

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, June 29, 2022 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Clyde Nelson, Steve Hass, Steve Sabatke, Mark Bares, Sheila Polak, Jim Koppelman, and Tony Kusserow

Others: Alderpersons Rick Blake, Mark Weix, and LaDonna Fermanich, Finance Director Kathy Unertl, City Clerk Lori Anderson-Malm, City Administrator Dave Johnson, City Attorney Tom Hayden, Public Works Director/City Engineer Rod Akey, City Building Inspector/Zoning Administrator Darin Pagel, Bill Bialecki from Lincoln County Economic Corp. (LCEDC), Hollie Stoerzer from Plant Garden Center, LLC and Interstate Bank representative, and video operator from Merrill Productions,

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

Closed Session: Chair 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: Negotiation terms of potential TID No. 9 (S. Center Ave.) development incentives

Motion (Hass/Sabatke) to move into Closed Session. Carried on Roll Call vote at 8:02 a.m.

Hollie Stoerzer from Plant Garden Center LLC highlighted her business plans and request for TID No. 9 development assistance. Development will include four greenhouses, retail building, and shed on the 2.4 vacant property. Spring 2023 business opening is planned. The State of Wisconsin building code covers this type of commercial development.

After Stoerzer and Interstate Bank representative were excused, there was extensive RDA Commissioner discussion regarding potential use and amounts of TID development incentives.

Unertl reported that as part of the property sale closing from Linda Blake to Hollie Stoerzer, TID No. 9 was repaid \$27,582 from the demolition loan for former Club Modern buildings.

Motion (Hass/Kusserow) to reconvene in open session at 8:49 a.m.

Motion (Hass/Polak) to recommend the development agreement resolution by and between the City of Merrill and Plant Garden Center LLC. for \$30,000 in two phases. Carried.

Election of RDA Chairperson:

Motion (Sabatke/Bares) to nominate Steve Hass. Motion (Kusserow/No Second) to nominate Clyde Nelson.

Mayor Hass elected RDA Chair. Hass facilitated the rest of the RDA meeting.

Consider approval of RDA meeting minutes from June 1st:

Motion (Sabatke/Koppelman) to approve the meeting minutes from June 1st. Carried.

Public Comments: None.

Review 2004 Legal Basis for Merrill Redevelopment Authority (RDA):

Due to turnover in RDA Commissioners, the Merrill Common Council Ordinance creating the RDA was included in the agenda packet for review. Unertl reported that the RDA has worked in partnership with the Common Council to facilitate developments throughout Merrill.

Since the Merrill Area Housing Authority (MAHA) was already operating an affordable housing program under Wisconsin Statutes, the City of Merrill formed a Redevelopment Authority (RDA) in October 2004. City of Tomahawk has a Community Development Authority (CDA) structure.

Updates on Lincoln County Housing Summit and Central to Success Workforce Summit:

Key regional issues include attracting and retaining workforce; availability of housing; and availability of childcare.

LCEDC Bialecki reported on joint housing planning with Lincoln County, City of Tomahawk, and City of Merrill. Group will be issuing a Request for Proposals (RFP) for tax credit developer to construct and operate proposed scattered site Affordable Housing. Proposed development site in Merrill is the Lincoln County-owned property at the corner of Memorial Dr. and E. 6th St.

Unertl highlighted the 2022 WHEDA tax credit awards. This is extremely competitive process and only 23 projects received funding (including one in City of Antigo).

Review Updated Status of Residential Developments:

Unertl provided new format to report status of all the single-family home developments, as well as multi-family developments. Occupancy permits were issued for two additional homes on Superior St. Public Works Director/City Engineer Akey advised that Prairie River Properties would likely not do a separate Certified Survey Map (CSM) for E. 10th St. and just wait till property plat is developed.

Bares asked about number of available building lots in City of Merrill? City Administrator Johnson reported that many vacant lots are owned by adjacent homeowner and others not available for sale.

Review Updated Status of Residential Developments (Continued):

S.C. Swiderski LLC is working to complete the second 20-unit apartment building. The first three completed buildings are fully occupied. The State of Wisconsin has just approved the building plans for Nicolet Lumber apartments and City of Merrill Building Permit was issued on June 28th. Footings have been installed for the three apartment buildings.

Review Funding Sources of Residential Developments:

Unertl highlighted information of the funding options that City of Merrill has used in recent years. TID cash development incentives and infrastructure improvements have been used to support multi-family developments in TID No. 11 (Rock Ridge Apartments), TID No. 10 (Fox Point Apartments), and TID No. 8 (Nicolet Lumber apartments at Webster/Eugene St. and S.C. Swiderski duplexes on Webster St.). There have been \$10,000 per new single-family home TID No. 11 development incentives and this program is available throughout City of Merrill.

City of Rhinelander Housing Needs Assessment report from October 2021 was included in the RDA agenda packet. That report noted some housing information on City of Tomahawk and City of Merrill. Bialecki reported on pre-COVID plans to have Merrill Housing Fund with potential contributions from community employers. That type of Housing Fund initiative might no longer be fiscally viable.

One major Affordable Housing funding opportunity is extension of Tax Increment District (TID) No. 3 for another year (i.e. to 2027). This would allow for about \$1 million for Affordable Housing initiatives throughout the City of Merrill. Other communities are using TID funding to obtain guarantees of specific number of affordable housing units within larger scale multi-family developments.

Unertl reported on Payment-in-Lieu of Taxes (PILOT) acceptance from Merrill Area Housing Authority (MAHA) related to Stonebridge Apartments. The joint Lincoln County, City of Tomahawk, and City of Merrill potential tax credit project will take time if successful in being awarded WHEDA tax credits.

Consider potential options to facilitate redevelopment of S. State St. property along Wisconsin River (State Street 13 LLC – TID No. 8):

The previous RDA interest in purchase of the property was for potential WHEDA tax credit development application (i.e. property has to be owned before tax credit application can be submitted). The Lincoln County-owned property at corner of Memorial Dr. and E. 6th St. is now being advanced for the December 2022 WHEDA tax credit application.

City Administrator Johnson advised, as MADC Board member, that he will be requesting potential Merrill Area Development Corp. (MADC) assistance in obtaining option to purchase the property on S. State St. In partnership with the City of Merrill, this would allow issuing of Request for Proposals (RFP) for multi-family redevelopment. Unertl emphasized likely need for additional multi-family residential development for occupancy in 2024 or 2025.

There was extensive RDA Commissioner discussion on need for broader planning effort. Commissioners would like more info on potential upcoming development requests. There is perception that City of Merrill is reactionary. Mayor Hass commented on need to be flexible to accommodate development proposals.

Consider potential options to facilitate redevelopment of S. State St. property along Wisconsin River (State Street 13 LLC – TID No. 8) - Continued:

Johnson briefly highlighted developer interest in the City-owned site in front of former Wal-Mart/Church Mutual Insurance. City purchased the about two acres for potential sit-down restaurant in conjunction with the rehabilitation of vacant Pine Ridge Plaza building for Tractor Supply Company.

Unertl also reported that with outside legal and appraisal assistance, City staff has requested release of the Federal IRS tax liens on the former Page Milk property. Once clear property title is achieved, there has been interest in potential manufacturing facility construction.

Next RDA Meeting: Wednesday, August 3rd at 8:00 a.m.

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

Minutes prepared by RDA Secretary Kathy Unertl