City of Merrill
Meeting of Redevelopment Authority (RDA)

Tuesday, June 29, 2021 at 6:00 p.m.
City Hall Common Council Chambers

RDA Present:	Clyde Nelson, Derek Woellner, Steve Sabatke, Sheila Polak, Lori Anderson-Malm, Tony Kusserow, and Val Mindak
Others:	Alderpersons Rick Blake and Mark Weix, Finance Director Kathy Unertl, 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. (LCEC), Brian Reilly from Ehlers & Associates, Ryan Ott from Ott Development & Construction, Julie LePasse, and Merrill Productions video operator

Call to Order: Nelson called the meeting to order at 6:00 p.m.

Consider approval of RDA meeting minutes from May 25th:

Motion (Polak/Kusserow) to approve the meeting minutes from May 25th. Carried.

Public Comment: None

Consider Residential Incentive Program Policy for privately-owned lots:

Following up from the May 5th RDA meeting, RDA Commissioners reviewed the draft TID Residential Incentive Program. The program would include Tax Increment Districts (TIDs) and properties within ½ mile of the TID boundaries.

Motion (Sabatke/Mindak) to recommend the TID New Residential Incentive Program for privately-owned lots. Carried.

Woellner also recommended including 2022 General Fund Budget request for any new residential developments outside of the TID boundaries or within ½ mile of the TID boundaries.

Motion (Woellner/Sabatke) to recommend New Residential Incentive Program in areas not eligible for TID funding. Mindak emphasized that development of new housing throughout the community was part of the City's Strategic Plan. Carried.

Consider authorization to submit Idle Sites Grant to the Wisconsin Economic Development Corp. (WEDC) for Weinbrenner Shoe Company (TID No. 8):

Johnson reported that Weinbrenner Shoe Company was requesting WEDC Idle Sites grant funding to assist with building improvements to facilitate their manufacturing expansion. The former Hurd property meets the Idle Sites grant criteria of idle or underutilized property. The City of Merrill needs to be the applicant; however, the City does not need to own the property.

Motion (Woellner/Polak) to recommend a resolution supporting an Idle Sites grant application on behalf of Weinbrenner Shoe Company. Carried.

Consider resolution authorizing development agreement by and between the City of Merrill, Wisconsin and Nicolet Lumber Company (TID No. 8);

Background information on the Phase 3 of Nicolet Lumber Company was included in the agenda packet. Site plan and building elevations were distributed. City Plan Commission is scheduled to consider rezoning from Agricultural to Rural Development and the Planned Unit Development (PUD) request.

Utility and Webster St. infrastructure will be extended between Alexander St. and Eugene St. The apartments will have access off Webster St. City will provide about 5.9 acres for the development (Lot 1), as well as $200,000 in TID No. 8 cash development incentive upon completion of the new apartment buildings. Unertl reported that the apartment development cash flows the purchase of the land; utility and street improvements of Webster St., and the future TID No. 8 cash development incentive.

Motion (Woellner/Kusserow) to recommend a resolution authorizing development agreement by and between the City of Merrill, Wisconsin and Nicolet Lumber Company (TID No. 8). Carried.

Consider 2021 TID No. 8 budget amendment for utility and street infrastructure extension of Webster St. (between Alexander St. and Eugene St.):

Public Works Director/City Engineer Rod Akey provided engineering cost estimate of $350,000 for utility and street infrastructure for the Webster Street extension.

Motion (Sabatke/Woellner) to recommend 2021 TID No. 8 budget amendment. Due to timing and contractor availability, Akey advised it likely that only utility infrastructure and gravel base could be installed before winter.

Amended Motion (Woellner/Mindak) to recommend a 2021 TID No. 8 budget request of $200,000 for Webster St. infrastructure extension between Alexander St. and Eugene St. Carried. There will be an additional 2022 TID No. 8 budget request for curb, gutter, and paving of Webster St., as well as streetlighting.

Review and discussion of 2020 PE-300 Annual Reports:

Unertl reported that the 2020 PE-300 Annual Reports were submitted to the Wisconsin Department of Revenue and reviewed by the Merrill Joint Review Board. A summary spreadsheet highlighted the detail from the ten individual TID reports of 2020 revenues and expenditures. The draft CliftonLarsonAllen (CLA) 2020 audit report for the TIDs was provided. There was major refinancing of TID No. 3 debt service through issuance of $4,420,000 in Tax Increment Revenue Bonds, Series 2020D. Unertl thanked incredible bank (formerly River Valley Bank) for their community investments in the TID No. 3 Revenue Bonds that were repaid by the TID No. 3 refinancing process.

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

Unertl advised the updated 1/1/2021 Equalized Valuation information would be available in early August 2021 from the Wisconsin Department of Revenue. There was historical information from 2000 through 2020 in the RDA agenda packet.

Brian Reilly from Ehlers & Associates provided presentation on the fiscal status of Merrill TIDs (No. 3 through No. 12) and responded to questions. Both TID No. 13 and No. 14 were created in 2021, so weren't included in the cash projections.

As of 1/1/2020, the City TIDs captured $53,707,200 in increased valuation. This was 11.57% of the total City Equalized Valuation. With State maximum TID limit of 12.0%, it is probable that City will not be able to create any new TIDs or add properties to existing TID boundaries without State Legislative special authorization. Woellner asked about subtracting parcels. Reilly responded that it would be possible to subtract parcels if the TIDs are cash flowing to meet future fiscal obligations.

The last regular year for TID No. 3 is 2026. Unertl emphasized that the RDA and Common Council have discussed keeping the TID open for 2027 for affordable housing in the community. Reilly highlighted the detailed cash flows for each TID. Refinancing of the TID No. 10 and No. 11 Note Anticipation Notes (NAN) is planned by October 1st, 2021.

Expenditure periods for TID No. 4 and No. 5 end 9/11/2022. With the S.C. Swiderski FoxPoint development, Unertl recommended that TID No. 10 Plan be amended in about 2023 to allow for transfers to other "blighted area TIDs" (i.e. No. 6, No. 8, and No. 9). Reilly noted that the increased TID No. 7 tax base will generate adequate tax increment to cover that TIDs fiscal obligations including payoff of TID No. 7 portion of the 2016 NAN.

Next RDA meeting: Wednesday, August 4th at 8 a.m. .

Adjournment: (Woellner/Polak) to adjourn at 7:47 p.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl