

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, October 4, 2023 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Steve Hass, Clyde Nelson, Mark Bares, Steve Sabatke, Rebecca Rutkowski, and Gary Hartwig

RDA Absent: Tony Kusserow

Others: Alderpersons LaDonna Fermanich and Nathan Meyer, City Clerk Lori Anderson-Malm, Finance Director Kathy Unertl, City Attorney Tom Hayden, City Public Works Director/City Engineer Rod Akey. City Building Inspector/Zoning Administrator Darin Pagel, Police Chief Corey Bennett, Bill Bialecki and Elsa Duranceau from Lincoln County Economic Development Corp. (LCEDC), Jim Jaworski from JJ Premier, LLC and Dave Wendorf from Wendorf Construction, Inc., and City Social Media Specialist Hallie Savall. Meyer set up the Merrill Productions camera until the meeting adjournment into the Closed Session.

Call to Order: Chair Hass called the meeting to order at 8:00 a.m. and introduced Gary Hartwig whom replaced Jim Koppelman as RDA Commissioner.

Consider approval of RDA meeting minutes from August 2, 2023:

Motion (Bares/Rutkowski) to approve the meeting minutes from August 2. Carried.

Public Comments:

Bill Bialecki, based upon his experiences as Mayor and with Lincoln County Economic Development Corp. (LCEDC), emphasized the positive change in the City's Equalized Valuations.

Jim Jaworski from JJ Premier reported that he has sales for the homes that will be constructed on the two remaining Parkview Dr. lots. He remains interested in building new single-family spec homes in Merrill and is looking for development lots. With the City's \$10,000 housing development incentive, JJ Premier has been able to build houses in the \$250,000 - \$260,000 range. Jaworski thanked the RDA and City for this development partnership.

LaDonna Fermanich commented that she is seeing some value in TIDs. As Chair of the City's Marketing & Communications Committee she is questioning the \$40,000 marketing proposal from LCEDC and need for coordination with Merrill Area Chamber of Commerce and the M&C Committee which might have different approaches.

Review of WI Department of Revenue 2023 Equalized Valuations:

Per the Wisconsin Department of Revenue information, Unertl reported that the City's Equalized Valuation increased over \$102,000 million as of 1/1/2023. Graphs showing TID In, TID Out, and growth in Tax Increment Districts from 2013 through 2023 were included in the agenda background info. All TIDs are now generating tax increment.

Unertl advised that the City of Merrill has contracted for a market reassessment as of 1/1/2024.

Update on housing developments:

Unertl highlighted the status of residential developments as of 9/19/2023. There are limited numbers of remaining vacant lots in areas the TIDs have facilitated new single-family home construction.

As to multi-family residential along Webster St., the three Premier/Nicolet Lumber apartments have occupants and S.C. Swidersi, LLC has extensive site preparation and foundations underway.

Continued discussion of future redevelopment of corner of W. Main St. and S. Prospect St.) – TID No. 8:

There are three City-owned tax parcels where the former bank building was located and adjacent paved parking. Akey noted that vehicles are being parked on both parcels at the corner of W. Main St. and S. Prospect St. including on the gravel area. Per City Ordinance, there needs to be black earth and grass seeding or new paving.

Previous RDA discussion has been on the need for and potential cost for development of new City Public Parking Lot. Hass noted that the closest City Public Parking Lot is by S & S Bar on Grand Ave. The existing paved area is in deteriorating condition.

Elsa Duranceau from LCEDC reported that she is working with the property owner at the corner of W. Main St. and S. Genesee St. (i.e. former armory) on a grant application for rehabilitating the 2nd floor for potential affordable housing. Availability of parking is one of the components for the grant consideration.

Motion (Hass/Sabatke) to recommend inclusion of \$60,000 for new City Public Parking Lot in the TID No. 8 budget request for 2024. Carried.

Introduction of new Lincoln County Economic Development Corp. (LCEDC) Executive Director and planned 2024 expanded marketing:

Bill Bialecki introduced Elsa Duranceau whom highlighted her educational and professional experiences. Akey asked if the potential \$40,000 marketing amount was above the normal City of Merrill (i.e. \$26,250 in 2023).

Duranceau clarified that she is preparing grant application to Wisconsin Tourism for a Jem (Joint Effort Marketing) grant from the Wisconsin Tourism Department. Communities often provide the local matching amount through hotel Room Taxes, Duranceau highlighted one of the marketing activities would be a Lincoln County Economic Summit. Hass asked about potential Lincoln County and City of Tomahawk funding.

Finance Director Unertl reported that Merrill Room Tax funds were fully committed. Unertl advised that she was preparing the 2024 City budget potentially using Cable Franchise Non-Lapsing account for community marketing. Nelson emphasized that the Jem grant is a three-year fiscal commitment with 75% grant in the first year, 50% in the second year, and 25% in the third year.

Motion (Hass/Sabatke) to refer the \$40,000 marketing funding request to the Marketing & Communications Committee. Carried. M&C Committee is scheduled to meet on Thursday, October 19th.

Review of preliminary 2024 Tax Increment District (TID) budget requests:

Unertl reported she is still working on the 2024 TID budgets and would provide when available.

As to fiscal status of the TIDs, Unertl distributed the Ehlers Public Finance Advisors handouts from the 9/26/2023 City Committee of Whole meeting. The presentation and TID fiscal snapshots highlight future directions related to the maturing TIDs.

TID No. 5 is proposed for closing after 4/15/2024 (i.e. last revenue year of 2025). The major east side TID No. 3 is scheduled for closing after 4/15/2025 (i.e. last revenue year of 2026).

Next RDA Meeting: Tentatively scheduled for Wednesday, November 1 at 8:00 a.m.

Closed Session:

Chair Hass 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 of potential TID development incentives to facilitate future residential development (TID No. 7 – N. Center Ave. Area).

Motion (Nelson/Hartwig) to move into Closed Session. Motion carried 6 – 0 on roll call vote at 8:45 a.m.

Akey highlighted the potential residential development project along E. 10th St. and proposed Spruce St. extension (from E. 10th St. to E. 14th St.). There was extensive discussion with the interested developer and negotiation of potential development agreement terms.

Motion (Hass/Nelson) to recommend inclusion of \$600,000 funding request in the TID No. 7 2024 budget for potential extension of Spruce St. contingent upon finalizing a development agreement that will be reviewed by the Redevelopment Authority. Carried.

Adjournment: (Hartwig/Nelson) to adjourn at 9:20 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl