



CITY OF MERRILL
REDEVELOPMENT AUTHORITY
AGENDA • TUESDAY FEBRUARY 5, 2019

Regular Meeting

City Hall Council Chambers

8:00 AM

- I. Call to Order
- II. Minutes of previous meeting (s):
 1. Consider approval of RDA meeting minutes from December 4th, 2018
- III. Public Comment
- IV. Agenda items for consideration:
 1. Update on final 2019 Tax Increment (TID) Revenues
 2. Update on 2019 TID-funded infrastructure improvements including proposed deferring of water and sewer extension to Lincoln County Highway G Industrial/Business Park till 2020
 3. Update on Graham Architectural closure (Potential TID assistance for new facility construction or relocation had been RDA closed session item during 2018)
- V. Next RDA meeting
- VI. 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:
 1. Consider approval of closed session RDA meeting minutes from December 4th
 2. Continued status review of proposed Nelson's Power House new development - Lot 1 (2400 E. Main St. - TID No. 3) and consider potential amendments to the TID development agreement
 3. Status review of potential sale of Lot 3 (i.e. 2600 E. Main St. between Pearl Street and Gem St., - TID No. 3) and potential TID cash development incentives to facilitate new development and jobs expansion
 4. Update/discussion on potential new restaurant developments (TID No. 3 and No. 4 - East Side area)
 5. Update and discussion on potential sale of former Fox Point site (TID No. 10) for residential development project and potential request for TID cash development incentives
 6. Update/discussion on potential commercial business rehabilitation and expansion (TID No. 7 - N. Center Ave)
 7. Update and discussion on potential commercial business relocation into vacant building (TID No. 9 - S. Center Ave)

8. Update/discussion on potential utility improvements and TID cash development incentives for manufacturing relocation (TID No. 7 - N. Center Ave area)
- VII. The RDA may reconven in open session to consider action(s) on closed session development items
- VIII. Adjournment

City of Merrill
Meeting of Redevelopment Authority (RDA)

Tuesday, December 4th, 2018 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Tim Meehean, Derek Woellner, Clyde Nelson, Sheila Polak,
Jill Laufenberg, Tony Kusserow, and Tim Haight

Others: City Clerk Bill Heideman, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl, Public Works Director Rod Akey, City Building Inspector/Zoning Administrator Darin Pagel, Ken Maule and Bill Bialecki from Lincoln County Economic Development Corp. (LCEDC), Pat Taylor from TSI State LLC, and Merrill Productions camera operator

Call to Order: RDA Chairperson Meehean called the meeting to order at 8:00 a.m.

Consider approval of RDA meeting minutes from October 30th:

Motion (Laufenberg/Kusserow) to approve the meeting minutes from October 30th.
Carried.

Public Comment: None.

Status updates on various redevelopment projects:

TID No. 3 - East side street infrastructure projects just need final landscaping in 2019. The E. 6th St. streetlights will be installed when Wisconsin Public Service (WPS) electrical is connected.

Lot 1 – Some site leveling work has begun for Nelson's Power House.

Lot 2 - The additional 3,600 sq. ft. building on Thielman St. will be constructed over the winter.

Lot 3 – There are several potential interested developers. City staff has set minimum \$1 million new development criteria. A potential development proposal will be reviewed and discussed in closed session.

TID No. 6 – Due to early winter conditions, final concrete and landscaping on Banker's Square (Pocket Park) improvements will occur in spring 2019.

TID No. 8 – Unertl reported that S&S Bar will be requesting potential TID cash development for their building addition. Once layout is provided, this request will be included on future RDA agenda.

TID No. 9 – City has received amended Idle Sites Grant paperwork with 11/15/2019 revised completion deadline.

TID No. 10 – A potential residential development proposal for the former Fox Point site will be reviewed and discussed in closed session.

TID No. 11 - Construction of three additional Rock Ridge apartment buildings (Phase 2) continues.

Future TID No. 13 – There is a "for sale" sign on the property. Extension of City water and sanitary sewer in 2019 will enhance marketability of the Industrial/Business Park.

Attachment: 2018-12-04 RDA Minutes (3943 : RDA meeting minutes from December 4th, 2018)

Consider time extension amendments to the development agreement between the City of Merrill and DJC, LLC (i.e. Cooper Insurance) at 900 E. 1st St. (TID No. 6):

RDA Commissioners emphasized need to hold deed-in-trust if development does not proceed and title to the vacant site reverts back to City of Merrill. Consensus to use occupiable instead of substantially complete by the new September 30th, 2019 deadline. Since this property is commercial zone, no off-street parking spots are required.

Consensus to proceed with amended development agreement with DJC LLC.

Consider resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and Zelich Customs, LLC for rehabilitation of 2213 E. Main St. (TID No. 3):

Unertl advised that new address for the garage is 2213 E. Main St. since this building is on a separate tax parcel from the adjacent house. Pagel advised that there are exterior maintenance orders on both the house and garage which were issued to the former property owner. Maxwell Zelich will need to request a time extension into 2019 when additional exterior painting is possible.

Pagel reported that the front façade had been painted and signs installed per City sign permit application. Water and sanitary sewer laterals have been installed. Unertl advised that it looked like new windows have been installed. RDA Commissioners suggested using potential June 30th, 2019 completion date. Zelich will be contacted to discuss his proposed completion timeframes.

Motion (Meehean/Haight) to recommend the resolution authorizing a development agreement by and between the City of Merrill, Wisconsin and Zelich Customs LLC for rehabilitation of 2213 E. Main St. (TID No. 3). Carried. The TID cash development incentive of \$4,500 would be paid after work is completed and the exterior maintenance orders resolved.

Next RDA meetings: Tentatively on Thursday, January 3rd, 2019 at 8:00 a.m. (if needed) and Tuesday, February 5th, 2019 at 8:00 a.m.

Closed Session:

Chair Meehean read the following notice: 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 approval of closed session RDA meeting minutes from October 30th
- b. Review status of proposed Nelson's Power House new development - Lot 1 (TID No. 3) and consider potential amendments to TID development agreement

- c. Consider potential sale of Lot 3 (i.e. 2600 E. Main St. between Pearl St. and Gem St. – TID No. 3) and potential TID cash development incentives to facilitate new development and jobs expansion
- d. Consider potential TIF cash development incentive(s) to facilitate retention of manufacturing jobs (TID No. 8)
- e. Update and discussion on potential sale of former Fox Point site (TID No. 10) for residential development project and potential request for TID cash development incentives
- f. Update/discussion on potential new restaurant development(s) (TID No. 3)

Motion (Laufenberg/Kusserow) to move into closed session. Carried 6-1 on roll call vote at 8:17 a.m.

Motion (Nelson/Laufenberg) to approve the Closed Session meeting minutes from October 30th. Carried.

RDA Commissioners reviewed and discussed the status of Nelson Powerhouse development with Pat Taylor of TSI State Property (Lot 1 - 2500 E. Main St. - TID No. 3). Additional RDA Commissioner status review will occur at the February 5th RDA meeting.

Akey, Johnson, and Unertl provided update on potential Lot 3 (2700 E. Main St. - TID No. 3) development, as well as potential TID cash development incentive. City staff will continue to assist the developer to move this potential development forward.

Maule and Bialecki provided update on relocation option to facilitate retention of existing manufacturing jobs in City of Merrill. City representatives will continue discussions with the property owner and the manufacturing business.

Johnson and Pagel highlighted proposed apartment development proposal for former Fox Point site (TID No. 10). City staff will continue discussions with the developer to facilitate potential phased development, as well as potential TID infrastructure and cash development incentives.

Bill Bialecki from LCEDC provided status update on potential new restaurant development options in TID No. 3. There will be continued discussions on potential site(s), developer(s), and operator(s).

Adjournment: Motion (Meehean/Nelson) to adjourn at 9:37 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

City of Merrill - Tax Increment Districts (TIDs)

Key fiscal points and upcoming 2019 review/planning:

With the new Wal-Mart (2015) and additional new developments, there has been **major increase in Tax Increment generated the past five years**. This has allowed the TIDs to issue Tax Increment Revenue Bonds for infrastructure improvements.

Seven of the ten TIDs are generating Tax Increment in 2018 (2019 Budget). Except:
TID No. 7 (North Center Ave.) is close
TID No. 9 (South Center Ave./WI River frontage) has lost major valuation
TID No. 10 (Former Fox Point) remains tax exempt (i.e. City owned)

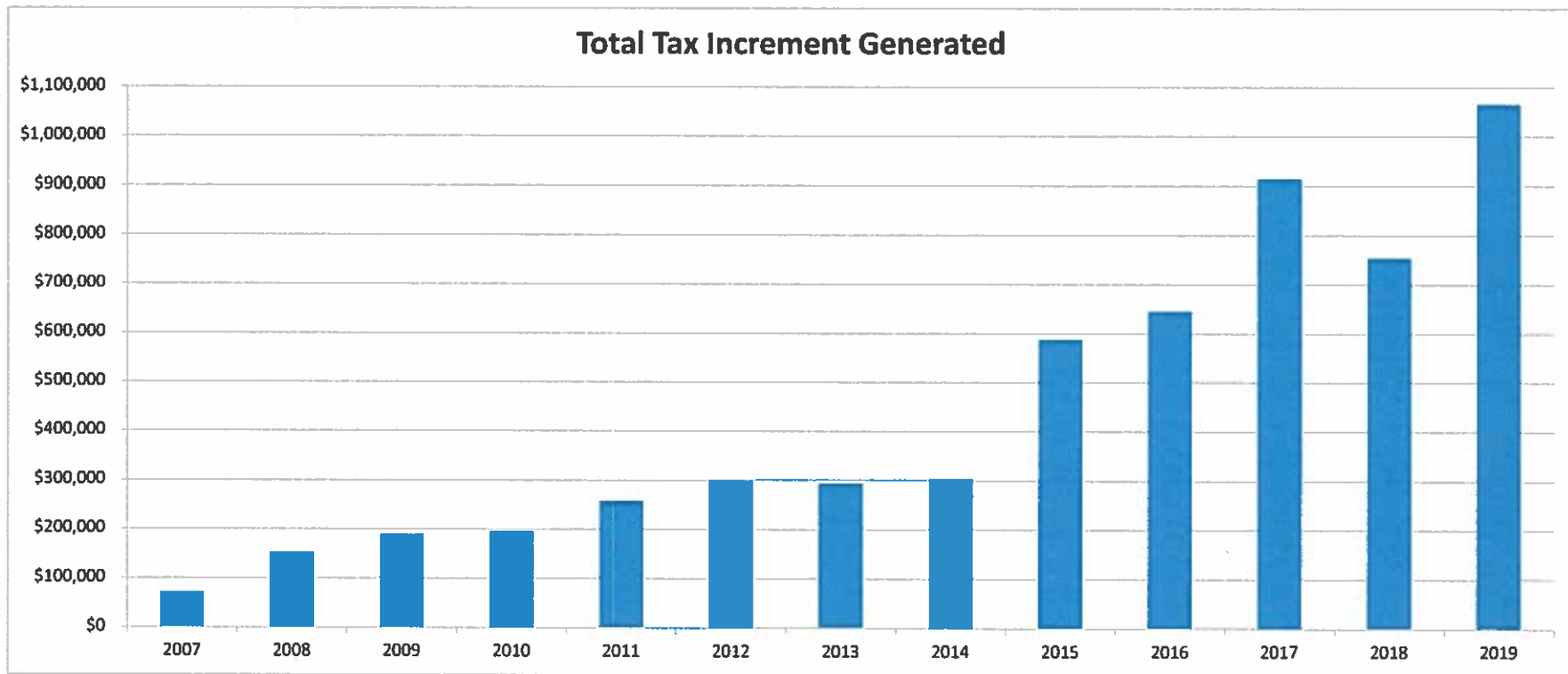
Expenditure period for TID No. 3 infrastructure or approval of new development agreements ends September 13th, 2020.

With Ehlers & Associates assistance, reviewing cash flows projections especially for TID No. 3 and TID No. 4. Need to update TID sharing plans.

The 1/1/2019 equalized valuations should be available in mid-August 2019.

With new developments in TID No. 3, is it possible to remove the Wal-Mart parcel from TID No. 3 before the normal TID lifespan ends?

City of Merrill - Tax Increment by Tax Year



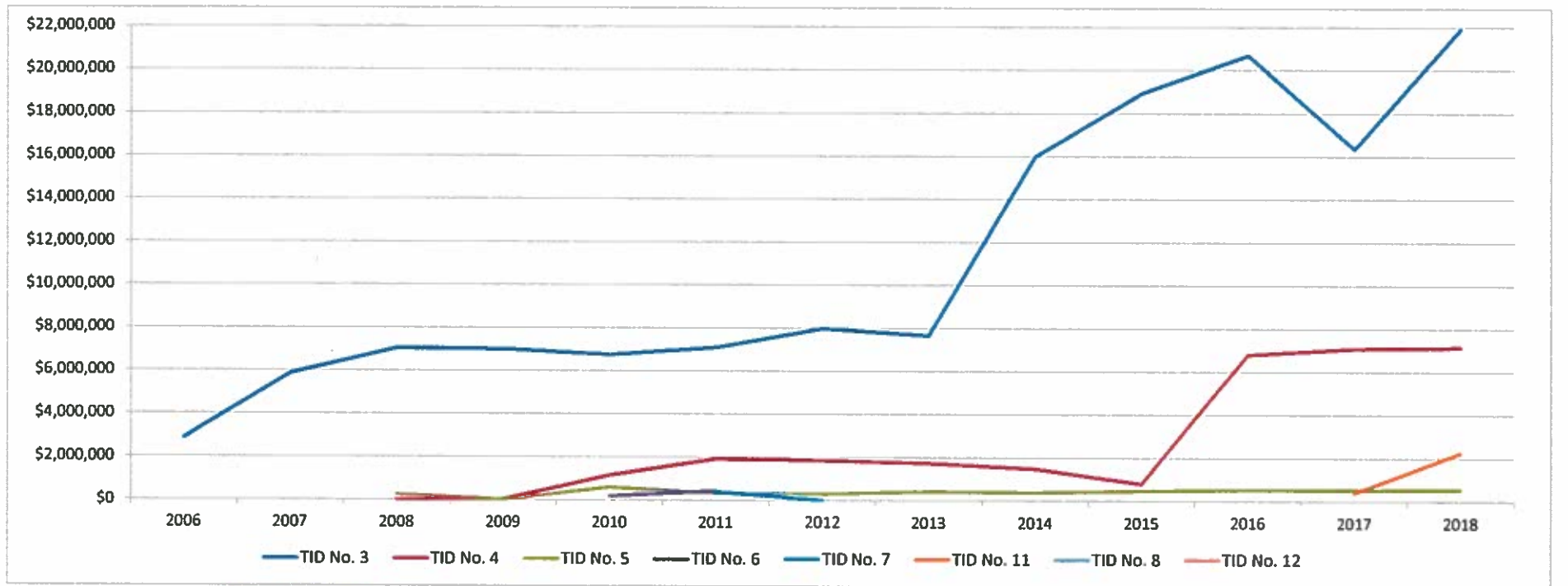
Assessment Year	Budget Year	TID Total Increment	TID No. 3 East Side	TID No. 4 Pine Ridge	TID No. 5 Hwy 107	TID No. 6 Downtown	TID No. 7 N. Center	TID No. 8 West Side	TID No. 9 River/ S. Center	TID No. 10 Fox Point	TID No. 11 Rock Ridge	TID No. 12 Weinbrenner
2005	2006	\$0										
2006	2007	\$71,932	\$71,932									
2007	2008	\$152,359	\$152,359									
2008	2009	\$189,122	\$182,486	\$135	\$6,501							
2009	2010	\$195,262	\$194,001	\$646	\$615							
2010	2011	\$257,181	\$199,557	\$34,477	\$17,704	\$5,443						
2011	2012	\$298,127	\$207,673	\$56,173	\$9,605	\$12,976	\$11,701					
2012	2013	\$294,107	\$231,124	\$53,859	\$8,884		\$241					
2013	2014	\$302,926	\$236,263	\$53,531	\$13,132							
2014	2015	\$587,297	\$525,217	\$49,087	\$12,993							
2015	2016	\$645,649	\$604,329	\$25,917	\$15,403							
2016	2017	\$915,335 *	\$666,257	\$218,752	\$17,301		\$12,922			\$103		
2017	2018	\$754,901	\$506,389	\$219,256	\$16,645						\$12,611	
2018	2019	\$1,065,721	\$681,175	\$221,852	\$17,645	\$32,863		\$20,221			\$69,961	\$22,005

* Based upon City Assessor June 2016 estimates prior to completion of 1/1/2016 revaluation process. There were adjustments made for 1/1/2017.

TID Value Increment - Historical

Revised 1/1/2019

City of Merrill - Tax Increment District (TID) Value Increment by TID District



Assessment Year	Budget Year	TID Total Increment	TID No. 3 East Side	TID No. 4 Pine Ridge	TID No. 5 Hwy 107	TID No. 6 Downtown	TID No. 7 N. Center	TID No. 8 West Side	TID No. 9 River/ S. Center	TID No. 10 Fox Point	TID No. 11 Rock Ridge	TID No. 12 Weinbrenner
2005	2006	\$0										
2006	2007	\$2,856,600	\$2,856,600									
2007	2008	\$5,853,400	\$5,853,400									
2008	2009	\$7,292,800	\$7,036,900	\$5,200	\$250,700							
2009	2010	\$7,045,600	\$7,000,100	\$23,300	\$22,200							
2010	2011	\$8,679,800	\$6,735,000	\$1,163,600	\$597,500	\$183,700						
2011	2012	\$10,171,500	\$7,085,400	\$1,916,500	\$327,700	\$442,700	\$399,200					
2012	2013	\$10,140,000	\$7,968,500	\$1,856,900	\$306,300		\$8,300					
2013	2014	\$9,819,800	\$7,658,800	\$1,735,300	\$425,700							
2014	2015	\$17,890,400	\$15,999,300	\$1,495,300	\$395,800							
2015	2016	\$20,233,700	\$18,938,800	\$812,200	\$482,700							
2016	2017	\$28,426,400 *	\$20,691,100	\$6,793,500	\$537,300		\$401,300			\$3,200		
2017	2018	\$24,368,600	\$16,346,500	\$7,077,700	\$537,300						\$407,100	
2018	2019	\$34,294,400	\$21,919,900	\$7,139,100	\$567,800	\$1,057,500		\$650,700			\$2,251,300	\$708,100

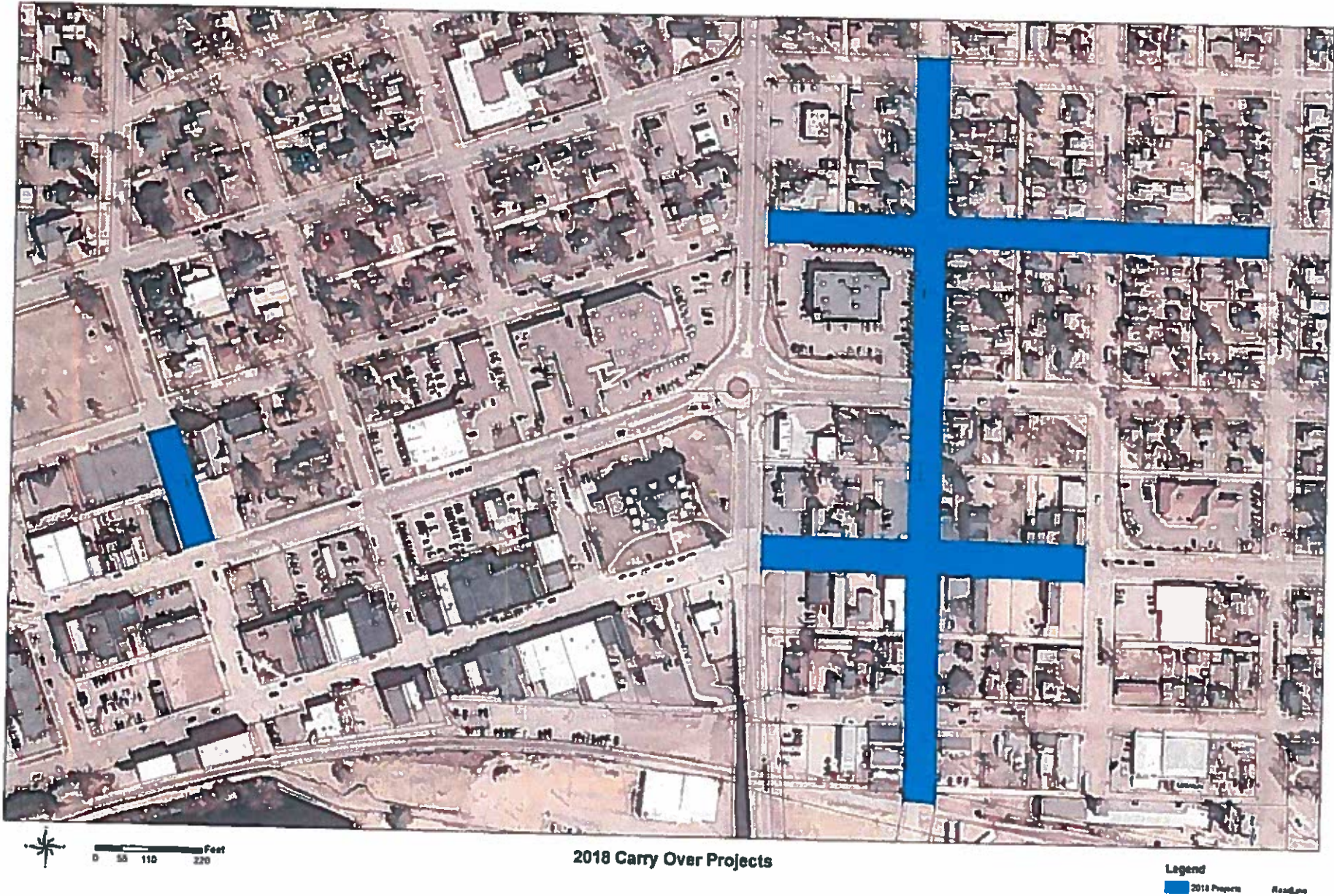
TID No. 5 had missed 2009 TID valuation due to switch to WI DOR manufacturing assessment. There was double tax increment for 2010.

* Based upon City Assessor June 2016 estimates prior to completion of 1/1/2016 revaluation process. There were adjustments made for 1/1/2017 values.

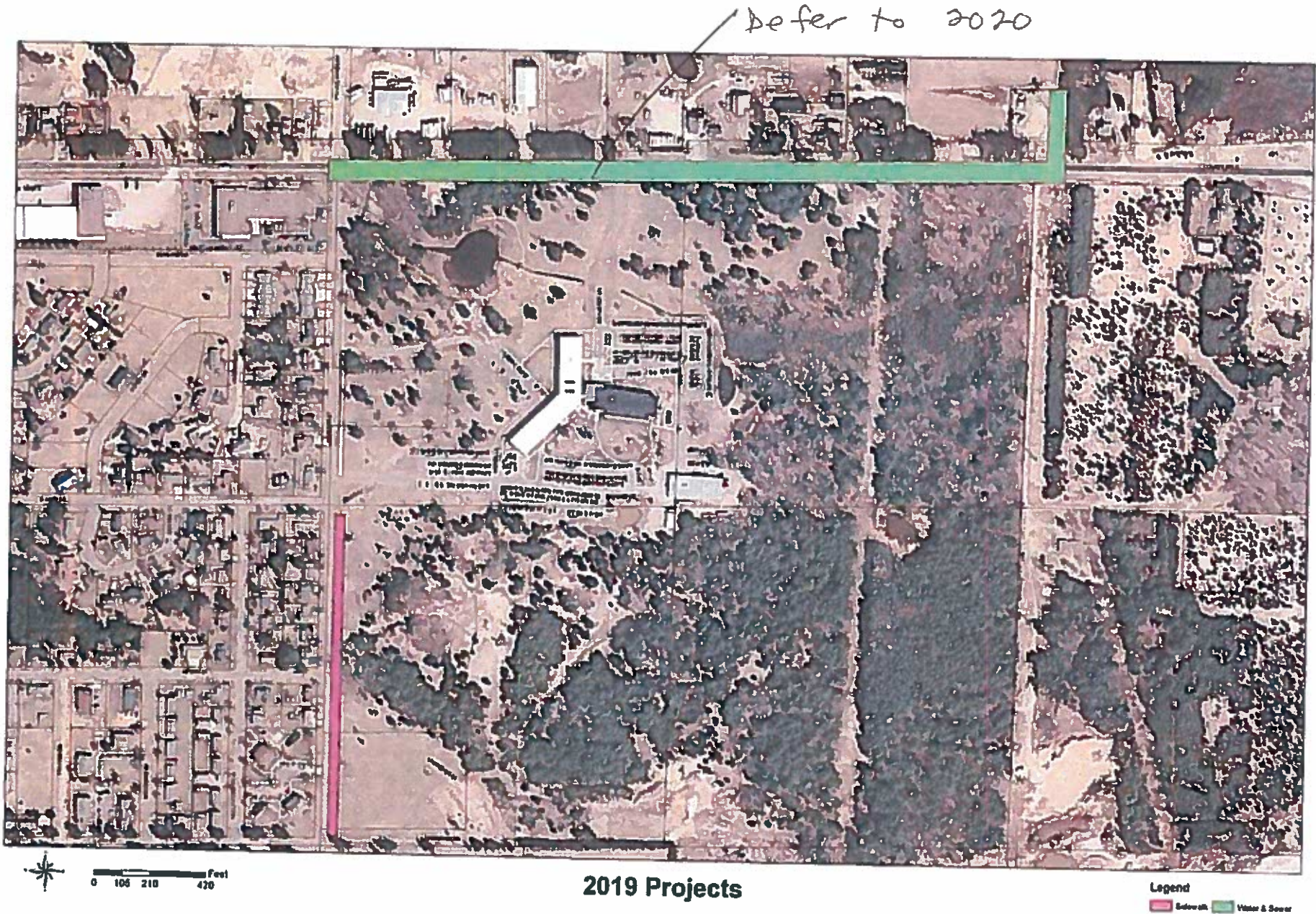
TID Value Increment - Historical

Attachment: TID 2019 Revenues (3933 : Update on final 2019 Tax Increment (TID) Revenues)

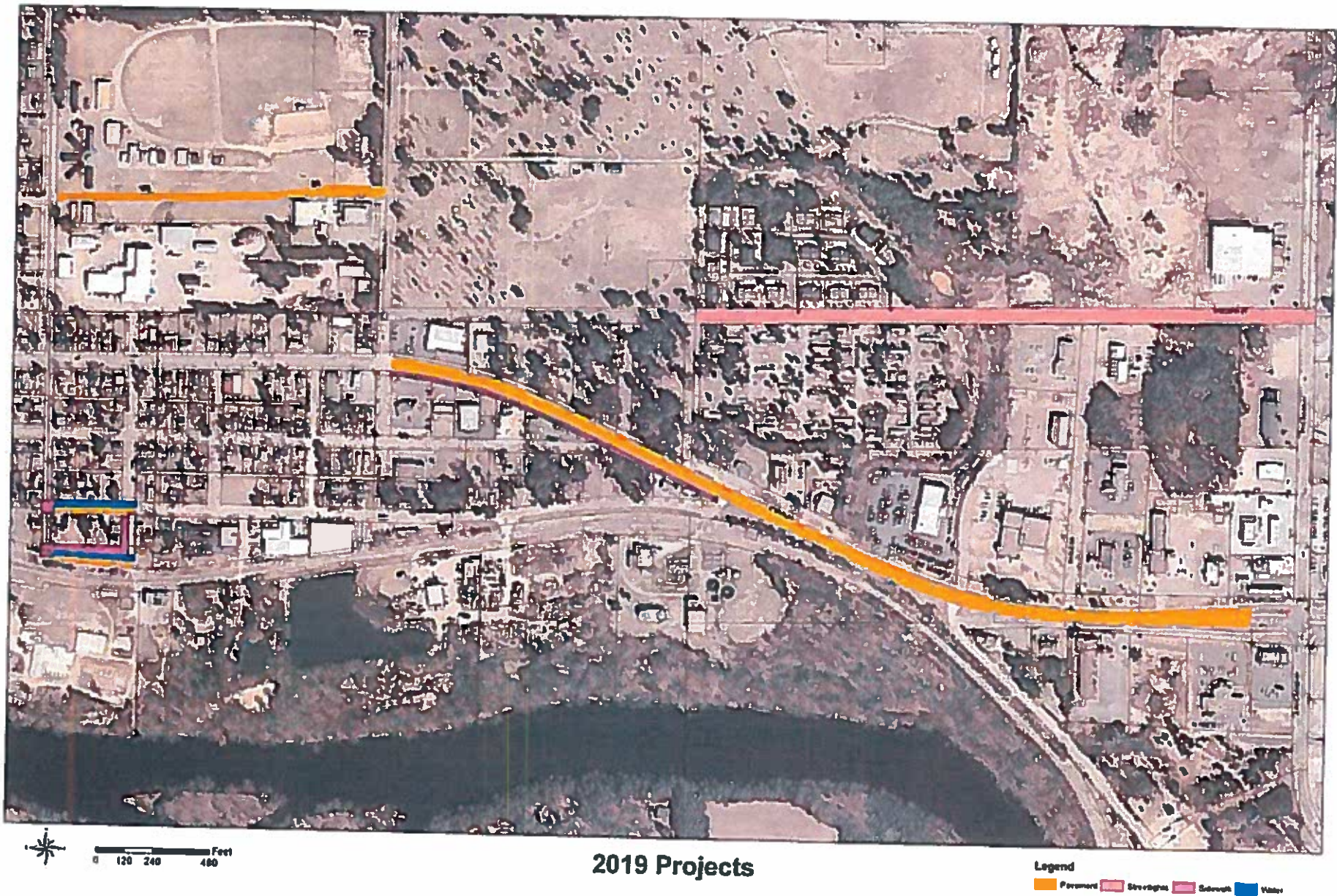
City of Merrill - Planned Infrastructure Projects - 2019								
Carryover from M2018-04 Street - Utility Project awarded to Merrill Gravel & Construction on May 5th, 2018								
TID No.	Street	From:	To:	Total \$	Curb/Gutter/ Paving	Water	Sewer	
3	S. Park St.	E. 3rd St.	RR Tracks	\$300,000	\$170,000	\$80,000	\$50,000	
3	E. 2nd St.	N. Center Ave.	Van Rensselaer St.	\$160,000	\$120,000	\$0	\$40,000	
3	E. Main St.	N. Center Ave.	Stuyvesant St.	\$150,000	\$130,000	\$10,000	\$10,000	
3	Mill St.*	E. 1st St.	E. 2nd St.	\$40,000	\$40,000			
			Total	\$650,000	\$460,000	\$90,000	\$100,000	
*Within 1/2 mile TID3 boundary								



City of Merrill - Planned Infrastructure Projects - 2019									
TID No.	Street	From:	To:	Total \$	Paving*	Sidewalk	Streetlighting	Water	Sewer
1	LC Highway G	Johnson St.	Industrial Park	\$370,000	\$90,000			\$140,000	\$140,000
4	Johnson St.	800 Block	E. 6th St.	\$35,000		\$35,000	by new Veterans Post		
				\$405,000	\$90,000	\$35,000	\$0	\$140,000	\$140,000
*Preliminary plan is to remove 1/2 of Lincoln County Hwy G, install water main, and then repave road.									
Note: City will also be finalizing plans for extension of North Pine Ridge Ave. from Zastrow's Beer Man to Lincoln County Highway G (for 2020 construction). Acquisition of needed street right-of-way (ROW) is planned for 2019.									

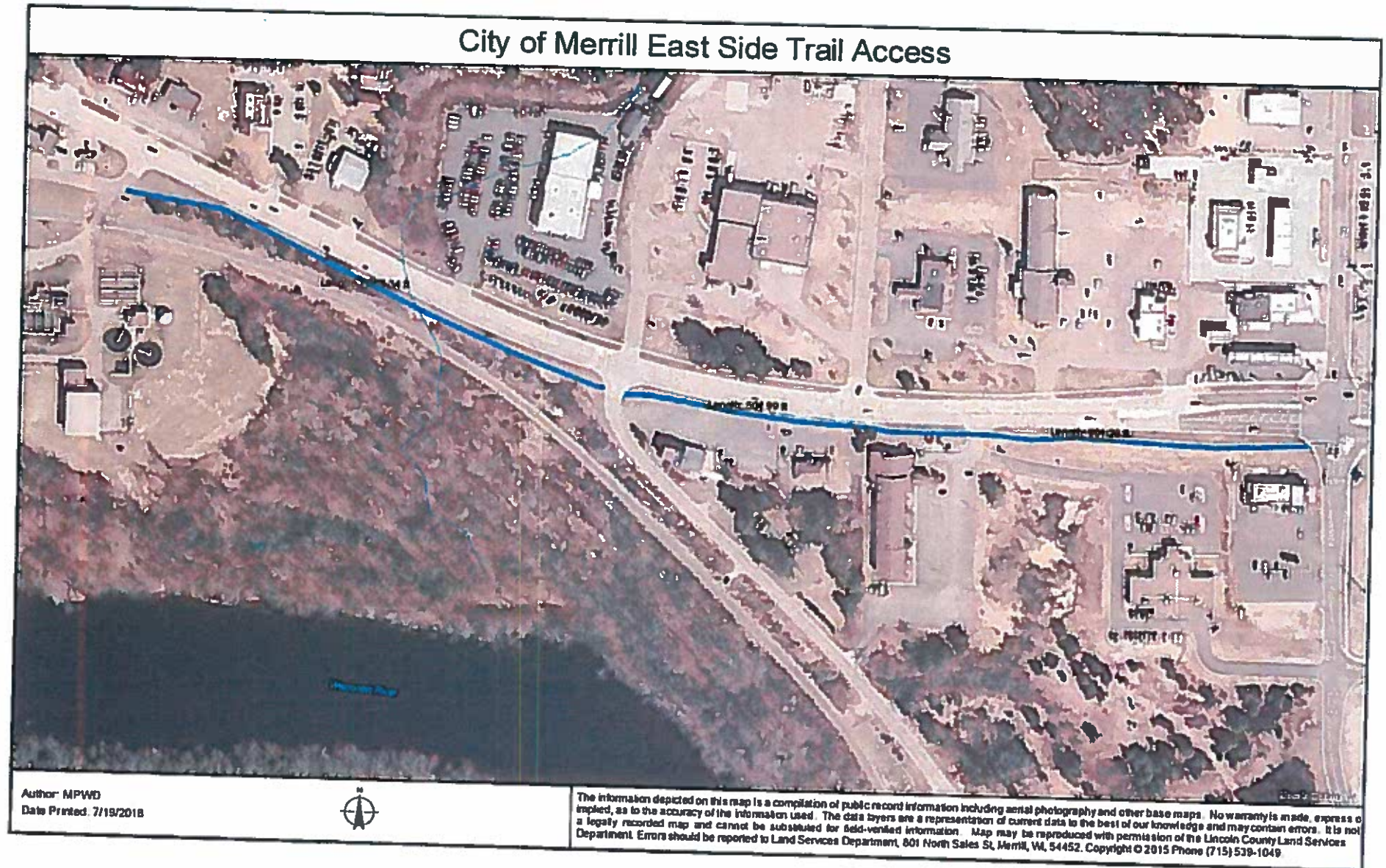


City of Merrill - Planned Infrastructure Projects - 2019									
TID No.	Street	From:	To:	Total \$	Curb/Gutter/ Paving	ROW = Street Right-of-Way			
						Sidewalk or Path	Streetslighting	Water	Sewer
3	Thielman St.	Gem St.	Pine Ridge Ave.	\$55,000			\$55,000		
3	E. Main St. ROW	Memorial Dr.	Sturdevant St.	\$35,000		\$35,000	Associated Bank to WWT Plant area		
3	E. Main St. ROW	WWT Plant	S. Pine Ridge Ave.	\$100,000		\$100,000	River Bend Trail Extension - 10' Wide		
3	E. Main St.	Memorial Dr.	Pine Ridge Intersection	\$900,000	\$900,000				
Area adjacent to River Bend Trail at Cooper St. - Idle Sites Grant for 30%:									
3	Logan Ave.	Sales St.	Cooper St.			Sidewalk - one block (North Side) & missing ADA corners			
3	Logan Ave.	Sales St.	Cooper St.			Water Main & curb, gutter, & paving (1890s water/gravel)			
3	Sturdevant St.	Sales St.	Cooper St.			Water Main & curb, gutter, & paving (1890s water/gravel)			
3	Cooper St.	Logan Ave.	Sturdevant St.			Sidewalk - one block (West Side)			
				\$120,000	\$120,000				
					Total for Logan Ave./Sales St./Cooper St.				
				\$1,210,000	\$1,020,000	\$135,000	\$55,000	\$0	\$0
Note: Pavement replacement within Merrill Festival Grounds (and area adjacent to Grandstand) is also planned. Pending grant request for Grandstand area paving.									



2019 Projects

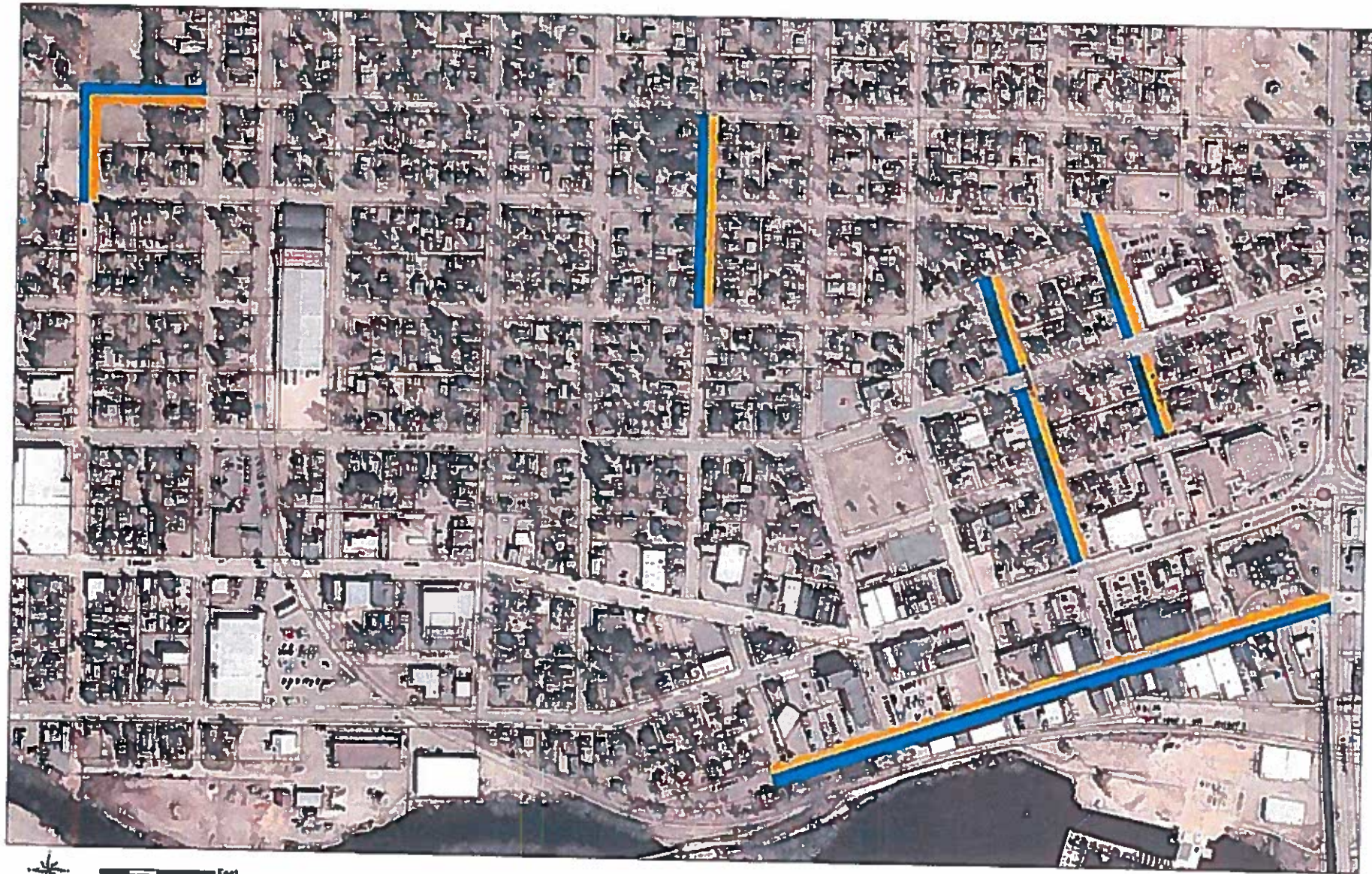
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City of Merrill - Planned Infrastructure Projects - 2019

Non-TID

TID No.	Street	From:	To:	Total \$	Curb/Gutter/ Paving	Sidewalk or Path	Streetlighting	Water	Sewer
3	E. Main St.	Cleveland St.	Center Ave.	\$300,000	\$280,000			\$10,000	\$10,000
6	Poplar St.	E. 1st St.	E. 2nd St.	\$32,600	\$17,600				\$15,000
N/A	Poplar St.	E. 2nd St.	E. 4th St.	\$72,200	\$57,200				\$15,000
N/A	Court St.	E. 2nd St.	E. 5th St.	\$149,000	\$59,000			\$50,000	\$40,000
N/A	Cleveland St. - W*	E. 4th St.	E. 6th St.	\$127,200	\$57,200			\$45,000	\$25,000
By Athletic Park (in conjunction with paving parking lot):									
12	Logan St.	E. 5th St.	E. 6th St.	\$40,000	\$30,000				
12	E. 6th St.	Logan St.	Blaine St.	\$45,000	\$45,000			\$10,000	
				\$766,000	\$546,000	\$0	\$0	\$115,000	\$105,000
*W = Water Utility personnel. There have been several water main breaks.									
TIDs					\$372,600				
General					\$173,400				



2019 Projects
I-9

Legend
Pavement Streetlights Water & Sewer



January 16, 2019

Graham Vendor Community

Dear Vendor:

Graham Architectural Products Corporation (Graham) has announced its intention to discontinue operation of its wholly owned subsidiary FM Graham Enterprises LLC d/b/a Graham Architectural – Curtain Wall Solutions in Merrill, Wisconsin. Prior to discontinuing its Merrill operations there are some existing customer orders that must be completed. It is Graham's intention to honor its commitments to these customers and its vendors in connection with executing on these orders. This means that Graham will continue to honor its full financial commitments with material and service vendors through final closure.

Graham would like to thank you for your past and continued support of its business.

If you have any questions please contact me directly at

Regards,

Frederick R. Trimmer
CFO & Vice President Finance

Attachment: Update - Graham (3935 : Update on Graham Architectural closure)