



CITY OF MERRILL

REDEVELOPMENT AUTHORITY

AGENDA • WEDNESDAY FEBRUARY 2, 2022

Regular Meeting

City Hall Council Chambers

8:00 AM

To attend virtually, call 252-987-8153 and meeting PIN 279 398 909#

- I. Call to Order
- II. Consider approval of RDA meeting minutes from January 5, 2022
 1. Meeting minutes from January 5, 2022
- III. Public Comment
- IV. Items for Consideration and Review
 1. Update from Ryan Ott regarding Champagne Park development & interest in additional residential building sites
 2. Consider Resolution authorizing development agreement with Tranquil Times Wellness, LLC - 807 E. 1st St. (TID No. 6)
- V. Next RDA meeting - Wednesday, March 2nd at 8:00 A.M.
- 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: Potential purchase of development sites
- VII. Adjournment

City of Merrill
Meeting of Redevelopment Authority (RDA)

Wednesday, January 5th, 2022 at 8:00 a.m.
City Hall Common Council Chambers

RDA Present: Clyde Nelson, Sheila Polak, Steve Sabatke, Tony Kusserow, and Val Mindak

Absent: Derek Woellner and Lori Anderson-Malm

Others: Alderpersons Rick Blake and Mark Weix, Finance Director Kathy Unertl, City Administrator Dave Johnson, City Attorney Tom Hayden Public Works Director/City Engineer Rod Akey, IT Manager Dustin Brown, Bill Bialecki from Lincoln County Economic Development Corp. (LCEDC), and Merrill Productions video operator

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

Consider approval of RDA meeting minutes from November 3rd, 2021:

Motion (Sabatke/Polak) to approve the meeting minutes from November 3rd. Carried.

Public Comment: None.

Update on Tax Increment generated for 2022:

Unertl highlighted the over \$1.7 million in tax increment being generated for 2022 Tax Increment District (TID) projects and development incentives. Tax increment is being generated for all but TID No. 9 (Wisconsin River frontage and S. Center Ave.) and TID No. 10 (FoxPoint).

The priority the past six years has been facilitating growth in TIDs outside of TID No. 3 (East Side) before the 2026/2027 closure of TID No. 3. Unertl emphasized that the fiscal goal of being able to backfill tax increment will be successfully met due to the TID growth and upcoming 1/1/2022 valuation for FoxPoint development in TID No. 10

Update on 2021 Developments:

Building Permits for 2021 totaled about \$12.5 million. Comparison information from 2017 through 2021 was provided. New commercial developments, as well as completed improvements from 2020 construction starts were listed. The building permit for FoxPoint (TID No. 10) S.C. Swiderski, LLC apartments was for almost \$6.7 million.

There were 14 single-family home building permits issued in 2021, as well as 9 permits in 2020 (i.e. total of 23). This represents over 52% of new single-family homes built in City of Merrill since 2008. There will be 56 new units in the four FoxPoint apartment buildings.

Review and discuss the City Strategic Plan, 2020 - 2024:

RDA Commissioners discussed the City's Strategic Plan. The need for all types of housing was emphasized, especially related to affordable housing and role/mission of Merrill Area Housing Authority (MAHA). Mindak and Nelson reported that strong new home mortgage financing would be continuing.

Sabatke suggested that there could be developer interest in rehabilitation of houses instead of demolishing. Johnson reported that health and safety conditions require razing after review and orders from the City Building Inspector Darin Pagel. Unertl noted that the delay in delinquent tax foreclosures by Lincoln County hampers savaging these types of homes. Bialecki advised that Wisconsin Statutes for the delinquent tax foreclosure process are from 1910.

Mindak questioned whether the Common Council wanted more information than the 2021 Development and housing summary information.

Potential 2022 – 2023 Projects and Needs:

Discussion focused on the following:

TID No. 9 – former Anson-Gilkey site: Unertl advised fiscally it will be possible to transfer tax increment from TID No. 7 (N. Center Ave.) and TID No. 10 (FoxPoint) into this TID. Unertl recommended issuing a Request for Proposals (RFP) interest in redevelopment of this Wisconsin River frontage.

TID No. 8 – former bank site on W. Main St.: RDA previously authorized issuing an RFP for redevelopment. This RFP will be issued by end of January 2022.

Land for Residential Development: Johnson emphasized that there are three builders willing to construct new residential units. Various potential sites are being reviewed by City staff. There will be a closed session at the February 2022 RDA meeting to discuss potential sites for consideration of future City purchase.

Former Jefferson School: Sabatke asked about future options. Merrill Area Public Schools (MAPS) owns the property. Johnson commented that the pending April 2022 funding referendum might impact MAPS Board of Education decision-making on future directions.

Livingston Building: The Merrill Parks & Recreation Commission is discussing. This building between the Skate Park and Kitchenette Park will be used by the Parks & Recreation Department.

VFW Building: Sabatke asked about future for this building and noted some adjacent vacant land along E. 2nd St. The current property ownership hasn't been in contact with City staff.

TID No. 9 – former SEMCO buildings: There is some interest in redevelopment by an individual whom doesn't own the property. The property is now under Kyes St. Holdings, LLC. Although the 2018 taxes were paid in October 2021. There are now three years of delinquent taxes owed. There is historical environmental contamination. There are exterior building orders issued by City Building Inspector Darin Pagel.

Next RDA meeting: Next meeting is scheduled for Wednesday, February 2nd, 2022 at 8 a.m.

Adjournment: (Sabatke/Polak) to adjourn at 8:47 a.m. Carried.

Minutes prepared by RDA Secretary Kathy Unertl

City of Merrill – TIF Development Incentive Overview

TID No. 6 (Downtown)

Property Owner: Developer is purchasing from Breaman Five, LLC

Business Entity: Tranquil Times Wellness, LLC (Vanessa Lazarz)

Location: 807 E. 1st Street (which is former FotoNews building)

Development: Rehab of exterior facade and interior of existing 4,400 sq. ft. building which is vacant.

Jobs: Fourteen rooms for independent wellness businesses, as well as new reception employees. See following January 12, 2022 e-mail details

Infrastructure: N/A – None for City of Merrill.

Existing Assessments:

Land \$17,500 - Improvements \$126,500 - Total of \$144,000.

Fair Market Valuation - \$168,200

Comparable Past TID Development Incentives - \$10,000 amounts each:

TID No. 6 Studio 808 (808 E. 1st St.)

TID No. 3 Clark Cup'N Cone (2808 E. Main St.)

TID Development Incentives:

Proposed City staff - TID development incentive of **\$15,000** upon occupancy.

TID Lifespan Tax Increment: Minimal projected due to existing assessments.

Unertl, Kathy

From: Johnson, David
Sent: Wednesday, January 12, 2022 4:23 PM
To: Unertl, Kathy
Cc: Wicke, Shari; 'cnelson5'
Subject: FW: TIF Funds

I talked with Vanessa this morning and she has provided the information below. She has some ideas that sound interesting and would be unique to Merrill which could draw customers from other areas.

Shari will be talking to her about a facade loan.

Let's put this on the next RDA as a potential action item.

David Johnson, City Administrator
 City of Merrill
 1004 E. 1st St.
 Merrill WI 54452
 715-536-5594

From: Vanessa Lazarz [mailto:vanessalazarz@anablairs.com]
Sent: Wednesday, January 12, 2022 4:04 PM
To: Johnson, David
Subject: TIF Funds

Thank you for the phone conversation today.

I'd like to request TIF Funding for the following project. I'm in the process of purchasing the former foto news building located at 807 E. First Street.

We will be establishing Tranquil Times Wellness, LLC at this location. The building has 14 rooms. We will be adding wellness services both established and new to Merrill. Each room will have a service or be rented by a service provider. 2 of the committed service providers are new to business in Merrill. These will be independent contractors. One is a massage therapist and the other in a RN who provides Auromatouch services as well as fascial release (a treatment used to aid in pain relief)

As a Regeitered Nurse I personally will be providing Functional Nutrition Counseling a service that I'm already providing in my current space. I will be adding Auromatouch as well as Reiki (Both new services to Merrill). I will eventually be developing a program to instruct Reiki as a program to service providers near and far. Additional rooms will be filled as following 2 rooms will have Infrared saunas (one is currently in place and used at Ana Blair's Boutique) the other will be in addition. We will be adding two ION foot cleanse stations (used for detoxification and stress release)

This accounts for 8 rooms with 3 additional rooms hopefully being leased by like minded wellness service providers. We are hoping to bring new wellness service providers into these spaces.

In addition and perhaps the most significant addition to Merrill will be adding a halogen salt therapy room. This room will be 12x50. Halotherapy is an alternative treatment that involves breathing salty air. It can can treat respiratory conditions, such as asthma, chronic conditions and allergies. A salt room can also ease symptoms of a cough, shortness of breath, and wheezing, treat depression and anxiety cure some skin conditions, such as psoriasis eczema

Attachment: TID6 - Tranquil Times Wellness (8550) : Consider Resolution authorizing development agreement w/Tranquil Times Wellness, LLC -

and acne. The added benefit is that people like these and will travel a distance to sit in one. (This will take a bit the establish)

Some of the other service we are looking into and need to verify benefit of are Chakra light therapy, Crystal light therapy, floatation Chamber and/or PEMF tables.

Each of the services will cost our company roughly 20k a piece to add. We do believe the benefit is there currently people from Merrill who frequent other communities such a Green Bay and Stevens Point which have some of these services between multiple locations.

The reason I'm requesting TIF assistance is to add to the esthetics of the building. The building is 4400 Sq feet not including the Full Basement. I'm purchasing it for 72,500. I am applying 20% of personal funds down plus purchasing the above equipment as able. My loan amount will be for \$57,000 on a building currently assessed for \$168,000 with a tax bill of \$4,400. I'm applying for a 10K bounce back grant to repair some electrical and leaky basement issues. The building has been empty for around 3 years and has a plain and dated appearance.

I will be applying for facade great to add curb appeal and value to not only my building but one of the most heavily trafficked streets in Merrill. The interior of the building is in need of updating including but not limited to paint, flooring, fixtures, stone wall, 4 bathroom remodels, new service door, gutter system and 4 new windows.

In the first year I will add 1 full time reception position and 2 additional part time staff members for front desk relief and turn over of rooms.

I believe my track record as a business owner in this community speaks for itself and makes my next project the perfect asset to invest in. I have continued to grow and develop new and thriving businesses in this community during unprecedented times. I embrace the challenge of bringing new services to are already eager community. I'm proud to be able to give back to the community in many instances. In the last year alone Ana Blair's Boutique and Sutton's Wine bar my two other businesses have been able to make sizable donations to the Northwoods Veterans Post, Merrill United Way, Toys for tots (no Lincoln county chapter but we are working on becoming one for 2022), River Bend Trail, 6 Merrill High School Graduate Scholarships, Silver M club, O' Tannenbaum Tour and various other community charities and events.

With this project I believe we could reach people within the community looking for alternative answers to our current health care crisis as well as draw from many surrounding areas. As well as add new age culture and alternatives people are seeking. I have included the following estimates for the improvements and ask that you would consider loaning any amount able to ease the burden towards the improving the of the building and the down town business district.

Windows \$4k
 Flooring \$12k (industrial carpet squares)
 Gutter System \$2,800
 Fixtures/electrical \$5,500

Paint \$2,500
Stone wall \$5,500
Bathroom remodel (4) \$12,000
Facade project \$18,000

Please let me know if any additional information is needed. I appreciate your time and consideration as well as your continued support.

Vanessa Lazarz

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And Blair's

RESOLUTION NO. ____

**A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT BY AND
BETWEEN THE CITY OF MERRILL, WISCONSIN
AND TRANQUIL TIMES WELLNESS, LLC**

WHEREAS, the Common Council of the City of Merrill created Tax Increment District (TID) No. 6 on May 12, 2009 and the redevelopment site is within TID No. 6; and,

WHEREAS, Tranquil Times Wellness, LLC has proposed purchase and improvements to the vacant commercial building at 807 E. 1st Street; and,

WHEREAS, the City of Merrill finds that the proposed development and the fulfillment of the items and conditions of the attached Development Agreement are in the vital and best interest of the City of Merrill, the Merrill Redevelopment Authority and City residents and serves a public purpose in accordance with State law; and,

WHEREAS, new jobs will be result from this redevelopment project; and,

WHEREAS, Tranquil Times Wellness, LLC has negotiated the development agreement to provide for an incentive payment not to exceed \$_____.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 8th day of February, 2022, that the Mayor and City Clerk are authorized to sign the development agreement by and between the City of Merrill and Tranquil Times Wellness, LLC and to facilitate the implementation thereof.

Recommended by:
Redevelopment Authority (RDA)

CITY OF MERRILL, WISCONSIN

Moved: _____

Derek Woellner
Mayor

Passed: _____

Katherine G. Unertl
Deputy City Clerk