

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, October 7th, 2020 at 8:00 a.m.
City Hall Common Council Chambers

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

RDA Excused: Val Mindak and Tony Kusserow

Others: Alderperson Mark Weix, City Clerk Bill Heideman, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl (via phone), Public Works Director/City Engineer Rod Akey, Bill Bialecki from Lincoln County Economic Development Corp. (LCEDC), Max Zelich from U Build, LLC, and Merrill Productions video operator

Call to Order: Mayor Woellner called the meeting to order at 8:00 a.m.

Consider approval of RDA meeting minutes from September 2nd, 2020:

Motion (Anderson-Malm/Sabatke) to approve the meeting minutes from September 2nd.
Carried.

Consider approval of Joint RDA-Committee of Whole meeting minutes from September 23rd, 2020:

Motion (Anderson-Malm/Nelson) to approve the meeting minutes from September 23rd.
Carried.

Public Comment: None

Review redevelopment project status and consider TID payment request from Max Zelich (2213 E. Main St. - TID No. 3):

Sabatke commented that he might have provided some misinformation to Zelich regarding timing of TID payment. There are outstanding exterior maintenance orders for hard surface parking. Zelich emphasized that he feels that the redevelopment is complete. In addition, he is constructing a machine/metal shop building which wasn't on the October 2018 improvement list.

Polak asked if the 2018 development agreement had been signed. Zelich responded that he never signed because the amount was only \$4,500 instead of the \$12,500 he requested. Johnson and Unertl noted that many items on Zelich's list were deferred maintenance. Unertl commented that the assessed valuation for concrete approach and parking lot would likely generate minimal increase. Unertl noted that no site plan was provided in 2018.

Review redevelopment project status and consider TID payment request from Max Zelich (2213 E. Main St. - TID No. 3) - Continued:

There is potential pending extension timeframe for the hard surface parking at the Board of Public Works. Hayden emphasized the potential daily fines for failing to complete the hard surfacing. Zelich advised that he would complete by July 31st, 2021.

(Motion Woellner/Sabatke) to approve release of the \$4,500 TID No. 3 cash development incentive upon obtaining signed revised development agreement and W-9 IRS tax form. . Motion carried.

Follow-up information to Joint Meeting discussion on potential single-family development on Lot 3 (Edgewater Dr. - Tax Increment District No. 11):

Unertl, Johnson, and Akey updated RDA Commissioners on questions asked at the Joint RDA – Committee of Whole meeting.

- Cost of the survey mapping is \$1,500 to \$2,000.
- The River Bend Trail will run along the future City street extending between Edgewater Dr. and Rock Ridge Ct.
- A copy of the Certified Survey Map (CSM) showing the three lots on Edgewater Dr. was included in the agenda packet.
- Public Works Director/City Engineer Akey estimated that future utility and new street infrastructure would cost \$180,000 to \$200,000.

Consider a resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and JJ Premier LLC (Tax Increment District No. 11 – State Highway 107):

Three single-family homes would be construction on Edgewater Dr. CSM lots as Phase 1. There is right-of-first refusal for JJ Premier for potential future development phases.

Motion (Polak/Woeller) to recommend the resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and JJ Premier LLC. Carried.

Consider a resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and RC-N-DI-Investments LLC (Tax Increment District No. 6 – Downtown Area):

There was discussion on past uses of the vacant building. Randy Wixson's Conditional Use Permit (CUP) request to the City Plan Commission was included in the RDA agenda packet along with proposed site plan. Wixson's plan includes rehabilitation and expansion of the existing building and construction of two new storage unit buildings. The existing building could be either used for commercial businesses or additional storage units.

Consider a resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and RC-N-DI-Investments LLC (Tax Increment District No. 6 – Downtown Area) - Continued:

Unertl reported that the Lighthouse Storage development on the Wisconsin River island was a previous Randy Wixson development. There was total of \$25,000 TID No. 8 cash development incentive for rehabilitation of vacant building and construction of two new storage unit buildings. A third storage unit building was also constructed. The total increase in assessed valuation since 2012 is over \$300,000 which is generating almost \$10,000 in tax increment.

Polak and Anderson-Malm supported the proposed redevelopment project which will include removal and replacement of the existing eyesore paved surface. In response to Sabatke question about proposed \$10,000 cash development incentive, Unertl advised that the City of Merrill had provided \$10,000 for both Studio 808 and Cup-n-Cone redevelopments.

For the Central City Lighthouse proposed development, Unertl recommended structuring the \$10,000 total TID No. 6 cash development incentive as follows: \$5,000 for rehabilitation of existing building and \$2,500 for each of the proposed new storage unit buildings.

Motion (Woeller/Nelson) to recommend the resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and RC-N-DI-Investments LLC. Carried.

Review Project Plan for the Project Plan Amendment of Tax Increment No. 3 in Order to Share Increment with Tax Incremental Districts No. 6, 7, & 8:

The September 2nd, 2015 plan was included in the agenda packet. All current RDA Commissioners have been appointed after this TID share plan was adopted

A comparable TID No. 4 share plan will be developed to allow for transfers to Tax Increment District No. 9. Unertl anticipates that this new plan will be ready for consideration in early 2021.

Review and consider Finance Director's recommendations for Tax Increment Transfers in 2020 and 2021:

Unertl reported that any tax increment transfers occur in March (for the prior year) in conjunction with the annual City audit and in consultation with the City auditors from CLA.

From Brian Reilly's September 23rd presentation to the Joint RDA-Committee of Whole meeting, tax increment transfer from TID No. 3 to TID No. 8 should be the priority due to the TID No. 8 annual cash flow and begin to repay the City General Fund Advance.

Once there is an adopted TID No. 4 share plan, \$200,000 to \$250,000 should be available to transfer to TID No. 9 and repay the City General Fund Advance.

Review and consider 2021 Tax Increment Districts (TIDs) Budget Requests:

Unertl highlighted each of the proposed 2021 TID budget requests. In response to Sabatke question, Unertl reported that there is \$735,000 in TID cash development incentive payments. This includes the third \$100,000 for Phase 2 of Rock Ridge Apartments; potential \$100,000 for S.C. Swiderski apartments; and potential \$300,000 for proposed Weinbrenner Shoe Company rehabilitation of former Hurd Windows & Doors buildings. New borrowing is proposed for these three larger development incentive amounts.

TID No. 3 – Expenditure period for new items has expired. Just payment of cash development incentives; payment of Principal and Interest; and limited administration expense,

TID No. 8 – The Weinbrenner Shoe Company purchase and building improvements is moved up. Since there is Special Common Council meeting on Thursday, October 9th, a development agreement resolution and draft development agreement will go directly to that meeting. RDA Commissions previously recommended \$300,000 for the estimated \$3 million in building improvements to facilitate expansion of Weinbrenner manufacturing operations. Unertl recommended structuring the TID No. 8 cash development incentive as follows: \$150,000 upon completion of the roof replacement and then additional \$150,000 upon manufacturing operations in the former Hurd buildings.

The only TID capital investments proposed for 2021 include: TID No. 7 potential extension of water and sanitary sewer to the northern FreMarq Innovations building; TID No.8 for River Bend Trail west extension paving (which is paying a City of Merrill fiscal obligation to the River Bend Foundation for former Anson-Gilkey property acquisition); and TID No.11 for curb, gutter, paving, and streetlighting for W. St. Paul St. and potential utility and street infrastructure extension of Superior St.

The payment of the existing Series 2016C Note Anticipation Note (NAN) will include tax increment cash payment for TID No. 7 (N. Center Ave.) and refinancing for TID No. 10 (former FoxPoint) and TID No. 11 (Rock Ridge Apartments).

Next RDA meetings: Next RDA meeting scheduled for Wednesday, December 2nd at 8:00 a.m.

Adjournment: (Polak/Sabatke) to adjourn at 9:25 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl