CITY OF MERRILL
Redevelopment Authority (RDA)

Tuesday, August 2nd, 2016 at 8:00 a.m.
Location – City Hall Common Council Chambers
1004 East 1st Street

AGENDA

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

1. Call to order
2. Public Comment
3. Consider approval of meeting minutes from July 5th, 2016
4. Update on meeting compensation for Redevelopment Authority Commissioners
5. Consider Change Order No. 1 – Additional investigation and groundwater monitoring services – former Modern Cleaners (806 N. Center Ave. – TID No. 7)
6. Consider request for potential TIF assistance to rehab 2410 State Rd 107 (former Rockies Bar) which would require creation of new Tax Increment District
7. Status update on 2016 capital projects and developments
8. Next RDA meeting(s)
9. 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. Potential property acquisition to facilitate redevelopment opportunity in Tax Increment District No. 8 (West Side Area)
10. Adjournment

Agenda prepared by RDA Secretary Kathy Unertl
Reviewed by RDA President Bill Bialecki

Note: A potential quorum of the Common Council could attend the meeting for information. There will be no Common Council action taken.

The Merrill City Hall is accessible to the physically disadvantaged. If special accommodations are needed, please contact the Merrill City Hall at 536-5594.

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

City of Merrill
Redevelopment Authority (RDA)

3

Tuesday, July 5th, 2016 at 8:00 A.M.
City Hall Common Council Chambers

RDA Present: Bill Bialecki, Ryan Schwartzman, Amanda Kostman, and Jill Laufenberg

RDA Absent: Karen Karow, Wally Smith, and Tony Kusserow

Others: Alderperson Mary Ball, City Administrator Dave Johnson, Finance Director Kathy Unertl, City Attorney Tom Hayden, City Building Inspector Darin Pagel, Mary Rajek and Mike Morrissey from Redevelopment Resources, Ken Maule from Lincoln County Economic Development Corp. (LCEDC), and Dave Sukow

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

Public Comment: None.

Consider approval of meeting minutes:

Motion (Schwartzman/Laufenberg) to approve the RDA meeting minutes from June 7th, 2016. Carried.

Consider recommendation for purchase of 401 W. Main St. and adjacent parking lots from RD Properties of Wisconsin LLC (TID No. 8 – West Side):

Laufenberg asked why proposed City purchase of the property compared to proposed TIF loan program? Unertl advised that Dan Colehouse proceeded with the purchase since City staff did not want potentially competing purchase interest coming from Merrill Area Housing Authority and/or the City of Merrill. There had been some confusion over the past couple months of potential Merrill Area Housing Authority interest.

Bialecki emphasized that the objective is to get rid of the vacant building. Johnson reported that the former Lincoln Community Bank bubble-wrapped building has a leaking roof (with over $100,000 estimated replacement cost); does not comply with ADA; there is asbestos; and any historical façade features were destroyed with the white bubble-wrap installation.

The existing building will be demolished prior to City acquisition. There is an individual potentially interested in establishing an antique-related business in the vacant 407 W. Main St. building; however, that individual will not proceed until the 401 W. Main St. building is demolished. City staff anticipates that the Merrill Area Housing Authority might have an interest in leasing the vacant site for parking during the Park Place redevelopment projects. The West Side Renewal Plan identifies the site for in-fill new development.

Motion (Schwartzman/Kostman) to recommend purchase of 401 W. Main St. and adjacent parking lots from RD Properties of Wisconsin LLC for up to $140,000 (TID No. 8 – West Side). Carried. Unertl reported that there would be transfer from TID No. 3 tax increment to TID No. 8 to cover this property purchase.

Update on potential purchase of part of Whispering Pines Community (TID No. 3 – East Side):

Bialecki reported that there are a couple potential manufacturing projects pending that might impact on future City borrowing. Unertl advised that overall City borrowing and TIF budgets will be reviewed over the next month. It is possible that the proposed three-parcel purchase could occur over a two or three-year timeframe depending upon TID No. 3 cash flow analysis.

Consider implementation of TIF loan program for vacant "blighted" commercial or manufacturing buildings to facilitate environmental review and demolition:

Unertl noted that only change in the draft is to clarify that the proposed TIF loan would be amortized over fifteen (15) year period instead of five (5) year period. On a potential $50,000 amount, this would reduce potential monthly repayments in years three through five from almost $900 per month to $350 per month. Morrissey added that there would be a balloon payment due at the end of the five year loan period.

All potential TIF loans would be considered by the Redevelopment Authority (RDA) and Common Council with a formal development agreement and mortgage on the property.

Motion (Laufenberg/Kostman) to recommend implementation of TIF loan program for environmental review and demolition of vacant commercial or manufacturing buildings. Motion carried.

Next RDA meeting: Next meeting is scheduled for Tuesday, August 2nd at 8:00 a.m.

Adjournment: Motion (Schwartzman/Kostman to adjourn at 8:25 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

4

CITY OF MERRILL

1004 EAST FIRST STREET
MERRILL, WI 54452-2586

AN ORDINANCE: By Personnel and Finance Committee Re: Amending Chapter 2, Article VI, Section 2-157 Compensation	ORDINANCE NO. 2016-08 Introduced: July 12, 2016 1st Reading: July 12, 2016 2nd Reading: July 12, 2016 3rd Reading: July 12, 2016 Committee/Commission Action: **RECOMMENDED FOR PASSAGE**

AN ORDINANCE

The Common Council of the City of Merrill, Wisconsin, does ordain as follows:

Section 1. Chapter 2, Article VI, Section 2-157 of the Code of Ordinances for the City of Merrill is amended as follows:

b) The citizen members on ~~the plan commission, parks and recreation commission, airport commission, police and fire commission, CATV committee, zoning board of appeals, community development committee, and transit commission~~

any Commission, Committee or Board and/or any subcommittee or advisory committee selected by the Mayor or created by the Common Council shall receive $15.00 per meeting for their attendance at any regular meeting, special meeting or authorized hearing. This excludes the Housing Authority and Library Board.

~~All citizen members of the ADA compliance committee, citizen's participation committee (a subcommittee of the community development committee), committee on aging, historic preservation committee, Merrill on the Move Committee, economic development committee, parking commission, and any other subcommittee selected by the mayor, or created by the common council, for advisory purposes shall receive the sum of $7.50 per meeting for their attendance at any regular meetings, special meetings or authorized hearings~~

Section 2. **Severability.** In the event any section, subsection, clause, phrase or portion of this ordinance is for any reason held illegal, invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remainder of this ordinance. It is the legislative intent of the Common Council that this ordinance would have been adopted if such illegal provision had not been included or any illegal application had not been made.

7/25/2016 – It has taken a long time to get to the point of proposed Change Order #1

5

Consider proposal from AECOM for additional environmental investigation and groundwater monitoring – 806 N. Center Ave. former dry cleaner (Tax Increment District No. 7):

Unertl highlighted the two previous attempts to obtain site closure from Wisconsin Department of Natural Resources. In August 2011, new vapor intrusion investigation was required and has been satisfactorily completed. In August 2012, DNR advised that the extent of the down-gradient PCE contamination remained undefined.

The AECOM proposal includes additional groundwater monitoring wells, sampling/analysis, and another site closure request. Target is completion in spring/summer 2015. Project costs estimated at $40,395.

Although the City/RDA is eligible for reimbursement from the Dry Cleaners Remediation Fund (DERF), it might take a while before the State of Wisconsin has adequate funding to provide reimbursement.

Motion (Schwartzman/Karow) to authorize the AECOM proposal. Carried.

AECOM
200 Indiana Avenue
Stevens Point, Wisconsin 54481
www.aecom.com

715 341 8110 tel
715 341 7390 fax

CHANGE ORDER #1

AUTHORIZATION TO PROCEED

Additional Investigation and Groundwater Monitoring Services
Former Modern Cleaners
806 North Center Avenue, Merrill, Wisconsin
AECOM Project No. 60331589

A. Purpose of Task Order

AECOM Technical Services, Inc. (AECOM) will provide consulting and subcontract services associated with groundwater monitoring and closure request activities at the City of Merrill's Former Modern Cleaners site. As indicated in May 9, 2014, October 29, 2015, and June 6, 2016 emails to the City, several out-of-scope tasks not included in AECOM's March 20, 2014 proposal have been completed to move the project towards closure. A change order is necessary to recover costs associated with the out-of-scope tasks and to complete the remaining tasks after obtaining conditional site closure.

The terms of the project proposal dated March 20, 2014 including the commercial terms and general conditions, and this Authorization to Proceed dated July 15, 2016 will be applied to this additional work. The out-of-scope and additional tasks to complete the project are listed below.

B. Scope of Work

The items listed below include out-of-scope tasks completed to date and additional tasks to be completed following approval of conditional closure from the Wisconsin Department of Natural Resources (WDNR).

Out-of-scope tasks completed to date:

- Preparation of the request for variance to bidding requirements for Dry Cleaner Environmental Response Program (DERF) dated May 9, 2014;
- Preparation of DERF bid sheets and linking spreadsheet to request approval of work scope and costs;
- Preparation of new WDNR Case Closure – GIS Registry (Form 4400-202) form revised in March 2015 and required to be used for closure requests submitted after June 2015;
- Preparation of new WDNR Notification of Continuing Obligations and Residual Contamination (Form 4400-286) form for off-site property notification letters for closure requests submitted after June 2015; and
- Completion of First Order Rate-of-Decay calculations per the April 18, 2016 WDNR email request.

Tasks to be completed following approval of conditional closure from WDNR:

- Monitoring well abandonment including subcontractor and material costs;
- Submittal of well abandonment forms to WDNR; and.
- Preparing DERF reimbursement claim.

C. **Schedule**

AECOM will commence the additional activities upon written authorization to proceed.

D. **Compensation**

Estimated Breakdown of Project Fees Remaining	
Services:	Estimated Fees:
Project Management/Coordination	$820
Field Work/Expenses	$1,705
Well Abandonment Subcontractor	$3,360
Abandonment Form Submittal	$440
DERF Claim Preparation	$1,525
Total Estimated Fees:	$7,850

The cost to complete the remaining activities is estimated to be approximately $7,850. As of July 8, 2016 the remaining project budget is approximately $1,075. As such, this change order requests authorization of the **$6,775** shortfall.

By signing below and returning to Dean W. Fenske at AECOM's Stevens Point, Wisconsin office, this letter will serve as written authorization to proceed.

The above is understood and authorization to proceed is given as noted by the undersigned:

Change Order Date: July 15, 2016

Approved by:
City of Merrill

_____
Authorized Individual

_____
Title

_____
Date

Accepted by:
AECOM

Kevin L. Brehm

Kevin Brehm, P.E.
Authorized Individual

Associate Vice President, Wisconsin Environment Lead, Central Midwest
Title

7/15/16
Date

6

City of Merrill

Redevelopment Authority (RD)

Kathy Unertl, RDA Secretary
1004 East 1st Street • Merrill, Wisconsin • 54452
Phone: 715.536.5594 • Fax: 715.539.2668
e-mail: Kathy.Unertl@ci.merrill.wi.us

Date: July 25th, 2016

To: RDA Commissioners

From: Kathy Unertl, Finance Director/RDA Secretary Kathy Unertl

RE: Request from Mike Fick for potential TIF assistance - 2410 State Rd 107 (former Rockies Bar)

There has been a verbal request, through Ken Maule from Lincoln County Economic Development Corp., for potential TIF assistance to rehab the former Rockies Bar property.

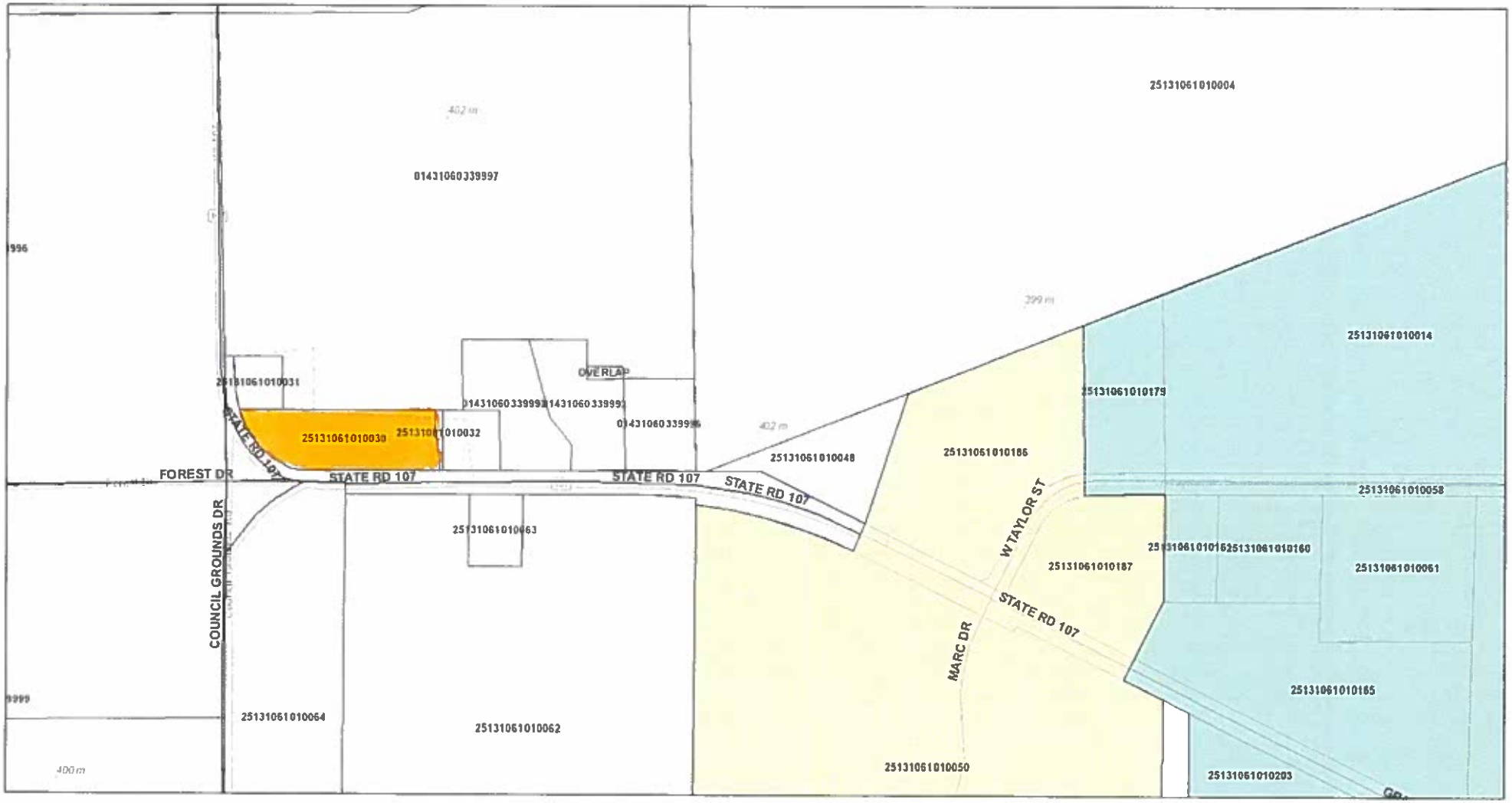
- This property is currently <u>not</u> in a Tax Increment District.
- It is <u>not</u> physically possible to extend TID No. 5 west to include this property due to the following:
  - Three properties on the north side of State Rd 107 are in Town of Merrill – so continuous linkage of property within the City of Merrill is impossible.
  - The MARC softball parcel on the south side of State Rd 107 is over 28 acres – so impossible to meet State Mixed-Use TID maximum acreage criteria.
- The existing structures on the 2410 State Rd 107 property would fit State TID criteria as potential "blighted area" TID. However, a potential new Tax Increment District would be required.

Is there any interest in creation of a potential new TID? The 2015 assessments were:
Land $33,900 Improvements $136,100 Total $170,000

If just rehabilitation of existing building, it would be fiscally challenging to generate much (if any) tax increment – even over the next 27-years of potential new TID lifespan.

If a potential new building were to be considered for the site, then more positive TIF fiscal projections would be result.

Tax Increment Districts



July 25, 2016

- Border
- Boundary
- CityRoads
- CityParcels

1:4,514

0 0.05 0.1 0.2 mi

0 0.075 0.15 0.3 km

Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

City of Merrill
City of Merrill

Tax Increment Districts

July 25, 2016

- Border
- AddressPoints
- CityRoads
- CityParcels

1:2,257

0 0.0275 0.055 0.11 mi

0 0.0425 0.085 0.17 km

Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

City of Merrill
City of Merrill

Lincoln County Land Record

Report Generated:
7/25/2016 at 9:21:56 AM

Request: 25131061010030

PIN: 251-3106-101-0030

Parcel: 34-0008-000-377-01-00

Municipality: City of MERRILL

For reference purposes only.

No warranties are expressed or implied for the data provided.

View Type: Internal

Account: User

(1) General Parcel Information:

PIN	251-3106-101-0030
Parcel Number	34-0008-000-377-01-00
Parcel Status	Active
Sale Type	NORMAL
Sale Date	07/18/2016
Sale Amount	$35,000.00 *
Transfer Tax	$105.00
Deed Type	Warranty Deed
Deed Reference	D0519650
Mailing Address	FICK BRICKS LLC W7148 VONBESSER DR MERRILL , WI 54452

(2) Parcel Owners Names:

Owner # 1	FICK BRICKS LLC

(3) Parcel Addresses:

Address # 1	2410 STATE RD 107 MERRILL, WI 54452

(4) Parcel Descriptions:

Year	Acre	Description
2015	2.7	SEC 03-31-06 BEG SW CR SW 1/4 SW 1/4 - N 200'- E 653' & 4.8'- S 200' - W 653'& 4.8" TO POB EX E 50' THRF DES IN V398 P809 EX F405 P602 (FKA-CLUB 107) *377A
1994	2.7	SEC 03-31-06 BEG SW CR SW 1/4 SW 1/4 TH N 200' TH E 653' & 4.8" TH S 200' TH W 653' & 4.8" TO POB EX E 50' THROF DES IN V398 P809 OF LCD CLUB 107 EX V405 P602 *377A

(5) Parcel Assessment:

Year	Use	Acre	Land Value	Improvement Value	Total Value
2000	COMMERCIAL	0.00	$33,900.00	$136,100.00	
	Totals for 2000	0.00	$33,900.00	$136,100.00	$170,000.00
1996	COMMERCIAL	0.00	$21,300.00	$83,700.00	
	Totals for 1996	0.00	$21,300.00	$83,700.00	$105,000.00
1995	COMMERCIAL	0.00	$21,300.00	$50,600.00	
	Totals for 1995	0.00	$21,300.00	$50,600.00	$71,900.00
1994	COMMERCIAL	0.00	$13,500.00	$37,500.00	

Totals for 1994	0.00	$13,500.00	$37,500.00		$51,000.00

(7) Recent Taxes:

View Payoff Statement (for current month of all unpaid taxes, interest, and penalty)

Year	Description	Due	Paid	Unpaid	Description	Value
2015					Fair Mkt. Value	151,400.00
	General Net	4,538.87			Wood Fair Mkt. Value	0.00
	Lottery Credit	0.00				
	General Tax	4,538.87	4,538.87	0.00	Land	33,900.00
	Special	0.00	0.00	0.00	Use Assessment	0.00
	Wood	0.00	0.00	0.00	Improvement	136,100.00
	Other	0.00	0.00	0.00	Wood	0.00
	Totals:	$4,538.87	$4,538.87	$0.00	Total Assessed Value	$170,000.00
Year	Description	Due	Paid	Unpaid	Description	Value
2014					Fair Mkt. Value	148,400.00
	General Net	4,603.59			Wood Fair Mkt. Value	0.00
	Lottery Credit	0.00				
	General Tax	4,603.59	4,603.59	0.00	Land	33,900.00
	Special	0.00	0.00	0.00	Use Assessment	0.00
	Wood	0.00	0.00	0.00	Improvement	136,100.00
	Other	0.00	0.00	0.00	Wood	0.00
	Totals:	$4,603.59	$4,603.59	$0.00	Total Assessed Value	$170,000.00
Year	Description	Due	Paid	Unpaid	Description	Value
2013					Fair Mkt. Value	161,500.00
	General Net	4,705.91			Wood Fair Mkt. Value	0.00
	Lottery Credit	0.00				
	General Tax	4,705.91	4,705.91	0.00	Land	33,900.00
	Special	0.00	0.00	0.00	Use Assessment	0.00
	Wood	0.00	0.00	0.00	Improvement	136,100.00
	Other	0.00	0.00	0.00	Wood	0.00
	Totals:	$4,705.91	$4,705.91	$0.00	Total Assessed Value	$170,000.00
Year	Description	Due	Paid	Unpaid	Description	Value
2012					Fair Mkt. Value	172,300.00
	General Net	4,724.72			Wood Fair Mkt. Value	0.00
	Lottery Credit	0.00				
	General Tax	4,724.72	4,724.72	0.00	Land	33,900.00
	Special	0.00	0.00	0.00	Use Assessment	0.00
	Wood	0.00	0.00	0.00	Improvement	136,100.00
	Other	36.82	36.82	0.00	Wood	0.00
	Totals:	$4,761.54	$4,761.54	$0.00	Total Assessed Value	$170,000.00
Year	Description	Due	Paid	Unpaid	Description	Value
2011					Fair Mkt. Value	170,700.00
	General Net	4,728.98			Wood Fair Mkt. Value	0.00
	Lottery Credit	0.00				
	General Tax	4,728.98	4,728.98	0.00	Land	33,900.00
	Special	0.00	0.00	0.00	Use Assessment	0.00
	Wood	0.00	0.00	0.00	Improvement	136,100.00
	Other	0.00	0.00	0.00	Wood	0.00
	Totals:	$4,728.98	$4,728.98	$0.00	Total Assessed Value	$170,000.00

(9) Parcel Cross References:

No Data has been entered for this PIN.

Log Out | Main Menu | LRS Menu | Go back

City of Merrill - Tax Increment Districts (TIDs)

7

Capital projects and developments - Status

TID No. 3 East Side

Howard Construction finalizing sanitary sewer extension - about $150,000 to NorTrax (John Deere) - Projected $3.5 million valuation for NorTrax

City staff continue discussions with Wal-Mart related to stormwater drainage issues from their development onto S. Pine Ridge Ave. - hopefully construction improvements will be made Fall 2016 (Part of development incentive pending)

Festival Grounds - in additional to grandstand reimbursement, about $125,000 for water main replacement, clay for arena, and electrical improvements

TID No. 4 Thielman St./Pine Ridge Plaza

No 2016 TIF projects planned
TID cash flow for 2017 will exceed 2015 level (Board of Review 11/3/2016)

TID No. 5 State Highway 107/Taylor St.

TID No. 11 overlay over part of this TID area
Deferring potential streetlight improvements so that broader area can be covered

TID No. 6 Downtown Area

Kindhearted Home Care new building under construction (120 S. Mill St.)
Potential new development proposal for 900 E. 1st St. - pending

"Pocket Park" - now that naming rights have been resolved (I.e. Bankers Park)
- Common Council will be considering purchase of Merrill Federal Savings & Loan lot for $3,000. City already purchased the Lincoln Community Bank lot for $10,000. Improvements planned for Fall 2016 or Spring 2017.

Following Lincoln County delinquent tax foreclosure, City sold 600 E. 1st St. for $10,001 with new property owner making major improvements

Still waiting for Lincoln County delinquent tax foreclosure process on several other lots on E. 2nd St. and Hendricks St. (Residential demos in 2015)

TID No. 7 N. Center Ave. Area

Hendricks St. (from E. 6th St. to E. 8th St.) improvements underway
E. 8th St. (from Pier St. to Hendricks St.) improvements underway

Another request for closure consideration for former dry cleaners (806 N. Center Ave.) submitted to Wisconsin DNR in February 2016

TID No. 8 West Side Area

Eugene St. (former gravel section) - curb, gutter, and paving completed

Nelson Power House - some site condition challenges have been encountered

Still waiting for Lincoln County to foreclose on vacant lot between S&S Bar and City parking lot (Delinquent back to 2012 taxes)

Former Hurd Windows dip tank - ownership still not transferred to City of Merrill and Wisconsin Ready for Reuse Grant still pending

Potential purchase of 401 W. Main St. site approved at 7/12/2016 Council - ownership transfer anticipated late Fall 2016 (after existing building demo)

TID No. 9 Wisconsin Riverfront & S. Center Ave.

C&D Excavation completed Page Milk demo - $231,000 - still trying to resolve Federal IRS liens (related to former business/property owner)

River Bend Foundation paying for REVI Design for Rotary Park landscaping

Public Works Director/City Engineer preparing specification for S. Park St. and extension of River Bend Trail to east to Kyes Street - pushed back to Spring 2017 bidding process [Bigger S. Park St. project from E. 2nd St. to Wisconsin River instead of just from railroad tracks to Wisconsin River]

TID No. 10 Highway G/Sales St.

City purchased former Fox Point property
Demo pending (funding via real estate escrow)

Request for Proposals (RFPs) for new development
- deadline 2 p.m. on Tuesday, August 16th
- tentative agenda item for September RDA meeting

TID No. 11 Highway 107 & Industrial Park

City purchased property from Lokemoen Construction
Former garage building demolished

City finalizing swap land swap (80' strip) with adjacent property owner
- via Certified Survey Map (CSM) recording

Development agreement has been finalized - just need finalized CSM to complete Phase 1 property transfer
Premier anticipates start of apartment construction in early fall 2016

Public Works Director/City Engineer preparing specification and bidding process for new City street

Potential for future manufacturing project (Pending more information)