

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, September 7th, 2022 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Steve Hass, Clyde Nelson, Mark Bares, Tony Kusserow, and Steve Sabatke

Absent: Jim Koppelman, and Sheila Polak

Others: Alderpersons Rick Blake, Mark Weix, Dick Lupton and LaDonna Fermanich, Finance Director Kathy Unertl, City Clerk Lori Anderson-Malm, City Administrator Dave Johnson, City Attorney Tom Hayden, Public Works Director/City Engineer Rod Akey, Building Inspector/Zoning Administrator Darin Pagel, Police Chief Corey Bennett, Fire Chief Josh Klug, Bill Bialecki from Lincoln County Economic Corp. (LCEDC), Dylan Alwin, and video operator from Merrill Productions

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

Consider approval of RDA meeting minutes from August 3rd:

Motion (Sabatke/Nelson) to approve the meeting minutes from August 3rd. Carried.

Public Comments: None.

Update on status and consider modifications to development agreement with Ott Development & Construction LLC for Johnson St. single-family homes (TID No. 4) :

Unertl reported that the City of Merrill can only transfer Lots 2 and 3 of the Certified Survey Map (CSM) in 2022. There is an underground electrical line running across Lot 1 which will first be relocated by Wisconsin Public Service in spring 2023. The new Plat with the five additional development lots should be approved by the 2023 construction season.

Due to the delay in property acquisition by the City of Merrill, RDA Chair Hass concurred with extending the timeframe to complete the first two single-family homes to March 31, 2023 (instead of December 31, 2022).

With the changing housing market due to mortgage interest increases, Unertl recommended also modifying the development agreement to require construction of minimally two new homes per year. Nothing prohibits Ott Development & Construction LLC from completing the eight new homes on faster timeframe.

RDA Commission consensus that the proposed development agreement modifications were acceptable.

Update on status and consider modifications to development agreement for Webster St. residential developments by S.C. Swiderski, LLC (TID No. 8):

A letter from Kortni Wolf, Business Development Manager, from S.C. Swiderski LLC was distributed at the RDA meeting. Higher building costs, increasing interest rates, and housing market volatility were noted.

S.C. Swiderski will be proposing a revised development plan for Webster Street. Specifically, proposed increase in multi-family residential units. This will result in additional housing units and a higher tax base.

More information will be provided during September 2022 for review and consideration at the October 2022 RDA meeting.

Update on potential WHEDA Tax Credit site owned by Lincoln County (Potential alternative sites will be considered in Closed Session):

Minutes from the Lincoln County Administrative and Legislative Committee from August 3rd were included in the RDA agenda packet. There was no action related to Lincoln County-owned site at corner of Memorial Dr. and E. 10th St. LCEDC's Bill Bialecki reported that there did not appear to be Lincoln County support.

Lincoln County Supervisor Lori Anderson-Malm commented that there was no presentation, no concrete plan, and no developer for the proposed WHEDA tax credit residential project.

The need for identification and control of proposed development site was reemphasized as the critical first step before seeking potential developer through Request for Proposal (RFP) process. The WHEDA tax credit application is due in December 2022. It is highly competitive process with tax credit awards made in about April 2023 for potential construction starting in 2024. Fermanich reported that the scoring process includes number of housing units, walk-ability points, and financial support.

Update on Wisconsin Department of Revenue (1/1/2022) TID Equalized Valuations:

The 2022 equalized valuations were included in the agenda packet. Unertl emphasized that there were significant increases. Only Tax Increment District (TID) No. 9 (Wisconsin River frontage and S. Center Ave.) has no tax increment being generated

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Next RDA Meeting: Wednesday, October 5th 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:

Consider potential development incentives for Pine Ridge Plaza (former big box) – TID No. 4

Consider potential sale and negotiation of terms for City-owned property located at the southeastern corner of Pine Ridge Plaza - TID No. 4

Consider potential purchase of property for WHEDA tax credit project, including S. State St. property along Wisconsin River (State Street 13 LLC - TID No. 8) and other potential site(s)

Motion (Nelson/Sabatke) to move into Closed Session. Carried on 5-0 roll call vote at 8:30 a.m.

Dylan Alwin presented potential redevelopment concept for Pine Ridge Plaza (former big box) – TID No. 4. The potential TID development incentives as authorized by the RDA and Common Council in fall 2021 were discussed.

A reallocation of the total \$250,000 TID No. 4 cash development incentive would be possible for redevelopment of the entire vacant building. There could also be potential loan funding through the Central Wisconsin Economic Development Fund (CWED).

Motion (Sabatke/Nelson) to authorize potential reallocation of the \$250,000 TID No. 4 cash development incentive upon redevelopment of the former big box building. Carried.

The potential sale and development reviewed at the August 3rd RDA meeting fell through. Bialecki reported on different interest in acquisition of the City-owned property located at the southeastern corner of Pine Ridge Plaza – TID No. 4 for restaurant development. Unertl emphasized that there has not been a Request for Proposals (RFP) process for this property.

RDA Commissioner Consensus to issue RFP with responses due in January 2023.

The purchase of alternative properties for proposed WHEDA tax credit project were reviewed and discussed. **There was no RDA action.**

Adjournment: (Sabatke/Bares) to adjourn at 9:25 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl