

**CITY OF MERRILL
Redevelopment Authority (RDA)**

Tuesday, March 3rd, 2015 at 8:00 a.m.

Location – City Hall Council Chambers 1004 East 1st Street

AGENDA

Voting RDA Members: Bill Bialecki, Ryan Schwartzman, Amanda Kostman, Wally Smith, Karen Karow, Jill Laufenberg, and David Hayes

1. Call to order
2. Public Comment
3. Consider approval of meeting minutes from February 3rd, 2015
4. Update and continued discussion on Downtown Revitalization Planning
5. Status update on Idle Sites Grant Application to WEDC
6. Follow-up to Personnel & Finance Committee February 24th, 2015 review/discussion of facilitating redevelopment of tax delinquent properties with demolition special charges
7. Review and discuss proposed Redevelopment Resources scope of work for Housing Study (in response to City Strategic Plan Issue #1 – How can Merrill city government help grow the city's tax base?)
8. Next RDA meeting
9. Adjournment

**Agenda Prepared by RDA Secretary Kathy Unertl
Reviewed by RDA President Bill Bialecki**

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Date and time agenda was posted: _____ *Posted by:* _____

(3)

**City of Merrill
Redevelopment Authority (RDA)**

**Tuesday, February 3rd, 2015 at 8:00 A.M.
City Hall Council Chambers**

RDA Present: Bill Bialecki, Ryan Schwartzman, Karen Karow, Wally Smith,
Jill Laufenberg, and Amanda Kostman

RDA Absent: David Hayes

Others: Alderperson Dave Sukow, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl, Ken Maule from Lincoln County Economic Development Corp., Kristen Fish and Mary Rajek from Redevelopment Resources, City Building Inspector/Zoning Administrator Darin Pagel, Tonia Speener from Clark-Dietz, and Christine Vorpapel, Dynamo Creative Marketing

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

Approval of meeting minutes from January 6th, 2015:

Motion (Kostman/Schwartzman) to approve the meeting minutes. Carried.

Status Update and Continued Discussion on Downtown Revitalization Planning:

Mary Rajek from Redevelopment Resources reported that the planning session was well attended and that there was positive feedback. Individuals at the meeting strongly supported the concept of pocket park at the former Guy's Shop site. Unertl commented that the former Thelma's building has huge amount of space available.

Ken Maule from Lincoln County Economic Development Corp. emphasized the need for visual welcome at the Lincoln Community Bank corner that could attract individuals to continue straight downtown instead of following State Highway 64.

Mayor Bialecki advised that the Merrill Common Council action on proposed acquisition of former Guy's Shop site was "not at this time". Karow commented that just having a grass area available for people to use to relax would be positive for the downtown area. Fish advised that a conceptual sketch is being prepared for green-space development.

Alderperson Dave Sukow noted that RDA Commissioners Wally Smith and David Hayes asked why hurrying to acquire the site at the last RDA meeting. Sukow emphasized that why take off the tax roll if nothing is being planned. Sukow also did not feel that the view of the WPS hydro dam was aesthetically pleasing.

Redevelopment Resources representatives will continue drafting of the Downtown Revitalization Plan with some conceptual drawings being prepared. Some minimal expensive items include planters, bike racks, benches, and potential angle parking.

Status Update on Idle Sites Grant Application to WEDC: There has been no notice to the City/RDA on grant application status. WEDC staff has indicated to City representatives that it was a strong grant application.

Update and discussion on potential inclusion of Lincoln County Fairgrounds within Tax Increment District No. 3 (East Side):

Bialecki, Johnson, and Unertl highlighted the economic impact coming from the limited events at the Lincoln County Fairgrounds. The importance of the property is as a community amenity with events keeping dollars here. Bialecki noted that not all restroom facilities would need to be reconstructed at one time. As seen in the Lambeau Field parking lots, port-a-potties are an option for event sponsors.

Next step is discussing potential management and ownership plans/proposals between Lincoln County and the City of Merrill. Kostman noted need for leadership for the future.

Mary Rajek asked about future master plan? Construction of new grandstand is critical for finances of all events occurring on the property. City Building Inspector Pagel suggested that restroom/concession stand, as well as electrical mechanicals could be constructed under new grandstand.

Christine Vorpapel of Dynamo Creative Marketing suggested reviewing the model from Chippewa Falls. Johnson and Bialecki advised that they have background information.

Next RDA meeting: Tuesday, March 3rd, 2015 at 8:00 a.m.

Public Comment: Dave Sukow emphasized the need to be careful regarding potential future costs related to the Lincoln County Fairgrounds. Sukow reported that supporters of the Smith Center had sold the project as "paying for itself". The Fairgrounds is a community amenity that brings in people and business to restaurants, gas stations, hotels, and other local retail businesses.

Christine Vorpapel of Dynamo Creative Marketing recommended the Wisconsin Economic Development Corporation's connecting community program for ideas on bringing in events and volunteer management.

Closed Session: Bialecki read the following notice:

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: Potential property acquisitions to facilitate redevelopment opportunities in Tax Increment District No. 6 (Downtown) and No. 9 (Wisconsin River area).

Motion (Schwartzman/Kostman) to move into closed session. Carried on roll call vote 8:30 a.m. City staff provided updates on various potential redevelopment projects and properties for potential acquisitions.

Unertl distributed summary of delinquent tax information for 900 East 1st Street with over \$15,000 owed. There is now six years of delinquent real estate taxes. The last \$200 payment by the property owner was received by the Lincoln County Treasurer on March 15th, 2013.

Unertl emphasized that almost 20% of the base taxes/specials are for City of Merrill snow removal services provided by the City Street Department. At the end of January 2015, Fire Chief Dave Savone also issued \$4,150 fire reinspection fee/penalties.

City Building Inspector Darin Pagel reported that a raze order has been issued for the structure with February 15th, 2015 deadline. Based upon structural engineering review, the potential cost to rehabilitate the existing building would exceed 50% of the \$47,500 improved assessment valuation.

Lincoln County officials are requesting formal City of Merrill interest in acquiring the property before completing the delinquent tax foreclosure process. Both potential redevelopment as public parking lot or new building construction were discussed for future directions of this highly visible site. Commercial design standards would apply for any potential new building construction.

Reconvened in Session and Action on 900 East 1st Street:

Motion (Schwartzman/Kostman) to reconvene in open session. Carried at 8:47 a.m.

Motion (Schwartzman/Smith) to pursue acquisition of 900 East 1st Street through Lincoln County delinquent tax foreclosure process with the City/RDA assuming fiscal responsibility for razing the existing structure. Carried.

Adjournment: Motion (Schwartzman/Smith) to adjourn. Carried at 8:48 a.m.

Minutes prepared by RDA Secretary Kathy Unertl

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REQUEST TO INCLUDE ITEM ON AGENDA

Board or Committee: Personnel & Finance Committee

Date of Meeting: 2/24/2015

Request by: Kathy Unertl, Finance Director

Describe below the item(s) you wish to have put on the agenda:
(please attach any pertinent information)

Review and discuss potential options for facilitating delinquent tax foreclosure process and transfer of real estate properties with City of Merrill demolition special charges

The first City of Merrill demolition of "blighted" buildings occurred in 2012. There are now two former home sites with delinquent real estate taxes beginning in 2011 and commercial site beginning in 2012.

To eliminate additional City of Merrill expenses for maintaining these properties, it would be advantageous to seek Lincoln County delinquent tax foreclosure and sale of the vacant real estate to adjoin property owners. Properties include:

- 310 Blaine St. (Corner of Blaine St./E. 4th St.)
- 1008 E. 7th St. (Corner of 7th St./Spruce St. by Normal Park)
- 416 Grand Ave. (Between S&S Bar and City Parking Lot)

Signed: Kathy Unertl

Date: 2/18/2015

Received by City Clerk's Office by: K2 Received Date: 2/18/15

City of Merrill - Delinquent Tax Status (2/2015)

This summary is just base real estate and specials without interest/penalty amounts.

310 Blaine St. (Non-Conforming/Unbuildable Lot)

	RE Tax	Specials
2011	\$1,513	\$0
2012	\$1,515	\$358 * Demo of \$9,589
2013	\$244	\$595
2014	\$239	\$340
	<u>\$3,511</u>	<u>\$1,293</u>

1008 E. 7th St.

	RE Tax	Specials
2011	\$1,040	\$0
2012	\$1,042	\$660
2013	\$1,035	\$1,536
2014	\$1,007	\$679
	<u>\$4,124</u>	<u>\$2,875</u>

2015 -Demo of \$8,000

416 Grand Ave.

	RE Tax	Specials
2012	\$913	\$1,333 *Demo of \$33,315
2013	\$126	\$1,389
2014	\$124	\$0
	<u>\$1,162</u>	<u>\$2,722</u>

LINCOLN COUNTY Tax Statement Date Printed: 2/17/15

Parcel Key : 251-3106-114-0287 34.0131 .003.914.00.00 Description : A P 1 V R WILLARDS
 Owner . . . : CHRISTOPHE R SEAMANS A : LT 7 BLK 3 AKA N 1/2 LT 7
 : ANDREA L SEAMANS : BLK 10 V R WILLARDS
 : : *3914
 Address . : 310 BLAINE ST HERRILL :
 : :

Tax Year 2014 Sch Dist: HERRILL Vol/Page: D0436701

Values	Land	Use Asmt	Improvement	Wood	Total Assmnt	WFHV	EFHV
	8,700				8,700		7,600

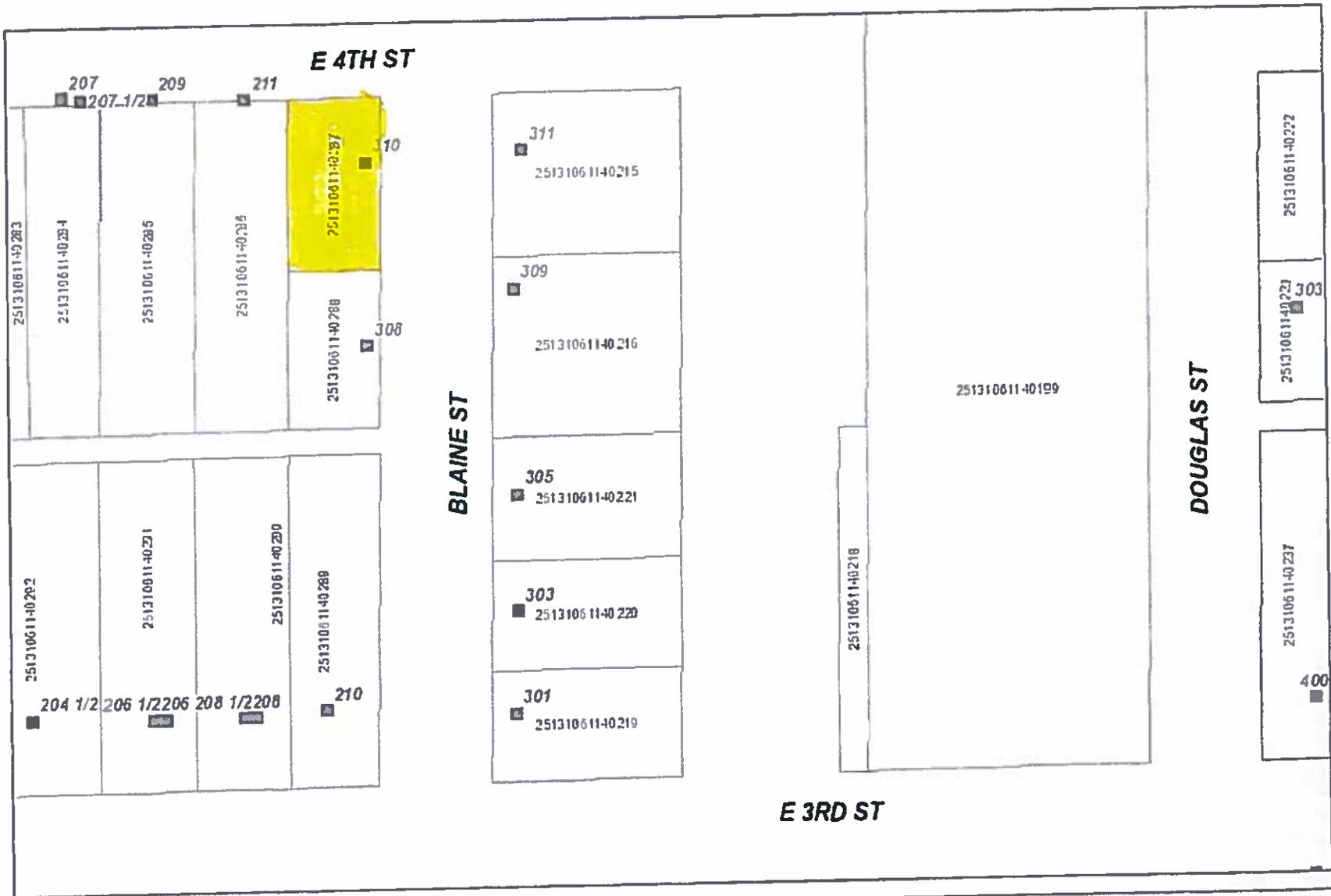
Assessed Acres:

Tax Year	General Tax Due	Special Tax Due	Tax Paid	Lottery Claimed	Tax Unpaid	Interest/ Penalty	Other Charges	Total Unpaid
2014	239.02	340.00	.00	.00	579.02	5.79	.00	584.81
2013	243.98	595.00	.00	79.33	759.65	98.75	.00	858.40
2012	1,514.58	9,946.60	.00	81.03	11,380.15	2,845.04	.00	14,225.19
2011	1,513.35	.00	.00	82.13	1,431.22	529.55	39.35	2,000.12
2010	1,527.82	42.20	1,486.77	83.25	.00	.00	.00	.00

Payoff Figure For February 2015 : 17,668.52

Signed : _____

* Demo \$9,589



City of Merrill GIS
310 Blaine Street



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SCALE: 1" = 74'

Print Date: 2/18/2015

LINCOLN COUNTY Tax Statement Date Printed: 2/18/15
 Parcel Key : 251-3106-121-0091 34.0056 .001.632.00.00 Description : MATHEW & MC CORDS ADD'N
 Owner . . . : GERALD I KLEINHANS : LTS 1 & 2 BLK 11 EX N 30'
 : JANE M KLEINHANS : THRF
 : : *1632
 Address . : 1008 E 7TH ST HERRILL :
 :

Tax Year 2014 Sch Dist: MERRILL Vol/Page: 00430118

Values	Land	Use Asmt	Improvement	Wood	Total Assmnt	WFV	EFV
	14,700		24,400		39,100		34,100

Assessed Acres:

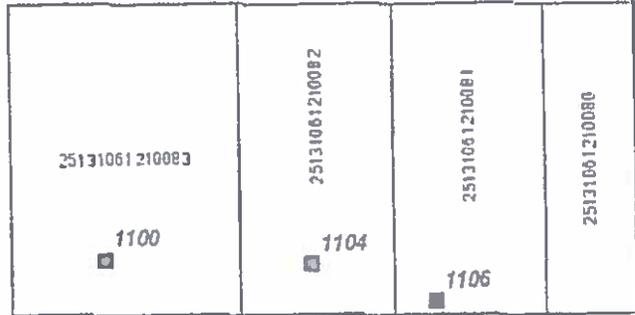
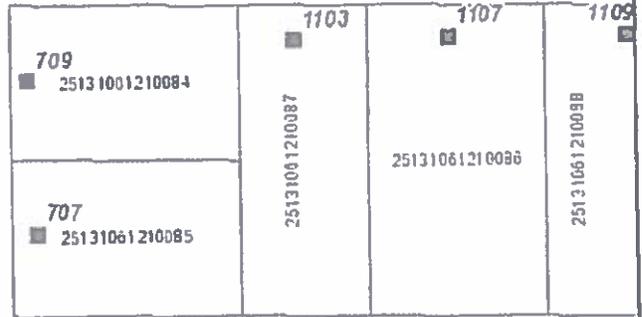
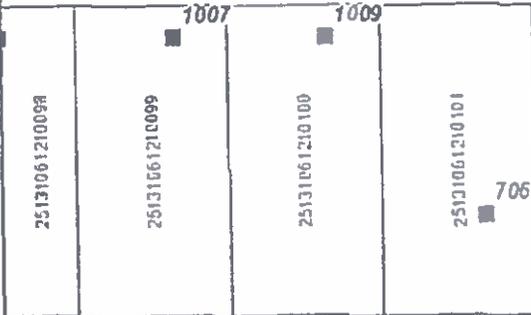
Tax Year	General Tax Due	Special Tax Due	Tax Paid	Lottery Claimed	Tax Unpaid	Interest/ Penalty	Other Charges	Total Unpaid
2014	1,007.33	679.09	.00	.00	1,686.42	16.86	.00	1,703.28
2013	1,035.06	1,535.56	.00	.00	2,570.62	334.18	.00	2,904.80
2012	1,041.92	660.31	.00	.00	1,702.23	425.56	.00	2,127.79
2011	1,039.89	.00	.00	.00	1,039.89	384.76	18.01	1,442.66
2010	1,048.81	.00	1,048.81	.00	.00	.00	.00	.00

Payoff Figure For February 2015 : 8,178.53

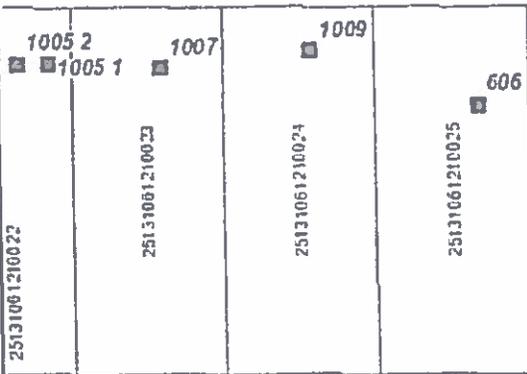
Signed : _____

Demo 1/2015 total \$8,000

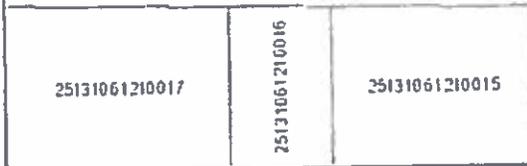
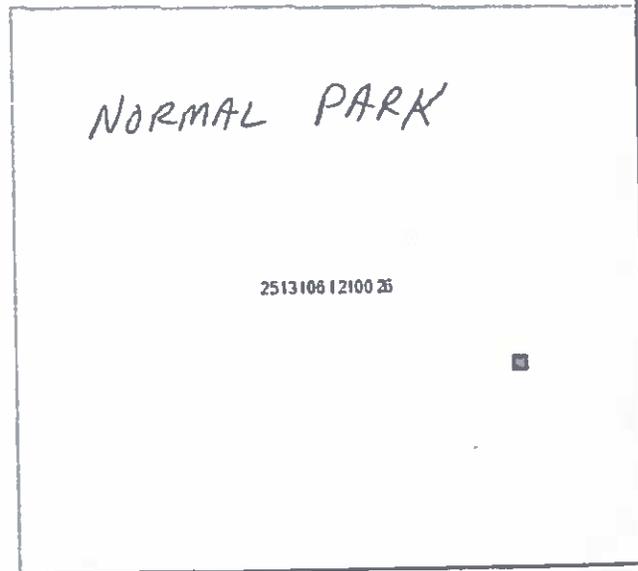
E 8TH ST



E 7TH ST



SPRUCE ST



City of Merrill GIS

1008 E 7TH ST



SCALE: 1" = 69'



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Print Date: 2/18/2015

LINCOLN COUNTY Tax Statement Date Printed: 2/17/15
 Parcel Key : 251-3106-113-0121 34.0062 .001.989.00.00 Description : MERRILL HFG CO ADD'N
 Owner . . . : HARRY R KLEINHANS : CM AT A PT 151' N 47DG 15'W
 : DOLORES L KLEINHANS : FROM THE EXTREME SOUTHERN
 : et al : POINT OF LOT 73 MERRILL
 Address . . : 416 GRAND AV MERRILL : HFG CO ADDN TO PROSPECT
 : : PARK-N 47DG 15'W 24'10 INCH

Tax Year 2014 Sch Dist: MERRILL Vol/Page: D0412668

Values	Land	Use Asmt	Improvement	Wood	Total Assmnt	WMV	EMV
	4,500				4,500		3,900

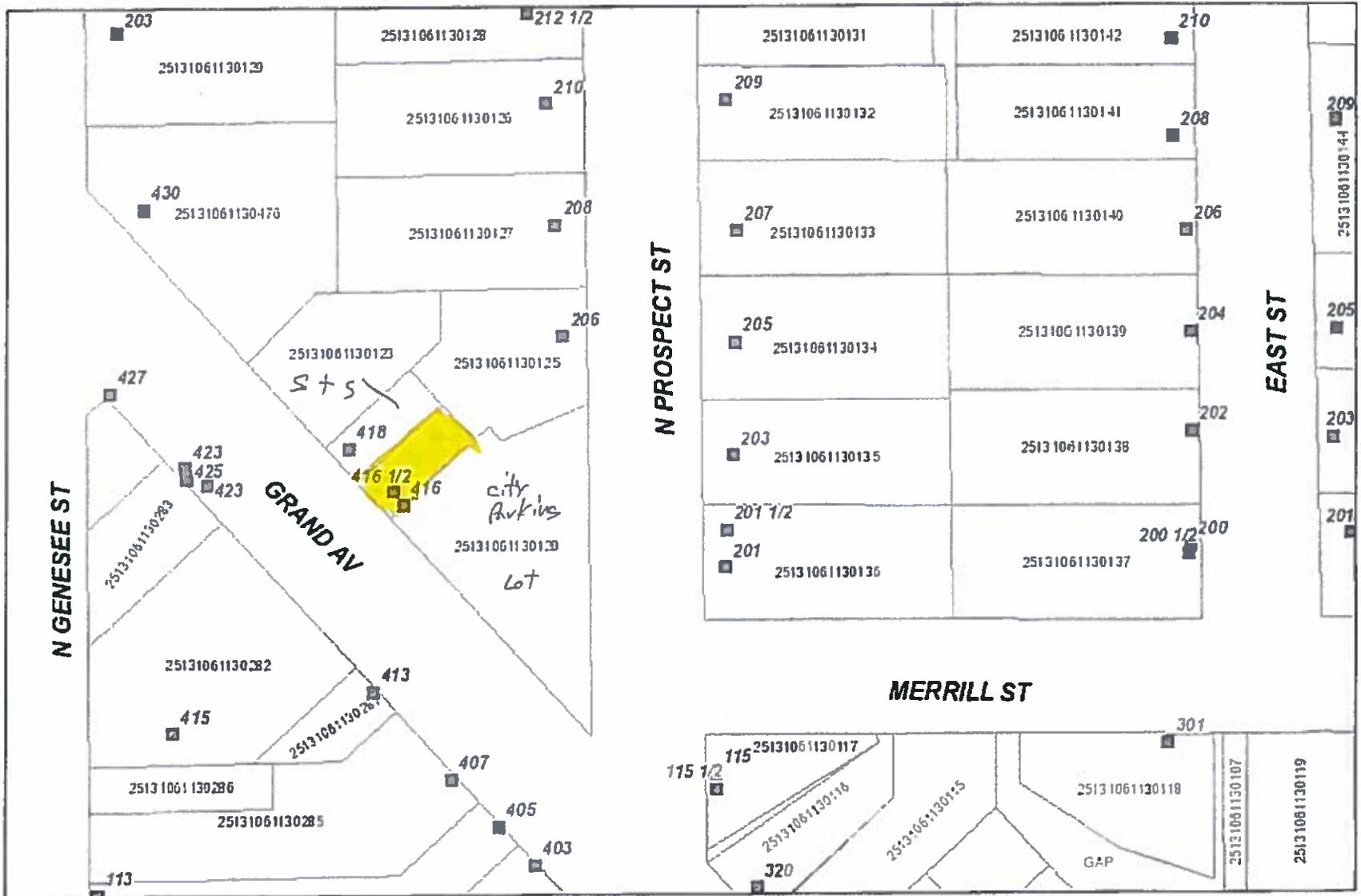
Assessed Acres:

Tax Year	General Tax Due	Special Tax Due	Tax Paid	Lottery Claimed	Tax Unpaid	Interest/ Penalty	Other Charges	Total Unpaid
2014	123.63	.00	.00	.00	123.63	1.24	.00	124.87
2013	126.19	1,388.57	.00	.00	1,514.76	196.92	.00	1,711.68
2012	912.51	34,648.56	.00	.00	35,561.07	8,890.27	.00	44,451.34
2011	910.25	222.17	1,132.42	.00	.00	.00	.00	.00
2010	917.65	171.60	1,089.25	.00	.00	.00	.00	.00

Payoff Figure For February 2015 : 46,287.89

Signed : _____

* TID No. 8 demo of \$33,315



City of Merrill GIS
416 Grand Ave



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SCALE: 1" = 74'

Print Date: 2/18/2015



Strategic Plan Framework

Because these strategic issues are so intertwined, a few strategies and action steps are repeated throughout the framework. Taking steps to fulfill a particular strategy may help further another.

Strategic Issue #1: How can Merrill city government help grow the city's tax base?

The planning group identified the following principles upon which strategies for this issue were developed.

- € Make it easier for people to start or expand a business within the city. Too often, city government regulations are obstacles to business development. City officials/employees need to do a better job of helping potential and current business owners find options that will still allow them to comply with regulations while helping them establish or expand their enterprises. We need to say "yes" much more often than "no." We need to become more business friendly.
- € Find ways to promote job creation and diversity. For this and the principle above, the planning group decided that it will be important to maintain city funding for Lincoln County Economic Development Corporation.
- * € Redevelop dilapidated housing sections especially in downtown areas and develop new housing where it makes the most sense. Nearly 65% of the city's total equalized value is derived from residential property (2012 Wisconsin Department of Revenue). Great strides are currently being made to improve the overall quality of the city housing stock, but much more must be done to ensure that homes for sale are quickly sold and houses throughout every ward are well maintained. Planning group members agreed that it is now time to once again approach the county to request that it tighten up its foreclosure process (stick to three rather than five year + timeline).
- € Economic development. When we tear down the old, make certain that we replace it with something better (not possible normally with residential development). Becoming even more aggressive on eliminating blight will be key to good economic development. Prioritizing projects based on their potential for a solid return on investment will also be vital.



REDEVELOPMENT RESOURCES

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February 23, 2015

Kathy Unertl, Finance Director / RDA Secretary
City of Merrill
1004 E. 1st Street
Merrill, WI 54452

Kathy,

Thank you for inviting us to provide you with a scope of services as related to an assessment of the housing stock and future needs for the City of Merrill. With Redevelopment Resources' familiarity with the market area, alignment with housing development partners and experience with economic and community development, we are well-positioned to add value in the effort that is aligning the City's housing stock with the demands of today's market and area workforce.

The recent Wausau Daily Herald article highlights Merrill as the 4th most affordable City in the State of Wisconsin. When taken alongside median income data and housing unit age data, this distinction appears to not be an endorsement of Merrill's current housing stock. Census data indicates that roughly 34% of housing units in the City were constructed in 1939 or earlier; 30% constructed 1940-69; 29% constructed 1970-99. Only 0.07% of City housing stock has been constructed since 2000.

Cities across the Nation and State are facing similar challenges; those willing to act in an aggressive manner will be able to distinguish their efforts above others in a bid to attract investment and residents. The residents of the City of Merrill are fortunate to be served by staff and officials that are willing to take risks and make strategic investments when it comes to community and economic development. In addition to implementing the TIF and Comprehensive plans that have been created, the City has embraced opportunities when they arise, with an eye toward long-term prosperity for the area.

Therefore, deliverables on this project are three-fold: 1) provide a comprehensive assessment of the existing housing stock; 2) support new housing investment by providing a proactive market assessment for use in courting development; 3) work "hand-in-glove" with ongoing Comprehensive Planning efforts and Community Development efforts to both reposition existing stock, as well as work to shape the future of quality new development for the City of Merrill.

In the scope of work that follows, you will see how in partnership with The Windward Group, and in concert with the Comprehensive Planning effort that has commenced with the NCWRPC, Redevelopment Resources intends to develop a Housing Assessment and Market Study that serves the purposes of:

1. Providing a demographical context for supply and demand on rental and direct ownership units
2. Assessing the status of the community's overall housing inventory and identifying housing needs



REDEVELOPMENT REBOURCES

February 23, 2015

3. Developing a right-sized, market-ready implementation strategy for positively impacting the market
4. Creating a strategic framework for housing policy, land use and development that will serve the City into the future.

Please let us know if you would like any additional, specific information about our proposed scope of work, as presented in the following pages.

Kind regards,

Kristen Fish, CEcD, Managing Partner



Scope of Work:

PHASE I	Estimated Hours
I. Primary and Secondary Research	180
a. Establish demographic context	
b. Conduct housing market analysis - to include direct survey work - that identifies:	
1. Existing unit inventories	
2. Needs assessment / gaps analysis	
3. Housing preference profiles	
II. Recommendations on Housing Strategies	120
a. Develop a inclusive approach that is aligned with the Comprehensive Plan, as well as the existing market that addresses the following:	
1. Blight elimination	
2. Housing supply gaps	
3. New housing development opportunities	
While also providing:	
1. Prioritization of projects and rationale	
2. Identification of possible funding streams	
b. Develop a strategic framework for long-term investment in land uses that maximizes land values for residential (as well as commercial and industrial) uses	

Phase I includes approximately 300 hours of work. At Redevelopment Resources' hourly rate of \$90/hour, this phase of the proposal represents an investment not to exceed \$27,000. Mileage is charged at the current IRS rate.

PHASE II

- III. Implementation
 - a. Partner with lending intuitions on vacancy and blight issues
 - b. Work with developers to address housing needs and gaps
 - c. Work to actively reposition properties as needed in the City to comply with:
 - 3. Strategic, consistent land use
 - 4. Maximizing land values
 - 5. Maximizing and leveraging area assets in development policy

The implementation phase of the proposal is designed to be carried out on a contractual basis for a number of hours per month for the services listed above and others not identified herein. Monthly fee is based on an hourly rate of \$90/hour. Mileage is billed at the current IRS rate.



Team Background



**Mike Morrissey, Partner
Redevelopment Resources**

Mike Morrissey has a long successful history in municipal government, responsible for all planning, administration, financing and execution of housing, redevelopment, economic and community development functions. Morrissey is adept at creating partnerships for difficult projects and significantly improving the landscape and property tax base while eliminating blight and energizing a community's city center.



**Mary Rajek, Associate
Redevelopment Resources**

Mary Rajek is an Economic Development professional with Redevelopment Resources focused on client project management, research and implementation. She has experience providing business consulting services, including startup, growth, and 'business triage' assistance. She has been working in economic development since 2008, and her experience includes providing economic development services and support at Community, County, and Regional levels.

Ms. Rajek serves on the Board of the Wisconsin Economic Development Association (WEDA), and serves on the WEDA Legislative Committee. She holds a B.S. in Communications for UW-Superior (2005), as well as B.S. degrees in both Business Administration and Business Economics Comprehensive from UW-Platteville (2009). She is currently working towards her Economic Development Finance Professional certification through the National Development Council (NDC) as well as the Certified Economic Developer designation through the International Economic Development Council (IEDC).



**Scott Meitus, Strategic Partner - Redevelopment Resources
(Managing Partner - The Windward Group)**

Scott is an experienced and successful real estate market & financial analyst, investor, asset manager, and general contractor. He has a proven and demonstrated ability to maximize profits to clients, equity investors, and principals. With nearly 25 years of experience in the real estate / construction industry, he brings a deep analytical skill set to development projects.

Current projects for The Windward Group are centered on providing sound market/feasibility analysis and financial/performance forecasting for residential real estate builder/developers and investors.