

ECONOMIC DEVELOPMENT COMMITTEE

Time and Place: The Economic Development Committee met on Tuesday, July 16, 2013 at 3:30 PM in the Board Room at City Hall, 407 Grant Street, Wausau

ED Members Present: Jim Brezinski (Chair), Romey Wagner (Vice-chair), David Oberbeck, William Nagle, and Lisa Rasmussen (arrived at 3:35 p.m.)

Others Present: Ann Werth, MaryAnne Groat, Brad Lenz, Brad Marquardt, Chuck Ghidorzi, Chris Ghidorzi, Sara Marquardt

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 3:30 PM.

CALL TO ORDER AND INTRODUCTIONS

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

APPROVAL OF ECONOMIC DEVELOPMENT COMMITTEE MINUTES (6/18/13)

Nagle motioned to approve the Economic Development Committee minutes for June 18, 2013. Wagner seconded and the motion carried unanimously 4-0.

CONSIDER HIGHWAY 51/K PROJECT - GHIDORZI

Rasmussen arrived at 3:35 p.m.

The development agreement between Ghidorzi and the City of Wausau regarding four properties shown on the map was distributed. Werth said that this project consists of 4 properties shown on a map. The City of Wausau currently owns one parcel the other 3 are owned by Ghidorzi.

Ghidorzi said this is an up and coming area and this project will make the entire parcel of land better for development. The initial engineering will be done by REI. Ghidorzi Company will do the engineering for the storm water management for the parcels, construct the retaining wall, and supervise the fill that will coming into the project. This area will be tied back into Rasmussen College and the Westwood Center. One of the homes will be demolished in the spring. The retaining wall will be completed this fall so it will be ready for fill from the ramp.

Rasmussen said she has received positive feedback about the future of this area for development. Obtaining the fill from the 51/K project represents a substantial cost savings. The residents in the area want this to become a center where commerce can take place and new construction can bring some new life into the area. Wagner asked what types of businesses are anticipated for this location. Ghidorzi answered that he has been developing properties for 35 years and is not sure what the specific businesses would be, but said this is an excellent opportunity for job creation in the high tech fields, manufacturing, or larger business. Due to Kocourek, it wouldn't be probable for a car lot or fast food. Wagner gave Ghidorzi credit for being able to see out in the future and the ability to make adjustments as they are needed. Oberbeck said he likes that the colleges along the border of the city have high exposure and Ghidorzi agreed.

Mayor Tipple asked Ghidorzi to explain how his vision has changed over time. Ghidorzi said that several years ago, the life style center was retail driven do to a few large box stores. Retail is fine, but it does not drive job creation, especially in communities of our size. The job creation of professional businesses would far exceed the benefits of retail businesses.

Nagle said that according to the agreement, a total of \$400,000 will be reimbursed, the 4 properties would be sold, and the money would be given to Ghidorzi. Werth said that we still have control over the property the City owns. Nagle asked how big the parcel is. Marquardt answered that the portion of the property that

is being improved is 3-4 acres. Nagle asked what the total acreage of the parcel was. Ghidorzi answered 7-8 acres. Werth said this is no different than any other partnership. Nagle and Wagner both asked about the return on investment. Werth said that depends on the development and that this will be brought back to this committee and Finance Committee when a sale is considered.

Oberbeck said the City has no use for the property and suggested that it be sold for development. Ghidorzi said that neither he, nor the property, is in the position to find an immediate user, but there is an opportunity to collectively improve the property. There will be \$1.6 million investment whereas \$1.7 million was invested in Rasmussen College, although times have changed a bit. Once the sale is determined, the money will be divided. Werth said that in the past, we've had a great partnership with Ghidorzi. Nagle said it has great visibility from the highway, it is a great parcel, and Ghidorzi is a great marketer, but asked about Witter Holdings. Ghidorzi said the Tom Witter does not plan on farming. There may be some opportunity to the north. As opportunity develops, it will fall back to the City.

Marquardt said that the property was purchased in 1992, it was just under 7 acres, and was appraised for \$74,900. Brezinski said this would create an opportunity for future growth and development. This would be an investment with the reasonable expectation that the city would get its money back. Wagner said that potentially the \$400,000 and land could be offered up to Ghidorzi for redevelopment. Ghidorzi thanked Wagner for the opportunity, but does not expect something for nothing. Brezinski added that it would also be a tough sell to the taxpayers and it is better to sell as a joint effort.

Nagle asked what the total cost will be. Ghidorzi answered \$1.4 million aside from the land costs. Rasmussen suggested that the site be made marketable as possible and development ready. This will be a high-end use and the city has a strong history of partnerships. Rasmussen said this is a huge opportunity and supports it. Brezinski asked Groat what the funding source of the project would be. Groat answered that this would come from TID #6.

Oberbeck asked if goals of the property could be stated in the agreement. This is a good investment, but we need the right development. Oberbeck asked why the city should retain ownership if it is going to be developed. Nagle said that under clauses B and C, the city has the ability to weigh in if the buyer is acceptable or not. Oberbeck said that a different council or members could be here. Werth said that one of the advantages of two owners is that there is a partner and it would come back to this committee. There is a track record of excellence with both buildings and properties being built to high standards by Mr. Ghidorzi.

Wagner asked about the chunk of property that will not be developed. Marquardt answered that it is on the south side of the wetland and is a good dividing line. Rasmussen said the partnership allows for the highest and best use of the property and it is a good idea to stay involved. Brezinski said that a paragraph could be added to list the goals, but it wouldn't change it.

Oberbeck stated that there is no reason that the city should retain ownership and suggested giving the property to Ghidorzi. Rasmussen said the property can be jointly marketed but since Ghidorzi doesn't want the property, it is a moot point. All parties will benefit from the proposed reasonable partnership.

Nagle motioned to approve the Highway 51/K project. Rasmussen seconded and the motion carried unanimously 5-0.

CLOSED SESSION PURSUANT TO 19.85(1)€ OF THE WISCONSIN STATUTES FOR DELIBERATING OR NEGOTIATING THE PURCHASE OF PUBLIC PROPERTIES, THE INVESTING OF PUBLIC FUNDS, OR CONDUCTING OTHER SPECIFIED BUSINESS, WHENEVER COMPETITIVE OR BARGAINING REASONS REQUIRE A CLOSED SESSION FOR THE PURPOSE OF FORMULATING OR ENTERING INTO RECOMMENDATIONS FOR PROPERTY ACQUISITION AND REDEVELOPMENT WORK

Nagle motioned to go into closed session pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified business, whenever competitive or bargaining reasons require a closed session for the purpose of formulating or entering into recommendations for property acquisition and redevelopment work. Oberbeck seconded and the motion carried unanimously 5-0 by a roll call vote.

RECONVENE INTO OPEN SESSION TO TAKE ACTION OF: ACQUISITION OF 1707 MERRILL AVENUE AND 1010 NORTH 1ST STREET

Rasmussen motioned to reconvene into open session to take action. Nagle seconded and the motion carried unanimously 5-0.

Wagner motioned to decline the City's First Right of Refusal on 1707 Merrill Avenue. Oberbeck seconded and the motion passed 4-1. Rasmussen voted no.

Rasmussen motioned to approve the purchase of 1010 North First Street. Wagner seconded and the motion carried unanimously 5-0.

Rasmussen motioned to authorize staff to negotiate with Cosmos Properties for acquisition of 1008 North First Street and to resolve any environmental issues. Wagner seconded and the motion carried 4-1. Oberbeck voted no.

Nagle motioned to authorize staff to work on a Development Agreement with Linetec and Wausau Coated Products and to start creating TID #10. Rasmussen seconded and the motion carried unanimously 5-0.

Wagner and Oberbeck left the meeting at 4:55 p.m.

DISCUSS STRATEGIES TO PLACE ARTWORK IN GATEWAY ENTRANCES INTO THE CITY

Sara Marquardt presented a PowerPoint presentation on public artwork in other cities. The artwork can be traveling or the city can purchase it. With the traveling artwork, fees are assessed for set up and removal. Nagle questioned the possible themes. Groat replied birds could work because of Leigh Yawkey Woodson Art Museum. Nagle likes a lumberjack theme. Brezinski suggested contacting the Marathon County Historical Society for ideas. Rasmussen added that there are some very talented artists in the area and gave Chalkfest as an example.

DISCUSS POSSIBLE AVENUES FOR CITY/COUNTY COOPERATION ON ECONOMIC DEVELOPMENT

This item will be placed on the next agenda since Oberbeck needed to leave early.

DISCUSS ECONOMIC DEVELOPMENT EXPECTATIONS/ACCOUNTABILITY IDEAS (OBERBECK)

This item will be placed on the next agenda since Oberbeck needed to leave early.

NEXT AGENDA ITEMS AND DATE OF NEXT MEETING

The next meeting is scheduled for August 20, 2013 at 3:30 p.m.

ADJOURN

Nagle motioned adjourn. Rasmussen seconded and the motion carried unanimously 3-0.

Respectfully Submitted,
ECONOMIC DEVELOPMENT COMMITTEE

Chairperson
Jim Brezinski