>, 2016. Carried with corrections of COW Absent listing instead of RDA Absent and noting that Mary Ball was excused.

**Public Comment:** None.

**Consider sale of Fox Point site (TID No. 10) to the Merrill Area Housing Authority (MAHA):**

The Merrill Area Housing Authorizing (MAHA) is interested in proceeding with market-rate Phase I multi-family housing development rather than delaying development until potential WHEDA tax credits awarded as proposed by Horizon Development Group, Inc.

Unertl highlighted overview of proposed terms for sale of the Fox Point site to MAHA and potential TID No. 10 cash flow projections. MAHA Executive Director Paul Russell indicated that proposed start of new construction could be as soon as spring 2018. Meehean noted need for hiring a construction manager, developing State-approved construction plans, and obtaining project financing.

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### **Consider sale of Fox Point site (TID No. 10) to the MAHA - continued:**

Schwartzman asked whether issuing another Request for Proposals (RFP) is required. City Attorney Hayden responded that not required. In August 2016, there were two RFP responses received from Horizon Development Group, Inc. (with planned MAHA management services and proposed ownership after the tax credit period) and from S. C. Swiderski LLC.

Discussion focused upon proposed construction/ready for occupancy timeframe and that needed to be earlier than preliminary August 31<sup>st</sup>, 2021 concept proposal which focused upon TID No. 10 cash flow requirements. Meehean requested further information on proposed construction timeframes and details of the PILOT (Payment in lieu of property taxes).

RDA Commissioners Karow and Laufenberg expressed support for proposed sale of the Fox Point site to MAHA. Haight emphasized need for faster proposed construction timeframe. Bialecki noted that housing owned by MAHA keeps the rental income/maintenance expenditures within the Merrill community. Bialecki added that the last affordable family housing development was constructed in 1979.

**RDA motion (Laufenberg/Schwartzman) to recommend sale of the Fox Point property to Merrill Area Housing Authority (MAHA) for proposed \$200,000 price with details of the development timeframe and PILOT terms to be finalized.**

Carried unanimously.

**COW motion (Meehean/Norton) to negotiate agreement with the Merrill Area Housing Authority (MAHA).** Carried 5-1 with Russell abstaining and Ball voting no.

### **Overview of City of Merrill TIF-supported developments and discussion of potential use of “claw back” provisions:**

At the April 26<sup>th</sup>, 2017 Common Council meeting, there was request to review potential use of “claw back” provisions within future TID development agreements. Unertl highlighted two previous City agreements with specific assessment valuation or job creation provisions. City generally does “pay-as-you-go” TID cash development incentive paid over multi-years after the development has been completed.

Meehean expressed support for including potential “claw back” provisions. Unertl advised that City Clerk-Treasurer staff will be assisting in documenting job creation information to go with the assessment valuation data.

The agenda packet background information included historical TID valuation information by TID District, as well as annual tax increment generated. There will be \$915,232 generated in tax increment for 2017 TID expenditures. With the improvements within the Pine Ridge Plaza (for Church Mutual Insurance and for Ministry Medical Clinic), the tax increment from TID No. 4 has increased from about \$26,000 in 2016 to almost \$220,000 in 2017. Based upon 1/1/2017 assessments, there will be increased 2018 tax increment generated for TIDs No. 3 and No. 4.

## **Review and discuss status of available industrial property in City of Merrill:**

Merrill Area Development Corp (MADC) only has one 7.28 acre vacant site available in the Highway 107 industrial park. There have been two recent requests for potential manufacturing/business park parcels – for 50 acres and for 15 acres. Transportation access to US Highway 51 corridor is key location decision-making criteria.

Unertl highlighted agenda packet background information comparing City of Merrill with City of Wausau, Village of Weston, and Portage County Business Park. Unertl also noted that there is even a highly visible business park in Village of Amherst adjacent to US Highway 10.

Specific potential east side industrial/business park location will be discussed in closed session. Unertl reported that the cash flow from TID No. 4 would be able to fiscally support acquisition of vacant land.

**RDA meeting:** Next RDA meeting is scheduled for Tuesday, August 8th at 6:00 p.m. which will include public hearings on proposed TID No. 12 (Weinbrenner) creation and TID No. 8 boundary and plan amendment.

Bialecki read the following notice:

The RDA and Committee of Whole 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:

- a. Consider authorization for potential acquisition of property for new east-side industrial/business park (Proposed TID No. 4 financing)
- b. Potential purchase of properties and potential TIF development incentives in TID No. 3 and TID No. 4 to facilitate new commercial developments

**Motion (Schwartzman/Meehean) to move to closed session.** Motion carried on 7-0 on RDA roll call vote and 6-1 (with Norton voting No) on Committee of Whole roll call vote at 6:55 p.m.

There was extensive review and discussion on above items in closed session. City staff will be following up on potential property acquisitions and TID development agreements. A petition for direct annexation is needed as the first step for development of new east side industrial/business park.

**Adjournment:** Motion (Burgener/Meehean) to adjourn at 7:45 p.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl