



CITY OF MERRILL
REDEVELOPMENT AUTHORITY
AGENDA • WEDNESDAY JUNE 3, 2020

Regular Meeting

City Hall Council Chambers

8:00 AM

- I. Call to Order
- II. Consider approval of RDA meeting minutes from May 6th
 - I. 2020-05-06 RDA Minutes
- III. Public Comment
- IV. Review and consideration of resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and SCS - S.C. Swiderski LLC for market-rate multi-family housing redevelopment on former Fox Point site (TID No.10)
 1. TID-10 Swiderski
- V. Follow-up on proposed Ryan Ott Construction single-family home development on West St. Paul St. (TID No. 11)
 1. Email: Kusserow
- VI. Next RDA meeting
- VII. The RDA may convene in closed session per Wis. Stats. Sec. 19.85(1)(e)-deliberating or negotiating the purchase 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 May 6th
 - b. Consider potential negotiation terms for acquisition of property located along Wisconsin River (TID No. 9)
- VIII. Adjournment

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, May 6th, 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 4th, 2020:

Motion (Kusserow/Woellner) to approve the meeting minutes from March 4th. 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 5th, 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.

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 31st 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 7th, 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 3rd 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 4th, 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 4th. 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

Attachment: 2020-05-06 RDA Minutes (5057 : 2020-05-06 RDA Minutes)

City of Merrill – TIF Development Incentive Overview

TID No. 10 (Former Fox Point site)

Property Owner: City of Merrill will be transferring property ownership title to the 5.43 acre site to the Developer for \$1.00.

Location: Corner of Lincoln County Highway G and Sales Street

Development: Four market-rate multi-family apartment buildings and a rental office/maintenance building. For details, please see Request for Proposal (RFP) response information.

Total of 56 planned apartments:

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

Investment: Estimate at over \$5 million for planning, design, and phased construction (including connections to City water, sanitary storm sewer, and storm water infrastructure).

Infrastructure: Future City streetlighting improvements along Lincoln County G and Sales Street.

TID Cash Development Incentive:

City staff recommendation:

Total of \$250,000 with the following payment schedule:

\$50,000 upon construction start of first apartment building

\$50,000 upon completion (State Occupancy Permit) for each of the four apartment buildings

TID Lifespan Tax Increment:

Spreadsheet provided – projected about \$2.5 million and likely to be higher than conservative estimates.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF MERRILL, WISCONSIN AND SCS - S.C. SWIDERSKI LLC

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 10 on September 22, 2015 and the development site is within TID No. 10; and,

WHEREAS, SCS – S.C. Swiderski LLC has proposed construction of up to four multi-family apartment buildings 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 market-rate residential units created from this development project; and,

WHEREAS, SCS – S.C. Swiderski LLC has negotiated the development agreement to provide for transfer of ownership of the City-owned property located at the corner of Lincoln County Highway G and Sales Street and an incentive payment not to exceed \$250,000 to facilitate the multi-family housing development project.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 9th day of June, 2020, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and SCS – S.C. Swiderski LLC and to facilitate the implementation thereof.

Recommended by:
Redevelopment Authority (RDA)

CITY OF MERRILL, WISCONSIN

Moved: _____

Derek Woellner
Mayor

Passed: _____

William N. Heideman
City Clerk

Attachment: Swiderski TID 10 (5058 : TID-10 Swiderski)

City of Merrill - Tax Increment District No. 10 (Highway G/Sales Street)

There are three fiscal analysis spreadsheets, including:

Page 2 Existing City of Merrill multi-family improved assessments

Based upon Request for Proposal (RFP) timeframes, projected improved valuations provided

Page 3 Projected TID No. 10 Tax Increment (i.e. Revenues) by year

Page 4 Projected TID No. 10 Cash Flow and project year-end fiscal

Without future streetlighting improvements

City of Merrill - Tax Increment District No. 10 (Highway G/Sales Street)

Existing multi-family residential Improved Assessments:

| | Owner | Location | Buildings | Units Per Building | Total Apartments | Improved Valuation | Valuation Per Unit |
|-------------------|-----------------------------------|-------------------|-----------|-----------------------|---------------------|-----------------------|-----------------------|
| 251-3107-072-0067 | SC Swiderski LLC | By Football Field | 3 | 4 | 12 | \$1,086,000 | \$90,500 |
| 251-3106-152-0272 | SCS Jackson Estate | Jackson St. | 5 | 16 | 80 | \$2,914,900 | \$36,436 |
| 251-3106-152-0271 | SCS County Meadows LLC | Jackson St. | 5 | 16 | 80 | \$2,768,700 | \$34,609 |
| 251-3106-101-0211 | LMH Rock Ridge LLC | Rock Ridge - 1 | 3 | 12 | 36 | \$1,973,700 | \$54,825 |
| 251-3106-101-0210 | Premier Merrill Apartments II LLC | Rock Ridge - 2 | 3 | 12 | 36 | \$1,908,000 | \$53,000 |
| Total | | | | | 244 | \$10,651,300 | \$43,653 |

Projected Assessment - Land:

| | Projected Valuation |
|--------------------------|---------------------|
| 2015 | \$43,400 |
| 2021 Est. | \$174,900 |
| New Tax Increment | \$131,500 |

SCS Fox Point - S.C. Swiderski LLC

-Preliminary construction estimate of about \$5,000,000. If using 85% for Improved Valuation = \$4,250,000

| Projected Assessment - Improvements: | | Preliminary Timeframes | | Completed Assessment - 1/1st | Tax Revenue Year | Projected Per Unit | Projected Valuations |
|---|------------------|------------------------|------------|------------------------------------|---------------------|-----------------------|-------------------------|
| | | Starting | Completion | | | | |
| Fulton | 20-Unit Building | May-21 | Dec-21 | 2022 | 2023 | \$45,000 | \$900,000 |
| Fulton | 20-Unit Building | Jun-21 | Feb-22 | 2023 | 2024 | \$45,000 | \$900,000 |
| Office/Maintenance | | Jun-21 | Jan-22 | 2022 | 2023 | | \$50,000 |
| Bedford | 8-Unit Building | Jun-21 | Mar-22 | 2023 | 2024 | \$60,000 | \$1,200,000 |
| Bedford | 8-Unit Building | Jul-21 | Apr-22 | 2023 | 2024 | \$60,000 | \$1,200,000 |
| Total | | | | | | | \$4,250,000 |

City of Merrill - Tax Increment District No. 10 (Highway G/Sales Street)

Projected Tax Increment for proposed multi-family housing - SCS Fox Point - S.C. Swiderski LLC

| Const. Year | Value Year | Revenue Year | Land Tax Increment | Tax Increment Fulton/Office | Tax Increment Fulton - 20 Units | Tax Increment Bedfords - 8 Units | TID Value Increment | Tax Rate | Projected Tax Increment |
|-------------|------------|--------------|--------------------|-----------------------------|---------------------------------|----------------------------------|---------------------|----------|-------------------------|
| 2020 | 2021 | 2022 | \$174,900 | | | | \$174,900 | \$31.08 | \$5,436 |
| 2021 | 2022 | 2023 | \$174,900 | \$950,000 | | | \$1,124,900 | \$31.08 | \$34,962 |
| 2022 | 2023 | 2024 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2023 | 2024 | 2025 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2024 | 2025 | 2026 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2025 | 2026 | 2027 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2026 | 2027 | 2028 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2027 | 2028 | 2029 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2028 | 2029 | 2030 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2029 | 2030 | 2031 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2030 | 2031 | 2032 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2031 | 2032 | 2033 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2032 | 2033 | 2034 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2033 | 2034 | 2035 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2034 | 2035 | 2036 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2035 | 2036 | 2037 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2036 | 2037 | 2038 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2037 | 2038 | 2039 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2038 | 2039 | 2040 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| 2039 | 2040 | 2041 | \$174,900 | \$950,000 | \$900,000 | \$2,400,000 | \$4,424,900 | \$31.08 | \$137,526 |
| | | | | | | | | | \$2,515,864 |

Attachment: Swiderski TID 10 (5058 : TID-10 Swiderski)

City of Merrill - Tax Increment District No. 10 (Highway G/Sales Street)

Projected TID No. Cash Flow for proposed multi-family housing - SCS Fox Point - S.C. Swiderski LLC

*Balloon due 10/1/2021

| Const. Year | Value Year | Revenue Year | Projected Tax Increment | Projected Expenses (Without future streetlighting improvements) | | | | | | Series 2021 Debt Service | Fiscal Status 12/31st |
|--|------------|--------------|-------------------------|---|--------------------|---------------------|--------------------|------------------------------|----------------------|--------------------------|-----------------------|
| | | | | Advance & Administration | NAN 2016C Interest | Cash Dev. Incentive | NAN 2016C Balloon* | Refinancing* & New Borrowing | | | |
| As of 12/31/2019 - General Fund Advance | | | | | (\$31,517) | | | | | | (\$31,517) |
| | 2020 | 2021 | \$0 | (\$5,000) | (\$20,025) | (\$100,000) | | | | | (\$125,025) |
| 2020 | 2021 | 2022 | \$5,436 | (\$5,000) | (\$20,025) | (\$150,000) | \$945,000 | \$250,000 | | | \$1,025,411 |
| 2021 | 2022 | 2023 | \$34,962 | (\$3,000) | | | | | | (\$75,500) | (\$43,538) |
| 2022 | 2023 | 2024 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2023 | 2024 | 2025 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2024 | 2025 | 2026 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2025 | 2026 | 2027 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2026 | 2027 | 2028 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2027 | 2028 | 2029 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2028 | 2029 | 2030 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2029 | 2030 | 2031 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2030 | 2031 | 2032 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2031 | 2032 | 2033 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2032 | 2033 | 2034 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2033 | 2034 | 2035 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2034 | 2035 | 2036 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2035 | 2036 | 2037 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2036 | 2037 | 2038 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2037 | 2038 | 2039 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2038 | 2039 | 2040 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| 2039 | 2040 | 2041 | \$137,526 | (\$3,000) | | | | | | (\$75,500) | \$59,026 |
| Total | | | \$2,515,866 | (\$98,517) | (\$40,050) | (\$250,000) | \$945,000 | \$250,000 | (\$1,434,500) | | \$1,887,799 |

Attachment: Swiderski TID 10 (5058 : TID-10 Swiderski)

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE
CITY OF MERRILL, WISCONSIN
AND SCS – S.C. SWIDERSKI LLC**

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 SCS – S.C. Swiderski 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 January 1st, 2021.

Lot of Certified Survey Map No. [Pending Legal Description]

- E. The Developer proposes to construct four, multi-family apartment building, located within the Development Area (the “Project”).
- F. As an inducement to Developer to undertake the Development in TID 10 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 multi-family apartments within TID 10.

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. If the development construction is not underway by July 31, 2021, 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 #10, which was created by the Merrill Common Council on September 22, 2015.
- b. Purchased the property and arranged for necessary survey services and preparation of certified survey map.
- c. Will hold a City Plan Commission Public hearing on the future Planned Unit Development (PUD).

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 four multi-family apartment buildings with occupancy planned in phases. The new tax increment would be generated beginning with 2022 (to the extent of improvements completed as of January 1, 2022) property tax (2023 collection).

ARTICLE II INCENTIVE PAYMENTS TO DEVELOPER

This development incentive is to facilitate development of the Project.

The City shall pay a Cash TIF development incentive to the Developer in the aggregate amount of Two Hundred Fifty Thousand Dollars (\$250,000) with the following payment schedule:

\$50,000 upon construction start of first apartment building
\$50,000 upon completion (State Occupancy Permit) for each of the four apartment buildings

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 SCS – S.C. Swiderski LLC. SCS – S.C. Swiderski LLC hereby warrants and represents the following: SCS – S.C. Swiderski LLC will expend at least Four Million Dollars (\$4,000,000) for proposed multi-family apartments 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 One Hundred Twenty Five Thousand and 00/100 Dollars (\$125,000) in incremental taxes from 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, 2041 or the date TID #10 is dissolved, SCS – S.C. Swiderski 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.

SCS – S.C. Swiderski 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 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: | SCS – S.C. Swiderski LLC 401 Ranger St. Mosinee, WI 54455 |

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.

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 _____ adopted on _____, by the Common Council

DRAFT

Attachment: Swiderski TID 10 (5058 : TID-10 Swiderski)



Attachment: Swiderski TID 10 (5058 : TID-10 Swiderski)

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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Attachment: Swiderski TID 10 (5058 : TID-10 Swiderski)

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



Attachment: Swiderski TID 10 (5058 : TID-10 Swiderski)

Fulton 20 Unit



Attachment: Swiderski TID 10 (5058 : TID-10 Swiderski)

Bedford 8 Unit



Attachment: Swiderski TID 10 (5058 : TID-10 Swiderski)

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

Attachment: Swiderski TID 10 (5058 : TID-10 Swiderski)

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

Attachment: Swiderski TID 10 (5058 : TID-10 Swiderski)

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

Unertl, Kathy

From: tonykuss@frontier.com
Sent: Thursday, May 28, 2020 11:33 AM
To: Unertl, Kathy
Subject: upcoming agenda RDA

Kathy

Can I get the Keinitz housing project on our next agenda.

I have some questions pertaining to a covenants and marketing the property.

Thank you

Tony Kusserow
President/Owner
Courtside Furniture
1022 E. Main Street
Merrill, Wi. 54452
715-536-8954
tonykuss@frontier.com

Attachment: Tony Kusserow (5059 : Email: Kusserow)