

**CITY OF MERRILL
Redevelopment Authority (RDA)**

Tuesday, June 5th, 2018 at 8:00 a.m.

**Location – City Hall Common Council Chambers
1004 East 1st Street**

AGENDA

1. Call to order
2. Consider approval of RDA meeting minutes from May 1st, 2018
3. Public Comment
4. Update on fiscal status of Merrill TIDs as of 12/31/2017
5. Status update on various redevelopment projects
6. Consider amendment to the development agreement between the City of Merrill and Premier Apartments II, LLC (For Rock Ridge Apartments Phase 2 in TID No. 11)
7. Update on former Fox Point site redevelopment (TID No. 10) and review/discussion of Request For Proposal (RFP) timeframes
8. Consider potential sale of 401-403 W. Main St. vacant site and adjacent parking areas to Merrill Area Housing Authority (Corner of W. Main St./S. Prospect St. in TID No. 8)
9. Review/discussion of timeframes for proposed creation of new TID No. 13 (Highway G Industrial/Business Park) and proposed amendments to other TID Plans
10. Next RDA meeting(s)
11. 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:
 - a. Consider approval of Closed Session RDA meeting minutes from May 1st
 - b. Update/discussion on potential manufacturing development in proposed new Highway G Industrial/Business Park (Proposed TID No. 13)
12. Adjournment

Agenda prepared by RDA Secretary Kathy Unertl
Revised by RDA Chairperson Tim Meehean

The Merrill City Hall is accessible to the physically disadvantaged. If special accommodations are needed, please contact the Merrill City Hall at 536-5594.

Date and time agenda was posted: _____

Posted by: _____

City of Merrill
Meeting of Redevelopment Authority (RDA)

2

Tuesday, May 1st, 2018 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Derek Woellner, Tim Meehean, Clyde Nelson, Tony Kusserow, Jill Laufenberg, and Tim Haight (whom arrived at 8:20 a.m.)

RDA Absent: Sheila Polak

Others: City Clerk Bill Heideman, Alderperson Ryan Schwartzman, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl, Public Works Director/City Engineer Rod Akey, Building Inspector/Zoning Administrator Darin Pagel, Ken Maule from Lincoln County Economic Development Corp. (LCEDC), and Chris Malm

Call to Order: RDA Secretary Unertl called the meeting to order at 8:00 a.m. New RDA Commissioners include Mayor Derek Woellner and Alderperson Tim Meehean.

Legal Basis of the Merrill Redevelopment Authority (RDA):

RDA Commissioners reviewed background information on the Merrill RDA, as well as Wisconsin Statutes that were from Racine City Attorney presentation at the League of Wisconsin Municipalities on Redevelopment Authorities, Housing Authorities, and Community Development Authorities.

Merrill Common Council Ordinance No. 2004-10 established the Merrill Redevelopment Authority on August 10th, 2004. The RDA model was used due to existing Merrill Area Housing Authority and Community Development Committee.

Election of RDA President/Chairperson:

Mayor Woellner questioned why no previous election of RDA President/Chairperson with former Merrill Mayor's serving as President/Chairperson. Unertl advised that it was hard to cover the legal basis of the Redevelopment Authority and then not follow general Robert's Rules of Order processes. All other City of Merrill commissions, boards and authorities elected officers.

There was extensive discussion related to RDA President/Chairperson role. Woellner expressed concerns with the number of City of Merrill TIDs, as well as fiscal risks to payoff TIDs with deficit status before Tax Increment District No. 3 (East Side) closes out in the future.

RDA Commissioners emphasized the long-term strategy related to building a community's tax base and employment opportunities.

Nominations for RDA President/Chairperson included Tim Meehean and Derek Woellner. Alderperson Meehean was elected on a 6-0 roll call vote. Meehean committed to open door communications with Mayor Woellner on Redevelopment Authority activities.

Public Comment: None.

Consider approval of RDA meeting minutes from March 6th:

Motion (Laufenberg/Nelson) to approve the meeting minutes from March 6th. Carried.

Western City of Merrill designated Federal Economic Opportunity Zone:

Further information is needed from Federal government and State of Wisconsin. However, key first step was successful inclusion of City of Merrill Census Tract as Federal Economic Opportunity Zone.

Status update on various redevelopment projects:

TID No. 3:

TIS State Property LLC now owns Lot 1 and One Way Park City LLC now owns Lot 2 for their new facilities. Now that finally Spring conditions, these developments are moving forward.

There have been several inquiries about potential new development on Lot 3 between Pearl St. and Gem St.

Bid opening for numerous TID-financed street infrastructure improvements is scheduled for Thursday, May 3rd.

TID No. 4: City Public Works Director Rod Akey continues to work on North Pine Ridge Ave. right-of-way (ROW) property acquisitions. City staff have had discussions for potential new manufacturing development requiring about five acres. A parcel west of Zastrow's The Beer Man will be included in boundary for TID No. 4 since some of the Thielman Street frontage could be developed.

TID No. 6: Banker's Square (Pocket Park) development between former Book World and Merrill Community Bank is planned for summer construction. City staff are checking on plans for new David Cooper Insurance building at 900 E. 1st St.

TID No. 8:

Bid opening for water/sewer utility extensions and Alexander/Heldt Street improvements is scheduled for Thursday, May 3rd. Premier Manufacturing building expansion is under construction.

City now owns the former bank "bubble" building site (401-403 West Main St.) and parking lot.

The former blue house at 220 Grand Avenue was razed due to uninhabitable conditions. Due to asbestos, demolition costs were over \$20,000 which will be invoiced to the property owner/mortgage companies. Unertl advised that future taxes, including likely Special Charge for demolition, will likely become delinquent.

TID No. 9:

Additional improvements are planned at the River Bend Trail parking lot at the end of South Parks St. Bid opening for utility and street improvements are scheduled for Thursday, May 3rd. The existing sidewalks and LED streetlight will not be replaced as part of this project.

TID No. 10:

Update and discussion on the former Fox Point site redevelopment will be included on future RDA agendas. City/RDA needs clarification on what Merrill Area Housing Authority (MAHA) potential plans are.

Next RDA meeting: Tuesday, June 5th at 8:00 a.m.

Woellner question the RDA meeting time of 8:00 a.m. RDA Commissioners commented that many owned businesses and early morning was best time for them to participate. Unertl reported that when there is a public hearing, RDA meetings are held at 6:00 p.m.

Meehean 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:

- a. Consider approval of Closed Session RDA meeting minutes from March 6th
- b. Update/discussion on potential manufacturing development either in amended TID No. 4 area or potential new Highway G Industrial/Business Park TID
- c. Update/discussion on residential development proposal for former Anson-Gilkey site (TID No. 9)

Motion (Laufenberg/Haight) to move to closed session. Motion carried on 5-1 roll call vote at 8:50 a.m.

Motion (Laufenberg/Kusserow) to approve the closed session meeting minutes from March 6th. Carried.

City staff updated RDA Commissioners on potential manufacturing development either on Thielman Street (with amended TID No. 4 boundary) or the new Highway G Industrial/Business Park TID. Discussions will continue with potential builder and existing Merrill manufacturer.

City staff will continue discussions with the potentially interested developer of the former Anson-Gilkey site (TID No. 9). City staff highlighted the challenges of potential residential redevelopment. Major fiscal constraint is the need for utility and street infrastructure upfront.

Adjournment: Motion (Laufenberg/Haight) to adjourn at 9:28 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl



City of Merrill

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

4

Date: May 23rd, 2018

To: RDA Commissioners

From: Kathy Unertl, Finance Director/RDA Secretary

RE: Fiscal Status of Merrill TIDs – 12/31/2017

The following spreadsheet summarizes fiscal status at end of 2017.

Additional 2017 TID revenue and expenditure information will be provided through the required Wisconsin Department of Revenue Form PE-300 (TID Annual Report). This report will be available later in June 2018.

City of Merrill - Tax Increment Districts (TID) Fiscal Status

Finance Director Kathy Unertl - May 1st, 2018

Tax Increment Sharing Plan authorization includes: TID No. 3 to TID No. 6, No. 7, and No. 8. Amendments are planned in 2018 to include sharing with TID No. 9, as well as from TID No. 4.

Tax Increment Districts (TIDs)

	12/31/2015 Fiscal Status	12/31/2016 Fiscal Status	Preliminary 12/31/2017* Fiscal Status	2017 TID No. 3 Transfers	Revised 12/31/17 Fiscal Status	Tax Increment 2018	Comments
TID No. 3	\$21,280	\$935	\$518,228	(\$485,000)	\$33,228	\$506,389	Mixed Use - created 9/2005 - Additional tax increment transfers anticipated to "Blighted" Area TIDs
TID No. 4	(\$264,838)	(\$273,264)	(\$112,812)		(\$112,812)	\$219,256	Mixed Use - created 9/2007 Will have positive equity balance as of 12/31/2018 Will have proposed TID Sharing Plan Amendment in 2018
TID No. 5	\$13,914	(\$6,602)	\$3,080		\$3,080	\$16,645	Mixed Use - created 9/2007 See also new TID No. 11 overlay created 5/2016
TID No. 6	(\$715,831)	(\$623,003)	(\$677,887)	\$260,000	(\$417,887)	\$0	Blighted Area - created 5/2009
TID No. 7	(\$86,833)	(\$143,033)	(\$129,563)	\$84,326	(\$45,237)	\$0	Blighted Area - created 8/2009 Deferred \$45,237 DERF State of WI reimbursement in about 2020
TID No. 8	(\$620,112)	(\$557,577)	(\$496,081)	\$140,674	(\$355,407)	\$0	Blighted Area - created 9/2011
TID No. 9	(\$103,893)	(\$416,590)	(\$508,599)		(\$508,599)	\$0	Blighted Area - created 9/2013 Pending Idle Sites (WEDC) reimbursement of \$133,249 Need Plan Amendment to allow sharing from TID No. 3 & No. 4
TID No. 10	(\$8,491)	(\$38,538)	(\$7,535)		(\$7,535)	\$0	Blighted Area - created 9/2015 Need clarification on Merrill Area Housing Authority (MAHA) plans
TID No. 11	N/A	(\$187,456)	(\$89,154)		(\$89,154)	\$12,611	Mixed Use - created 5/2016 Major increased tax increment 1/1/2018 from Premier Apartments
TID No. 12	N/A	N/A	(\$12,056)		(\$12,056)	\$0	Mixed Use - created 9/2017 Tax increment generation 1/1/2019 from Weinbrenner Factory
Total	(\$1,764,804)	(\$2,245,129)	(\$1,512,380)	\$0	(\$1,512,380)	\$754,901	

* \$426,754 in NAN Series 2016C Drawn No. 2 borrowing proceeds received 3/16/2017

City of Merrill – Tax Increment District (TID) Updates

5/23/2018

5

TID No. 3 (East Side):

Bid awards and openings on various utility and street projects:

Projects:	Awarded to:	Amount:
With utility work	Merrill Gravel & Construction	\$874,572
Without utility work	*Melvin - Abbotsford	\$1,003,625
		<hr/>
		\$1,878,197

*Pending 5/23/2018 Board of Public Works and 6/12/2018 Merrill Common Council consideration.

Highway 64 frontage - formerly part of Whispering Pines mobile home community:

Preliminary site work on Lot 1 – TSI State Property LLC for Nelson's Power House and major site/building construction on Lot 2 – One Way Park City LLC for vehicle body shop and related vehicle accessory sales.

Lot 3 (between Gem Street and Pearl Street) – site available for commercial development.

TID No. 4 (Thielman St./N. Pine Ridge Ave.):

City Public Works Director/City Engineer working on acquisition of road right-of-way for future North Pine Ridge Ave. extension.

Lincoln County Economic Development Director Ken Maule and City staff reviewing potential State of Wisconsin grant funding programs that could assist with future Industrial/Business Park development and extension of North Pine Ridge Ave.

TID No. 6 (Downtown):

Looking like Fall 2018 timeframe for David Cooper Insurance new building construction at 900 East 1st Street.

Banker's Square (Pocket Park) development between former Book World and Merrill Community Bank planned for summer construction season.

City of Merrill – Tax Increment District (TID) Updates

5/23/2018 - Continued

TID No. 8 (West Side):

Bid awarded to Merrill Gravel & Construction for \$398,589 for the water/sewer utility extensions and Alexander/Heldt Street improvements.

Premier Manufacturing building expansion at 2210 Heldt St. is underway. Early July is their target for implementation of new manufacturing operations.

City now owns the vacant former bank “bubble” building site (401-403 W. Main St.) and parking lot. See Merrill Area Housing Authority (MAHA) request for potential purchase/transfer of title to the vacant site.

TID No. 9 – Wisconsin River Frontage/Idle Sites Grant:

Additional improvements are planned at the River Bend Trail parking lot at the end of South Park Street. Various utility and street infrastructure projects in area planned.

TID No. 10 (Former Fox Point site):

Please see separate agenda item information. There are several private-sector developers potentially interested in the site.

TID No. 11 (Hwy 107 – Rock Ridge Apartments):

Please see separate agenda item information. Construction on Phase 2 (i.e. three additional twelve-unit apartment buildings) moving forward.

City of Merrill - Planned Infrastructure Projects - 2018

Right-of-way acquisition and engineering design for future extension of N. Pine Ridge Ave. from Zastrow's The Beer Man to Lincoln County Highway G would occur in 2018 with planned construction during 2019 or 2020.

TID No.	Street	From:	To:	Total \$	Curb/Gutter/ Paving	Water	Sewer	Special Assessments
N/A	Chestnut St.	E. 6th St.	E. 10th St.	\$230,000	\$120,000	\$60,000	\$50,000	\$20,000
3	S. Park St.	E. 3rd St.	RR Tracks	\$300,000	\$170,000	\$80,000	\$50,000	
3	E. 2nd St.	N. Center Ave.	Van Rensselaer St.	\$160,000	\$120,000	\$0	\$40,000	
3	E. 6th St.	Sales St.	Memorial Dr.	\$230,000	\$220,000	\$5,000	\$5,000	
3	E. 6th St.	Memorial Dr.	Johnson St.	\$220,000	\$210,000	\$5,000	\$5,000	
3	Thielman St.	Memorial Dr.	Gem St.	\$150,000	\$140,000	\$5,000	\$5,000	
3	Gem St.	Thielman St.	E. Main St.	\$50,000	\$50,000			
3	Pearl St.	Thielman St.	E. Main St.	\$35,000	\$35,000			
3	E. 10th St.	Sales St.	Memorial Dr.	\$200,000	\$200,000			\$90,000
3	E. Main St.	N. Center Ave.	Stuyvesant St.	\$150,000	\$130,000	\$10,000	\$10,000	
3	Mill St.*	E. 1st St.	E. 2nd St.	\$40,000	\$40,000			
Total				\$1,765,000	\$1,435,000	\$165,000	\$165,000	\$110,000

*Within 1/2 mile TID3 boundary

GO Borrowing	\$100,000							\$20,000
TID 3 Revenue Bonds				\$1,495,000	Includes \$100,000 Streetlights			\$90,000
Water/Sewer Funds					\$165,000	\$165,000		

Other Projects reviewed/discussed at Board of Public Works - for future years:

TID No.	Street	From:	To:
N/A	E. 10th St.	Cedar St.	Lake St.
N/A	Court St.	E. 2nd St.	E. 5th St.
6	Poplar St.	E. 1st St.	E. 2nd St.
N/A	Poplar St.	E. 2nd St.	E. 4th St.
N/A	Cleveland St.	E. 4th St.	E. 6th St.
12*	Logan St.	E. 5th St.	E. 6th St.
12*	E. 6th St.	Logan St.	Blaine St.

*In conjunction with paving Athletic Park parking lot

REQUEST TO INCLUDE ITEM ON AGENDA

6

Board or Committee: Redevelopment Authority (RDA)

Date of Meeting: Tuesday – June 5th, 2018

Request by: RDA Secretary Kathy Unertl

Describe below the item(s) you wish to have put on the agenda:
(please attach any pertinent information):

Consider amendment to the development agreement between the City of Merrill and Premier Apartments II, LLC (For Rock Ridge Apartments Phase 2 in TID No. 11)

Title to the vacant site for Phase 2 development was transferred to Premier Real Estate on 1/31/2018. **Anticipated occupancy for Phase 2 (i.e. another 36 apartments) has been moved up from 2020 to 2019.** Please see following amendment to the development agreement.

I have provided 2018 assessment information on Phase 1 Rock Ridge Apartments, as well as TID No. 11 projected cash flow. Preliminary plan would be to refinance the Note Anticipation Note (NAN – Series 2016C) and issue additional borrowing for Rock Ridge Phase 2 development incentive in 2019 as Tax Increment District No. 11 Revenue Bonds.

Date: 5/22/2018

Kathy Unertl

**AMENDMENT TO THE
DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF MERRILL AND
PREMIER APARTMENTS II, LLC**

The construction timeline and payment structure contained in the Development Agreement between the City of Merrill and Premier Apartments II, LLC, dated January 31, 2018, is hereby amended as follows:

Section 1.02 Initial Undertakings of the Developers

- a. Has completed, with the cooperation of the City, the Developer's acquisition of the Real Estate including temporary easement with adjoining property owner for construction of buffer landscaping.
- b. Will raise equity and arrange for financing necessary for the Project.
- c. File site plan and permit applications with the City and/or State.
- d. Contract for construction of three apartment buildings and related infrastructure improvements with occupancy planned by December 31, 2019. The new tax increment would be generated beginning with 2019 (to the extent of improvements completed as of January 1, 2019) property tax (2020 collection).

**ARTICLE II
INCENTIVE PAYMENTS TO DEVELOPER**

This development incentive is to facilitate development of the Project, a three (3) apartment building complex in Phase II.

The City shall pay a Cash TIF development incentive to the Developer in the aggregate amount of Five Hundred Thousand Dollars (\$500,000) upon completion of the three (3) apartment building complex. This incentive shall be paid per the following schedule:

PAYMENT TIME FRAME

DEVELOPMENT INCENTIVES

Premier Merrill Apartments II, LLC

\$100,000.00 per year, commencing December 1, 2019, and each year thereafter on December 1st, with a final payment of \$100,000.00 on December 1, 2023.

LESSOR: CITY OF MERRILL

**LESSEE: PREMIER MERRILL
APARTMENTS II, LLC**

BY: _____

By: _____

Attest: _____

By: _____

City of Merrill

TID No. 11 - Rock Ridge Apartments - Phase I

Three twelve-unit apartment buildings (with attached garages) and rental/maintenance building

Assessment 1/1st		Land Valuation	Improved Valuation	Total RE Valuation	Total Property Tax
2015	Entire 17.8 acres	\$94,000	\$7,500	\$101,500	\$2,747
2017	Phase I - Footings 6.874 acres	\$125,400	\$125,000	\$250,400	Increase for 2017 \$148,900
2018	3 new Apt Bldgs & Support Bldg	\$125,400	\$1,973,700	\$2,099,100	Increase for 2018 \$1,848,700
New Tax Increment		\$31,400	\$1,966,200	\$1,997,600	for Phase I

TID No. 11 - Rock Ridge Apartments - Phase II

Three twelve-unit apartment buildings (with attached garages)

Assessment 1/1st		Land Valuation	Improved Valuation	Total RE Valuation	Total Property Tax
2018	City Owned* 5.560 acres	\$0	\$0	\$0	\$0
*Sale of Phase 2 land was 1/31/2018					
2019	3 new Apt Bldgs	\$100,000	\$1,900,000	\$2,000,000	Increase for 2019 \$2,000,000
New Tax Increment		\$100,000	\$1,900,000	\$2,000,000	for Phase II

City of Merrill - TID No. 11 (Hwy 107/MARC Area)

Projected Tax Increment for Rock Ridge Apartments - Phase 1 and Phase II

Assessment Year	Land Valuation	Improved Valuation	Total RE Valuation	
2015	\$94,000	\$7,500	\$101,500	Entire 17.8 acre site - property tax was \$2,747
2017	\$125,400	\$125,000	\$250,400	Footings - Phase I
2018	\$125,400	\$1,973,700	\$2,099,100	3 Apt Bldgs - Phase I & Support
New Tax Increment	\$31,400	\$1,966,200	\$1,997,600	Phase I
2019	\$100,000	\$1,900,000	\$2,000,000	3 Apt Bldgs - Phase 2

Note Anticipation Note (NAN) - Series 2016C provided interim financing of \$505,000 with Balloon Payment Due in 2021 (included Capitalized Interest for 2017 and 2018) . Plan to refinance as TID No. 11 Revenue Bonds in 2019.

Projected Tax Increment and TID No. 11 Cash Flow:

Const. Year	Value Year	Revenue Year	TID Value Increment	Tax Rate	Projected Tax Increment	Preliminary Projected Debt Service			Projected Fiscal Net
						Land & New Street NAN 2016C	Phase 1 & St. Lighting Series 2017D	TID Rev Bonds In 2019	
		2017				\$505,000	\$645,000	\$700,000	
		2018	\$250,400	28.53	\$7,142	\$16,419		Preliminary	(\$16,419)
	2017	2019	\$1,997,600	28.75	\$57,431	\$20,150	\$42,913		(\$55,920)
	2018	2020	\$3,997,600	28.75	\$114,931	\$20,150	\$43,500		(\$6,219)
		2021	\$3,997,600	28.75	\$114,931		\$42,750	\$49,000	\$23,181
		2022	\$3,997,600	28.75	\$114,931		\$42,000	\$49,000	\$23,931
		2023	\$3,997,600	28.75	\$114,931		\$46,250	\$49,000	\$19,681
		2024	\$3,997,600	28.75	\$114,931		\$45,350	\$49,000	\$20,581
		2025	\$3,997,600	28.75	\$114,931		\$44,450	\$49,000	\$21,481
		2026	\$3,997,600	28.75	\$114,931		\$43,850	\$49,000	\$22,081
		2027	\$3,997,600	28.75	\$114,931		\$43,250	\$49,000	\$22,681
		2028	\$3,997,600	28.75	\$114,931		\$42,350	\$49,000	\$23,581
		2029	\$3,997,600	28.75	\$114,931		\$41,450	\$49,000	\$24,481
		2030	\$3,997,600	28.75	\$114,931		\$45,550	\$49,000	\$20,381
		2031	\$3,997,600	28.75	\$114,931		\$44,500	\$49,000	\$21,431
		2032	\$3,997,600	28.75	\$114,931		\$43,450	\$49,000	\$22,481
		2033	\$3,997,600	28.75	\$114,931		\$42,400	\$49,000	\$23,531
		2034	\$3,997,600	28.75	\$114,931		\$41,350	\$49,000	\$24,581
		2035	\$3,997,600	28.75	\$114,931		\$45,300	\$49,000	\$20,631
		2036	\$3,997,600	28.75	\$114,931		\$44,000	\$49,000	\$21,931
		2037	\$3,997,600	28.75	\$114,931		\$42,700	\$49,000	\$23,231
							\$41,350	\$49,000	\$24,581
		Total			\$2,133,331	\$56,719	\$868,713	\$882,000	\$325,900

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

7

Proposal from Merrill Area Housing Authority - June/July 2017:

Phase	Housing Type	# of units	Construction Start	Occupancy Timeframe
I	Market-Rate Apartments	24	2018	2019
II	Potential Tax Credits or Market	40	2020	2021
Total Units		<u>64</u>		

Note: Per meeting with MAHA Executive Director Paul Russell on 4/24/2018, MAHA Board is no longer considering the June/July 2017 plan.

To buy out TID No. 10, the following would be needed:

12/31/2017	\$7,535
2018	
TID Fees/Audit	\$450
NAN 2016C Interest	\$19,751
NAN 2016C Principal	\$495,000
2019	
TID Fees/Final Audit	\$1,500
Total	<u>\$524,236</u>

New Request for Proposals (RFPs) has been issued. There appears to be interest from potentially three private-sector developers for the vacant site. Due Friday, June 22nd at 2:00 p.m.

Due to timing of July 4th on a Wednesday, do RDA Commissioner potentially want to meet the week of June 25th to consider the RFP responses? Does Thursday, June 28th at 8 a.m. work?

Request For Proposals

"1905 E. 14th St."

City of Merrill, Wisconsin 54452

City of Merrill, Wisconsin

The City of Parks

Office of the City Administrator

Merrill, Wisconsin

(715) 536-5594

May 2018

Request For Proposals

Contents

Introduction -	Page 1
Property Overview -	2
Contemplated Uses -	2
Proposal Submission -	3
Proposal Components -	4
Proposal Schedule -	5
Evaluation & Selection Criteria -	6
Incentives -	7

Introduction -

Background - The City of Merrill, Wisconsin, invites qualified individuals and development teams to submit a proposal to the city for acquisition and redevelopment of the 5.43 acre property at 1905 E. 14th St. This property was formerly the location of the Fox Point Sportswear factory which was demolished in October of 2016.

The City of Merrill recognizes the need for additional rental housing units within the city. Development of this prime property as a rental property meets a need of the City to improve the livability of our community.

The City of Merrill's settlement commenced in 1843, five years before Wisconsin was established as a State. Originally called "Jenny Bull Falls", the city was a hub of social and economic activity through the timber boom years. Located at the crossroads of State Highways 51 and 64 Merrill had a 2010 population of 9,661. Today, Merrill is a full service community with a diverse economy. The past five years has seen a positive turn-around in Merrill's economic outlook. New major amenities include the River Bend Trail, Bierman Family Aquatic Center, a new grandstand at the Merrill Festival Grounds, and a new senior center and expo hall at the Merrill Festival Grounds to be completed in 2017.

Purpose - In an effort to revitalize rental housing the City of Merrill has purchased this 5.43 acre parcel with the intent to see new housing units built on this site.

This request for proposals is designed to provide sufficient background and property information so that individuals and developer teams may submit a proposal to the city for this purpose.

Property Overview –

Site Overview and Zoning –

Located on Merrill's northeast side, this prime 5.43 acre parcel was originally zoned Thoroughfare Commercial but has since been changed to Planned Unit Development.

The parcel has frontage on East 14th St. (County Trunk Highway G), and North Sales St. East 14th St. is a major east/west route. The property is located one block east of N. Center Ave. (County Trunk Highway K), a major north/south route through the City. Sewer and water are available in the adjacent street.

The parcel lies between Bible Presbyterian Church on the west and Merrill High School to the east. Washington School and St. Francis School are close by, as is Prairie Trails Park. Four major City of Merrill employers are located nearby on Lincoln County Highway G.

The 5.43 acre property is of even grade and easily developable. The site is served by all municipal and private utilities necessary for development of housing units. A Phase I Environmental Site Assessment was performed in 2013 and the site was deemed to be clean (Assessment attached).

Contemplated Uses -

The City of Merrill is anticipating that developers would look at this property for the development of high quality rental units but recognize that developers may propose a wide range of possibilities for use of this prime building site.

Possible uses include:

- Residential dwelling units: housing for professional, management, and technical individuals and families is a desired future use in connection with the City's objective to revitalize rental housing.

- Commercial uses: commercial use may include retail, financial, restaurant, or office space for new or expanding business(es).
- Mixed use: Any combination of residential, commercial or retail uses would make the proposal an attractive marketable development.

PROPOSAL SUBMISSION -

Proposals submitted to the City of Merrill should be presented in concise form responding specifically and directly to the type of redevelopment activity being proposed for the site.

All questions regarding the proposal shall be directed to:

David Johnson, City Administrator
1004 East First Street
Merrill, Wisconsin 54452
Telephone: (715) 536-5594
Fax: (715)539-2668

- Proposals shall respond to the outline of the components as presented.
- The entire proposal shall be not more than 15 pages including all spreadsheets, drawings and sketches.
- Proposals shall be submitted by the deadline: 2:00pm CST, Friday June 22, 2018 to the above listed office.

City Contacts include:

- David Johnson, City Administrator 715-536-5594
- Kathy Unertl, Finance Director 715-536-5594
- Tom Hayden, City Attorney 715-539-3510

PROPOSAL COMPONENTS –

Prospective developer proposals shall include the suggested components as listed below:

1. Proposal Summary –

A statement or outline on the project's principal features for the proposed work including a description of proposed use(s) and anticipated user(s).

2. Project Summary Outline and Tentative Schedule –

Provide an outline of primary tasks including design, permitting, financing, construction, occupancy and any other tasks required to complete the proposed project. Material shall include a timeline for completion of the proposed project.

3. Development Organization –

Provide necessary information about the organization of the development entity to include official registered name, place and date of organization, level of experience in comparable projects and a statement which demonstrates financial capacity to perform. Also, provide any irregularities relative to suspensions, defaults or bankruptcies and other matters which may have an effect or impact on this proposal.

Include contact information for the individual or company as well as contact information on project team leader or primary contact to include office number, cell phone numbers and email addresses which will be used in developing this project.

In the event more than one individual or company teams with another entity all of the above information is required for that entity or company as well and the arrangements and relationships are fully disclosed. A prime developer will be the responsible party for all contractual performances and guarantees.

4. Project Team and Management Qualifications-

Include material (website address), a list of or a brief description of experience and qualifications of owner entity and experience.

5. Financial Viability and Investment Strategy -

The developer shall demonstrate proof of financial viability. This may include a variety of documents including financial statements, loan commitments, or other evidence of performance.

The developer shall provide a summary indicating the amount and timing of investments necessary to complete the proposed development in a timely way.

REQUEST FOR PROPOSAL SCHEDULE

- Tuesday May 22, 2018 - RFP Available For Distribution
- May 22, 2018 - June 21, 2018 Developer & City Questions/Discussion
- Friday June 22, 2018 - Proposal Due Date to City (2:00 pm.)
- Date to be determined - Redevelopment Authority Meeting with internal City recommendation of proposal(s)
- Tuesday July 10, 2018 - Common Council Meeting with project Selection/Approval on agenda

- Note: The City of Merrill purchased the 1905 E. 14th St property solely for the purpose of redevelopment. If insufficient proposals are submitted or rejected under this Request For Proposals, the City of Merrill reserves the right to negotiate and enter into discussion with future individual developers or development entities without future advertising or providing public notice. The property will be continually available for sale until sold or transferred for new development.

EVALUATION AND SELECTION CRITERIA –

Any award to be made for this project will be based upon the proposal with consideration for operational, technical, cost, and management requirements. The following items will be the primary considerations utilized to evaluate proposals and selection of the developer:

1. The extent to which the proposal fulfills stated requirements.
2. An assessment of the developer's organization and ability to deliver the project as proposed.
3. Developer's experience, history and record of performance.
4. Availability of skilled and experienced personnel for project tasks.
5. Overall Investment level.
6. General sense of the proposal's understanding and approach to the redevelopment process.

This evaluation is only a guideline that the City of Merrill will utilize to rate and rank proposals. The City of Merrill reserves the right to discontinue this Request For Proposal process without notice for any reason; the City may reject any and all proposals; may waive formalities in the review of proposals and the City may select whichever proposal it deems to be in the best interest of the City.

INCENTIVES –

The City is prepared to offer the 5.43 acre property at no cost as an incentive to the developer for a project that meets the City's needs.

There is also the possibility of some degree of Tax Increment District (TIF) assistance based upon the development proposal. The developer should include any potential TIF development incentive requests within the proposal and the reason why the incentive is needed for the project to move forward.

The property is in Tax Increment District (TID) No. 10 which is a "blighted area" TID created September 22, 2015. A copy of the TID Plan is available from City Finance Director/RDA Secretary Kathy Unertl.

REQUEST TO INCLUDE ITEM ON AGENDA

8

Board or Committee: Redevelopment Authority (RDA)
Date of Meeting: Tuesday – June 5th, 2018
Request by: RDA Secretary Kathy Unertl

Describe below the item(s) you wish to have put on the agenda:
(please attach any pertinent information):

Consider potential sale of 401-403 W. Main St. vacant site and adjacent parking areas to Merrill Area Housing Authority (Corner of W. Main St./ S. Prospect St. in TID No. 8)

The Merrill Common Council on 10/11/2016 authorized a lease by Merrill Area Housing Authority (MAHA) for the existing parking lot in exchange for property maintenance services. Please see September 2016 background info.

- The former building site either needs dirt and grass seed or paving.
- **MAHA Executive Director Paul Russell is requesting RDA/City consideration of selling/transferring title to the property to Merrill Area Housing Authority.** Two parcels – previous building site and the existing parking lot.

Immediate use would be for parking while Park Place is under renovation. There is potential for future new building at the corner (such as concept from 2015 Westside Renewal Plan).

- Any need to retain the third parcel along the alley? Perhaps an adjacent property owner might be interested in this 12' wide area?

Date: 5/23/2018

Kathy Unertl

Consider potential lease terms for parking lot behind 401 W. Main St. by Merrill Area Housing Authority (MAHA):

RDA Commissioners reviewed the outline of potential lease terms include annual City right-of-way lease calculation of \$466.72 and insurance and property maintenance items. Unertl's outline suggested use of the parking lot in return for snow and ice control on the public sidewalks (i.e. S. Prospect St. and W. Main St.).

Motion (Kusserow/Laufenberg) to recommend lease of the parking lot for no cost in exchange for services, including snow and ice control on the public sidewalks. Carried. This RDA recommendation will be forwarded to the City's Personnel and Finance Committee for consideration.

**Potential lease terms for parking lot behind 401 W. Main St.
Lessee – Merrill Area Housing Authority (MAHA)**

Based upon City's Right-of-Way lease formula and the City's Public Works Director's information, the annual lease cost for the parking lot behind 401 W. Main St. would be \$466.72.

Pending - City of Merrill	251-3106-113-0242	Parking Lot - 401 W. Main
Property Value	\$ 17,300	Based 2007 Land Assessment
Size in Acres	0.22	
Value per Sq. Ft.	\$ 1.81	
Lease Area in Sq. Ft.	9,365	
Lease Area Value	\$ 16,906.10	
Lease Cost (2015 Rate)	\$ 466.72	

Lessee – Merrill Area Housing Authority:

Lessee would provide standard insurance coverage with City of Merrill as additional named insured

Lessee would be responsible for snow and ice control in the parking lot

Lessee would be responsible for mowing small street lawn between the southern parking lot entrance and the adjacent residential property line. In addition, weeds need to be whacked along the parking lot side of the property buffer hedge.

City of Merrill:

Since dedicated public alley, City Street Department handles snow removal from the alley.

City will review and patch any potholes after the existing 401 W. Main St. building demolished.

City has just replaced both concrete approaches to the parking lot from S. Prospect St.

City representatives still need to determine ownership of the buffer hedge between the parking lot and the adjacent residential property. If hedge is part of the City's property acquisition, City would handle any necessary trimming.

RDA Secretary suggestion:

Consider lease of the parking lot at no cost in return for Merrill Area Housing Authority (MAHA) handling snow and ice on both sidewalks – S. Prospect St. and W. Main St.

RDA Commissioners recommended lease of the parking lot for no cost in exchange for services, including snow and ice control on the public sidewalks.

Revised: 9/9/2016 – Finance Director/RDA Secretary Kathy Unertl

Lincoln County Public Access Land Records Viewer



Author: Public
Date Printed: 5/22/2018



The information depicted on this map is a compilation of public record information including aerial photography and other base maps. No warranty is made, express or implied, as to the accuracy of the information used. The data layers are a representation of current data to the best of our knowledge and may contain errors. It is not a legally recorded map and cannot be substituted for field-verified information. Map may be reproduced with permission of the Lincoln County Land Services Department, 801 North Sales St, Merrill, WI, 54452. Copyright © 2015 Phone (715) 539-1049.

Lincoln County Public Access Land Records Viewer



Author: Public
Date Printed: 5/22/2018



The information depicted on this map is a compilation of public record information including aerial photography and other base maps. No warranty is made, express or implied, as to the accuracy of the information used. The data layers are a representation of current data to the best of our knowledge and may contain errors. It is not a legally recorded map and cannot be substituted for field-verified information. Map may be reproduced with permission of the Lincoln County Land Services Department. Errors should be reported to Land Services Department, 801 North Sales St, Merrill, WI, 54452. Copyright © 2015 Phone (715) 539-1049.

Conceptual Illustration: Possible West Main Street Renewal Plan outcome



copyright james faecke, llc 2015



City of Merrill

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

9

Date: May 23rd, 2018

To: RDA Commissioners

From: Kathy Unertl, Finance Director/RDA Secretary

RE: Potential 6:00 p.m. public hearing date – Various TID Plans

The following TID plan updates are being prepared:

- Potential creation of TID No. 13 (Highway G Industrial/Business Park)
- Boundary and plan amendment for TID No. 4 (Thielman St./N. Pine Ridge Ave.)
 - Including adding parcel immediately west of Zastrow The Beer Man
- Plan amendment for TID No. 9 (Wisconsin River/S. Center Ave.)
- TID Tax Increment Sharing Plan for TID No. 4 (to TID No. 6 - Downtown, No. 7 – N. Center Ave., No. 8 – West Side, and No. 9 – Wisconsin River/S. Center Ave.)

What Tuesday evening at 6:00 p.m. works best for RDA Commissioners?:

Tuesday, July 24th or

Tuesday, July 31st