

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, January 8th, 2020 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Ken Maule, Clyde Nelson, Tony Kusserow, Steve Sabatke, Sheila Polak, Lori Anderson-Malm, and Derek Woellner (whom arrived at 8:18 a.m.)

Others: Alderperson Rick Blake, City Clerk Bill Heideman, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl, Building Inspector/Zoning Administrator Darin Pagel, Public Works Director/City Engineer Rod Akey, Bill Bialecki from Lincoln County Economic Development Corp., and Merrill Productions camera operator

Call to Order: Chair Nelson called the meeting to order at 8:00 a.m.

Introduction of new RDA Commissioner: Lori Anderson-Malm highlighted her background. She replaces Dan Koblitz whom resigned when moving outside of Wisconsin.

Consider approval of RDA meeting minutes from October 2nd, 2019:

Motion (Anderson-Malm/Kusserow) to approve the meeting minutes from October 2nd, 2019 with one correction provided by Maule (i.e. acres not area). Carried.

Public Comment: None.

Update on proposed Ryan Ott Construction residential development plan (former Kienitz parcel – TID No. 11):

Due to the availability and affordability of concrete contractors, Ryan Ott Construction was unable to proceed with the residential development in Fall 2019. Property title remains with the City of Merrill and the proposed Certified Survey Map (CSM) has not been recorded.

City Building Inspector/Zoning Administrator Pagel reported that if the development was potential duplexes instead of single-family homes on W. St. Paul St. that the lot size would need to be increased from 93' to 104" and would require rezoning through the City Plan Commission. Sabatke suggested that neighboring property owners might object to potential rezoning.

Unertl recommended that TID No. 11 not incur any additional costs for potential CSM or Plat changes if Ryan Ott Construction decided to propose duplexes and request rezoning.

Update on proposed new restaurant site acquisition from Wal-Mart (east of Park City Credit Union – TID No. 3):

A revised site plan layout was distributed. New layout is about 4,800 sq. ft. which is about 1,000 sq. ft. larger than previously proposed. Additional on-site parking is being required by Wal-Mart as contingency on the land sale. LCEDC's Bialecki advised that the developer has hired a new architect and is committed to the June 1st, 2020 construction starting timeframe. The proposed restaurant would serve breakfast, lunch, and dinner.

Request from Bryan Hoffman to consider potential creation of new Tax Increment District (TID) to facilitate construction of storage buildings on S. Center Ave. :

Hoffman's development site is within the City of Merrill; however, is further than ½ mile from the southern boundary of existing TID No. 9. Hoffman has already constructed two storage buildings fronting South Center Ave. There is potential for two (or potentially four) more storage units. The development site is part of larger thirty-two acre parcel. There is another undeveloped parcel to the west extending to Lincoln County Hwy Q.

At the October 2nd, 2019 RDA meeting, Maule requested information on potential paving costs. Hoffman provided an estimate of \$2.25 per sq. ft. (for estimated total of \$67,500). Hoffman's request for potential TID cash development assistance came first on the day he obtained a City building permit.

Although technically possible to create a new Tax Increment District, both City Administrator Johnson and RDA Secretary Unertl recommend against proceeding based upon the current plans. RDA Commissioner discussions focused upon estimated cost of \$12,000 to potential create new TID, adjacent single-family development directly to the north of the storage unit development area, and timing of Hoffman's request when construction already underway.

Motion (Anderson-Malm/Woellner) to deny the request to consider planning new tax increment district based upon the preliminary development concept. Carried. Nelson advised that Commissioners could revisit the TID request if firmer future development plans.

Quarterly employee count information from FreMarq Innovations (1101 N. Mill St. – TID No. 7):

Unertl distributed employee counts for 3rd and 4th quarters of 2019 from IRS Form 941 information. The 8/16/2019 FreMarq Innovations certification was at 51 employees. The employment dipped to 42 as of 9/12/2019 and had increased to 54 as of 12/12/2019.

To convert the \$100,000 TID No. 7 loan into a forgivable grant (i.e. no repayment), the employee level of 50 needs to be retained for two-years. Nelson requested City Attorney Hayden prepare draft letter regarding the technical development agreement default for Commissioner review at the next meeting. RDA Commission discussion focused upon extending the two-year monitoring period beginning with mid-December 2019.

Monthly status update on Impact Seven's six-month purchase option (former Fox Point site - TID No. 10):

Johnson reported that Impact Seven representatives continue with their planning and due diligence process.

Sabatke commented that there is an existing snowmobile trail running along the development site and church property toward the Eagles Club.

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

Nelson and Unertl noted that pending development agreements have included provisions discussed in mid-2019 such as property title revision (if City-owned land), development timeframes, and TID cash development reductions if developments don't meet timeframes and minimum new valuation projections.

RDA Commissioner consensus with these types of provisions.

Review and discuss why RDA has Closed Sessions and need to maintain confidentiality during negotiations):

For competitive and bargaining reasons, it is important to maintain confidentiality during negotiations. Unertl commented that sometimes if known that the City of Merrill is interested in purchasing property, the asking price increases.

Next RDA meeting: Thursday, February 20th at 8:00 a.m.

Besides reviewing the draft letter to FreMarq Innovations and update on Ott residential development plans, the agenda will include review of December 2009 Center on Wisconsin Strategy document titled "Efficient and Strategic TID Use" that Woellner forwarded to RDA Chair Nelson.

Adjournment: (Woellner) to adjourn at 8:42 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl