



**CITY OF MERRILL**  
**REDEVELOPMENT AUTHORITY**

**AGENDA • WEDNESDAY SEPTEMBER 18, 2019**

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**Regular Meeting**

**City Hall Council Chambers**

**8:00 AM**

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- I. Call to Order
- II. Minutes of previous meeting(s)
  1. RDA meeting minutes from September 4th
- III. Public Comment
- IV. Agenda items for consideration:
  1. Consider response to Impact Seven Offer to Purchase former Fox Point site (TID No. 10)
  2. Review and discuss information on City of Marshfield housing incentive program and whether to consider comparable housing incentives in City of Merrill
  3. Consider request from Merrill Housing Authority (MAHA) for City-provided property
  4. Review and discuss proposed 2020 Tax Increment District (TID) budget requests
- V. Next RDA meeting - Wednesday, October 2nd at 8:00 a.m.
- VI. Review and discuss why RDA has Closed Sessions and need to maintain confidentiality during negotiations
- VII. 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 September 4th
  2. Consider potential City purchase of properties to facilitate redevelopment in TID No. 3 (East Side), TID No 4 (Pine Ridge Ave. area), TID No. 8 & 12 (Weinbrenner Factory area), and TID No. 9 (Wisconsin River area)
- VIII. The RDA may reconvene in open session to consider action(s) on closed session development items
- IX. Adjournment

City of Merrill  
Meeting of Redevelopment Authority (RDA)

Wednesday, September 4<sup>th</sup>, 2019 at 8:00 a.m.  
City Hall Common Council Chambers

RDA Present: Sheila Polak, Ken Maule, Clyde Nelson, Tony Kusserow, Steve Sabatke, Dan Koblitz, and Derek Woellner (whom arrived at 8:27 a.m.)

Others: Alderperson Rick Blake, City Clerk Bill Heideman, City Administrator Dave Johnson, City Attorney Tom Hayden, Finance Director Kathy Unertl, Public Works Director/City Engineer Rod Akey, Bill Bialecki from Lincoln County Economic Development Corp., Fire Chief Josh Klug, Qemal Alimi from Merrill Pine Ridge LLC, Attorney Jim Wedemeyer, and Ryan Schwartzman

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

**Consider approval of RDA meeting minutes from August 21<sup>st</sup>:**

**Motion (Maule/Polak) to approve the meeting minutes from August 21<sup>st</sup>.** Carried.

**Public Comment:** None.

**Update on FreMarq Innovations TID Development Incentive (1101 N. Mill St) in TID No. 7):**

The \$100,000 TID No. 7 Development Incentive Loan was paid on August 20<sup>th</sup>, 2019 after certification from the firm that there are now 51 employees working in Merrill.

The TID development loan becomes a grant if that employment level continues for two years. Unertl reported that RDA Commissioners had previously requested quarterly updates on employment levels.

**Continued review and discussion of TID developments overview, background information and development agreement formats:**

Every development agreement is going to be different. If City-owned land involved, there would be property title reversion provision if new development not started timely. Unertl reported that the Minimum Assessed Valuation and property tax guarantees would impact upon potential borrowing moving from tax-exempt to taxable status at higher interest rates. If City-funded infrastructure were planned, these types of developer guarantees should be avoided. If development is not timely, some type of fiscal penalty (such as reduced TID development incentive amount) would be preferable approach. City Attorney Hayden will continue research.

This agenda item will be included on the next RDA meeting when Woellner available for input.

**Consider revised draft development agreement by and between the City of Merrill and Ryan Ott Development & Construction LLC for single-family residential development on former Kienitz property (between W. 10<sup>th</sup> St. and W. St. Paul St. in TID No. 11):**

Unertl and Hayden highlighted the red-lined changes made to the draft development agreement. Unertl also highlighted overall housing development fiscal projections using three new homes annually over four years. The overall project would generate adequate TID tax increment to cover development incentives, proposed infrastructure improvements, and future debt service expenses.

Key development agreement provisions include timing to trigger the agreement if City of Merrill successfully transferred title to three new Certified Survey Map (CSM) lots by October 1<sup>st</sup>, 2019. This timing is critical to allow for Developer investment in basement construction before winter begins. There would be \$777 reduction per new house in the TID No. 11 cash development incentive if these timeframes were not met. Koblitz asked about the \$777 amount. Unertl reported that \$777 was the estimated property tax that would be generated from a basement foundation assessed valuation of \$25,000.

Sabatke discussed his potential modifications to the spec home project that would shift the TID development incentive to home purchaser instead of the developer. Any new utility and Superior Street infrastructure extension (projected at \$245,000 expense) would be delayed until construction of five new homes on W. St. Paul St. Sabatke suggested that the City priority should be downtown housing instead of at the outskirts of the community.

Nelson emphasized that the revised development agreement reflected the Redevelopment Authority's negotiations with Ryan Ott and that both the Developer and financial lender would be reluctant to proceed with spec houses under Sabatke's suggested modifications. Unertl reemphasized that Phase 1 only covers construction of three new spec homes on W. St. Paul St. and provides right-of-first refusal to Ott on future phased lot sales by the City of Merrill.

Although the Certified Survey Map (CSM) should be completed by REI and approved by Building Inspector/Zoning Administrator Darin Pagel by the end of September, only three lots can be conveyed through the CSM process. A formal Plat process requires additional reviews, a Plan Commission public hearing, and then Common Council action. The Plat approval process likely will not be completed until early 2020.

Unertl reported that the development agreement only includes planning for potential 2020 City utility and street infrastructure improvements. There would need to be inclusion of funding in the 2020 TID No. 11 budget; engineering specifications developed; and bidding and contract award process before any utility or street infrastructure improvements occur.

As to overall TID No. 11 fiscal status, Unertl added that there is adequate tax increment to cover Phase 1 and future infrastructure expenses. A larger TID No. 11 Revenue Bond borrowing amount is planned for 2020 to include refinancing the 2016 Note Anticipation Note (NAN) for Rock Ridge Apartments, the TID No.11 development incentives for Phase 2 of Rock Ridge Apartments; and the proposed W. St. Paul St. and Superior St. improvements. It is more cost effective to borrow larger amounts and TID Revenue Bonds (instead of General Obligation borrowing) is the preferred method of financing.

Consensus of RDA Commissioners that the red-line development agreement changes are consistent with RDA decision-making and discussions/negotiations with Ryan Ott. Unertl reported that there was formal RDA motion recommending the development resolution at the August 21<sup>st</sup> meeting.

### **Review and discuss information on City of Marshfield housing incentive program:**

Detailed review and discussion deferred to the next RDA meeting. Polak requested historical information be obtained on how many new residential units were being built annually in Marshfield before their new housing incentive program.

**Next RDA meetings:** Unertl suggested that an additional RDA meeting would be needed to review 2020 budgets and consider potential redevelopment projects. Next meetings scheduled for: Wednesday, September 18<sup>th</sup> at 8:00 a.m. and Wednesday, October 2<sup>nd</sup> at 8:00 a.m.

### **Closed Session:**

Chair Nelson 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 August 21<sup>st</sup>
- b. Negotiation of potential development incentives (including proposed sale of City-owned property) for market-rate housing development on former Fox Point site (1905 E. 14<sup>th</sup> St. in TID No. 10)
- c. Consider potential City purchase of property and development agreement terms to facilitate new restaurant development if the Developer is successful in obtaining accepted offer to purchase land (TID No. 3)

**Motion (Maule/Kusserow) to move into closed session.** Carried 7-0 on roll call vote at 8:42 a.m.

- **Motion (Woellner/Kusserow) to approve the Closed Session meeting minutes from August 21<sup>st</sup>.** Carried.
- RDA Commissioners continued review of the offer to purchase from Impact Seven for former Fox Point site in TID No. 10. Unertl emphasized that any development at this site needs to be fully taxable. Johnson reported that Impact Seven would be providing additional information as to potential timeframes for proposed development.

Polak asked about traffic impacts for this proposed multi-family housing. Public Works Director/City Engineer Akey did not anticipate any major traffic-related impacts with two access points (onto Lincoln County Hwy G and onto Sales St.). Bialecki noted that there was likely more traffic at shift changes when Fox Point Sportswear was in operation.

- Bialecki from LCEDC and Attorney Wedemeyer (representing Merrill Pine Ridge LLC) highlighted status of property purchase negotiation with Wal-Mart. RDA Commissioners reviewed draft resolution and development agreement information. Projected construction cost of over \$800,000 with planned twenty-five (25) new employees. The existing Pine Ridge Restaurant on N. Center Ave. would be backfilled with another food/bar operation.

**Motion (Kusserow/Koblitz) to reconvene in Open Session.** Carried 9:02 a.m.

**Acquisition of land and development agreement by and between City of Merrill and Merrill Pine Ridge LLC for new restaurant development:**

The development site east of Park City Credit Union would be acquired by the City of Merrill from Wal-Mart for \$300,000 with sale to Merrill Pine Ridge LLC for \$150,000. If the new restaurant construction is not underway by June 30<sup>th</sup>, 2020, title to the property would revert to the City of Merrill with no reimbursement to Merrill Pine Ridge LLC for any expenditures (including purchase price).

The development site is on a private street (owned and maintained by Wal-Mart) and utility service for the new restaurant would be off the Wal-Mart-owned water main, sanitary sewer main, and stormwater drainage systems.

After property purchase, Merrill Pine Ridge LLC would like to clear the brush and trees from the site before the end of 2019 to facilitate spring 2020 construction. As shown on the preliminary site plan, Attorney Jim Wedemeyer reported that the natural gas line restricts where the restaurant building could physically be located with just parking lot over the natural gas main.

**Motion (Maule/Woellner) to recommend the resolution authorizing the development agreement by and between the City of Merrill, Wisconsin and Merrill Pine Ridge LLC.** Carried. RDA Commissioners requested opportunity to review building elevations and renderings once architectural design and State Approved Building Plans finalized.

**Adjournment:** Motion (Woellner/Kusserow) to adjourn at 9:10 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

## TAX INCREMENT DISTRICT (TID) No. 10

At this point in the multi-family housing development proposal, it is not possible to develop an accurate tax increment fiscal projection or negotiate terms of potential Tax Increment District No. 10 development incentives.

What is being requested by Impact Seven is site control for a 180 day due diligence period.

In response to the Impact Seven Offer to Purchase, I suggest the following:

- Delete Property Taxes provision and require “fully taxable” development.
- Are RDA Commissioners OK with the due diligence calendar proposed by Impact Seven (i.e. please see following steps and timeframes)?

Kathy Unertl, Finance Director/RDA Secretary

City of Merrill – 9/11/2019

Attachment: TID10 - Response to Impact Seven (4486 : Consider response to Impact Seven Offer)

From - Michael Carlson (9/9/2019) -  
Vice President, Real Estate Development – **Impact Seven**

I don't have preliminary site plan or potential floor plans. I had anticipated working with our project team to generate those materials during our due diligence period, after securing site control. Our department operates on a thin budget, so I usually prefer to start spending money after we've got a site locked down.

That said, I imagine a due diligence calendar that looks something like this:

- Month one
  - Conduct site visit with architect and general contractor;
  - General preliminary plans with architect;
  - Generate preliminary pricing with general contractor;
  - After site schematic and preliminary pricing is in hand, verify pro forma with cost and unit/income info;
  - Secure preliminary funding commitment from permanent lender (Federal Home Loan Bank);
  - Submit schematic plan to City for review and feedback.
- Month two
  - If plan supports pro forma and looks promising to City, then:
    - Conduct Phase I environmental;
    - Conduct ALTA survey;
    - Conduct soil borings and test digs.
  - Refine project costs and financing requirements in light of further site discovery;
  - Refine plan with architect and GC in light of City feedback and site discovery;
  - Identify construction lender and begin lender's due diligence.
- Month three
  - Prepare final plan revisions and prepare zoning application;
  - Submit zoning application;
  - Secure preliminary commitment from construction lender;
- Month four
  - Work plan through zoning and City approval process;
  - Continue discussion and outreach with perm and construction lenders
- Months five and six
  - Secure final construction approvals;
  - Secure final perm and construction financing.

I think this schedule would prepare us for mobilization and ground breaking in March/April of 2020. I've got our architect teed up and ready to head up there for some intensive working sessions once we've got the security of site control.

Please let me know if this general plan is acceptable to the City. I'm happy to provide any additional info.



August 1, 2019

Mr. Tom Hayden  
Merrill City Hall  
1004 E 1<sup>st</sup> Street  
Merrill, WI 54462

Re: Purchase offer for 1905 E. 14<sup>th</sup> Street

Dear Attorney Hayden:

Please accept this purchase offer for the parcel at 1905 E. 14<sup>th</sup> Street. The offer describes our preliminary intent to develop the property for multi-family housing. We expect that our plans for the development may change and improve as we investigate and explore the possibilities and opportunities for the site with our design and construction team.

Impact Seven is committed to practice transparency and to engage the community as a partner in our work. As a condition of this offer, we commit to communicate regularly and openly with City staff and other identified stakeholders as we develop plans for the property, as information and knowledge may affect the terms and intentions described in this offer.

For purposes of this Offer, "Impact Seven" and "Developer" and "Buyer" shall refer to the same party, and "Seller" and "City" and "City of Merrill" shall refer to the same counterparty.

**Property address:** 1905 E. 14<sup>th</sup> Street, Merrill, Wisconsin

**Purchase price:** One dollar (\$1.00)

**Property size:** Approx. 5.43 acres (per survey provided by City)

**Proposed use:** Multi-family housing

**Unit count:** 60 units

**Property taxes:** Developer shall pursue property tax exemption subject to Wis. Stat. 70.11(a) in proportion to the statutorily compliant units included within the development.

*Development shall be fully taxable.*

*Finance Director Kathy Unger*



"This institution is an equal opportunity provider and employer"



**Developer's due diligence:** During the investigation period, Developer shall conduct such tests and enlist the counsel and advice of competent professionals so to:

- Conduct a thorough ALTA-compliant survey of the lot;
- Conduct a bona fide market study of the property with a service provider acceptable to Buyer's lender, and such market study shall support the rent and income levels projected in Developer's pro forma;
- Secure permanent financing on Buyer's preferred terms and in sufficient volume to pay fully for the cost of the development;
- Conduct soil borings and test digs on the site and to return site to good condition;
- Conduct a Phase I environmental analysis and other environmental analyses as recommended by Buyer's environmental service provider;
- Secure rezoning consistent with Buyer's proposed use for the property;
- Secure purchase approval of the Impact Seven Board of Directors as a precondition of sale.

**Due diligence period:** Buyer requests 180 days from the date of acceptance of this offer to perform the tasks and due diligence investigation described above. Buyer commits to working deliberately and in earnest to investigate and to design the site within the 180-day due diligence period. Buyer may request extensions to the due diligence period in good faith and with sufficient and reasonable notice to the City.

**Brokerage fees:** None.

If the terms of this offer are acceptable to the City, please sign below and return to me by any convenient means. Alternatively, please reply in writing or by phone with any proposed changes to the offer.

Thank you for your time and consideration. Please contact me with any question or concerns. I can be reached by phone at 608-405-9064 and by email at [michael.carlson@impactseven.org](mailto:michael.carlson@impactseven.org).

Sincerely,

Michael Carlson  
Vice President, Real Estate Development  
Impact Seven, Inc.

#### **ACCEPTANCE**

The proposal set forth in this purchase offer is acceptable to the City of Merrill. I further certify that I have the full authority to execute this purchase offer on behalf of the City.

For: The City of Merrill, Wisconsin

By: \_\_\_\_\_ Date: \_\_\_\_\_

Its: \_\_\_\_\_

**Merrill RDA Agenda Item – Review and discuss information on City of Marshfield housing incentive program**

Looking for input from RDA Commissioners and Merrill Common Council on whether to consider comparable new housing incentives?

**City of Marshfield – Residential Incentive Program Results**

From: Josh Miller – Marshfield Development Services Director (8/7/2019)

The program has been successful, here's a summary of the program by year:

**In 2017**, the City received 11 MRI applications (10 single family and 1 duplex), starting June 1, 2017. The estimated assessed values of the 11 homes total \$2,073,700 with a total incentive payment of \$65,383 being paid to developers/home owners. The average assessed value has been \$188,518 with an average incentive payment of \$5,943.91 being paid. In 2017, there were 15 new single family home building permits taken out and one permit taken out for a duplex.

**In 2018**, the City received 24 MRI applications (14 single family and 10 duplexes). Not all the projects are completed yet, but of the 16 projects assessed, the estimated assessed values of the homes total \$3,909,100 with a total incentive payment of \$85,890 being paid developers/home owners. The average assessed value has been \$244,319 with an average incentive payment of \$5,368 being paid.

For the first two years of the program, the City has added 24 single family homes, and 11 duplexes for a total of 46 dwelling units. So far (before all the estimated assessments and incentive payments have been made), the total investment from the City and economic development partners has been \$151,273. A total of \$5,982,800 in new assessed value has been added, generating an estimated \$149,000 in new annual tax revenue.



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## Development Services

### MRI (Marshfield Residential Incentive) Program

Marshfield Residential Incentive Program is made possible by the Marshfield Economic Development Board and Marshfield Utilities. A printable brochure for this program can be found [here](#).

**\*\*\*ONLY BUILDING PERMITS FOR NEW SINGLE AND TWO FAMILY RESIDENTIAL DWELLING UNITS ISSUED AFTER JUNE 1, 2017 ARE ELIGIBLE FOR INCENTIVE\*\*\***

#### Program Goals

Based upon the findings of the 2014 Housing Study, there is an inadequate supply of desirable owner-occupied housing in the City under \$200,000. While there is an abundance of homes in this range, many are deemed unacceptable due to their condition. The Marshfield Residential Incentive (MRI) program is a grant program with the purpose of encouraging developers and/or residents to invest or rehabilitate the City's housing stock by providing financial incentives to new single family and two family residential dwelling units.

#### How to Apply

- When submitting a building permit application also complete the [MRI Program application](#) with the Development Services Department
- Only building permits for new single family and two family residential dwelling units issued after June 1, 2017 are eligible for an incentive

#### Restrictions

- The permit must be for a single family or two family construction following the WI UDC standards
- The incentive payment does not apply to additions, remodeling, or construction of accessory buildings/uses
- New multifamily developments (3+ units) are not eligible for an incentive payment

#### Program Award

The incentive payment can be applied to any new single family or two family residential construction

- An award shall not be granted until an Occupancy Permit is granted by the Building Inspector
- The incentive payment will be calculated based upon the improvement value as determined by the City Assessor's Office (land value not included)
- Maximum amount of incentive payment is \$7,500 per property (two family duplexes/twin homes are considered one property)
- Awards made are also based on available funding
- Payment/actual incentive will be made to the owner of record

Attachment: Housing - Marshfield Incentives (4487 : Discuss City of Marshfield housing incentive program)

property.

- Incentives are limited to available funds and applicants may not receive incentive payments if funds are no longer available

**Examples of Payment/Award**

- Assessed value \$0.00 - \$150,000; 5% incentive; \$0.00 - \$7,500 payment
- Assessed value \$150,001 - \$175,000; 4% incentive; \$6,000 - \$7,000 payment
- Assessed value \$175,001 - \$200,000; 3% incentive; \$5,250 - \$6,000 payment
- Assessed value \$200,001+; 2% incentive; \$4,000 - \$7,500 max payment

**Questions**

Any questions about the MRI Program can be directed to Josh Miller, Development Services Director at 715-486-2075 or by email at [josh.miller@ci.marshfield.wi.us](mailto:josh.miller@ci.marshfield.wi.us). Other building related questions can be directed to Natalie Delo at 715-486-2016 or by email at [natalie.delo@ci.marshfield.wi.us](mailto:natalie.delo@ci.marshfield.wi.us).



**MARSHFIELD**  
The City on the Coast

**Development Services Department**

City of Marshfield  
207 West 6th Street  
Marshfield, WI 54449  
Ph: 715-486-2075 Fax: 715-384-7831  
Email: josh.miller@ci.marshfield.wi.us

**Marshfield Residential Incentive (MRI) Program Application**

**Office Use Only**

|                       |                     |                                  |                       |
|-----------------------|---------------------|----------------------------------|-----------------------|
| Date Received:        | Permit Holder Name: | Zoning District:                 | Parcel #:             |
| Permit #:             | Permit Issue Date:  | Certificate of Occupancy (CO) #: | CO Issue Date:        |
| Final Assessed Value: | Eligible Incentive: | Assessment Date:                 | Incentive Award (\$): |

**Applicant Information**

|                                                                                                                                                                         |                |                                        |                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------|----------------------|
| Site Address:                                                                                                                                                           |                | Owner Address, City, State, Zip:       |                      |
| Owner Name:                                                                                                                                                             |                | Owner Phone #:                         | Owner Email Address: |
| Home Type:<br><input type="checkbox"/> Single Family <input type="checkbox"/> Two Family                                                                                |                |                                        |                      |
| Construction Purpose:<br><input type="checkbox"/> Spec Home <input type="checkbox"/> Rental Unit <input type="checkbox"/> Private Party                                 |                |                                        |                      |
| Person Entitled to Incentive:<br><input type="checkbox"/> Land Owner <input type="checkbox"/> Builder <input type="checkbox"/> Purchaser <input type="checkbox"/> Other |                |                                        |                      |
| Additional info (if needed):                                                                                                                                            |                |                                        |                      |
| Entitlement Name:                                                                                                                                                       |                |                                        |                      |
| Phone #:                                                                                                                                                                | Email Address: |                                        | Fax #:               |
| Bank/Lender:                                                                                                                                                            |                | Bank/Lender Address:                   |                      |
| Checks Payable to:                                                                                                                                                      |                | Mailing Address for Incentive Payment: |                      |

**Questions?**

For questions about this application, or the MRI Program itself, please contact :

Josh Miller, Development Services Director  
Ph: 715-486-2075  
Email: josh.miller@ci.marshfield.wi.us

**Additional Information**

I hereby apply for the Marshfield Residential Incentive (MRI) Program and I acknowledge that the information above is complete and accurate;  
 I understand that an incentive shall not be granted until a clean certificate of occupancy is granted and an assessed value has been calculated (excluding land value);  
 I understand that failure to comply with all required inspections or failure to comply with all ordinance and code requirements may void an incentive;  
 I understand that funds are based on availability; I understand that an award shall not be granted if there are any outstanding charges or violations against the property;  
 and I shall not hold the City liable;  
 I understand that incentives are limited to available funds and I may not receive some or all of the incentive if funds are no longer available.

Applicant Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## F.A.Q.

- **Is the incentive a loan or a grant?** The incentive is a grant and does not need to be paid back.
- **When is the incentive applied?** The payment is made after a clean occupancy permit has been granted and an improvement value has been determined by the City Assessor Office. Funds may not be paid out until the following calendar year.
- **Does the newly constructed home have to be owner-occupied?** No. Developers building spec homes or rental developments may still qualify for the MRI program.
- **Are there any restrictions to how the awarded incentive is used?** No. The City will not regulate how the money is spent after it has been awarded. The purpose is to offset the cost of construction and encourage new development.
- **Is there anything that would cause the City not to release an incentive?** Failure to comply with all regulations, inspections, and orders, could cause the City to void incentive
- **Does the incentive apply to previous developed sites where an old dilapidated home was removed?** Yes.



### Marshfield Residential Incentive (MRI) Program is made possible by the Marshfield Economic Development Board and Marshfield Utilities



## CITY OF MARSHFIELD

**Development Services Department**  
**Josh Miller—Director of Dev. Services**  
 207 W 6th Street  
 Marshfield, WI 54449

**Phone: 715-486-2075**  
**Fax: 715-384-7631**  
**E-mail: [josh.miller@ci.marshfield.wi.us](mailto:josh.miller@ci.marshfield.wi.us)**

## CITY OF MARSHFIELD

# Marshfield Residential Incentive Program

Let us help.



## Program Goals

Based upon the findings of the 2014 Housing Study, there is an inadequate supply of desirable owner-occupied housing in the City under \$200,000. While there is an abundance of homes in this range, many are deemed unacceptable due to their condition. The Marshfield Residential Incentive (MRI) program is a grant program with the purpose of encouraging developers and/or residents to invest or rehabilitate the City's housing stock by providing financial incentives to new single family and two family residential dwelling units.

## How to Apply

- When submitting a building permit application, also complete the MRI program application located with the Development Services Department
- **Only building permits for new single family and two family residential dwellings units issued after June 1, 2017 are eligible for incentive**

## Restrictions

- The permit must be for a new single family or two family construction following the WI UDC standards
- The incentive payment does not apply to additions, remodeling or construction of accessory buildings/uses
- New multifamily developments (3+units) are not eligible for an incentive payment

## Program Award

The incentive payment can be applied to any new single family or two family residential construction.

- An award shall not be granted until an Occupancy Permit is granted by the Building Inspector
- The incentive payment will be calculated based upon the improvement value as determined by the City Assessor's Office (land value not included)
- Maximum amount of the incentive payment is \$7,500 per property (two family duplexes/twin homes are considered one property)
- Awards made are also based on available funding
- Payment/actual incentive will be made to the owner of record
- An award shall not be granted if there are any outstanding charges or violations against the property

## Examples of Payment

|                                      |              |                     |
|--------------------------------------|--------------|---------------------|
| • Assessed value \$0.00—\$150,000    | 5% incentive | \$0.00—\$7,500      |
| • Assessed value \$150,001—\$175,000 | 4% incentive | \$6,000—\$7,000     |
| • Assessed value \$175,001—\$200,000 | 3% incentive | \$5,250—\$6,000     |
| • Assessed value \$200,001+          | 2% incentive | \$4,000—\$7,500 max |

## ADDITIONAL HOUSING BACKGROUND - MARSHFIELD

Follow-up from 9/4/2019 RDA meeting: From the 2019 Marshfield Housing Study (see Figure 3.19), ten to eleven new single family homes were constructed annually from 2012 to 2016.

After Housing Incentive Program:

For 2017: There were applications for 10 single family homes and 1 duplex.

For 2018: There were applications for 14 single family homes and 10 duplexes.

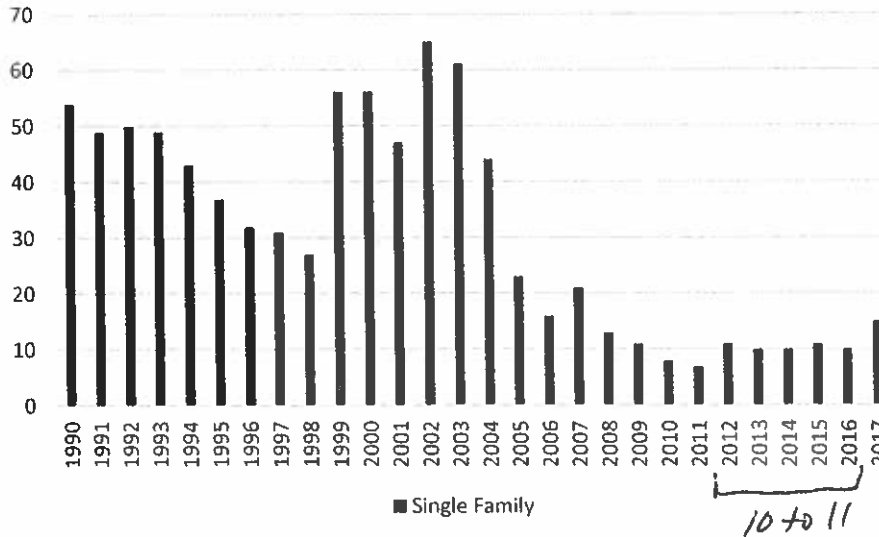
Kathy Unertl, Finance Director/RDA Secretary

City of Merrill – 9/12/2019

## Marshfield Housing Study (2019 Update)



**Figure 3.19 – Single Family New Unit Construction by Year, 1990-2017**



Source: City of Marshfield 2018

To further put the low levels of new single family construction in the City in perspective, and to help explain it, we can look at trends for the surrounding towns. A group of eight surrounding towns (Auburndale, Cameron, Cary, Lincoln, Marshfield, Richfield in Wood County and McMillan and Spencer in Marathon County) saw 119 new homes built in 2013-2017. The combined 2016 population of these towns was a little over half that of the City of Marshfield – Marshfield built about 3.0 homes per 1,000 residents (an increase of 22% from 2014), while those towns built about 12.3 homes per 1,000 residents (a decrease of 15% from 2014). 2013 Data from a couple of the smaller villages also showed higher per-capita home construction, including Stratford with 11 new homes (7 per 1,000 residents) and Spencer with 18 new homes (11.4 per 1,000 residents). These communities are attracting the single family home construction market that the City of Marshfield is missing, though Marshfield's rate has increased from the 2014 study.

### Multifamily Home Construction

Multifamily construction has been irregular for decades. Only in three of the past 13 years (including 2018) have new multifamily units been approved. When this report was previously completed in 2014 there were 151 multifamily units approved for construction. Of these, 148 units were constructed. Two permits were approved for 48 units in 2014; 24 units of student housing and 24 apartment units. In 2015 there were two permits approved for 20 units; 16 apartment units and four townhomes. There were no permits for multifamily units in 2017. In 2018 the City approved an additional 304 units to be constructed through 2022.

## ADDITIONAL HOUSING REQUEST

Please see following September 11, 2019 request from Merrill Area Housing Authority (MAHA) for City-provided property

One of the twenty new homes constructed in Merrill during the past decade is MAHA- Blue Jay house that was installed on Van Buren St. (after City of Merrill demolition of abandoned home and then Lincoln County Delinquent Tax Foreclosure)

Kathy Unertl, Finance Director/RDA Secretary

City of Merrill – 9/12/2019

Attachment: MAHA Request (4488 : Consider request from Merrill Housing Authority)

**Unertl, Kathy**

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**From:** Unertl, Kathy  
**Sent:** Wednesday, September 11, 2019 11:36 AM  
**To:** 'Paul Russell'; Johnson, David  
**Cc:** Hayden, Tom; Clyde Nelson (cnelson5@charter.net)  
**Subject:** Mill St. Corner Lot & Future TID No. 3 (Affordable Housing \$)

Paul – It is incredibly disappointing that the City Strategic Planning review and update process hasn't happened this year. It would help to communicate to everyone what critical community needs exist and start the planning process for moving forward.

Perhaps seeking Wisconsin legislative action is needed to modernize the delinquent tax foreclosure process?

There is corner lot at 402 N. Mill St. (former owner died in a fire and City razed the structure in 2017). There has been court action by the estate several years ago. After Lincoln County delinquent tax foreclosure, City of Merrill now has title to this premier vacant lot.

Longer-term future:

As has been discussed previously at the Redevelopment Authority and Committee of Whole, it is possible to extend the life a Tax Increment District (TID) one year and fiscally commit that tax increment for affordable housing programs. TID No. 3's normal termination date is 2026. Potentially, close to \$1 million dollars could be available in 2027.

Kathy Unertl, Finance Director/RDA Secretary  
 City of Merrill  
 1004 E. 1<sup>st</sup> St.  
 Merrill WI 54452  
 Phone: (715) 536-5594

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**From:** Paul Russell [<mailto:prussell@merrillha.com>]  
**Sent:** Wednesday, September 11, 2019 11:00 AM  
**To:** Johnson, David  
**Cc:** Unertl, Kathy; Hayden, Tom  
**Subject:** city lot commitment for MHS Blue Jay Build Program  
**Importance:** High

Dave,

I talked to the City Attorney recently and told him the MAHA board does not support building on lots that have open redemptions or conditions that prevent full title with insurance. We don't want the risk or have to pay money out to prior owners or legal fees like the city found itself in recently. The most recent offer of South Prospect has a 3 year redemption on it per the title company. What can the city provide in the near term and next 3-5 years out? We meet with MAPS this week and frankly don't have homes for the next 2 houses....

The city has supported private developers, market rate projects and high end rental projects. MAPS and MAHA would appreciate similar support to an agreement the city made but has only partially supported. The need for affordable housing is greater than any other category of housing in the community. We cant do it alone – need the municipality we serve to provide property !

Attachment: MAHA Request (4488 : Consider request from Merrill Housing Authority)

Thanks Paul

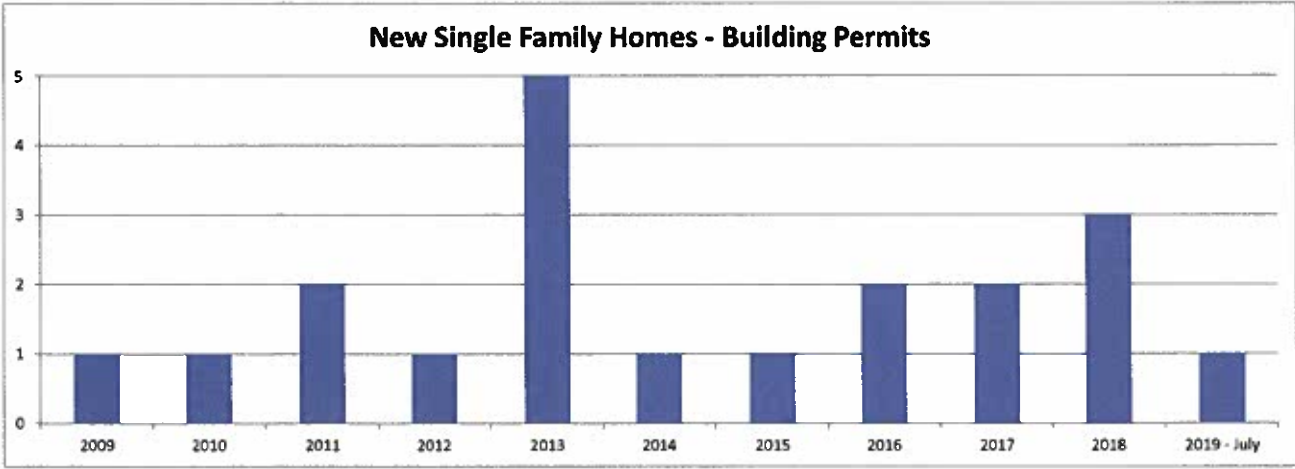
**Paul Russell**  
**Executive Director**  
**Merrill Area Housing Authority**  
**O: 715-722-1081**  
**C: 715-966-0808**

**701 East First Street**  
**Merrill, WI 54452**  
**[www.MerrillHA.com](http://www.MerrillHA.com)**



Attachment: MAHA Request (4488 : Consider request from Merrill Housing Authority)

City of Merrill - New Residential Development (2009 - July 2019)



|                           | 2009       | 2010     | 2011 | 2012 | 2013     | 2014 | 2015        | 2016              | 2017 | 2018               | 2019 - July | Total                                  |
|---------------------------|------------|----------|------|------|----------|------|-------------|-------------------|------|--------------------|-------------|----------------------------------------|
| Single Family Homes       | 1          | 1        | 2    | 1    | 5        | 1    | 1           | 2                 | 2    | 3                  | 1           | 20 Homes                               |
| Multiple Family Buildings | 1          | 1        |      |      | 1        |      | 3           | 3                 |      | 3                  |             | 12 Buildings                           |
| # of units                | Condos - 4 | Duplex 2 |      |      | Duplex 2 |      | Football 12 | Rock Ridge - I 36 |      | Rock Ridge - II 36 |             | 92 New Units in Multi-Family Buildings |

Merrill Area Housing Authority (MAHA) not included in 2018 information since NO increase in units between Stonebridge Apartments and Park Place

