

ECONOMIC DEVELOPMENT COMMITTEE

Time and Place: The Economic Development Committee met on Tuesday, February 19, 2013 at 3:00 PM in the Board Room at City Hall, 407 Grant Street, Wausau

ED Members Present: Jim Brezinski (Chair), Romey Wagner (Vice-chair), Lisa Rasmussen, David Oberbeck, and William Nagle (arrived at 3:05 p.m.)

Others Present: Heather Wessling, Ann Werth, Maryanne Groat, Brad Lenz, Paula Voss, Brandon Leher, Anne Jacobson

In accordance with Chapter 19, Wisc. Stats., notice of this meeting was posted and sent to the Daily Herald in the proper manner. Brezinski noted there was a quorum and called the meeting to order at approximately 3:00 PM.

CALL TO ORDER AND INTRODUCTIONS

Brezinski welcomed the members and those present for attending the meeting.

APPROVAL OF MINUTES (JANUARY 22, 2013)

Motion by Rasmussen to approve the minutes, second by Wagner. Motion carried unanimously 4-0.

APPROVE AN AUTHORIZATION OF A GRANT APPLICATION TO MARATHON COUNTY ENVIRONMENTAL FUND FOR EAST RIVERFRONT DISTRICT PLAN

Lenz passed out a draft of the grant application for the Marathon County Environmental Fund for the East Riverfront District Project.

Nagle arrived at 3:05 p.m.

Lenz said that this particular application would be for 2 projects. The projects would be for the soil preparation and rehabbing the post office garage property. The EPA grant is to be used for the Cloverbelt property.

Wagner asked if that is the building that is sometimes referred to as the old Fed Ex building. Werth answered yes. Lenz said that there may be other areas of the projects that staff may want to apply for depending on what happens with grants that have already been applied for. Werth added that there is also an agreement with McDevco.

Rasmussen motioned to authorize the grant application to Marathon County Environmental Fund for the east riverfront district plan. Nagle seconded, and the motion carried unanimously 5-0.

RECOMMENDATION TO APPROVE VOSSTUDIO'S DESIGN FOR NEW FAÇADE (622 THIRD STREET)

Wessling said that Paula Voss has been working with the city to place a photography studio into the LePaul Furs building and plan to improve the exterior and interior of the building. Voss is applying for commercial rehab funds and in order to be granted the funding need to go before both the Historic Preservation Commission and the Economic Development Committee. This has gone to the Historic Preservation Commission, who made a recommendation and the changes are in line with the recommendation.

Voss said that they have been in Wausau for 13 years. Her daughter will graduate in May and will be coming back to Wausau to start her photography studio. She has had internships in New York City. The Voss's have been renovating the front of the building. Voss said they are currently working with builders to get quotes and plan to open on June 1, 2013.

Werth said that there hasn't been a Community Rehabilitation Loan for the past few years and is very excited that won't be any vacancy on the street. Wagner asked if the Voss's were directed to Main Street for grant money. Werth said the signage grant and project grant were applied for.

Wagner motioned to approve Vossstudio's design for new façade (622 Third Street). Rasmussen seconded, and the motion carried unanimously 5-0.

DISCUSSION AND POSSIBLE ACTION UPON REQUEST OF OWNER OF THUNDERLUBE FOR CITY ASSISTANCE

Wessling said the Brandon Leher had come to the Community Development Department during the summer of 2012 and is interested moving his business. He is currently the owner of Thunderlube on Thomas Street, where he currently rents and would like to own property. CDA owns 1610 Sheridan Road and Leher has put in an active offer to purchase. Wessling said that Leher is a small business owner that will put added investment onto Sheridan Road. Leher will be able to add employees and wants to make this a showcase facility for the community. Wessling passed around some information and said that no action is needed at this time.

Leher said that he started working at Thunder Lube in 1998. In 2002, he bought the business. He had thought about buying the property where the business is currently located, but the property owner wants too much for it. Brezinski commended staff and Leher for the initiative and successful conclusion.

Wessling added that a challenge is the economy. The appraisal is value is low, even with the good customer and good credit that he has, has hurt the ability to borrow as much for the final product.

TIF MECHANISM PRESENTATION/RECOMMENDATION TO APPROVE RESOLUTION(S) TO SUPPORT TIF PROPOSALS TID 2, 4

Wessling, Werth, and Groat presented a PowerPoint on TIF development.

Wessling said that during a presentation to various business owners in Wausau it was discussed the strengths of public and private partnerships. The three common concerns in the community are blight, public safety, and job growth. TIF financing has been very prosperous for the city and is needed in order to help the city to grow. Wessling showed examples of development milestones that would not have occurred without public and private partnerships.

Werth said that \$2.6 million has been invested in purchasing properties. There will be commercial and redevelopment, high-density redevelopment, family recreation, waterfront and outdoor dining in these sites to bring people down to the waterfront area. Werth showed a diagram of where the various activities and districts would be located. A structural engineer was hired to review the Sav-O Supply building who said the building is structurally sound and there is redevelopment potential.

Groat said that all of this development is occurring in Tax Incremental District #3, which will expire in 2016 and retire in 2021. It started out with a value of \$9 million. In 2008, at the height of the real estate market, it had a value of \$122 million and now has a value of \$107 million. The increment is being used to pay off Jefferson Street ramp, riverfront acquisitions, 3rd Street improvements, and a variety of other things that come up each year. Staff have asked Jerry Petrowski to support special legislation that would increase the life of the district by 10 years. It would extend the life and expenditure period to bring in an extra \$1.7 million into the district to support redevelopment and infrastructure. This would reduce the financial risk of every taxpayer and are committing to 10 more years of the district. Petrowski has indicated that he will support the legislation.

Werth displayed a diagram showing the investment on housing and blight. Various blighted properties were torn down old and built new homes that would fit into the neighborhood.

Groat said that the focus group took a tour of properties and neighborhoods that were decaying. In 2009, legislation was passed to allow a community to extend the TIF by 1 year to improve housing stock. Tax Incremental Districts 2 and 4 are eligible for this. With resolutions from Common Council, the districts could

be extended for the 1 year. The city would not be required to spend in the district. Werth said these are tools to make the goals attainable and a task force has been created for code enforcement. Groat said members were enthusiastic and several letters of support were read by Wessling.

Oberbeck said the development on north end of the riverfront area has been stagnant and asked if it could be developed into a commercial area. Werth answered that staff met with Canadian National Railroad who will not give up any part of the easement, which brings the buildable area to 27 feet. Oberbeck said that if the overhead was considered, it is much more than that and could be a parking lot. Werth said the parking area would be located behind the old Fed Ex building. While working with the floodplain, staff was able to get the commercial space that is south of the Fed Ex building. Werth said that it is a balancing act of having the green space and activity space to enjoy the area, attract people to the area, and have a thriving economic development factor. Werth said by creating the high-density residential area, there is the opportunity to create a vibrant district. Lenz said that it also comes down to parkland dedication and some amount of residential and the ordinance requires providing for green space. The pocket park would serve as the neighborhood park since there aren't any in this area. Oberbeck asked how big the creek was and said that he would really like to maximize the development. Oberbeck said when this area was purchased; he envisioned it as a business district, as there is a large portion of the riverfront dedicated to park and green space. Groat said that developers that they have spoken with have said they have hit this right on the head. To maximize the riverfront, it needs to be embraced by the community. Groat added that all the bigger cities provide for green spaces on the waterfront areas. Wagner asked if the trail counts as green space. Wagner also asked that if it is a green space, would it be a park allowing alcohol. Werth said that is something that may be considered in the future, right now it is an area for activity. Oberbeck said that he is not convinced that a play area should be right next to the river. It is an opportunity to extend the development all the way around the river to maximize the development and allow Wausau to do something that is unique. Wessling said that if the concept is able to be embraced, there is something to present to the community. One of the goals of presenting this concept is to have something to take to the public to get the ball rolling. Details may change because investment may change. Nagle said that the city has proven to be successful in developing the downtown. The green space would make the residential area to the east far more attractive because it will be a dedicated river parkway, not just a park. In the 1980's and 1990's, we learned that sprawl is bad and need to continue with the downtown and towers, buildings and stay committed to the river front. We have an obligation to create development in the downtown.

Rasmussen said that the proposed green space does need some beautification. There is long way between Oak Island Park and Gilbert Park. The park needs to be more than play equipment, but needs to have things for adults. It needs to be a place to sit down and have lunch mixed with green space. It needs to be themed properly. Rasmussen said she did agree with Oberbeck in regards to the Parks Department budget. Oberbeck said the property was bought for redevelopment and there are a lot of green spaces all around the river. All of the developments in the bigger cities bring a lot of people into the riverfront areas and Wausau has the opportunity, but it should be mixed use. The downtown should be brought into the riverfront along with on the west side. Rasmussen said that not all commerce is brick and mortar and if we want to look at it from a visionary perspective, not all commerce comes from a building. Rasmussen also said that during the design charette, it was discussed that open markets have great value.

Brezinski reminded the committee that they are taking look at the plan and staff is asking the committee to endorse the plan so it can be presented to the community. There will be ample opportunity to make any changes to it. Wessling said that makes sense and a map is necessary to show people what the plans are. Oberbeck said the role of the Economic Development Committee is to encourage economic development and to debate what the best is for the community, and not to endorse it. There will be additional money needed to be invested without any type of development in mind. Werth said all the foundations invited to the meeting were ecstatic for the green space and family area. Werth complimented Rasmussen on what she had said about not needing buildings for commerce. A developer said that in all of Wisconsin, Wausau had some of the best potential for building residential units on the waterfront. This is the start and the rest of the development will come. The entire area doesn't have to be Chutes and Ladders, it is just a concept right now. Nagle said that the return of investment is important, but this is just a piece of the downtown. The whole area needs to be looked at in terms of economic development. Wagner said that if a park would be created and alcohol was invited, the green space with the family would be taken away. Wagner also said the Chutes and Ladders idea would be good for only 6-7 months and a year-round family opportunity

should be visualized. Werth said there is the potential for mounds for sledding and the different seasons have been taken into account.

Oberbeck said he has concerns and the way it is will not vote for this plan. The committee agreed that staff should proceed the planning and come back to the committee.

Rasmussen motioned to extend the life of Tax Incremental District #2 for the purpose of improving Wausau's Central Urban Housing Stock. Nagle seconded, and the motion carried unanimously 5-0.

Wagner motioned to extend the life of Tax Incremental District #4 of the purpose of improving Wausau's Central Urban Housing Stock. Nagle seconded, and the motion carried unanimously 5-0.

DISCUSSION TO INCLUDE THOMAS STREET/TIF 6

Oberbeck said he wanted this item on the agenda as it relates to an approval by CISM and asked the members various questions. Is the proposed design is reflective on the Economic Development Committee vision of this corridor? What increases and decreases does the City of Wausau project for the upcoming years? What opportunities and challenges does the proposed design present to the future development of the area? Is this a pass-through corridor or is there a visioning of a commerce district to develop? Oberbeck said TIF designation requires development to occur to offset cost. As presented by the CISM committee, it is not a development project but a traffic solution project. Oberbeck said the design is 4 lanes, with a 5th lane for turning; it has no parking on the street, and is not encouraging any business development. \$10 million will be used for property purchases, which will be off of tax rolls, so the district is down \$10 million from where it originally was. In the plan, there isn't any proposed development. If the Thomas Street project was completed with only tax dollars, it would not happen until 2036. It is a responsibility to do it right and there have been comments regarding this is the route to get from Grand Avenue to the Rib Mountain business district. On a daily basis, there are 18,000 vehicles traveling the street and it is projected that there will be 30,000 vehicles traveling the street once it is widened. Oberbeck said that this is an opportunity to extend 3rd Street and grow the district. This should not be a downtown bypass. There are provisions in the TIF plan on what the plan should do.

Rasmussen said Oberbeck is not entirely wrong when he says that it is only a traffic solution, but that is only half of what it is. The idea of funding land acquisition is not a new concept and the plan that was approved in CISM was a reaffirmation of the 5-lane project previously approved by Common Council. The land acquisition part of the project was always slated to come from TIF #6, before and after the issue surrounding the grant funding. From the economic development standpoint, good flowing strong infrastructure brings development. This road will last 20+ years and it pays to do it right the first time. The Wausau we have 20 years from now is the sum of decisions we make today. If Thomas Street is underbuilt now we may wish later on that we would have done something very differently. Currently there is an hourglass flow of traffic going across the Stevens Bridge. The Stevens Bridge is closer to the end of its life than the beginning. If a smaller road is built through there, the DOT will not put in a large 5-lane bridge when the current bridge needs to get replaced. The majority of the residents favor the 4-lane section, an improved, safer design. Rasmussen said she believes it is important to pay for infrastructure from the TIF. Nagle said that he needs to look at it in the standpoint of what is best for Wausau in general and stated that he is not paid to represent Rib Mountain. The southwest side of Wausau is in need of life and vitality. The Economic Development Committee is paid to make sure the property values increase and to make sure it is a great place to live, shop, work, and walk in. Thomas Street goes to 17th Avenue as does Stewart Avenue and Bridge Street. Stewart Avenue is the main artery and Bridge Street goes to the clinics and hospitals. 17th Avenue is the way to get to Rib Mountain. Nagle said Thomas Street should not be a pass through and should not be the job of the committee's job to make people get places faster. Nagle said he does not want Thomas Street to be a super highway, but to stay a 2-lane street.

Wagner said that instead of getting people to Rib Mountain faster, it could be a way to get people from Rib Mountain and the west side of Wausau to the curling club, conservatory development, and Grand Avenue businesses. Once Grand Avenue is done, it will be a nice thoroughfare. This is an opportunity to spruce up Grand Avenue, but need to get people to the area. The TIF money may not be building businesses, but is helping businesses indirectly. Wagner said that on the other hand, it is a 2-lane bridge in a residential

neighborhood and would not like to see the speed limit change to 35-45 MPH and people not stop at the local businesses.

Rasmussen said there needs to be a way to get people to the developments on Kent Street, Curling Way, and Grand Avenue to South 17th Avenue. All of the conduits across the Wisconsin River need to flow sufficiently and need to be aware of what would happen if something were to happen on Stewart Avenue or Bridge Street. Thomas Street is not going to be 5 lanes, but 4 lanes with a 24 foot median and will not be a super highway. The question the committee needs to be discussing is if the project is appropriate or not for tax incremental funding.

Oberbeck said that he hopes hotels would be built near the Curling Club to service to club and fields. All of these vehicles should be taking Stewart Avenue and not Thomas Street. Oberbeck said he would like to hear from planning or engineering as to how a business could locate onto Thomas Street since access is limited to every other street. There would be only 2 controlled intersections with 30,000 cars traveling through a residential district. Oberbeck said that there are objectives stated in TIF 4 on pages 4 and 5 and thinks this would not qualify as one of those objectives.

Brezinski said it is good and appropriate discussion before Common Council sees it as a whole. Marquardt said that since there weren't any changes to the plan, it will not be brought to Common Council. Brezinski said it would go to Finance Committee. Brezinski said there needs to be a thorough discussion of this item as everyone involved want to do this right way legally and economically. Rasmussen asked if money was authorized for land acquisition. Groat said that the land acquisition specifically needs to be approved by council. The committee members continued to discuss the funding and if it was going to go to council or not. Jacobson said she would need to review the process but thinks the Finance Committee will continue to look at it. Groat said that 2013 has been estimated and approved at \$800,000, but each land acquisition will come before Common Council to borrow. Rasmussen said the original plan that was voted on is the same and has not been modified.

ESTABLISH NEXT MEETING AGENDA ITEMS AND OTHER COMMUNICATION/UPDATE

The next meeting will be scheduled for Tuesday, March 19 at 3:00 p.m. Rasmussen asked that food vendors be added to the next agenda.

ADJOURN

Rasmussen moved to adjourn. Wagner seconded. All voted to adjourn. Meeting ended at 4:45 PM.

Respectfully Submitted,
ECONOMIC DEVELOPMENT COMMITTEE

Chairperson
Jim Brezinski