



CITY OF MERRILL
REDEVELOPMENT AUTHORITY
AGENDA • WEDNESDAY MAY 6, 2020

Regular Meeting

City Hall Council Chambers

8:00 AM

- I. Call to order and introduction of new RDA Commissioner Val Mindak
- II. Consider approval of RDA meeting minutes from March 4th
 1. RDA minutes from March 4th
- III. Public Comment
- IV. Status update on overall Merrill manufactures and businesses due to COVID-19
 1. Small Business COVID-19 update
- V. Status update on pending developments and consideration of modifications of previous development agreement terms (including \$ amounts and timeframes) including:
 - a. Ryan Ott Development single-family homes on W. St. Paul St. (TID No. 11)
 - a. Ryan Ott Development (TID No. 11)
 - b. Proposed new restaurant development east of Park City Credit Union (TID No.3)
 - a. Proposed new restaurant (TID No. 3)
- VI. Background on City of Merrill acquisition and investment in former Fox Point site (TID No.10)
 1. Investment in former Fox Point site (TID No. 10)
- VII. Review and consideration of Request for Proposal (RFP) responses for residential redevelopment on former Fox Point site (TID No. 10)
 1. Consider proposals for residential redevelopment former Fox Point site (TID No. 10)

- VIII. Next RDA Meeting
- IX. 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 4th, 2020
 - b. Consider potential negotiation terms for proposed residential redevelopment of former Fox Point site (TID No. 10)
- X. The RDA may reconvene in open session to consider action(s) on closed session development items
- XI. Adjournment

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, March 4th, 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

Others: City Clerk Bill Heideman, Alderperson Rick Blake, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl, Bill Bialecki from Lincoln County Economic Development Corp., and representative from Merrill Productions

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

Consider approval of RDA meeting minutes from February 20th, 2020:

Motion (Maule/Kusserow) to approve the meeting minutes from February 20th. Carried.

Public Comment: Bill Bialecki from Lincoln County Economic Development Corp. reported on Wisconsin legislative proposals related to potential extending Tax Increment District (TID) lifespan three-years for affordable housing instead of current one-year option; potential inclusion of 60% residential property in mixed use TID instead of current 50%; and potential limit of 20% on maximum TID development incentive.

Next RDA meeting: Tentatively scheduled for Wednesday, April 1st at 8:00 a.m. [Note: This meeting was cancelled due to COVID-19 and lack of agenda items requiring consideration.]

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 October 2nd, 2019 and February 20th, 2020
- b. Consider negotiation of City purchase of property/properties for proposed new restaurant site in Tax Increment District (TID) No. 3 (East Side) and negotiation of potential TID cash development incentive to facilitate proposed restaurant development

Motion (Maule/Sabatke) to move into closed session. Carried 7-0 on roll call vote at 8:05 a.m.

Motion (Woellner/Kusserow) to approve the closed session meeting minutes from October 2nd, 2019. Carried.

Motion (Kusserow/Polak) to approve the closed session meeting minutes from February 20th, 2020. Carried.

Bill Bialecki from Lincoln County Economic Development Corp. provided an update on two potential new restaurant sites. RDA Commissioners provided negotiation direction on the development site options, including potential additional \$10,000 for TID No. 3 cash development incentive for potential site acquisition.

RDA Commissioner Kusserow left at 8:25 a.m.

Adjournment: (Polak/Anderson-Malm) to adjourn at 8:35 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

Attachment: 2020-03-04 RDA Minutes (4957 : RDA minutes from March 4th)



MERRILL SMALL BUSINESS EMERGENCY SUPPORT PROGRAM

PURPOSE

This financial program is intended to provide short-term financial assistance to the local small businesses located in the City that have been impacted by the unanticipated March 17, 2020 and subsequent state-mandated shutdown orders in response to the COVID-19 outbreak.

CRITERIA

1. The applicant must be a local, non-franchise business with 25 or fewer employees as of March 17, 2020.
2. The applicant must be located within the City limits of Merrill and must have been operating and open to the general public as of March 17, 2020, with the exception of strictly seasonal businesses that otherwise reasonably anticipated opening by April 24, 2020.
3. The applicant must be presently in a state of total closure or be unable to operate one or more of the main facets of its business, such as dine-in food and drink sales, as a result of any state-mandated closure order related to COVID-19 on or after March 17, 2020. Businesses able to continue operations remotely or while in compliance with social distancing guidelines are not eligible.
4. Applications will be processed in the order received.
5. **The maximum award for the one-time only grant is \$1,500. An additional \$1,500 no interest loan is available with a three year maximum payback period.**
6. All grant and loan proceeds must be used for the following documented business expenses that became due after March 17, 2020:
 - A. Monthly building loan mortgage or rent payment.
 - B. Monthly gas, electric and water utility bills.
7. Payroll expenses will not be eligible for grant or loan funds.
8. The grant funds are not available to those businesses that have received other forms of city financial assistance in the 2020 calendar year.
9. The grant funds will not be available after COVID-19 related state orders resulting in the subject business interruptions have been officially lifted.

INFORMATION

Applications and/or further information pertaining to the Emergency Business Assistance Grant Program can be obtained or returned by contacting Shari Wicke at 715-536-4880, by email at shari.wicke@ci.merrill.wi.us, or by fax at 715-539-2668 or the Merrill City Administrator at 715-536-5594 or by email at: david.johnson@ci.merrill.wi.us. Applications can be returned to the drop box next to the flag pole outside of City Hall, mailed, emailed, or faxed.



MERRILL SMALL BUSINESS EMERGENCY SUPPORT PROGRAM GRANT APPLICATION

1. APPLICANT INFORMATION

Name _____

Address _____

Phone _____

E-Mail _____

2. BUSINESS INFORMATION

Business Name _____

Business Address _____

3. GRANT ELIGIBILITY CONFIRMATION

Is this a non-franchise business? YES / NO (circle one)

Was the business in operation and open to the general public as of March 17, 2020?
YES / NO (circle one); or

Is the business a strictly seasonal business that reasonably anticipated opening by April 24, 2020?
YES / NO (circle one)

How many employees did your business have as of March 17, 2020? _____

Is the business presently in a state of total closure or unable to operate one or more of the main facets of the business, as a result of any state-mandated closure order related to COVID-19 on or after March 17, 2020? YES / NO (circle one)

(continue to next page)

Please briefly describe how the state-mandated closure or business operation modification requirements are impacting your business (please feel free to add additional pages if necessary):

4. GRANT REQUEST SUMMARY

ELIGIBLE MONTHLY BUSINESS EXPENSES (MUST BECOME DUE AFTER MARCH 17, 2020)	EXPENSE AMOUNT
Building Loan Mortgage or Rent Payment	\$
Monthly Gas, Electric & Water/Sewer Utility Bills	\$
TOTAL GRANT REQUEST AMOUNT	\$

LOAN REQUEST SUMMARY

ELIGIBLE MONTHLY BUSINESS EXPENSES (MUST BECOME DUE AFTER MARCH 17, 2020)	EXPENSE AMOUNT
Building Loan Mortgage or Rent Payment	\$
Monthly Gas, Electric & Water/Sewer Utility Bills	\$
TOTAL LOAN REQUEST AMOUNT	\$

5. REQUIRED APPLICATION ATTACHMENTS

To receive full consideration, copies (PDF is acceptable) of all the statements/invoices for the above referenced eligible expenses that apply to the grant request must be included with the application.

6. CERTIFICATION

I, the undersigned, certify that I have received and read the criteria for receiving a City of Merrill Small Business Emergency Support Grant. I certify that all information provided herein is true and accurate to the best of my knowledge. I further certify that I have completed this application and have provided the required documented expenses in accordance with the grant guidelines.

Applicant Signature _____

Applicant Name (print or type) _____

Date _____

Attachment: Small Business Grants-Loans (4958 : Small Businesses-COVID -19)

Unertl, Kathy

From: Johnson, David
Sent: Monday, April 27, 2020 12:36 PM
To: Unertl, Kathy; Hayden, Tom
Cc: Mitchell, Krista
Subject: RE: Status of Ryan Ott Development - Single Family Home(s)

Because of the delay he is building himself a new house that should be done in 2-3 months. I told him to let me know by the end of this week how he is proposing to proceed so that we can talk about it at the RDA Next Wednesday.

David Johnson, City Administrator
 City of Merrill
 1004 E. 1st St.
 Merrill WI 54452
 715-536-5594

From: Unertl, Kathy
Sent: Monday, April 27, 2020 10:54 AM
To: Johnson, David; Hayden, Tom
Cc: Mitchell, Krista
Subject: Status of Ryan Ott Development - Single Family Home(s)

Dave – Since you have been the primary contact, could you please determine what (if any interest) there still is from Ryan Ott?

From RDA 5/6th agenda:

Status update on pending developments and consideration of modifications of previous development agreement terms (including \$ amounts and timeframes) including:

a) Ryan Ott Development single-family homes on W. St. Paul St. (TID No. 11)

Thanks!

Kathy Unertl, Finance Director/RDA Secretary
 City of Merrill

Attachment: TID11-Ott Single-Family Homes (4959 : Ryan Ott Development)

RESOLUTION NO. 2616

A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MERRILL, WISCONSIN AND RYAN OTT DEVELOPMENT AND CONSTRUCTION LLC

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 11 on May 10, 2016 and the development site is within TID No. 11; and,

WHEREAS, Ryan Ott Development and Construction LLC has proposed construction of up to twelve new single-family homes through a phased construction timeframe; and,

WHEREAS, the City of Merrill finds that the proposed development and the fulfillment of the items and conditions of the attached Development Agreement are in the vital and best interest of the City of Merrill, the Merrill Redevelopment Authority and City residents and serves a public purpose in accordance with State law; and,

WHEREAS, additional property tax will be generated and new residential homes created from this development project; and,

WHEREAS, Ryan Ott Development and Construction LLC has negotiated the development agreement to provide for transfer of property ownership of three lots on West St. Paul Street and an incentive payment not to exceed \$30,000 to facilitate Phase 1 of the single-family home development project;.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 9th day of September, 2019, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and Ryan Ott Development and Construction LLC and to facilitate the implementation thereof.

Recommended by:
Redevelopment Authority (RDA)

Moved: Alderman Norton

Passed: September 9, 2019 7-1

CITY OF MERRILL, WISCONSIN



Derek Woellner
Mayor



William N. Heideman
City Clerk

Attachment: TID11-Ott Single-Family Homes (4959 : Ryan Ott Development)

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE
CITY OF MERRILL, WISCONSIN
AND RYAN OTT DEVELOPMENT AND CONSTRUCTION, LLC
(PHASE 1)**

THE DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of _____, 2020 by and between the City of Merrill, Wisconsin, (the "City") a political subdivision of the State of Wisconsin and Ryan Ott Development and Construction, LLC, a Wisconsin Limited Liability Company, (the "Developer").

RECITALS

- A. The City desires to encourage economic development, the development of underutilized land, expand its tax base and create new jobs within the City.
- B. Wis. Stat. §66.1105 (the "Tax Increment Law") provides the authority and establishes procedures by which the City may exercise powers necessary and convenient to carry out the purposes of the Tax Increment Law, cause project plans to be prepared, approve such plans, implement provisions and effectuate the purposes of such plans and finance such development through the use of tax incremental financing.
- C. Wis. Stat. §66.1333 (the "Redevelopment Law") provides the authority and establishes the procedures by which the City acting through and by the Redevelopment Authority of the City of Merrill (the "RDA") may exercise powers necessary and convenient to carry out the purposes of the Redevelopment Law, cause redevelopment plans to be prepared, approve such plans, borrow money and issue bonds, implement provisions and effectuate the purposes of such plans and finance redevelopment through the Redevelopment Law.
- D. The City of Merrill has acquired and will be selling to the Developer land for \$1 by March 10, 2020.

Phase 1 – W. St. Paul St.:

Three Lots of Certified Survey Map No. 2763

City will grant the Developer an option for land purchase for future phases after verification by the City Engineer or Building Inspector that the last building of Phase 1 is completed and continuing for a period of one hundred eighty (180) days.

Attachment: TID11-Ott Single-Family Homes (4959 : Ryan Ott Development)

E. The Developer proposes to construct three, single-family homes as Phase I, located within the Development Area (the "Project").

F. As an inducement to Developer to undertake the Development in TID 11 and to construct or cause to construct the Development, the City and the RDA intend to provide an incentive to Developer by making an incentive payment to the Developer, for project costs incurred, to construct single-family homes within TID 11.

G. The City will construct, at City's sole cost and expense, a new City Street, to facilitate access to future phases within the Development Area and extend municipal water and sanitary sewer mains, at City's sole cost and expense, to service the Development Area. The City will permit the developer to connect to the extended water and sanitary sewer mains, for the benefit and servicing of the Project.

H. The City and RDA finds incentives to be necessary to encourage the Development in the Development Area and for Developer to undertake the Development in such a manner as to accomplish the City goals.

I. The City finds that the redevelopment and the fulfillment generally of the terms and conditions of this Agreement are in the vital and best interest of the City, RDA and City residents by expanding the tax base, creating new jobs and causing the redevelopment of underutilized property thereby serving a public purpose in accordance with state and local law.

J. If the development construction is not underway by May 31, 2020, lot ownership shall revert to the City of Merrill and Developer agrees to sign the necessary documents therefore.

NOW THEREFORE, in consideration of the promises and mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I

Section 1.01 Initial Undertaking of the City of Merrill

The City has:

- a. Included the Development Area within TID #11, which was created by the Merrill Common Council on May 10, 2016.
- b. Purchased the property and arranged for necessary survey services and preparation of certified survey maps and future plat.

Attachment: TID11-Ott Single-Family Homes (4959 : Ryan Ott Development)

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- c. Will hold a City Plan Commission Public hearing on the future plat.
- d. Will begin engineering design work for construction of new City Street and extension of municipal water and sanitary sewer service to serve the Development Area.
- e. Will plan for 2021 extension of City utilities and new street construction.

Following Execution of this Agreement, the City agrees that it shall cooperate with Developer to facilitate Developer’s performance under this Agreement.

Section 1.02 Initial Undertakings of the Developers

- a. Will raise equity and arrange for financing necessary for the Project.
- b. File site plan and permit applications with the City and/or State.
- c. Contract for construction of three single-family homes and related infrastructure improvements with occupancy planned by December 31, 2020. The new tax increment would be generated beginning with 2021 (to the extent of improvements completed as of January 1, 2021) property tax (2022 collection).

**ARTICLE II
INCENTIVE PAYMENTS TO DEVELOPER**

This development incentive is to facilitate development of the Project, a three (3) single-family homes in Phase I.

The City shall pay a Cash TIF development incentive to the Developer in the aggregate amount of Ten Thousand Dollars (\$10,000) per home upon its completion/occupancy permit.

Section 2.03 Warranties and Representations of the City. The City hereby warrants and represents that until all incentive payments have been made to Developer pursuant to Article III of this Agreement: (i) the assessment ratio generally applicable to property within the City (and therefore applicable to the Development and the Development Area) shall be no less than ninety percent (90%) and (ii) the tax rate generally applicable to property within the City (and therefore applicable to the Development and the Development Area) shall be no less than Thirty and 00/100 Dollars (\$30.00) per Thousand Dollars (\$1,000) of assessed valuation.

Section 2.04 Warranties and Representations of Ryan Ott Development and Construction, LLC. Ryan Ott Development and Construction, LLC hereby warrants and represents the following: Ryan Ott Development and Construction, LLC will expend at

least One Hundred Fifty Thousand Dollars (\$150,000) for each new single-family home relating to the construction of the Development within the Development Area. Further, Developer hereby agrees that, so long as the warranties and representations of the City in Section 2.03 above remain true and correct, the City shall receive a minimum of Four Thousand and 00/100 Dollars (\$4,000) in incremental taxes from each house in the Development and the Development Area, commencing with the first calendar year occurring after Developer’s substantial completion of the Development.

**ARTICLE III
MISCELLANEOUS**

Section 3.01 Restriction on Sale.

Prior to the earlier of January 1, 2037 or the date TID #11 is dissolved, Ryan Ott Development and Construction, LLC shall not sell, transfer, convey or assign the Development Area or any part thereof to any person, entity or in any manner which would render the Development Area exempt from property taxation without the prior written consent to the City. As an express condition for such consent, the City shall require purchaser to annually pay to the City an amount equal to all property taxes, which would have accrued to the Development Area if it were subject to property taxation. Any such payments shall be considered tax increment and shall be applied as set forth in above.

Section 3.02 Indemnification.

Ryan Ott Development and Construction, LLC, its successors and assigns shall indemnify and save harmless and defend the City and its respective officers, agents and employees from any and all liabilities, suits, actions, claims, demands, losses, costs, damages and expenses of every kind and description, including attorney costs and fees for claims of any character, including liability and expenses in connection with the loss of life, personal injury or damage to property or any of them brought because of any injuries or damages received or sustained by any persons or property on account of or arising out of or occasioned wholly or in part by any act or omission on Developer’s part or on the part of its agents, contractors, subcontractors, invitees or employees provided that the foregoing indemnification shall not be effective for any claims of the indemnified parties that are not contemplated by this Agreement or which constitute gross negligence or willful misconduct.

The City, its successors and assigns, to the extent permitted under Wisconsin law, shall indemnify and save harmless and defend the Developer and its respective officers, agents and employees from any and all liabilities, suits, action claims, demands, losses, costs, damages and expenses of every kind and description, including attorney costs and fees for claims of any character, including liability and expenses in connection with the

Attachment: TID11 - Ott Single-Family Homes (4959 : Ryan Ott Development)

loss of life, personal injury or damage to property or any of them brought because of any injuries or damages received or sustained by any persons or property on account of or arising out of or accessioned wholly or in part by any act or omission on the City's part or on the part of its agents, contractors, subcontractors, invitees or employees provided that the foregoing indemnification shall not be effective for any claims of the indemnified parties that are not contemplated by this Agreement or which constitute gross negligence or willful misconduct.

Section 3.03 No City Obligations.

The City shall have no obligations or liability for any obligations or responsibilities to any lending institution, architect, contractor or sub-contractor or any other party retained by Developers in the performance of its obligations and responsibilities under the terms and conditions of this Agreement. The Developers specifically agrees that no representation, statements, assurances or guarantees will be made by Developers to any third-party contrary to this provision. Notwithstanding anything aforesaid to the contrary, the Developer may assign the payments due it under this agreement to the Developer's lender, for collateral purposes only.

Section 3.04 Default.

a. Default and Notice of Default. In the event either party to this Agreement is in default hereunder (the "Defaulting Party") the other party (the "Non-Defaulting Party") shall be entitled to take any action allowed by applicable law, by virtue of said default, provided that Non-Defaulting Party gives the Defaulting Party written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than sixty (60) days in which the default may be cured by the Defaulting party. Notwithstanding the foregoing, if any default cannot reasonably be cured within sixty (60) days, the Non-Defaulting Party shall refrain from exercising remedies as long as a cure is being diligently pursued.

If either party fails to cure a default as permitted herein, the Non-Defaulting Party, without limiting its remedies under this Agreement, may compel performance by the Defaulting Party by bringing an action for specific performance. If after the specified time period for cure proceedings are initiated to cure an alleged default, the prevailing party in such proceedings shall be entitled to reimbursement from the other party for its reasonable attorney's fees and associated costs incurred in such proceedings.

b. Force Majeure. Neither party shall be responsible to the other party for any resulting losses if the fulfillment of any of the terms of this Agreement is delayed or prevented by revolutions or other civil disorders, wars, acts of the enemies, strikes, fires, floods, acts of God, unusual weather, or by any other cause not within the control of the party whose performance was interfered with and which by the exercise of reasonable

diligence such party is unable to prevent, whether of the class of causes herein above enumerated or not, and the time for performance shall be extended by the period of delay occasioned by any such cause.

Section 3.05 Non-Discrimination.

Neither the Development nor any portion thereof shall be used by any party in any manner to permit unlawful discrimination or unlawful restriction on the basis of race, creed, ethnic origin or identity, color, gender, marital status, familial status, age, handicap, sexual orientation, or national origin and the construction and operation of the Development shall be in compliance with all effective laws, ordinances, and regulations relating to discrimination on any of the foregoing grounds.

Section 3.06 Parties and Interest; Survival of Agreements.

Except as otherwise expressly provided herein, this Agreement is made solely for the benefit of the parties hereto and no other person, partnership, association, or corporation shall acquire or have any rights hereunder by virtue hereof. All representations and agreements in this Agreement shall remain operative and at full force and effect regardless of any investigation made by or on behalf of any party. No party may assign its rights under this Agreement without the written consent of the other party.

Section 3.07 Notices.

All notices, demand, certificates, or other communications under this Agreement shall be sufficiently given and shall be deemed given when hand-delivered or when mailed by first class mail postage pre-paid with property addresses indicated below:

To the City: City of Merrill, Wisconsin
Attention: City Clerk
1004 East First Street
Merrill, Wisconsin 54452

With a copy: The City Attorney, City of Merrill

To the Developers: Ryan Ott Development and Construction, LLC
W5646 Tug Lake Ave.
Irma, WI 54442

Any party may, by written notice to the other party, designate a change of address for the purposes of aforesaid.

Section 3.08 Amendment.

Attachment: TID11-Ott Single-Family Homes (4959 : Ryan Ott Development)

No modification, alteration, or amendment of this Agreement shall be binding upon any party hereto until such modification, alteration, or amendment is reduced to writing and executed by all parties hereto.

Section 3.09 Governing Law.

The laws of the State of Wisconsin shall govern this Agreement.

Section 3.10 Severability.

If any provisions of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case, in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance or of rendering and provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

Section 3.11 Compliance with Law.

The parties shall, in undertaking the construction and operation of the Development, comply with all applicable federal, state, and local laws.

Section 3.12 City Authorization.

The execution of this Agreement was authorized by Resolution No 2616 adopted on September 9, 2019, by the Common Council

Attachment: TID11-Ott Single-Family Homes (4959 : Ryan Ott Development)

**ADDENDUM TO DEVELOPMENT AGREEMENT
BY AND BETWEEN THE
CITY OF MERRILL, WISCONSIN
AND RYAN OTT DEVELOPMENT AND CONSTRUCTION, LLC
(PHASE 1)**

In consideration of the agreement and covenants contained in the Development Agreement dated _____, the developer agrees that the three single-family homes shall be under construction, including foundations, by April 1, 2021. In the event that these single family homes are not in a state of completion as set forth above, the ownership of the lot or lots not under construction by April 1, 2021 shall revert to the City of Merrill, and the developer shall sign any documents required for the transfer.

Derek Woellner, Mayor

Dave Johnson, City Administrator

Ryan Ott
Ryan Ott Development and Construction, LLC

Attachment: TID11-Ott Single-Family Homes (4959 : Ryan Ott Development)

Unertl, Kathy

From: William Bialecki <ecdev.lincolnco.wi@gmail.com>
Sent: Thursday, April 23, 2020 3:46 PM
To: Unertl, Kathy; Johnson, David
Subject: Re: RDA Draft Agenda - Wed, May 6th

I talked to Mr Alimi this morning. He's still wants to buy the property now but wants a construction start date in early 2021. Again he's putting up an additional \$10k towards the purchase. I believe the RDA was willing to do the same. The only thing they have to agree to is the start date. As we've done in the past we'll have to put a drop dead date for construction to begin and if not the City retains ownership. So we should have this as an agenda item and I don't feel it has to be closed session. I'll also give a brief update for other proposed projects.
 Stay well both of you.

Bill Bialecki
 Executive Director
 Lincoln County Economic Development Corporation
 801 N. Sales St., Suite 200
 Merrill, WI 54452
 715-539-1024 (o)
 715-409-6214 (c)
 715-539-8055 (f)

ecdev.lincolnco.wi@gmail.com

Visit us: www.lincolncountyedc.org

On Wed, Apr 22, 2020 at 11:41 AM Unertl, Kathy <Kathy.Unertl@ci.merrill.wi.us> wrote:

Could everyone please review draft RDA agenda? I think this is what needs to be covered.

It is possible that TID3 restaurant might need closed session also – to be determined.

Thanks!

Kathy Unertl, Finance Director/RDA Secretary

City of Merrill

Attachment: TID3-Restaurant (4960 : Restaurant (TID No. 3))

RESOLUTION NO. 2617

A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MERRILL, WISCONSIN AND MERRILL PINE RIDGE LLC

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 3 on September 13, 2005 and the redevelopment site is within TID No. 3; and,

WHEREAS, Merrill Pine Ridge LLC has proposed construction of a new restaurant; and,

WHEREAS, the City of Merrill finds that the proposed development and the fulfillment of the items and conditions of the attached Development Agreement are in the vital and best interest of the City of Merrill, the Merrill Redevelopment Authority and City residents and serves a public purpose in accordance with State law; and,

WHEREAS, additional property tax will be generated and new jobs created from this redevelopment project; and,

WHEREAS, Merrill Pine Ridge LLC has negotiated the development agreement to provide for transfer of property ownership for \$150,000 to facilitate the commercial development project;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 9th day of September, 2019, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and Merrill Pine Ridge LLC and to facilitate the implementation thereof.

Recommended by:
Redevelopment Authority (RDA)

Moved: Alderman Norton

Passed: September 9, 2019 7-1

CITY OF MERRILL, WISCONSIN


Derek Woellner
Mayor


William N. Heideman
City Clerk

Attachment: TID3-Restaurant (4960 : Restaurant (TID No. 3))

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE
CITY OF MERRILL, WISCONSIN
AND MERRILL PINE RIDGE, LLC**

2020

THE DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of _____, 2019 by and between the City of Merrill, Wisconsin, (the "City") a political subdivision of the State of Wisconsin and Merrill Pine Ridge, LLC a Wisconsin Limited Liability Company, (the "Developer").

RECITALS

- A. The City desires to encourage economic development, the development of underutilized land, expand its tax base and create new jobs within the City.
- B. Wis. Stat. §66.1105 (the "Tax Increment Law") provides the authority and establishes procedures by which the City may exercise powers necessary and convenient to carry out the purposes of the Tax Increment Law, cause project plans to be prepared, approve such plans, implement provisions and effectuate the purposes of such plans and finance such development through the use of tax incremental financing.
- C. Wis. Stat. §66.1333 (the "Redevelopment Law") provides the authority and establishes the procedures by which the City acting through and by the Redevelopment Authority of the City of Merrill (the "RDA") may exercise powers necessary and convenient to carry out the purposes of the Redevelopment Law, cause redevelopment plans to be prepared, approve such plans, borrow money and issue bonds, implement provisions and effectuate the purposes of such plans and finance redevelopment through the Redevelopment Law.
- D. City of Merrill is purchasing a development area described as:

Prt of NW ¼ NW ¼ NKA Lot 2 of CSM 2366, D0496457

Located at: 3505 E. Main Street, Merrill, Wisconsin
- E. The Developer proposes to construct a new 3,800 square foot new restaurant/commercial building located within the Development Area.
- F. As an inducement to Developer to undertake the Development in TID 3 and to construct or cause to construct the Development, the City and the RDA intend to provide an incentive valued at ~~\$150,000~~ by conveying to Developer the real estate/property described above to construct a 3,800 square foot restaurant/commercial building within TID 3.

\$160,000

Attachment: TID3-Restaurant (4960 : Restaurant (TID No. 3))

G. The City and RDA finds incentives to be necessary to encourage the Development in the Development Area and for Developer to undertake the Development in such a manner as to accomplish the City goals.

H. The City finds that the redevelopment and the fulfillment generally of the terms and conditions of this Agreement are in the vital and best interest of the City, RDA and City residents by expanding the tax base, creating new jobs and causing the redevelopment of underutilized property thereby serving a public purpose in accordance with state and local law.

I. In the event the development construction is not underway by June 30, ~~2020~~²⁰²¹ ownership of the property shall revert back to the City of Merrill and Developer agrees to sign the necessary documents therefore. There will be no reimbursement to Developer of any sums it has expended.

NOW THEREFORE, in consideration of the promises and mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I

Section 1.01 Initial Undertaking of the City of Merrill

The City Has: *financially assist in acquiring*

- a. Included the Development Area within TID #3.
- b. Agree to ~~acquire~~ the vacant land from Wal-Mart Stores East LP.
- c. Agreed to convey to the Developer the real estate for this project.
- d. Reviewed the Business Plans of the Developers

Following Execution of this Agreement, the City agrees that it shall cooperate with Developer to facilitate Developer's performance under this Agreement.

Section 1.02 Initial Undertakings of the Developers

- a. Raised equity and financing necessary for the development.
- b. Shall purchase the property ~~from City of Merrill for \$150,000~~ *with financial assistance of \$160,000*
- c. File site plan and permit applications with the City and/or State.
- d. Contract for construction of a new 3,800 square foot restaurant/commercial building.
- e. Developer will commence construction of a new 3,800 square foot restaurant/commercial building, with occupancy planned by December 1, ~~2020~~ *2021*.
- f. This development incentive is to facilitate acquisition of vacant land for a new restaurant site.

Attachment: TID3-Restaurant (4960 : Restaurant (TID No. 3))

**ARTICLE II
MISCELLANEOUS**

Section 3.01 Restriction on Sale.

Prior to the earlier of January 1, 2026 or the date TID #3 is dissolved, Merrill Pine Ridge, LLC, shall not sell, transfer, convey or assign the Development Area or any part thereof to any person, entity or in any manner which would render the Development Area exempt from property taxation without the prior written consent to the City. As an express condition for such consent, the City shall require purchaser to annually pay to the City an amount equal to all property taxes, which would have accrued to the Development Area if it were subject to property taxation. Any such payments shall be considered tax increment and shall be applied as set forth in above.

Section 3.02 Indemnification.

Merrill Pine Ridge, LLC, its successors and assigns shall indemnify and save harmless and defend the other party and its respective officers, agents and employees from any and all liabilities, suits, actions, claims, demands, losses, costs, damages and expenses of every kind and description, including attorney costs and fees for claims of any character, including liability and expenses in connection with the loss of life, personal injury or damage to property or any of them brought because of any injuries or damages received or sustained by any persons or property on account of or arising out of or occasioned wholly or in part by any act or omission on the other party's part or on the part of its agents, contractors, subcontractors, invitees or employees provided that the foregoing indemnification shall not be effective for any claims of the indemnified parties that are not contemplated by this Agreement or which constitute gross negligence or willful misconduct.

Section 3.03 No City Obligations.

The City shall have no obligations or liability for any obligations or responsibilities to any lending institution, architect, contractor or sub-contractor or any other party retained by Developers in the performance of its obligations and responsibilities under the terms and conditions of this Agreement. The Developers specifically agrees that no representation, statements, assurances or guarantees will be made by Developers to any third party contrary to this provision.

Section 3.04 Default.

a. Default and Notice of Default. In the event either party to this Agreement is in default hereunder (the "Defaulting Party") the other party (the "Non-Defaulting

Attachment: TID3-Restaurant (4960 : Restaurant (TID No. 3))

Party”) shall be entitled to take any action allowed by applicable law, by virtue of said default, provided that Non-Defaulting Party gives the Defaulting Party written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than sixty (60) days in which the default may be cured by the Defaulting party. Notwithstanding the foregoing, if any default cannot reasonably be cured within sixty (60) days, the Non Defaulting Party shall refrain from exercising remedies as long as a cure is being diligently pursued.

If either party fails to cure a default as permitted herein, the Non-Defaulting Party, without limiting its remedies under this Agreement, may compel performance by the Defaulting Parting by bringing an action for specific performance. If after the specified time period for cure proceedings are initiated to cure an alleged default, the prevailing party in such proceedings shall be entitled to reimbursement from the other party for its reasonable attorney’s fees and associated costs incurred in such proceedings.

b. Force Majeure. Neither party shall be responsible to the other party for any resulting losses if the fulfillment of any of the terms of this Agreement is delayed or prevented by revolutions or other civil disorders, wars, acts of the enemies, strikes, fires, floods, acts of God, unusual weather, or by any other cause not within the control of the party whose performance was interfered with and which by the exercise of reasonable diligence such party is unable to prevent, whether of the class of causes herein above enumerated or not, and the time for performance shall be extended by the period of delay occasioned by any such cause.

Section 3.05 Non Discrimination.

Neither the Development nor any portion thereof shall be used by any party in any manner to permit unlawful discrimination or unlawful restriction on the basis of race, creed, ethnic origin or identity, color, gender, marital status, familial status, age, handicap, sexual orientation, or national origin and the construction and operation of the Development shall be in compliance with all effective laws, ordinances, and regulations relating to discrimination on any of the foregoing grounds.

Section 3.06 Parties and Interest; Survival of Agreements.

Except as otherwise expressly provided herein, this Agreement is made solely for the benefit of the parties hereto and no other person, partnership, association, or corporation shall acquire or have any rights hereunder by virtue hereof. All representations and agreements in this Agreement shall remain operative and at full force and effect regardless of any investigation made by or on behalf of any party. No party may assign its rights under this Agreement without the written consent of the other party.

Section 3.07 Notices.

All notices, demand, certificates, or other communications under this Agreement shall be sufficiently given and shall be deemed given when hand-delivered or when mailed by first class mail postage pre-paid with property addresses indicated below:

To the City: City of Merrill, Wisconsin
Attention: City Clerk
1004 East First Street
Merrill, Wisconsin 54452

With a copy to the City Attorney.

To the Developers: Merrill Pine Ridge, LLC
Mr. Qemal Alimi
N4618 CTH Q
Merrill, WI 54452

Any party may, by written notice to the other party, designate a change of address for the purposes of aforesaid.

Section 3.08 Amendment.

No modification, alteration, or amendment of this Agreement shall be binding upon any party hereto until such modification, alteration, or amendment is reduced to writing and executed by all parties hereto.

Section 3.09 Governing Law.

The laws of the State of Wisconsin shall govern this Agreement.

Section 3.10 Severability.

If any provisions of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case, in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance or of rendering and provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

Section 3.11 Compliance with Law.

Attachment: TID3-Restaurant (4960 : Restaurant (TID No. 3))

The parties shall, in undertaking the construction and operation of the Development, comply with all applicable federal, state, and local laws.

Section 3.12 City Authorization.

The execution of this Agreement was authorized by Resolution No 2617 adopted on September, 2019 by the Common Council

DRAFT

Attachment: TID3-Restaurant (4960 : Restaurant (TID No. 3))

**City of Merrill
Former Fox Point Sportswear Site**

Tax Increment District No. 10

251-3106-182-0090 **1905 E. 14th St.**
(Corner of Lincoln County Hwy G/Sales St.)

Assessed Valuation - 1/1/2015:

	\$43,400	Land
Acres	\$289,800	Improvements
5.43	\$333,200	Total

Property Tax \$8,557

City of Merrill purchased the **vacant site** (i.e. after previous owner demolished building) on 7/7/2016.

TID No. 10 was created 9/22/2015 and has a twenty-seven (27) year lifespan (until 9/22/2042).

There is a \$500,000 balloon payment on Note Anticipation Note (NAN) due 10/1/2021. Ehlers & Associates is assisting with fiscal evaluation of all City of Merrill Tax Increment Districts (TIDs). When the 20'9 City Audit is completed, this fiscal analysis and recommendations will be finalized and presented.

Revenues	2015	2016	2017	2018	2019	Total
Borrowing - NAN2016C		\$445,505	\$49,495			\$495,000
Property Tax - TID10			\$103			\$103
Earnest Money - Sale					\$25,000	\$25,000
	\$0	\$445,505	\$49,598	\$0	\$25,000	\$520,103

Expenditures	2015	2016	2017	2018	2019	Total
Acquisition - Purchase		\$445,505				\$445,505
Property Tax		\$8,873				\$8,873
Personnel Services	\$1,785	\$10,361	\$1,850	\$2,809	\$4,705	\$21,510
Legal Notices	\$456	\$499		\$143		\$1,098
TID Plan - Consultant	\$5,000			\$50		\$5,050
TID Fees - WI DOR	\$1,000	\$150	\$150	\$150	\$150	\$1,600
TID Audit Fees			\$500	\$250	\$250	\$1,000
Outside Legal Services		\$1,182				\$1,182
Contract Engineering	\$250					\$250
Silt Fence - Erosion		\$1,200				\$1,200
Mowing Services		\$1,020				\$1,020
Borrowing Expenses		\$6,763				\$6,763
Debt Service Interest			\$16,094	\$20,025	\$20,025	\$56,144
Marketing				\$425		\$425
	\$8,491	\$475,552	\$18,595	\$23,852	\$25,130	\$551,620

General Fund Advance	\$8,491	\$30,047	(\$31,003)	\$23,852	\$130	\$31,517
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Attachment: TID10-Fox Point Fiscal Status (4961 : Former Fox Point Site (TID No. 10))



PRAIRIE RIVER VIEW COMMUNITY
1905 E. 14TH STREET

APRIL 13, 2020

Respectfully Submitted By
Shelly Alvarado, Project Manager
www.cardinalcapital.us
Cardinal Capital Management, Inc.

Attachment: TID10-Cardinal Capital RFP (4962 : Request for proposals former Fox Point site (TID No. 10))

Delivering Financial and Social Value

REAL ESTATE

Development | Investment | Construction | Management

PROPOSAL SUMMARY:

Cardinal Capital and its partner Scherrer Construction are pleased to present a development proposal for 1905 E. 14th Street, Merrill, WI.

Prairie River View Community is a planned 146-unit new construction of affordable senior and family housing. Cardinal Capital Management, Inc. is a development company based in Wisconsin with over 10,000 units of housing across the U.S., and Scherrer Construction, Inc. is a Wisconsin owned general contractor and construction manager, owned and operated since 1928.

There will be a total of 3 buildings. Building A(senior) will be a single-story building with a total of 56 units of housing for active seniors. There will be 33-1-bedroom units and 11-2-bedroom units and 4-2-bedroom corner units. This building will also contain 60 underground parking stalls. Building's B & C will be family living. These buildings will each be 3 stories. Building B will contain 48-2-bedroom units and 12-3-bedroom units. Building C will contain 18-2-bedroom units and 12- 3-bedroom units. There will be surface parking for each of these buildings. The property will include a leasing office, laundry facilities, and lobbies with available seating areas. Additionally, the property will include a dedicated walking path, and multiple activity parks. These activity parks will include space for children's areas, picnicking, patio and or dog walks.

Total development costs are expected to round out at \$27,348,358 or \$187,317 per unit.

PROJECT SUMMARY OUTLINE AND TENTATIVE SCHEDULE:

PROJECT NAME:	Prairie River View Community – Senior/Family
DEVELOPMENT TYPE:	Garden Style/Townhouse/Walk Up
TARGET POPULATION:	Senior (55+) and Families
TYPE OF CONSTRUCTION:	New Construction
SCHEDULE:	
DESIGN:	3-6 months
PERMITTING	6-12 months
SECURE THIRD-PARTY FINANCING:	6-12 months
CLOSING:	6-12 months
CONSTRUCTION COMPLETION:	24+ months

Project lease up will start 6 months prior to project completion. We anticipate 100% occupancy within 10 months of receiving an occupancy permit. Our goal is to lease 10% of the units monthly.

SITE STUDY

AREA 231319 SQ.FT +/- 5.45 ACRES



1905 E 14 STREET
MERRILL, WI.
4-10-2010





RENDERED CONCEPT FROM E 14 TH STREET



AREA 231319 SQ.FT. +/- 5.45 ACRES

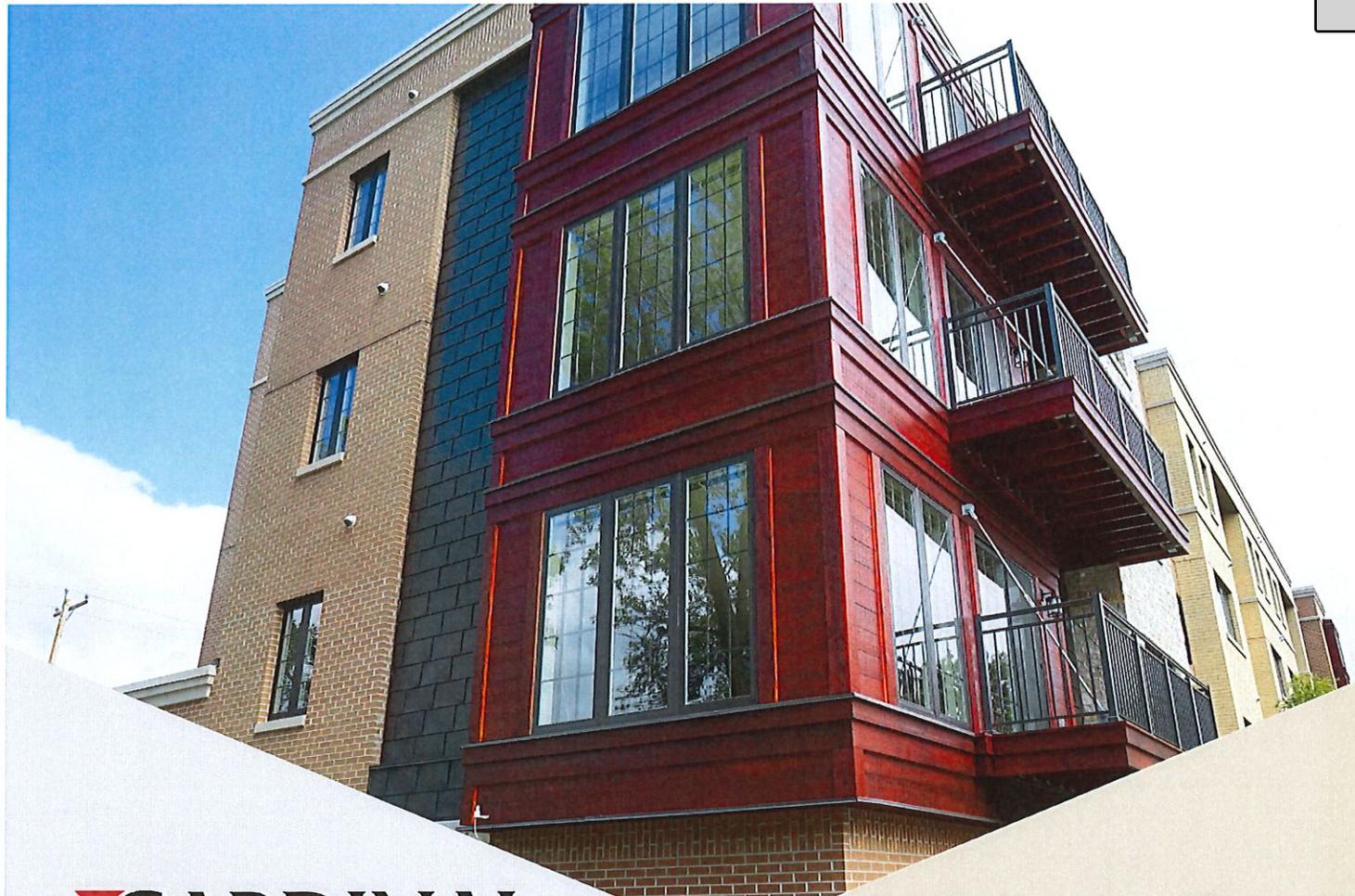


BUILDING DATA

TOWN HOUSE (TH) DATA NO BASEMT	BUILD'G	BUILD'G
UNIT A-1,037 SF	ⓐ	
3 BED-	12	12
UNIT B- 837SF	48	18
2 BED-	60	80
PARKG DATA	135 PROVIDED	
BLDG B	67,929 SQ.FT.	
BLDG C	38,433 SQ.FT.	
SITE	5.45 ACRES	

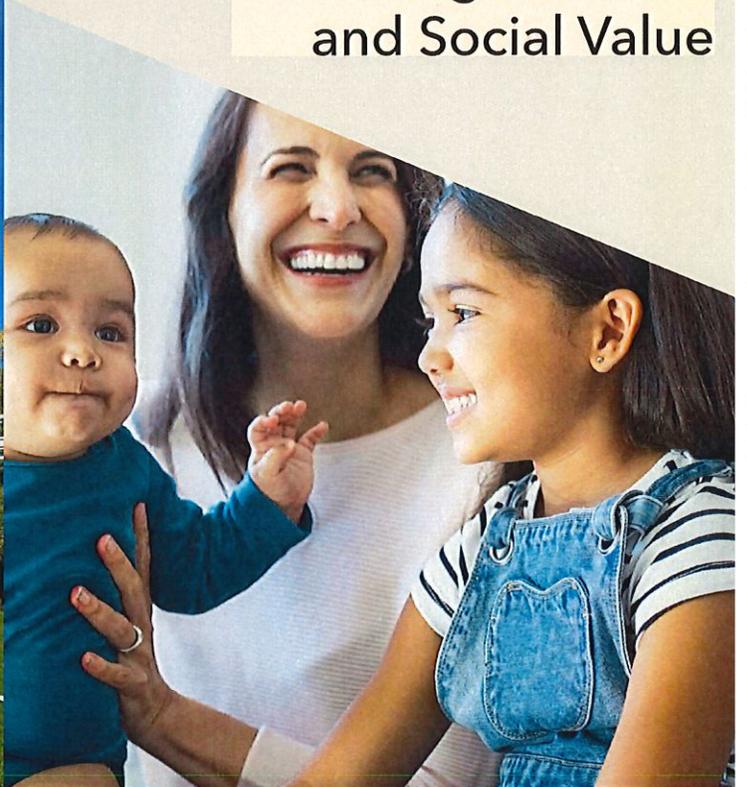
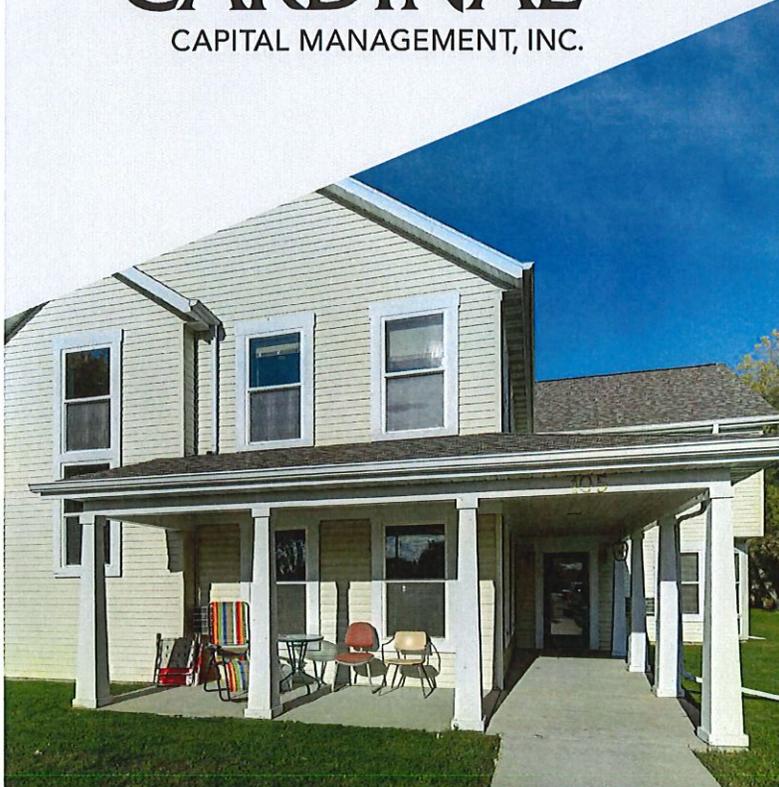
SENIOR BUILD'G DATA	UNIT TYPE	1 BED	2 BED	3 BED	CORN
18,707SQ.FT.	3 RD	12	4	4	20
18,707SQ.FT.	2 ND	12	4	4	20
18,707SQ.FT.	1 ST	9	3	4	16
56,121 SQ.FT.		33	11	12	56
BASEMENT PARKING DATA	60 IN GARAGE				
	66 PROVIDED				
SITE	5.45 ACRES				

1905 E 14 STREET
MERRILL, WI.
410-2070



CARDINAL
CAPITAL MANAGEMENT, INC.

Delivering Financial
and Social Value



Attachment: TID10-Cardinal Capital RFP (4962 : Request for proposals former Fox Point site (TID No. 10))

REAL ESTATE

Development | Investment | Construction | Management



OUR VISION

Cardinal Capital Management, Inc. (Cardinal) is a social impact development company based in Milwaukee, Wisconsin. Cardinal is responsible for approximately 10,000 units of housing across the United States, predominantly in the Midwest. Cardinal is expanding its footprint through acquisition, rehabilitation and development opportunities in 20 states and has built a solid reputation as leaders in social investment.

Cardinal believes in building strong communities through impactful social housing investments and sound construction. Cardinal offers financial and construction opportunities for impact investors who want to create accessibility and long-lasting, positive meaning for underserved communities. Today underserved communities includes the middle class just as much as it includes persons with low and moderate incomes. Depending on location, investors can make a social impact by helping households from \$0 to \$120,000 annual income. The lower side of this income continuum is often associated with persons outside the workforce due to disabilities, difficult family situations and the like. The higher side of the continuum is often associated with helping family stability by making it easier for workers to live closer to their jobs and for seniors, a similar concept, by providing the ability to live closer to their healthcare providers. In all cases, it's often about allowing people to live closer to the social and cultural center of their community.

Cardinal is driven by the idea that communities function better when underserved needs are met with dignity and grace. Cardinal's development, property management, and construction teams have formed strong partnerships with investors and community leaders alike to create developments that deliver meaningful impact.

“

Cardinal's development, property management, and construction teams have formed strong partnerships with investors, nonprofits, and government agencies alike to create developments that deliver meaningful impact.



901 S. 70th Street | West Allis, WI 53214
cardinalcapital.us | 414.727.9902

OUR EXPERIENCE: CARDINAL CAPITAL PRINCIPALS

Erich Schwenker President

With over 40 years of real estate development and management experience, Erich Schwenker is proud to serve as Cardinal Capital Management, Inc.'s president. Erich leads the dynamic development team and oversees business operations, including asset and property management. Under Erich and Vice President Dan O'Connell's leadership, Cardinal and its affiliates have acquired, developed, financed, and manage nearly 10,000 units of affordable housing on behalf of various nonprofits and for-profit clients across the country. Cardinal has developed housing with features and amenities that address the needs of veterans, homeless individuals and families, Deaf and Deaf-blind individuals, persons with development disabilities, and persons recovering from mental illness as well as creating workforce and other kinds of market-rate housing.

Today's housing market is extraordinarily diverse; Cardinal's goal is to respond to this diverse market with socially aware, financially sound housing tailored to each community's needs.

Dan O'Connell Vice President

Cardinal is fortunate to have Dan O'Connell serving as vice president, bringing over 40 years of real estate development and management experience. Dan's valuable experience in both the construction and development side of the industry, affords an expert perspective while overseeing the development, construction, and management of both commercial projects and affordable housing. Dan leads Cardinal's acquisition and finance team by identifying appropriate apartment communities in need of preservation, performing feasibility work on projects, negotiating and handling complex financial transactions, and identifying a sponsor or owner for the real estate. Under Dan and President Erich Schwenker's leadership, Cardinal and its affiliates have successfully acquired, developed, financed, and manage nearly 10,000 units of affordable housing on behalf of various nonprofits, positively impacting investors and, more importantly, communities throughout the United States.



PROJECT SPOTLIGHT: HOUSING FOR DEAF AND HARD OF HEARING

Apache ASL Trails Tempe, AZ

Apache ASL Trails is state-of-the-art independent living community for deaf seniors 55 years of age and older providing 75 one- and two-bedroom apartments. Located along the light rail in Tempe, Apache ASL Trails provides an affordable housing option for hearing of hearing seniors. The building offers sensory accessibility features such as strobe light smoke alarms, fire alarm signalers, high speed connection for videophones, annunciator light panels, loop system amplification for hearing aid users, and a text and videophone system in the lobby. In May 2012, Apache ASL Trails was named the winner of the 18th Annual Charles L. Edson Tax Credit Excellence Award for the nation's best new special-needs housing development using tax credits.

Water Tower View Greenfield, WI

Located in a senior living community in Greenfield, WI, Water Tower View provides 43 units of affordable housing with amenities for Deaf, Hard of Hearing, and DeafBlind seniors. The building offers technology and design features such as strobe light smoke alarms, fire alarm signalers, high speed connection for videophones, annunciator light panels, loop system amplification for hearing aid users, and a text and videophone system in the lobby.

Project Partners:

Red Stone Equity Partners, The Richman Group, FHLB-San Francisco, SCF Arizona, Wisconsin Housing and Economic Development Authority

Community Relationships:

Maricopa County Housing Authority, Tempe City Housing Services Arizona Deaf Senior Citizens Coalition, Southeastern Wisconsin Deaf Senior Citizens, National Association of the Deaf

Brian Mickelsen

HOUSING HERO AWARDS



Apache ASL Trails, a Haven for Deaf Seniors, was Awarded for Outstanding Housing and Development

In May 2012, Apache ASL Trails was named the winner of the 18th Annual Charles L. Edson Tax Credit Excellence Award for the nation's best new special-needs housing development using tax credits. In September 2014, Cardinal Capital's Apache ASL Trails was recognized with the Brian Mickelsen Housing Hero Award for Innovative Supportive Housing Program.



PROJECT SPOTLIGHT: MARKET RATE APARTMENTS/COMMERCIAL SPACE

Middleton Market Middleton, WI

Middleton Market provides a sustainable mixed-use community development of 263 Class A residential units and 31,000 square feet of rentable commercial space for a food and retail market. In this \$53 million project, the City of Middleton provided \$8.4 million of Tax Increment Financing and \$4.5 million of private investments were raised through Crowdstreet. The project set a Crowdstreet record of securing funding in less than two minutes. Cardinal partnered with Treysta Group on this development. Unit amenities will feature stainless steel appliances, granite countertops and kitchen islands, WaterSense plumbing fixtures, technology niches with USB charges, in-unit washer and dryer, walk-in closets with full closet systems, and private balconies and patios. Common area amenities will include a wellness center with spin and yoga facilities along with sauna and showers, a living library with the atmosphere of a coffee shop, a pet spa and exercise area, electric car charging stations, bike storage and workshop area, a sports simulator room, a playground, and outdoor patio areas with grills and a fire pit. The development will also bring an European style Food Hall and retail space to area.

Project Partners:

Treysta Group, Orix RE Holdings, LLC, Starion Bank, Crowdstreet Funding

Community Relationships:

City of Middleton

COMPANY PROFILE



WHO WE ARE

Scherrer Construction is a general contractor/construction manager that has been family owned and operated since 1928. Our over 120 employees throughout Southeast and Central Wisconsin strive to provide quality services based on performance, value, and integrity.

WHAT WE DO

We provide clients with individualized construction solutions and superior craftsmanship in a variety of markets. Scherrer Construction offers a full complement of services including new construction, expansions, renovations, and facility maintenance services.

SCHERRER VISION

To continue our tradition, Scherrer Construction aspires to be a prosperous, open, high energy company, working as a close-knit team who enjoy and take pride in creating and delivering superior products and services to valued clients.

SCHERRER CORE VALUES

- ✓ We Always Build Right
- ✓ We Encourage Honest and Open Interaction with our Clients
- ✓ We Encourage Honest and Open Interaction among our Team
- ✓ We Encourage our Team to Truly Work as a Team and Contribute the Time, Talent and Effort Necessary to Get the Job Done Right
- ✓ We will Never Perform Actions which might Compromise our Reputation

BONDING CAPACITY

Based on our most recent financial statement review with our bonding company, Travelers, we have received a AAA credit rating and a bonding capacity of \$250,000,000. Scherrer maintains a strong relationship with its bonding company and has never been denied a bond.

CORPORATE HEADQUARTERS/ BURLINGTON OFFICE

601 Blackhawk Drive
P.O. Box 740
Burlington, WI 53105
Phone (262) 539-3100
Fax (262) 539-3101

WAUSAU OFFICE

815 South 24th Avenue
Suite 100
Wausau, WI 54401
Phone (715) 804-0830
Fax (715) 804-0831



DIVERSE PROJECT EXPERIENCE

Educational
Commercial
Healthcare
Industrial/Manufacturing
Municipal
Religious

RECENT AWARDS

- The Daily Reporter
Newsmakers of the Year Awards
Emerging Business of the Year 2018
- Non-Profit Organization of the Year 2017
- AGC Build Wisconsin Award 2019
- AGC Build Wisconsin Award 2016
- AGC Safety Excellence Award 2016
- The Daily Reporter Top Projects
- General Contractor of the Year
- Masonry Excellence Award
- AIA WI Contractor Award

Scherrer
— CONSTRUCTION CO., INC. —

FIELDS NEIGHBORHOOD

East Troy, WI

Project Delivery System
Negotiated General Contract

Owner
Christopher Mann

Project Details
Fields Neighborhood Village is a residential development dedicated to the preservation of our natural environment. Amenities of the condominium units include wool carpet with a natural hair jute pad, south-facing window walls for passive solar warmth, and bamboo flooring. The exterior of each building consists of locally-made brick and long-lasting fiber cement board siding on a zero run off site. Each unit is equipped with a cedar sunshade and deck overlooking the Honey Creek to the south. Root cellars in each unit give residents a place to store their organic vegetables grown in the communal garden.

There are six condo units and one four-car detached garage with a living roof.

Project Experience



Attachment: TID10-Cardinal Capital RFP (4962 : Request for proposals former Fox Point site (TID No. 10))

Scherrer
— CONSTRUCTION CO., INC. —



CONSTRUCTION CO., INC.

Since 1928

The Tradition Continues . . .



7.1.a

Corporate Office
601 Blackhawk Drive
P.O. Box 740
Burlington, WI 53105
Tel 262-539-3100
Fax 262-539-3101

Wausau Office
815 South 24th Avenue
Suite 100
Wausau, WI 54401
Tel 715-804-0830
Fax 715-804-0831

April 7, 2020

Cardinal Capital Management, Inc.
901 S. 70th Street
Greenfield, WI 53214

Re: City of Merrill, Request for Proposals – 1905 E. 14th St.

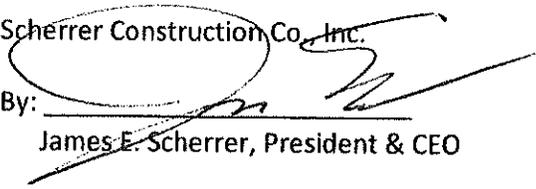
Cardinal Capital Management, Inc.:

Scherrer Construction Co., Inc. ("Scherrer Construction") is most pleased to partner with Cardinal Capital Management, Inc. in its submission with regard to the referenced Request for Proposal. In conjunction therewith, this letter is provided to demonstrate Scherrer Construction's financial capacity to perform its duties and obligations as the general contractor. Accordingly, please find enclosed a copy of a letter from Robertson Ryan & Associates, Inc. dated August 6, 2019 confirming Scherrer Construction's bonding capacity of \$250,000,000. Furthermore, this will confirm that Scherrer Construction has not experienced any irregularities relative to suspensions, defaults or bankruptcies or other matters which may have an effect or impact on its performance under the referenced Request for Proposal.

Please feel free to contact the undersigned should you have any questions or require any further information.

Scherrer Construction Co., Inc.

By:


James E. Scherrer, President & CEO

Attachment: TID10-Cardinal Capital RFP (4962 : Request for proposals former Fox Point site (TID No. 10))



ROBERTSON RYAN & ASSOCIATES, INC.

20975 Swenson Drive, Suite 175
 Waukesha, Wisconsin 53186
 Telephone 414-271-3575
 Facsimile 262-717-9434
 www.robertsonryan.com

Insurance for
 Personal, Commercial,
 and Employee Benefits

August 6, 2019

TO WHOM IT MAY CONCERN

Re: SCHERRER CONSTRUCTION CO., INC.
 BURLINGTON, WISCONSIN

Based on another fine year as evidenced by the December 31, 2018 year end audited financials, and the progress shown on interim financial statements, Scherrer Construction Co., Inc. may anticipate having an uncompleted cost to complete backlog for the 2019 season of \$250,000,000. with an everyday single project line of \$75,000,000.

These figures would include both bonded and unbonded work and are not to be construed as maximums, but, merely as guidelines. All lines of credit are subject to the usual surety company information requirements.

The undersigned is very pleased with the relationship I have enjoyed over the past forty five plus years. Should there be any questions regarding the above, or, for further clarification, do not hesitate to contact my office.

Sincerely,

Dennis M. Barton
 20975 Swenson Dr
 Waukesha, Wisconsin 53186

Direct Line 262-317-8044

Please Make Checks Payable to Robertson Ryan & Associates, Inc.

MISSION STATEMENT

We will provide thorough, attentive services to our clients, listening to user needs, introducing and exploring innovative ideas with a goal of providing creative, functional and affordable architecture that is sustainable and will stand the test of time.

Company Information

Dimension IV Madison Design Group

6515 Grand Teton Plaza, Suite 120 ■ Madison, Wisconsin 53719

p: 608.829.4444

f: 608.829.4445

Principals / Owners

Jim Gersich, AIA, RLA, WRID

Jim Gersich, AIA, RLA, WRID

Jerry Bourquin, AIA

Ron Siggelkow, AIA

Ray White, AIA

Sheila Ace

Tina Gordon, NCIDQ

Primary Contact: **Jerry Bourquin**
 jbourquin@dimensionivmadison.com
 608.829.4452

Staff

Our team provides architectural, planning, and interior design services throughout the Upper Midwest. All of our principals worked together prior to founding the firm in 2002, and one of our principals is registered in multiple disciplines. We have a full staff of design and technical support professionals including licenced architects, a LEED® Accredited Professional, and LEED® Green Associates. Each provides a unique contribution to help ensure our clients' goals are met.



FINANCIAL VIABILITY AND INVESTMENT STRATEGY:

As evidenced by the Cardinal Capital Management resume, which is enclosed in this submittal, by its completed work, Cardinal clearly demonstrates proof of its financial viability and abilities to complete the proposed \$27,400,000 146-unit multifamily housing development. As a point of reference, the development referenced in our resume in Middleton WI is a \$53,300,000 263- unit development. If selected to move forward with this development, substantiation of financial health will be provided via financial statements.

Within the 146-unit development, 56 units will be allocated to an active senior building with underground parking and 90 units will be allocated to two- and three-bedroom family housing, spread between two buildings with surface parking. As there is not a strong precedent for recent multifamily development in the Merrill area, the rents proposed to support the development, although within the affordable range as a percentage of area median income, will be vetted through market analysis.

The proposed funding sources include multiple funding mechanisms. While rents are affordable, they are not strong enough to support a new development of this scale that will provide an attractive home for both young professionals and seniors aging out of home ownership. The draft schedule of sources is indicative of this and thus looking for municipal support of this development. This could take a variety of forms but is a key part of the success of this development. One future source we anticipate will be in the form of federal assistance. The Corona Virus pandemic has left economies with an uncertain future; however, we believe there will be much opportunity that comes from this. The proposed sources of permanent financing include reasonably leveraged senior debt (\$17,024,000) , mezzanine debt (\$1,300,000) that could come from a variety of sources, including the State of Wisconsin Bureau of Commissioners of Public Land, municipal developer assistance (\$4,500,000) , which could take the form of a variety of options, and preferred equity (\$4,524,358) that will be the combination of sponsor equity and third party equity. On a seven-year investment, the before tax internal rate of return would net a return of 23.45% and a seven-year average cash on cash return of 9.5% to the preferred equity investor.



Attachment: TID10-SC Swiderski RFP (4962 : Request for proposals former Fox Point site (TID No. 10))

SCS Fox Point Multi-Family Housing Proposal



401 Ranger St., Mosinee, WI 54455
715-693-9522
Jacqui McElroy
jmiller@scswiderski.com

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The images shown are for illustrative purposes only, and designed only to be a representation of the project

April 10, 2020

Mr. David Johnson
 City Administrator
 1004 East First Street
 Merrill, WI 54452

Dear Mr. Johnson:

S.C. Swiderski, LLC is excited to present our proposal for the planning, construction, and management of the development at 1905 East 14th Street, Merrill that we have named SCS Fox Point. SCS Fox Point will capitalize on the prime location and proximity to schools, recreational opportunities, and numerous employers.

Our vision for the redevelopment of this commercial site is to build quality rental housing with great service. The area is challenged with aging housing stock, a shortage of housing options, and high occupancy rates of main level apartments. Adding new, quality housing is an important goal of the City that we will help fulfill with this project. By utilizing two new building prototypes designed by S.C. Swiderski based on extensive knowledge of the local market, the site will offer apartment homes with six modern floor plans offering a variety of sizes and price points. This should help meet demand for market rate rental housing with rent rates appropriate for those earning 60 to 120% of the area median income, commonly referred to as workforce housing.

Our plan provides an economic benefit to the City and its residents by expanding the City's tax base. It also has the added benefit of providing more opportunities for those employed in Merrill to live in the area. The plan will return the City's investment and will offer a much-needed housing option.

We are committed to providing quality housing and great service to our tenants. S.C. Swiderski has twenty eight years of experience building and managing multi-family properties in the area including two other apartment locations in Merrill. Upfront, the project will be handled by the development team which has a seamless transition to the construction department. Completed buildings are leased out and maintained by our comprehensive property management department.

We believe the experienced team we have assembled on this proposal will deliver the right project to meet the City's objectives. The credentials of the team and the company's financial capacity for the project, combined with the vision of the City, will make this project a success for generations to come.

Project Summary

S.C. Swiderski is excited to propose building four new multi-family buildings for a total of 56 apartment homes along with a property management office on the site. S.C. Swiderski will work closely with the city to ensure the key objectives and goals of all involved are met.

Project Summary

Unit Mix

- 1 bedroom= 24
- 2 bedroom= 12
- 3 bedroom= 20

56 units in two building types

Two 20 unit Fulton buildings

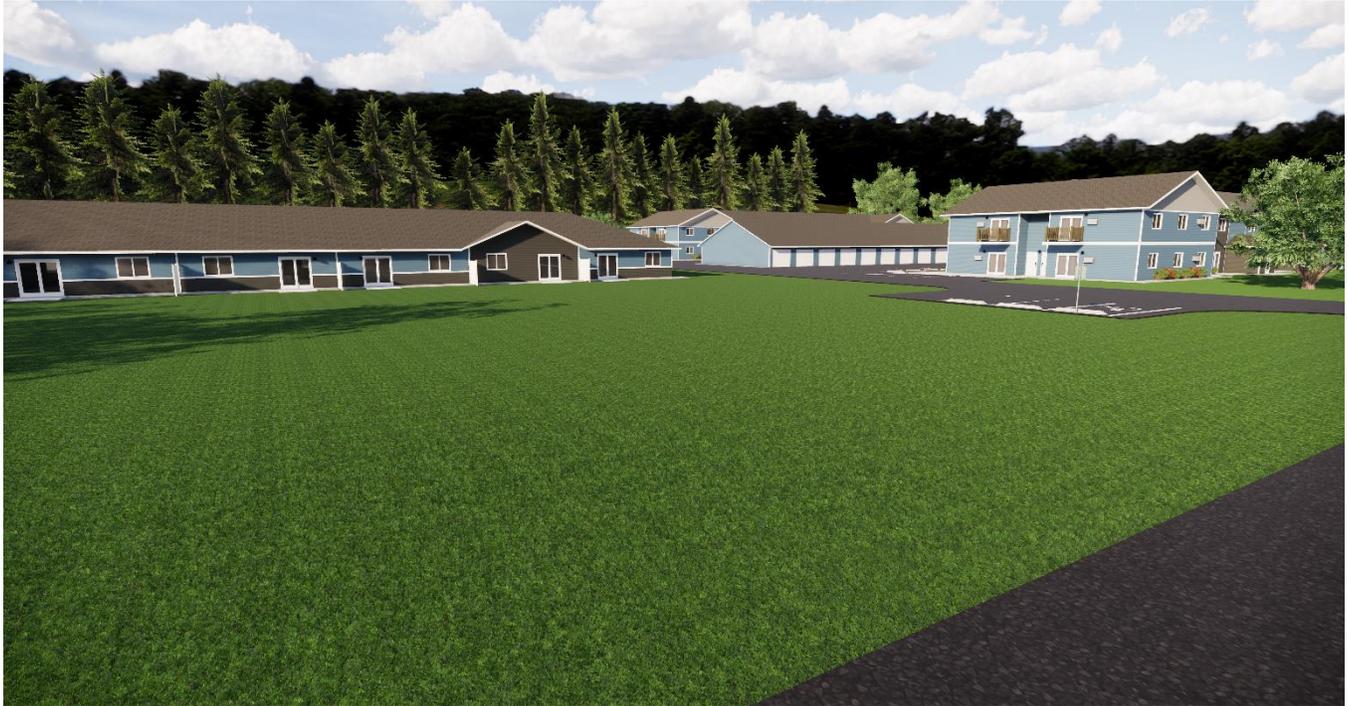
- 24 one bedroom apartments
- 16 three bedroom apartments
- All units have private entrance and a deck or patio
- Each unit includes a one stall detached garage
- Lower and upper level units
- 700-1175 square feet

Two 8 unit Bedford buildings

- One level buildings with attached two stall garages
- 12 two bedroom apartments
- 4 three bedroom apartments
- 1050-1250 square feet

Conceptual Renderings

View from East 14th Street on east side of site



View from East 14th Street on west side of site

View from East 14th Street into entrance of site



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Fulton 20 Unit



Attachment: TID10-SC Swiderski RFP (4962 : Request for proposals former Fox Point site (TID No. 10))

Bedford 8 Unit



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Financial Analysis

Initial projections indicate a project value of \$5 million. These numbers are subject to change as we work with the City through the design process to create the optimal project for the site.

S.C. Swiderski will fund the project through owner equity contribution and construction financing.

Project Timeline

Summer 2020	Proposal Selection
Fall- Winter 2020	Site Engineering & Approvals
May 2021-December 2021	Fulton 20 Unit Building
June 2021- February 2022	Fulton 20 Unit Building
June 2021- January 2022	Office Building
June 2021- March 2022	Bedford 8 Unit Building
July 2021- April 2022	Bedford 8 Unit Building

This is a preliminary timeline subject to change.

Developer Qualifications & Organizational Overview

S.C. Swiderski, LLC is a real estate, construction, and property management company specializing in multifamily projects. The Real Estate Division manages the company's real estate portfolio handling acquisitions, sales, project design, planning, and development. The Construction Division oversees project budgets and scheduling, contract procurement, project management, and construction management. The Property Management Division provides professional leasing, management, grounds keeping, and maintenance for the real estate portfolio. All areas of the company work together to proudly deliver quality housing with great service known as the SCS Difference.

S.C. Swiderski was formed in 1992 and is a privately held company with corporate headquarters in Mosinee, Wisconsin. The company has a sound business model and is unique in that it designs, plans, constructs, owns and operates its real estate portfolio. The company attributes its success to their ability to listen to tenants, focus on continuous improvement, develop their team, and operate with integrity.

S.C. Swiderski has apartment locations throughout the state and the company continues to expand by investing in its people, processes, and properties. S.C. Swiderski demonstrates innovation, quality, and pride that one can expect from a Made in Wisconsin certified company. The company embraces its Wisconsin roots and is committed to the communities and tenants that it serves.

The company has extensive experience in collaborating with cities and completing desirable multi-family projects.

Registered Corporations: The company consists of four LLCs under private ownership of Shane and Sheila Swiderski.

S.C. Swiderski, LLC created on July 31, 1998

S.C. Swiderski Management Corporation created on January 12 2015

S.C. Swiderski Construction, LLC created on January 12, 2015

S.C. Swiderski Land Company, LLC created on January 12, 2015

To date, there have been no debarments, suspensions bankruptcies or loan defaults for any of the four entities.

Completed Multi-Family Projects

ANTIGO

Prosser Place Estates

EAGLE RIVER

Mill Street Estates

EDGAR

Hilltop Apartments

KRONENWETTER

Pine View Estates

MARATHON CITY

Blue Stone Estates

MERRILL

SCS Merrill

Northside Estates

MOSINEE

Westhaven Apartments

PLOVER

Willow Estates

RICE LAKE

Moon Lake Estates

STEVENS POINT

River View Apartments

STURGEON BAY

SCS Sturgeon Bay

WAUPACA

Timber Ridge Apartments

WAUSAU

Urban West

WESTON

River Trail Estates

WISCONSIN RAPIDS

Birchwood Apartments

Countryside Apartments

Countryside Estates

Woodland Estates

Multi-Family Projects Under Construction

KRONENWETTER

Village Estates

MARSHFIELD

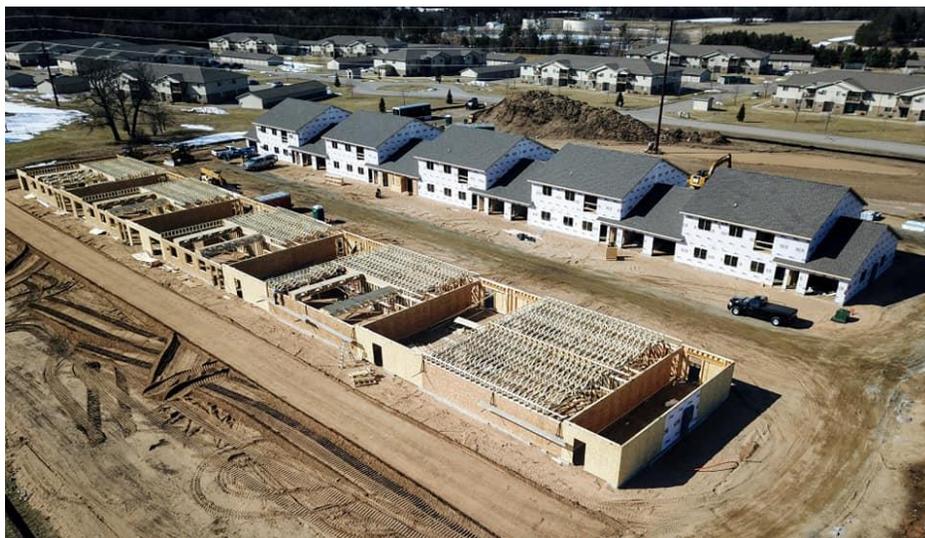
SCS Marshfield

PLOVER

Willow Estates II

WAUSAU

Westwood Estates



Development Team



Jacqui Miller, Business Development Manager

jmiller@scswiderski.com

715-693-7823

Education:

Bachelor of Science in Marketing

St. Cloud State University

WI Real Estate Salesperson License

Jacqui has 23 years of experience in real estate and marketing. She began her career as a Realtor in the Twin Cities; she was named Top 30 Under 30 in the nation. She joined S.C. Swiderski in 2016. Jacqui oversees real estate acquisitions and dispositions, development, project planning and approval along with the company's growth objectives and strategic marketing direction.

Nathanael Popp, Operations Manager

npopp@scswiderski.com

715-693-7808

Education:

Bachelor of Science in Industrial Management

University of Wisconsin- Stout

Nathanael oversees all divisions of the company and is responsible for implementing the vision of the owners. He has 16 years of construction and management experience. He works closely with the owners and the development team to bring new projects to fruition and secures project financing.



Development Team



Kortni Wolf
Real Estate Development
Administrator



Carrie Babiash
Construction Coordinator



Kimberly Fischer
Architectural Drafter



April Pankow
Development Project Manager



Amber Keller
Project Manager



Tom Woller
Construction Manager

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Financial Viability & City Participation

S.C. Swiderski will be the developer and sole owner of the project. They have fostered strong, long-standing relationships with local and national lenders throughout the last twenty eight years and have demonstrated the ability to secure financing for their projects. The company has successfully funded similar projects and this project would represent only a small portion of their funding capacity.

Financial statements and other documents presenting the financial condition of the company can be provided upon selection.

This proposal includes economic development assistance from the City of Merrill to the Developer.

- Sell the parcel of 5.43 acres of land known as 1905 E. 14th Street in Merrill, WI to S.C. Swiderski for \$1.
- Provide an incentive payment of \$250,000 toward the site costs and development of the site from the Tax Increment District or other source. The incentive will be utilized toward asphalt removal, water and sewer lateral connections and costs related to re-development of the site.

The requested assistance will allow the project to achieve the goal of providing market rate rental housing from a private investor. S.C. Swiderski is open to negotiations with the City upon selection on these requests.

The proposed project would increase the property value with an estimated value of \$5 million.



S.C. SWIDERSKI LLC

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SCS FOX POINT

Contact: Jacqui McElroy, Business Development Manager
S.C. Swiderski, LLC
401 Ranger Street
Mosinee, WI 54455
715-693-9522

Response to Request for Proposals – 1905 E. 14th Street, Merrill, WI