

ECONOMIC DEVELOPMENT COMMITTEE

Time and Place: The Economic Development Committee met on Tuesday, August 12, 2013 at 3:30 PM in the Maple Room at City Hall, 407 Grant Street, Wausau

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

Others Present: Ann Werth, Bill Reif, MaryAnne Groat, Andrew Joswiak, Anne Jacobson, Bill Scholfield, Brad 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 (5/28/13 AND 7/16/13)

Wagner motioned to approve the economic development committee minutes for the May 28, 2013 and July 16, 2013 meetings.

Rasmussen said that the May 28 minutes need more detail as there was lengthy discussion. Oberbeck stated that packets were not mailed. Rasmussen said that the packets were not printed, just emailed. The commission agreed to not approve the minutes at this time.

APPROVAL OF THE CREATION OF TID #10 AND PROJECT PLAN

Werth said that staff has been working with companies in the industrial park. Representatives from Linetec and Wausau Coated Products are available to talk about the plans. A draft plan of TIF #10 includes both expansions. There is also another planned property, known as Badger Attachments, which is currently owned by AnchorBank due to foreclosure.

Nagle arrived at 3:35 p.m.

Werth said that the project plan also encompasses the southern side of Highway 29. When businesses come to the business campus, they don't realize there are 2 business campuses. The way-finding through the area will be continuous. There is a potential for pathways, for employees who would like to walk during lunch hours. There is major truck traffic through this area. There may be grants available for businesses that would like to locate to this area. The gateway to our business campus is not a pretty site and this area is a major portion of our tax base. There is great potential for this district.

Bill Reif, Wausau Coated Products, said that they have been in the industrial park since 1981. The last expansion occurred in 2000 and they are now out of space. There aren't many options for expansion as they are bordered by swamp, public roadways, and a non-selling company. The old Fiskars building was for sale last fall and they have a purchase agreement with the current property owner. The parcel is 13 ½ acres with 3 buildings. This would be needed for growth for the 200 employees. In 5 years, it is anticipated that they will have 250 employees and are unable to grow without new expansion space. It is the goal to expand the current building. There have been increases of 10% in sales in the last 2 years.

Nagle said that this was the 1st business in the industrial park and has done a wonderful job.

Reif explained the expansion to the committee in detail. In 2014, it would be planned to vacate part of 72nd Avenue and build a new road for the Wisconsin Lift Truck Company located on 72nd Avenue.

Andrew Joswiak, Linetec, said that the business has been in the industrial park since 1983 and started with 70,000 square feet and now has 510,000 square feet and 365 employees. They will be adding 25,000 square foot addition and will need to vacate 75th Avenue, as they own both sides. They are investing \$4 million and will create 20 jobs in 6 months. These jobs will include some salary positions and they looking at adding services to add additional work to the location.

Groat said that page 3 of project plan shows the working stormwater issues with this property. Joswiak said that during a heavy rain, cars will get stranded.

Nagle said that 903 South 60th Avenue is included in the plan and asked how the plan can specifically help to develop this site. Groat said the project plan costs can be used for environmental remediation, project costs, development incentives, and a number of other city infrastructure costs. Nagle asked if the property has rail access. Werth said it has rail access. Businesses are looking for buildings with high ceilings and welding station capabilities. Nagle asked about a rail incubator at this location. Werth said that Reif has talked about it in the past. The majority of tenants have products shipped by rail to Chicago and trucked here. Wagner said the Northwestern (CN) rail business should be attracted to this area.

Nagle motioned to approve the creation of TID #10 and project plan. Wagner seconded and the motion carried unanimously 5-0.

CONSIDERATION OF WAIVER OF RIGHT OF FIRST REFUSAL AND APPROVAL OF ASSIGNMENT OF DEVELOPMENT AGREEMENT WITH BRIQ'S SOFT SERVE LLC TO JSM OF WAUSAU, LLC, AT 1605 MERRILL AVENUE

Werth said that the development site was formally approved; Kevin and Holly have purchased the site and are relocating their business. It was always considered that there would be other development on that site. They are asking for permission to follow through with the development agreement. The City of Wausau has first right of refusal with Subway. The map of the divided property was passed around. Representatives for the various interests are here and available for any questions. There are a number of things that need to come together. According to the agreement, a written notification was received and will have to be sent back.

Rasmussen said the project was established with a combination of loans and grants and asked if the loan payoff is the city loan toward the project. Werth said it is not and said that \$55,000 was put as acquisition into the project, which was a grant. The entire property has been acquired and he is looking at subdividing and selling a portion of the property. They also have a \$55,000 loan, which is to go toward the construction of the project.

Wagner asked if the agreement pertains to everything that was attached to the Briq's Soft Serve property acquisition and nothing about Subway. Jacobson said the \$55,000 was for the acquisition of the development properties, which would mean the larger site, would be carved out for Subway. A separate CSM would be necessary for Subway. One \$55,000 would be to acquire the site and another \$55,000 loan to develop the site.

Rasmussen said that since they are continuing to develop the property and will retain a large portion on the parcel, the \$55,000 would not need to be paid back at this time. Werth acknowledged that the owners have requested the committee waive the payoff at this time.

Wagner said the agreements will continue to be with Briq's and not Subway. Subway will not need to come to the committee. Jacobson said they will need to follow the development agreement. Werth said the committee is being asked to approve the sale, waive the loan payoff, and staff will work with Subway to abide by the agreement.

Rasmussen asked if plan for Subway would need to come back to Plan Commission. Werth said it should. Brezinski said the first step would be to relinquish the first right of refusal.

Scholfield said that Subway went through the UDD process and the site doesn't allow for too many options asked if the process would need to be gone through again. Werth said the separate development

agreement with Subway will need to be created. Scholfield said there is no tie with the equity. Jacobson said it didn't make sense to hold up and the agreement states to provide evidence that it is not bound by agreement.

Rasmussen said the second development agreement would come back to the commission and there wouldn't be an issue with Plan Commission. That was agreed.

Rasmussen motioned to waive right of first refusal and approval of assignment of development agreement with Briq's Soft Service LLC to JSM of Wausau, LLC at 1605 Merrill Avenue. Nagle seconded. Oberbeck said he didn't want this see this happen with this parcel. Now there are parcels in back of parcels and said he has problems with this and will not support it. Rasmussen said that the layout is the same and the only change is the land lease that supports it. The motion carried unanimously 4-1.

Rasmussen motioned that the terms of the original development agreement with Briq's Soft Serve remain unchanged and that staff is directed to execute the appropriate the development agreement with Subway and bring back to the commission. Nagle seconded and the motion carried unanimously 5-0.

CLOSED SESSION PURSUANT TO 19.85(1)(e) OF THE WISCONSIN STATUES FOR DELIBERATING OR NEGOTIATING THE PURCHASE OF PUBLIC PROPERTIES, THE INVESTING OF PUBLIC FUNDS, OR CONDUCTING OTHER SPECIFIED PUBLIC BUSINESS, WHENEVER COMPETITIVE OR BARGAINING REASONS REQUIRE A CLOSED SESSION FOR THE PURPOSE OF NEGOTIATING THE TERMS OF A DEVELOPMENT AGREEMENT WITH THE CATHOLIC DIOCESE REFERENCE IN ITEM #6 (CONSIDER ENTERING INTO A DEVELOPMENT AGREEMENT WITH THE CATHOLIC DIOCESE FOR THE CONSTRUCTION OF A PARKING RAMP ON PROPERTY LOCATED ON THE 100 BLOCK OF GRANT STREET (CHURCH OF RESURRECTION))

Rasmussen asked if the commission is looking for interest or purchase price. Groat said that there are a number of terms that the church has proposed that need to be discussed. Rasmussen asked if this would pass the test for closed session. Werth said that it does. Jacobson said the discussion to purchase would be a public policy decision and that terms can be discussed in closed session and staff has the approval to work with the church.

Oberbeck asked if there has been discussion going on in regards to constructing a parking ramp. Groat answered that since 2008 there have been discussion between the church and city staff. Oberbeck asked if the discussion has been for a parking ramp. Groat answered yes and said that the McClellan ramp needs to be replaced as it is towards the end of its life. Rasmussen said that a rebuild of the McClellan ramp would make sense because of the connection to the bank building and there is a skywalk in place. Marquardt answered that in order to replace the ramp; the skywalk would need to come down and would be replaced. The McClellan ramp has approximately 3-5 useful years left. There have already been claims of concrete falling and scratching cars. Marquardt said that if the parking ramp is built on the same spot, the existing ramp would need to be torn down and would take 1 year. Groat said the 100 block of Grant Street is already tax exempt, so no value is being lost. Rasmussen said the hole in the bank would need to be closed and repurpose the current ramp site for something else. Oberbeck add the on-site parking for Scott Street.

Brezinski said that the purpose of this item on the agenda is to explore the options that are available. Rasmussen said it is hard to gauge the interest if we don't know what the options entail. Brezinski said it would be appropriate to find out what the options entail to make up the commission members mind. The commission members discussed the cost. Groat said the Jefferson Street ramp cost \$20 million. Gisselman asked the daily occupancy. Groat said that the McClellan ramp is sold out. Nagle said the committee needs to know the costs and need to go into closed session.

Nagle motioned to go into closed session pursuant to 19.85(1)(e) of the Wisconsin Statues for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session for the purpose of negotiating the terms of a development agreement with the Catholic Diocese reference in Item #6. Wagner seconded and the motion carried unanimously 5-0 by a roll call vote.

ADJOURN

The meeting adjourned in closed session.

Respectfully Submitted,
ECONOMIC DEVELOPMENT COMMITTEE

Chairperson
Jim Brezinski