

City of Merrill  
Meeting of Redevelopment Authority (RDA)

Wednesday, August 21<sup>st</sup>, 2019 at 8:00 a.m.  
City Hall Common Council Chambers

RDA Present: Derek Woellner, Sheila Polak, Ken Maule, Clyde Nelson, Tony Kusserow, Steve Sabatke, and Dan Koblitz

Others: City Clerk Bill Heideman, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl, City Building Inspector/Zoning Administrator Darin Pagel, Public Works Director/City Engineer Rod Akey, Paul Russell from Merrill Area Housing Authority, Bill Bialecki from Lincoln County Economic Development Corp., Ryan Ott (from Ryan Ott Development & Construction), Eric Dayton, Dawn Burnett from Church Mutual Insurance, and Merrill Productions camera operator

**Call to Order:** RDA Secretary Kathy Unertl called the meeting to order at 8:00 a.m.

**New RDA Commissioner:** Dan Koblitz replaces former RDA Commissioner Jill Laufenberg and Alderperson Steve Sabatke replaces former Alderperson Tim Meehean.

**Consider election of new RDA President/Chairperson:** Motion (Sabatke) to elect Derek Woellner. Motion (Kusserow) to elect Clyde Nelson. **RDA Commissioners voted 5 – 2 to elect Nelson as RDA President/Chairperson.**

**Consider approval of RDA meeting minutes from July 10<sup>th</sup>:**

**Motion (Maule/Polak) to approve the meeting minutes from July 10<sup>th</sup>.** Carried.

**Public Comment:** Unertl read an August 14<sup>th</sup>, 2019 letter from Park City Credit Union President/CEO Val Mindak that was addressed to Merrill Area Chamber of Commerce CEO Debbe Kinsey expressing support for Merrill to move forward on housing development proposals for both single family and apartments.

Dawn Burnett from Church Mutual Insurance emphasized that all types of housing were needed in Merrill to assist with their employee recruitment.

LCEDC Executive Director Bill Bialecki recommended housing development on former FoxPoint and Anson-Gilkey sites.

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**Update on 1/1/2019 Equalized Valuations – Overall City of Merrill and Tax Increment Districts (TIDs):**

Unertl highlighted the Wisconsin Department of Revenue's 2019 Equalized Valuations for City of Merrill. The final 2019 amounts were released on August 15<sup>th</sup>.

The community's equalized valuation – TID IN (Tax Increment District valuations included) increased over \$25 million since 2018. That increase is split between the Tax Increment Districts (\$10,701,700) and outside the TIDs (\$14,486,900). In implementing the City's Strategic Plan and need to facilitate faster-paced new developments, the Equalized Valuations within the TIDs has increased almost 360% since 2013.

Although the locally assessed property valuations are used for property tax calculation (i.e. December 2019 tax bills based upon 1/1/2019 assessments), the manufacturing assessments from Wisconsin Department of Revenue are finalized (fully equated) about November 1<sup>st</sup> based upon Fair Market Ratio. Mayor Woellner and RDA Commissioners requested additional information on the assessments.

**Review information on City of Merrill residential developments (2009 – July 2019):**

Unertl reported that twenty new single-family homes had been built in Merrill during the past decade. There have been twelve multi-family buildings with total of 92 new housing units. Only two apartments remain available at Rock Ridge Apartments.

Merrill Area Housing Authority (MAHA) Executive Director Paull Russell confirmed that the total number of affordable housing units (i.e. 92 units) has not been increased through the new Stonebridge Apartment building and remodeling of Park Place. There are 38 apartments in Stonebridge and there will be 54 larger units when Park Place remodeling is completed. For the first time since 1979, there will be 30 units available for rent in the south tower of Park Place once the remodeling construction project is completed.

**Update on costs for Certified Survey Map (CSM) and Plat survey work for former Kienitz property (between W. 10<sup>th</sup> St. and W. St. Paul St. in TID No. 11):**

City of Merrill has contracted with REI for survey work to prepare the Certified Survey Map (CSM) and Plat to facilitate development of twelve single-family home lots. Contact is for \$12,750 which will be paid out of TID No. 11.

**Consider resolution authorizing development agreement by and between the City of Merrill and Ryan Ott Development & Construction LLC for single-family residential development on former Kienitz property (between W. 10<sup>th</sup> St. and W. St. Paul St. in TID No. 11):**

RDA Commissioners review the draft resolution and development agreement. Ryan Ott advised that he anticipates the new homes would be available for sale by summer 2020 if basements were constructed before end of 2019. The draft development agreement has title reversion if development construction was not underway by May 31<sup>st</sup>, 2020. Article II – Sections 2.03 and 2.04 include Minimum Valuation provisions as discussed at the July 10<sup>th</sup> RDA meeting. Woellner emphasized that there needs to be provisions in the original development agreement in the event that there were delays in proceeding with the development and generation of tax increment.

**Motion (Woellner/Maule) to recommend the resolution authorizing the development agreement.** Carried. There will be additional review and discussion of the draft development agreement at the next RDA meeting (which will be held before the September Common Council meeting scheduled on Tuesday, September 10<sup>th</sup>).

**Review and discussion of Impact Seven offer to purchase the former Fox Point site for market-rate multi-family housing development (1905 E. 14<sup>th</sup> St. in TID No. 10):**

Unertl emphasized that development at this site needs to be fully taxable for the TID to cash flow. Additional information has been requested by Impact Seven on how tax increment financing is generated.

Sabatke commented that potential sale price should be more than \$1.00 and noted that there were potential neighborhood concerns with multi-family development. Pagel reported that a Planned Unit Development (PUD) process would be needed and that public would have input on the layout proposed by the Developer.

**Review and discuss information on City of Marshfield housing incentive program:**

Due to length of the RDA meeting, this review and discussion deferred to the next RDA meeting.

**Next RDA meeting:** Wednesday, September 4<sup>th</sup> at 8:00 a.m.

**Before moving into potential Closed Session, drone video footage of east side of Merrill was projected on the wall for RDA Commissioners and individuals at the meeting to view.**

**Closed Session:**

Chair Nelson 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 July 10<sup>th</sup>
- b. Negotiation of potential development incentives (including proposed sale of City-owned property) for market-rate housing development on former Fox Point site (1905 E. 14<sup>th</sup> St. in TID No. 10)
- c. Review and discussion of potential purchase of properties for new restaurant development(s) in TID No. 3 and TID No. 4 (East Side area); potential use of “spot blight” legal authority; and potential TID development incentives to facilitate new development(s)

**Motion (Polak/Maule) to move into closed session.** Carried 7-0 on roll call vote at 9:22 a.m.

- **Motion (Kusserow/Sabatke) to approve the Closed Session meeting minutes from July 10<sup>th</sup>.** Carried.

**Closed Session (Continued):**

- RDA Commissioners reviewed the offer to purchase from Impact Seven for former Fox Point site in TID No. 10. Unertl emphasized that any development at this site needed to be fully taxable. Additional information will be provided to Impact Seven.
- Bialecki from LCEDC highlighted two potential restaurant sites (in TID No. 3 and TID No. 4). RDA Commission consensus to proceed with negotiations to potentially secure the two sites.

**Adjournment from Closed Session:** Motion (Kusserow/Koblitz) to adjourn at 9:57 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl