

City of Merrill  
Meeting of Redevelopment Authority (RDA)

Wednesday, May 6<sup>th</sup>, 2020 at 8:00 a.m.  
City Hall Common Council Chambers

RDA Present: Clyde Nelson, Tony Kusserow, Steve Sabatke, Sheila Polak, Lori Anderson-Malm, Derek Woellner, and Val Mindak (via phone)

Others: City Clerk Bill Heideman, Alderpersons Rick Blake and Steve Hass, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl (via phone), Bill Bialecki from Lincoln County Economic Development Corp., and Ryan Ott from Ryan Ott Development

**Call to Order:** Chair Nelson called the meeting to order at 8:00 a.m. and welcomed new RDA Commissioner Val Mindak.

**Consider approval of RDA meeting minutes from March 4<sup>th</sup>, 2020:**

**Motion (Kusserow/Woellner) to approve the meeting minutes from March 4<sup>th</sup>.** Carried.

**Public Comment:** None.

**Status update on overall Merrill manufacturers and businesses due to COVID-19:**

Bill Bialecki from Lincoln County Economic Development Corp. (LCEDC) reported that all manufacturers within City of Merrill continue with operations.

Dave Johnson highlighted the status of Small Business grants and loans. As of May 5<sup>th</sup>, there have been 64 grants of up to \$1,500 each and 26 loans of up to \$1,500 each – for total of about \$100,000. Additional Community Development funding is available to facilitate the future reopening of Merrill small businesses after lifting of Wisconsin Governor Tony Ever's "Safer at Home" Order.

**Status update on pending developments and consideration of modifications of previous development agreement terms:**

a) Ryan Ott Development – Single-Family Homes on West St. Paul St. (TID No. 11):

The draft development agreement was not executed by early March 2020 and then the COVID-19 public health emergency was declared in mid-March 2020. Ott advised that he needed to secure basement contractor commitment and expressed concerns about the potential interest in spec-housing.

Mindak emphasized based upon her financial institution experience that there should be a strong demand for new home construction in Merrill. Polak concurred that home mortgage interest rates will remain low. Bialecki reported that there is huge demand for workforce housing in Merrill.

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Ryan Ott Development – Single-Family Homes on West St. Paul St. (TID No. 11) - Continued:

After extensive discussion with Ryan Ott regarding timing, **Motion (Polak/Mindak) to extend the first spec-house construction starting timeframe to July 31<sup>st</sup> for foundation or signed construction contract.** Carried.

b) Proposed new restaurant development east of Park City Credit Union (TID No. 3):

Bialecki reported that with the impacts of COVID-19, the potential developer is not interested in proceeding at this time. Unertl advised that she will bring back an alternative plan to keep the potential development option available after the 9/13/2020 TID No. 3 new expenditure deadline.

**Background on City of Merrill acquisition and investment in former Fox Point site (TID No. 10):** Nelson advised that the fiscal report was prepared in response to an e-mail request from Commissioner Sabatke.

The City of Merrill purchased the vacant site for \$445,505 (i.e. after demolition of the previous building by the former property owner) on July 7<sup>th</sup>, 2016. Though 12/31/2019, there has been City Tax Increment District (TID) investment of \$551,620.

Unertl reported that previous borrowing includes a Note Anticipation Note (NAN) for \$495,000 which has a balloon payment due on 11/1/2021. Unertl is working with the City's independent financial consultant on refinancing options which will be presented to the RDA and Common Council later in 2020.

Sabatke commented that the property is no longer generating property tax. The 2015 (i.e. 2016 collection) tax bill was for \$8,557.

Unertl advised that TID No. 10 is a "blighted area" TID with a 27-year lifespan. The TID was created 9/22/2015 and potentially could extend to 9/22/2042.

**Next RDA meeting:** Scheduled for Wednesday, June 3<sup>rd</sup> at 8:00 a.m.

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 4<sup>th</sup>, 2020
- b. Consider potential negotiation terms for proposed residential redevelopment of former Fox Point site (TID No. 10)

**Motion (Kusserow/Sabatke) to move into closed session.** Carried 6-1 on roll call vote at 8:41 a.m.

**Motion (Kusserow/Woellner) to approve the closed session meeting minutes from March 4<sup>th</sup>. Carried.**

Two responses were received to the City's TID No. 10 Request for Proposals: Prairie River View Community from Cardinal Capital Management, Inc. and SCS Fox Point Multi-Family Housing Proposal from S.C. Swiderski LLC.

RDA Commissioners provided negotiation direction to City staff regarding the S.C. Swiderski LLC's SCS Fox Point Multi-Family Housing Proposal.

**Adjournment:** (Polak/Anderson-Malm) to adjourn at 9:07 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl