

City of Merrill
Meeting of Redevelopment Authority (RDA)

Tuesday, May 25, 2021 at 6:00 p.m.
City Hall Common Council Chambers

RDA Present: Clyde Nelson (Remote), Derek Woellner, Steve Sabatke, Sheila Polak, and Lori Anderson-Malm,

RDA Excused: Tony Kusserow and Val Mindak

Others: Alderperson Rick Blake, Finance Director Kathy Unertl, City Administrator Dave Johnson, City Attorney Tom Hayden, Public Works Director/City Engineer Rod Akey, City IT Manager Dustin Brown, Mike VanDerGest from Rain Auto Wash LLC, Brian Reilly from Ehlers & Associates (Remote), City IT Manager Dustin Brown, and Merrill Productions video operator

Call to Order: Nelson requested Woellner facilitate. Meeting called to order at 6:00 p.m.

Consider approval of RDA meeting minutes from May 5th:

Motion (Sabatke/Polak) to approve the meeting minutes from May 5th. Nelson noted need to correct who made the motion and second to move into closed session (since Kusserow was listed twice). Unertl advised she would verify and correct. Carried.

Public Comment: None

Public Hearing regarding the proposed project plan, boundaries and creation of Tax Incremental District No. 14:

Unertl reported that the required legal notice for the public hearing was published in the Merrill FotoNews on May 6th and May 13th, 2021.

Motion (Anderson-Malm/Nelson) to open the public hearings at 6:02 p.m. Carried.

There were no public comments regarding the TID Plan. Brian Reilly from Ehlers & Associates highlighted TID Plan information. This is proposed as “blighted area” TID and letters were sent to the property owners of the two parcels. The City meets the under 12.0% Equalized Valuation Test, the two parcels are continuous, potential project costs include infrastructure and cash development incentives, development projections, and cash flow is shown in the draft Plan.

Motion (Woellner/Anderson-Malm) to close the public hearings at 6:12 p.m. Carried.

Consider a Resolution Designating Boundaries and Approving a Project Plan for Tax Incremental District No. 14, City of Merrill, Wisconsin:

Unertl reported that the City Public Works Director/City Engineer had prepared a Metes & Bounds Legal Description. That will be included as Exhibit A with the RDA Resolution.

Motion (Woellner/Sabatke) to recommend the resolution creating TID No. 14. Carried.

Consider assignment of TID No. 3 Development Incentive Payment from Black Bears Merrill Inn LLC to Swami Bapa, Inc. (for Cobblestone Hotel):

The final TID No. 3 cash development incentive of \$30,000 will be paid at end of August 2021. The Cobblestone Hotel is being sold by Black Bears Merrill Inn LLC to Swami Bapa LLC.

Motion (Woellner/Anderson-Malm) to authorize the assignment of the TID No. 3 development incentive payment. Carried.

Update on sale of HAVEN lots for residential development & E. 10th St. right-of-way and utility planning (TID No. 7):

This is follow-up to information from the March 7th, 2021 RDA meeting. The HAVEN lots are being purchased by a residential home developer. Rather than a single home on corner of N. Poplar St., the developer will be building two spec homes along E. 10th St. Todd & Renea Frederick from Prairie River Properties, LLC will be donating the northern street right-of-way (since only the southern street right-of-way is currently platted).

It will serve additional properties and is more cost effective to extend water and sanitary sewer infrastructure from N. Mill St. along E. 10th St. to the corner with N. Spruce St. Akey reported that there is potential for up to twelve lots for residential development.

More information will be provided at future RDA meetings.

Status update on TID No. 11 single-family housing developments and TID No. 8 development agreement with Nicolet Lumber:

Denyon Homes – Ryan Ott Development & Construction:

Two homes are under construction on W. St. Paul St. and new basement has been dug on the lot adjacent to W. 10th St. Up to another seven homes will be built along Superior St. extension (i.e. between W. 10th St. and W. St. Paul St.). Utility infrastructure and street gravel base has been installed. Work on curb, gutter, and paving will resume when conditions dry out.

JJ Premier:

One home is under construction on Edgewater Dr. Another five homes will be built along the south side of Parkview Dr. (i.e. between Edgewater Dr. and Rock Ridge Ct.). Utility infrastructure and street gravel base has been installed. Work on curb, gutter, and paving will resume when conditions dry out.

Status update on TID No. 11 single-family housing developments and TID No. 8 development agreement with Nicolet Lumber (Continued):

TID 8 – Nicolet Lumber Apartments:

Draft development agreement is being reviewed. The agent for the developer has requested additional time for their due diligence review process.

Discussion of future single-family & duplex developments (TID No. 8):

In the RDA meeting background info, Unertl listed a number of policy questions for RDA Commissioner review and discussion. RDA Commissioner consensus to just offer land and TID-funded utility and street infrastructure. The proposed Webster Street utility and street infrastructure improvements would be requested in the 2022 TID No. 8 budget.

Johnson advised that there are four potential interested developers for single-family homes and duplexes. Akey suggested that potential developers were going to be interested in groups of lots so that similar-type homes could be constructed adjacent to each other.

A formal Request for Proposals (RFP) process will be distributed for interest in and ideas from residential developers. Unertl advised that REI Engineering might also have suggestions and had provided a better layout concept for the Rock Ridge Park Plat.

There was also RDA Commissioner consensus that an individual with their own residential construction contractor would be considered for a potential City-owned lot.

Discussion of potential TID cash development incentives for residential developments on lots on privately-owned lots:

If privately-owned lots are within a Tax Incremental District or within ½ mile of the TID boundary, there was discussion of providing a TID cash development incentive. Nelson noted that if the development lot was outside the TID boundary (i.e. within ½ mile) those property taxes would go to all taxing entities rather than to the TID.

RDA Commissioner consensus to offer 5% of preliminary assessed valuation up to \$10,000. City staff will develop application form. All applications would be reviewed by the RDA for authorization. The cash development incentive would be paid after the Occupancy Permit issued by the City Building Inspector/Zoning Administrator.

A formal RDA policy overview and form will be reviewed at the next RDA meeting.

Discussion of potential housing study (2022 Budget):

This agenda item was included due to requests from Alderpersons Paul Russell and Steve Sabatke. Unertl suggested perhaps the Housing Chapter of the City's Comprehensive Plan might need review and updating (which would be City Plan Commission responsibility). The City's latest Comprehensive Plan was adopted in March 2017.

Discussion of potential housing study (2022 Budget) – (Continued):

Sabatke commented on need for affordable housing (i.e. less than \$750 per month) including potential for common kitchen area. Anderson-Malm noted that the City of Tomahawk housing survey had many respondents seeking rents of \$500 to \$750 monthly range. Sabatke suggested that the City zoning code needed to allow for duplexes and triplexes

Johnson reported that many affordable housing developments were dependent upon obtaining Tax Credits, which is a competitive selection process.

Next RDA meetings: Unertl advised that there were no pressing policy issues for potential RDA meeting that had been tentatively scheduled for Wednesday, June 2nd at 8 a.m. Consensus to cancel.

The next RDA meeting will be on Tuesday, June 29th at 6:00 p.m. This meeting will focus on TID Fiscal information.

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Adjournment: (Polak/Anderson-Malm) to adjourn at 7:15 p.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl