

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, May 5, 2021 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Clyde Nelson, Tony Kusserow, Derek Woellner, Steve Sabatke, Sheila Polak, and Lori Anderson-Malm

RDA Excused: Val Mindak

Others: Alderperson Rick Blake, Finance Director Kathy Unertl, City Administrator Dave Johnson, City Attorney Tom Hayden, City Building Inspector/Zoning Administrator Darin Pagel, Bill Bialecki from Lincoln County Economic Development Corp. (LEDC), City IT Manager Dustin Brown, and Merrill Productions video operator

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

Nelson advised that "Update on potential purchase of property and negotiation terms for cash development incentive(s) to facilitate multi-family home development (TID No. 8)" would be covered in Open Session.

Consider approval of Joint RDA-Committee of Whole meeting minutes from April 7th:

Motion (Polak/Kusserow) to approve the meeting minutes from April 7th. Carried.

Public Comment: None

Consider a resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and Rain Auto Wash LLC (Future TID No. 14):

This new car wash and showroom redevelopment has been discussed in previous RDA Closed Session meetings. Nelson recommended change to Article II of the draft development agreement to reflect that the second and three years of TID cash development incentives would occur in the years following occupancy.

The Zoning Board of Appeals on May 4th approved closer front set-back to E. Main St. and relocation of the new building further away from the residential mobile homes. A lease with the City of Merrill for E. Main St. right-of-way will also be continued.

Motion (Woellner/Sabatke) to recommend the resolution authorizing a development agreement by and between the City of Merrill and Rain Auto Wash LLC. Carried.

Review of TIF Loan Program Policy adopted July 2016:

Unertl highlighted the provisions of the TIF Loan Program, including planned balloon payment due after five years if no property sale or potential redevelopment project. In Closed Session, a request to extend the loan timeframe will be considered.

Update on business grant programs (Funded by Federal American Rescue Plan Act – ARPA) – both State of Wisconsin and Federal:

Bill Bialecki from Lincoln County Economic Development Corp. (LCEDC) reported that there will be a number of different grant funding programs available. A Federal Restaurant grant program is accepting applications. State of Wisconsin grant programs will be announced as Federal IRS guidance is finalized.

Johnson reported that the City of Merrill is highlight grant program information on the City of Merrill website and Facebook program. Bialecki is sending information to the Merrill Area Chamber of Commerce for distribution.

Update on potential purchase of property and negotiation terms for cash development incentive(s) to facilitate multi-family home development (TID No. 8):

There is now accepted offer to purchase the property for \$184,775. Closing on the City of Merrill property purchase is scheduled for May 28th. The property is 19.45 acres between Alexander St., Heldt St. and Eugene St.

Nicolet Lumber accepted the City of Merrill's final development incentive offer which includes Land for \$1.00 (for about 5.9 acres) and \$200,000 in TID No. 8 cash development incentive. Three new apartment buildings will be constructed with total of 36 units. Arthur Street will be extended from Eugene St. to access the development site.

This is Phase 1 for construction in 2021 and 2022. Unertl reported that there will be formal resolution and draft development agreement for consideration at the May 25th RDA meeting.

There will be a number of policy items for discussion at the May 25th RDA meeting regarding Phase 2 of the new housing development. Duplexes and single-family homes are being discussed with several interested builders. Webster St. would be developed between Alexander St. and Eugene St. with potential 2022 construction.

There was extensive RDA Commissioner discussion regarding the housing market status, historical housing trends (including foreclosures), costs of building materials, availability of low interest mortgage loan, and appraisal standards.

Anderson-Malm questioned the fiscal status of Merrill's Tax Increment Districts. The 12/31/2020 City of Merrill audit is still pending and should be available by the end of May. There will be a separate RDA meeting regarding TID fiscal status in June once the Wisconsin Department of Revenue TID Annual Reports are available. City Auditors (CliffonLarsonAllen LLP) and independent financial advisors (Ehlers & Associates) will be invited to provide information and respond to questions.

Next RDA meetings: Tuesday, May 25th at 6:00 p.m. (for proposed TID No. 14 public hearing) and Wednesday, June 2nd at 8:00 a.m.

In response to questions from Anderson-Malm, there was brief discussion regarding why RDA members met at 8:00 a.m. Commissioners shared their preference due to operating businesses and working in Wausau.

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:

- a. Consider request from Stephen & Linda Blake to extend TIF Loan (TID No. 9)
- b. Consider potential purchase of adjacent tax delinquent properties (TID No. 7) that had structures razed in 2016
- c. Consider approval of RDA Closed Session meeting minutes from December 2, 2020 and March 10, 2021, as well as Joint RDA-Committee of Whole from April 7, 2021

Motion (Kusserow/Woellner) to move into Closed Session at 8:53 a.m. Carried 6-0 on roll call vote.

Closed Session Summary:

Motion (Woellner/Kusserow) to extend the TID No. 9 Loan for Stephen and Linda Blake for another five (5) years at same interest rate and monthly payment amount. Carried.

Unertl highlighted the delinquent tax status of two adjacent parcels in TID No. 7. The former houses were demolished in November 2016. City Street Department is mowing the property, as well as shoveling sidewalk snow.

RDA Commissioners provided policy direction for negotiation of potential property acquisitions. If Delinquent Tax Foreclosure process were followed by Lincoln County and then City of Merrill purchase of these properties, there would be a three-year potential redemption period during which redevelopment would not occur.

RDA Commissioner consensus to approve Closed Session meeting minutes from Joint RDA – Committee Whole meeting of April 7th. Unertl reported that she had included more detail based upon current public information regarding the E. Main St. car wash and showroom and TID No. 8 housing development.

Adjournment: (Sabatke/Polak) to adjourn at 9:14 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl