

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, August 4, 2021 at 8:00 a.m.
City Hall Common Council Chambers

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

RDA Excused: Sheila Polak

Others: Alderpersons Mark Weix and Rick Blake, City Clerk Bill Heideman, Finance Director Kathy Unertl, City Administrator Dave Johnson, Public Works Director/City Engineer Rod Akey, City Building Inspector/Zoning Administrator Darin Pagel, Bill Bialecki from Lincoln County Economic Corp. (LCEC), and Merrill Productions video operator

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

Consider approval of RDA meeting minutes from June 29th:

Nelson advised that the meeting minutes from June 29th were approved by consensus.

Public Comment: None

Review of 1/1/2021 Equalized Valuations – Tax Increment Districts (TIDs);

Updated 1/1/2021 Wisconsin Department of Revenue equalized valuation information was distributed. City TIDs now total \$60,700,700 which is 12.47% of the City equalized valuation.

No new TIDs can be created while the City's is over the State maximum of 12.0%. It is possible to remove parcel(s) from existing TIDs which Unertl advised she will be reviewing with Ehlers & Associates.

Update on new home development on E. 10th St. – former HAVEN lots:

The former tax exempt parcels have been purchased by a local builder. Pagel advised that the parcel east of N. Poplar St. is being split back into three separate lots via Certified Survey Map (CSM). The northern half of the E. 10th St. right-of-way of about 5.36 acres has been donated to the City of Merrill by Prairie River Properties, LLC (Renea and Todd Frederick).

Update on new home development on E. 10th St. (Continued):

The developer is planning on starting construction of two homes in September 2021 with planned occupancy by end of June 2022. The City's new housing incentive of up to \$10,000 per new house would be paid after an Occupancy Permit issued and City Assessor provides preliminary assessed valuation.

Construction of E. 10th St. will also allow for residential development on the north side of the new street through CSM process. Prairie River Properties owns the pines parcel.

Consider 2021 TID No. 7 budget amendment for utility and street infrastructure extension of E. 10th St. (between N. Mill St. and N. Spruce St.)

Public Works Director/City Engineer Rod Akey and Finance Director Unertl provided cost estimate of \$175,000 for utility and street infrastructure for the E. 10th St. extension.

Due to timing and contractor availability, only utility infrastructure and gravel base will be installed before winter. The 2022 TID No. 7 budget request will include curb, gutter, paving, and streetlighting costs.

Motion (Mindak/Kusserow) to recommend a 2021 TID No. 7 budget request of \$175,000 for E. 10th St. infrastructure extension between N. Mill St. and N. Spruce St. Carried.

There will be an additional 2022 TID No. 7 budget request for curb, gutter, and paving of E. 10th St., as well as streetlighting.

Review and discuss historic Tax Incremental District (TID) revenues, expenses, current fiscal status, and future fiscal projections:

Unertl highlighted the past tax increment transfers from TID No. 3 and No. 4 which totaled over \$1.1 million. Based on Brian Reilly's TID fiscal analysis, Unertl also provided a preliminary future plan (from 2021 through 2027). Unertl emphasized that the major developments in TID No. 10 (S.C. Swiderski FoxPoint) and future TID No. 8 Webster St. residential developments will dramatically change TID cash flows.

There are now historical fiscal overviews for TID No. 3 through TID No. 10. Unertl reported that she provided a summary which highlights major investments and background on each TID; pie charts showing total Revenues and Expenses by TID; and annual Revenues and Expenses. For TID No. 11, there is assessed valuation increase of over \$4.5 million through the residential developments. The former mobile home frontage in TID No. 3 has increased \$3 million in assessed valuation through the redevelopments.

Anderson-Malm requested that this historical information be available for discuss at the next RDA meeting. Nelson suggested that Anderson-Malm contact Unertl and Johnson if there are questions to discuss the information.

Next RDA meeting: Wednesday, September 1st at 8 a.m.

Closed Session:

Nelson read the following: 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: Review of Request for Proposal Responses for residential developments on Webster St. (between Alexander St. and Eugene St.) and negotiation terms for development incentive(s) – TID No. 8
- b. Update on and discussion on potential negotiation for purchase of delinquent tax parcel on S. Center Ave. (TID No. 9)

Motion (Sabatke/Kusserow) to move into Closed Session at 8:27 a.m. Carried 6-0 on roll call vote.

Two RFP responses were received for TID No. 8 Webster Street residential developments – from S.C. Swiderski LLC and Nicolet Lumber Company, Inc.

RDA Commissioner consensus to continue development agreement discussions with S.C. Swiderski LLC representatives for proposed rental duplexes and single-family homes. Issues to resolve include future Plat layout, stormwater drainage, and phased timing.

There was discussion on delinquent tax parcel (i.e. four years) on S. Center Ave., as well as environment issues. City staff will continue monitoring conditions and research potential environmental grant options.

Adjournment: (Sabatke/Kusserow to adjourn at 9:07 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

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The Nicolet Lumber Company proposal was for single-family homes on larger lots. The S.C. Swiderski proposal was for duplexes closer to Eugene Street and single-family home sites along with Webster St. and potentially Heldt St.

Motion (Mindak/Sabatke) to continue development agreement discussions with S.C. Swiderski LLC representatives for proposed rental duplexes and single-family homes. Motion carried. Issues to resolve include future Plat layout, stormwater drainage, and phased timing.

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