

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, July 10th, 2019 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Tim Meehean, Derek Woellner, Sheila Polak and Ken Maule
RDA Excused: Clyde Nelson and Tony Kusserow
Others: City Clerk Bill Heideman, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl, City Building Inspector/Zoning Administrator Darin Pagel, Ryan Schwartzman, Steve Sabatke, Ryan Ott (from Ryan Ott Development & Construction), Kurt Rust (from mBank)

Call to Order: RDA Chairperson Meehean called the meeting to order at 8:00 a.m.

New RDA Commissioner: Ken Maule replaces former RDA Commissioner Tim Haight.

Jill Laufenberg resigned after the June RDA meeting. There remains a vacant RDA Commissioner position.

Consider approval of RDA meeting minutes from June 5th:

Motion (Woellner/Meehean) to approve the meeting minutes from June 5th. Carried.

Public Comment: None.

Review and discussion of TID development overview, background information, and development agreement formats:

The agenda packet had examples from the new 3201 E. Main St. (Dollar Tree) development including the development agreement; TIF Development Incentive Overview; Projected Tax Increment spreadsheet; draft Common Council resolution; Lincoln County GIS map of the development parcel; and site plans, elevations, and any color renderings.

For developments including transfer of City-owned land, there will be revisionary title provision in the event the developer doesn't get started by deadlines. There was RDA Commissioner consensus to include Minimum Assessed Valuation provisions in future development agreements. The amount of potential TIF cash development incentives could be reduced if development not completed by deadlines.

Review of Merrill 2018 TID Annual Fiscal Reports:

Unertl highlighted the 2018 TID Annual Reports (Form PE-300s and summary information. Almost \$3 million was expended in 2018 with \$1,866,000 for TID-funded infrastructure improvements. Debt service payments included \$342,501 in Principal and \$169,363 in Interest paid by various TIDs. New TID-supported borrowing totaled \$2,302,530 with \$530,000 unexpended during 2018 due to contractor availability and early winter conditions.

Also provided was TID fiscal status as of 12/31/2019. City had \$34,294,400 in equalized valuation in various TIDs as of 1/1/2018. Seven of the ten TIDs are generating tax increment. For 2019 revenue, \$1,065,721 will be generated by TIDs – primarily TID No. 3 and TID No. 4. The fiscal impacts of new developments in TID No. 11 (Rock Ridge Apartments) and TID No. 3 (former Whispering Pines Hwy 64 frontage) were detailed.

Update and presentation on single family residential development proposal on former Kientiz property (between W. 10th St. and W. St. Paul St. in TID No. 11):

Ryan Ott from Ryan Ott Development & Construction provided an overview of new single-family residential development proposal. Potential for about fifteen (15) lots with first three homes to be constructed on W. St. Paul St. where City utility services (i.e. water and sanitary sewer) are available. Market price would be in the \$185,000 to \$220,000 range.

Ott's preliminary plan is for four phases of home construction. Future TID-assistance needs include extension of City utility services between W. St. Paul St. and W. 10th St. and construction of new City street (i.e. curb, gutter, paving, and streetlights). There was preliminary TID fiscal projection provided which documented future cash flow to offset TID No. 11 borrowing for this infrastructure, as well as curb, gutter, and paving of St. Paul St. which is now gravel.

Pagel reported that use of Certified Survey Map (CSM) process would allow splitting off three lots on W. St. Paul St. to facilitate construction of basements before winter conditions. The development of additional lots will require a formal Plat process.

Update and discussion of proposed sale of former Fox Point site for market-rate multi-family housing development (1905 E. 14th St. in TID No. 10):

Due to vacations, Impact Seven representatives have not yet submitted Offer to Purchase the former Fox Point site.

Next RDA meeting: Wednesday, August 7th at 8:00 a.m. [This meeting was later rescheduled for Wednesday, August 21st at 8:00 a.m. due to two RDA Commissioner vacancies.]

Closed Session:

Chair Meehan 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:

Closed Session (Continued):

- a. Consider approval of closed session RDA meeting minutes from June 5th
- b. Negotiation of potential development incentives (including potential sale of City-owned property) for single home residential development on former Kienitz property (between W. 10th St. and W. St. Paul St. in TID No. 11)
- c. Negotiation of potential development incentives (including proposed sale of City-owned property) for market-rate housing development on former Fox Point site (1905 E. 14th St. in TID No. 10)
- d. Review and discussion of potential purchase of properties for new restaurant development(s) in TID No. 3 and TID No. 4 (East Side area) and potential use of “spot blight” legal authority

Motion (Maule/Polak) to move into closed session. Carried 4-0 on roll call vote at 8:37 a.m.

- **Motion (Meehan/Woellner) to approve the Closed Session meeting minutes from June 3rd.** Carried.
- RDA Commissioners reviewed the proposal from Ryan Ott Development & Construction and reached consensus to proceed to facilitate new single-family home construction through planned multi-year phased approach.
- There was no discussion of TID No. 10 (former Fox Point site) since no offer to purchase has been received.
- Due to the RDA Commissioner vacancy, consensus to defer review and discussion of potential purchase of property for new restaurant development(s). Bialecki provided update on potential new restaurant layout if development site could be secured.

Motion (Maule/Woellner) to move reconvene in open session at 9:08 a.m.

Motion (Woellner/Polak) to proceed with the Certified Survey Map (CSM) for three lots on W. St. Paul St. to facilitate start of Ryan Ott Development & Construction’s single-family housing development by end of 2019. Carried. City staff will also obtain quote for Plat survey work. City staff will draft development agreement for next RDA meeting.

Adjournment: Motion (Woellner/Maule) to adjourn at 9:10 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

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