



\*\*\* All present are expected to conduct themselves in accordance with our City's Core Values \*\*\*

## OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

Meeting of: **ECONOMIC DEVELOPMENT COMMITTEE**  
Date/Time: **Thursday, July 17, 2014 at 4:30 PM**  
Location: **City Hall, 2nd Floor Board Room**

ED Members: Bill Nagle(C), Tom Neal (VC), Romey Wagner, David Oberbeck and Lisa Rasmussen

### AGENDA ITEMS FOR CONSIDERATION/ACTION

- 1 Approve the Economic Development Committee minutes from 5/6/14, 5/13/14, 5/14/14, 5/20/14 and 5/27/14
- 2 Review Commercial Loan Rehabilitation Project at 1910 North 6th Avenue (Zillman Meat Market)
- 3 Discussion and Possible Action on Development Incentives for O'Malley Automotive Group for property located at 3405 Stewart Avenue
- 4 Update on Development Agreement between the City of Wausau and 2800 Stewart Avenue, LLC (Ghidorzi)
- 5 Discussion and Possible Action on Amendment to Parking Space Lease Agreement between City of Wausau and Murdock Limited Properties
- 6 **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 public business, whenever competitive or bargaining reasons require a closed session.
  - \* Discussion and Possible Action on Development Incentives for O'Malley Automotive Group for property located at 3405 Stewart Avenue
  - \* Update on Development Agreement between the City of Wausau and 2800 Stewart Avenue, LLC (Ghidorzi)
  - \* Discussion and Possible Action on Amendment to Parking Space Lease Agreement between City of Wausau and Murdock Limited Properties
- 7 **RECONVENE** into Open Session to take action on Closed Session Items, if necessary
- 8 Discussion and Consideration regarding Tax Incremental Financing District #2 Housing Stock Improvement Funds
- 9 Discussion and Possible Action on Amending Section 3.12.040 Applicability-City representatives, relative to land acquired by the city for redevelopment purposes
- 10 Discussion and Possible Action on Increase in TIF Application Fees  
*Adjournment*

Bill Nagle, ED Chair

It is possible and likely that members of, and possibly a quorum of the Council and/or members of other committees of the Common Council of the City of Wausau may be in attendance at the above-mentioned meeting to gather information. **No action will be taken by any such groups.**

**This notice was posted at City Hall and emailed to the Wausau Daily Herald newsroom on 7/11/14.**

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids & services. For information or to request this service, contact the City Clerk at (715) 261-6620.

Other Distribution: Media, Alderpersons, Mayor, Department Heads, Rayala, Lawrence, Lenz, Hebert, Stratz and Lepinski

## ECONOMIC DEVELOPMENT COMMITTEE

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Time and Place: The Economic Development Committee met on Tuesday, May 6, 2014 at 4:30 p.m. in the Board Room at City Hall, 407 Grant Street, Wausau

ED Members Present: Bill Nagle (Chair), Lisa Rasmussen, Romey Wagner, Tom Neal and David Oberbeck

Others Present: Megan Lawrence, Maryanne Groat, Mayor Jim Tipple, Anne Jacobson, Ann Werth, Travis Lepinski, Kevin Fabel, Gary Gisselman, Dick Holster, Kent Olson, Elizabeth & David Hinner, Kristen Fish, Brad Marquardt, Pat Peckham, Theresa Clift and Jon & Jeanne Radke

In accordance with Chapter 19, Wisc. Stats., notice of this meeting was posted and sent to the Daily Herald in the proper manner.

### **CALL TO ORDER**

Wagner noted there was a quorum and called the meeting to order at approximately 4:30 p.m.

### **PUBLIC COMMENT ON MATTERS APPEARING ON THE AGENDA**

No comments were made.

### **APPROVAL OF ECONOMIC DEVELOPMENT COMMITTEE MEETING MINUTES FROM 4/8/14**

Rasmussen motioned to approve minutes. Neal seconded and the motion carried unanimously 5-0.

### **SELECT A CHAIRPERSON AND VICE CHAIRPERSON FOR 2014-2016 TERM**

Wagner nominated Nagle for chairperson. Rasmussen nominated Oberbeck for chairperson. The vote was held and Nagle received three votes giving him the majority vote and thus becoming the new chairperson.

Wagner nominated Neal for the vice chairperson and Nagle seconded. The vote was held and Neal was voted in as vice chairperson unanimously 5-0. Nagle took over as chairperson.

### **ESTABLISH REGULAR MEETING DATES AND TIME FOR 2014-2016 TERM**

Wagner motioned to hold the meeting on the third Thursday of the month at 4:30 p.m. Rasmussen seconded and the motion carried unanimously 5-0.

### **PRESENTATION OF POTENTIAL DEVELOPMENT OPPORTUNITY WITH WAUSAU CHEMICAL AT 300 NORTH 84TH AVENUE**

Lawrence gave a power point on the possible move of Wausau Chemical to the Business Campus. The presentation showed the advantages of moving instead of Wausau Chemical expanding on the river front.

Rasmussen motioned for staff to start negotiation talks with Wausau Chemical. Wagner seconded and the motion carried unanimously 5-0.

**CONSIDER PURCHASE OF VACANT LAND IN THE WAUSAU BUSINESS CAMPUS AT 101 NORTH 72ND AVENUE FROM INTERCITY STATE BANK**

Wagner motioned to move forward on the purchase of the West half of the property already in the City of Wausau. Rasmussen seconded and the motion carried unanimously 5-0.

Werth stated the price should be set by Finance in closed session; this will give Economic Development some parameters to negotiate in.

**REVIEW A COMMERCIAL REHABILITATION LOAN FOR THRIVE FOODERY AT 2105 NORTH 2ND STREET**

Rasmussen motioned to move forward with the staff recommended \$150,000 loan. Neal seconded and the motion carried unanimously 5-0.

**CONSIDER THE INVESTMENT OF PUBLIC FUNDS WITH OLSON TIRE AND AUTO REGARDING THE PROPERTY LOCATED AT 3515 STEWART AVENUE**

Wagner motioned to have a closed session meeting to discuss possible funding for the Olson Tire and Auto project. Rasmussen seconded and the motion carried unanimously 5-0.

**CONSIDER NEGOTIATIONS FOR THE BIDDING ON THE PROPERTY LOCATED AT 1300 SHERMAN STREET**

Jacobson described the property up for auction and the rules of the auction. The property had been offered to the City for \$390,000.

**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 PUBLIC BUSINESS, WHENEVER COMPETITIVE OR BARGAINING REASONS REQUIRE A CLOSED SESSION. (CONSIDER NEGOTIATIONS FOR THE BIDDING ON THE PROPERTY AT 1300 SHERMAN STREET)**

Rasmussen motioned to move into closed session. Neal seconded, roll call was held and all members were present. Committee went into closed session.

Oberbeck and Wagner both removed themselves from the closed session due to potential conflicts of interest.

**RECONVENE INTO OPEN SESSION TO TAKE ACTION ON CLOSED SESSION ITEM, IF NECESSARY.**

*Committee reconvened back into Open Session in the Board Room.*

Rasmussen motioned to not enter into the bidding on the property located at 1300 Sherman Street. Neal seconded and the motion carried 3-0.

**REPORT ON RFP PROCESS FOR SAVO SUPPLY (1418 N 1ST STREET) AND THE WAUSAU CLUB (309 MCCLELLAN)**

Lawrence gave a report on the RFP's that came in for SAVO and the Wausau Club. Lawrence informed the Committee that there are selection committees in place.

Rasmussen made it clear that she does not want low income housing on the SAVO site. Neal stated his support of Rasmussen's statements and also does not want low income housing.

No action was taken or needed.

#### **REPORT ON KWIK TRIP (1500 GRAND AVENUE)**

Lawrence said the closing for Kwik Trip is scheduled for May 14, 2014. After closing, staff will be working on an RFP for it.

No action was taken or needed.

#### **CONSIDER SCHEDULING OF A STRATEGIC PLANNING SESSION FOR THE PURPOSE OF DEVELOPING AND PRIORITIZING ECONOMIC DEVELOPMENT INITIATIVES FOR THE 2014-2016 TERM AND APPROVE KFISCHER STRATEGIC PLANNING PROPOSAL**

Discussion was held on the topic of a strategic planning proposal.

Rasmussen stated that if we work on strategic planning it will help staff and the committee be on the same page. Staff will have a better vision of projects the committee is looking for and be able to weed out projects before they come to the committee.

Neal motioned to move forward with the K Fisher Consulting proposal. Rasmussen seconded and the motion carried unanimously 5-0.

#### **PRESENTATION AND DISCUSSION OF THE PAST ECONOMIC DEVELOPMENT ACTIVITIES 2012-2014**

Oberbeck said he just wanted a history of what was done and that we need to follow up with developer agreements and past projects.

Rasmussen would like to see a spreadsheet on how agreements are progressing.

No action was taken or needed.

#### **CONSIDER REQUEST FOR PROPOSALS FOR A SHOPPING CENTER CONSULTANT AND/OR ATTORNEY**

Discussion was done on what the purpose of the consultant would be. No action was taken or needed. Staff will move forward on looking for a consultant and bring back some recommendations to the committee for approval.

#### **ADJOURN**

Neal motioned to adjourn, Wagner seconded and the motion carried unanimously 5-0. The meeting was adjourned.

Respectfully Submitted,  
ECONOMIC DEVELOPMENT COMMITTEE

Chairperson  
Bill Nagle

**JOINT FINANCE AND ECONOMIC DEVELOPMENT COMMITTEES**

Date and Time: Tuesday, May 20, 2014 @ 6:00 pm., 2<sup>nd</sup> Floor Board Room *Finance Members Present:* Nagle, Oberbeck, , Nutting, Winters (C), Kellbach *ED Members Present:* Nagel (C), Wagner, Neal, Oberbeck, Rasmussen  
Others Present: Tipple, Giese, Werth, Lepinski, and other interested parties.

It was noted that a quorum of the Finance Committee and the Economic Development Committee was present and the meeting was called to order by Chairpersons Nagle and Winters.

**Public Comments on matters appearing on the agenda**

No comments were made.

**Joint Item: Authorize the Amendment of the Ground & Air Rights Lease between the City of Wausau & CBL & Associates Properties and approval of Development Incentive Payments.**

**Economic Development:**

Discussion will be done in closed session

**Finance:**

Discussion will be done in closed session

**Joint Item: Consider Development Incentives Apogee Wausau Group, Inc.**

**Economic Development:**

Discussion will be done in closed session

**Finance:**

Discussion will be done in closed session

**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 public business, whenever competitive or bargaining reasons require a closed session. (Negotiations with CBL & Associates Properties, Inc., regarding tenant redevelopment and replacement plans).**

**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 public business, whenever competitive or bargaining reasons require a closed session. (Negotiations with Apogee Wausau Group, Inc. regarding development incentives).**

**ED:** Motion by Neal, second by Wagner to convene into closed session. Roll Call Vote: Ayes: Oberbeck, Rasmussen, Neal, Wagner, and Nagle. Motion carried 5-0.

**Finance:** Motion by Kellbach, second by Winters to convene into closed session. Roll Call Vote: Ayes: Nagle, Kellbach, Oberbeck, and Nutting. Nays: Winters. Motion carried 4-1.

*Never reconvened into open session*

**Adjournment**

Meeting never officially adjourned.

## ECONOMIC DEVELOPMENT COMMITTEE

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Time and Place: The Economic Development Committee met on Tuesday, May 13, 2014 at 4:15 p.m. in the Board Room at City Hall, 407 Grant Street, Wausau

ED Members Present: Bill Nagle (Chair), Lisa Rasmussen, Romey Wagner, Tom Neal and David Oberbeck

Others Present: Karen Kellbach, Gary Gisselman, Dave Nutting, Megan Lawrence, Maryanne Groat, Mayor Jim Tipple, Anne Jacobson, Ann Werth, Tammy Stratz, Nan Giese, Kent Olson, Brad Marquardt, Pat Peckham and Theresa Clift

In accordance with Chapter 19, Wisc. Stats., notice of this meeting was posted and sent to the Daily Herald in the proper manner.

### CALL TO ORDER

Nagle noted there was a quorum and called the meeting to order at approximately 4:15 p.m.

### PUBLIC COMMENT ON MATTERS APPEARING ON THE AGENDA

No comments were made.

### CONSIDER NEGOTIATIONS WITH OLSON TIRE AND AUTO REGARDING THE PROPERTY LOCATED AT 3515 STEWART AVENUE.

**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 PUBLIC BUSINESS, WHENEVER COMPETITIVE OR BARGAINING REASONS REQUIRE A CLOSED SESSION. (CONSIDER NEGOTIATIONS WITH OLSON TIRE AND AUTO REGARDING THE PROPERTY LOCATED AT 3515 STEWART AVENUE)**

Rasmussen motioned to move into closed session. Neal seconded, roll call was held and all members were present. Committee went into closed session.

### RECONVENE INTO OPEN SESSION TO TAKE ACTION ON CLOSED SESSION ITEM, IF NECESSARY.

*Committee reconvened back into Open Session in the Board Room.*

Rasmussen stated that the City's Economic Development Committee has opted not to participate with public funding for Olson Tire and Auto's possible expansion at 3515 Stewart Avenue at this time.

### ADJOURN

The meeting was adjourned at 5:15 p.m.

Respectfully Submitted,  
ECONOMIC DEVELOPMENT COMMITTEE

Chairperson  
Bill Nagle

## ECONOMIC DEVELOPMENT COMMITTEE

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Time and Place: The Economic Development Committee met on Wednesday, May 14, 2014 at 4:30 p.m. in the Maple Room at City Hall, 407 Grant Street, Wausau

ED Members Present: Bill Nagle (Chair), Romey Wagner, Tom Neal and David Oberbeck

ED Members Excused: Lisa Rasmussen

Others Present: Keene Winters, Sherry Abitz, Robert Mielke, Megan Lawrence, Maryanne Groat, Mayor Jim Tipple, Anne Jacobson, Tammy Stratz, Farzana Mitchell, Ron Brinza, Shawn Weiss, Pat Peckham, and Theresa Clift

In accordance with Chapter 19, Wisc. Stats., notice of this meeting was posted and sent to the Daily Herald in the proper manner.

### CALL TO ORDER

Nagle noted there was a quorum and called the meeting to order at approximately 4:35 p.m.

### PUBLIC COMMENT ON MATTERS APPEARING ON THE AGENDA

No comments were made.

### CONSIDER NEGOTIATIONS WITH CBL & ASSOCIATES PROPERTIES, INC. REGARDING TENANT REDEVELOPMENT AND REPLACEMENT PLANS.

Introductions were made of CBL & Associates Properties as follows: Farzana Mitchell, Chief Financial Manager, Ron Brinza, Regional Manager and Shawn Weiss, Wausau Mall Manager. City Council members then introduced themselves. Winters questioned why the negotiations should be in closed session. Nagle and Jacobson agreed that when discussing private business financials, a topic can be placed in closed session. Mitchell indicated that she is ready to present CBL's position but that it is very sensitive material. She indicated the Wausau City Mall is at a crossroads and is hoping that CBL and the City of Wausau can come together collectively to work through these struggling times to make the mall strong again.

### 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 PUBLIC BUSINESS, WHENEVER COMPETITIVE OR BARGAINING REASONS REQUIRE A CLOSED SESSION. (NEGOTIATIONS WITH CBL & ASSOCIATES PROPERTIES, INC. REGARDING TENANT REDEVELOPMENT AND REPLACEMENT PLANS).

Neal motioned to move into closed session. Oberbeck seconded. Roll call was performed with all members electing to go into closed session.

*Meeting was adjourned in closed session at 7:15 p.m.*

Respectfully Submitted,  
ECONOMIC DEVELOPMENT COMMITTEE

Chairperson  
Bill Nagle

## ECONOMIC DEVELOPMENT COMMITTEE

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Time and Place: The Economic Development Committee met on Tuesday, May 27, 2014 at 4:15 p.m. in the 2<sup>nd</sup> floor Board Room at City Hall, 407 Grant Street, Wausau

ED Members Present: Bill Nagle (Chair), Romey Wagner, Tom Neal, Lisa Rasmussen and David Oberbeck

Others Present: Megan Lawrence, Maryanne Groat, Mayor Jim Tipple, Anne Jacobson, Travis Lepinski, Ted Matkom, Rob McCreedy, Michael Loy, Brad Marquardt, Brad Lenz, Nan Giese, Ann Werth, Linda Grilley, Gary Gisselman, Dawn Follendorf, Pat Peckham, and Theresa Clift

In accordance with Chapter 19, Wisc. Stats., notice of this meeting was posted and sent to the Daily Herald in the proper manner.

### **CALL TO ORDER**

Nagle noted there was a quorum and called the meeting to order at approximately 4:15 p.m.

### **PUBLIC COMMENT ON MATTERS APPEARING ON THE AGENDA**

No comments were made.

### **APPROVE ECONOMIC DEVELOPMENT COMMITTEE MINUTES FROM 3/24/14**

Neal motioned to approve minutes. Wagner seconded and the motion carried unanimously 5-0.

### **CONSIDER AND APPROVE SPONSORSHIP OF ROBERT W. MONK GARDENS INC., APPLICATION TO THE MARATHON COUNTY ENVIRONMENTAL IMPACT FUND**

Rasmussen motioned to approve sponsorship of Robert W. Monk Gardens Inc. Wagner seconded and the motion carried unanimously 5-0.

### **EDUCATIONAL PRESENTATION BY TED MATKOM (GORMAN & COMPANY, INC.) AND ROB MCCREADY (METRO PLAINS) REGARDING TAX CREDIT HOUSING PROJECTS**

No action was taken as the presentation was for informational purposes only.

### **CONSIDER AND APPROVE RECOMMENDATIONS OF THE PARKING STEERING COMMITTEE REGARDING THE PARKING STUDY PROPOSALS FOR THE EAST AND WEST CENTRAL BUSINESS DISTRICTS**

Rasmussen motioned to approve the recommendations of the Parking Steering Committee. Neal seconded and the motion carried unanimously 5-0.

**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 PUBLIC BUSINESS, WHENEVER COMPETITIVE OR BARGAINING REASONS REQUIRE A CLOSED SESSION. (NEGOTIATIONS WITH CBL & ASSOCIATES PROPERTIES, INC. REGARDING TENANT REDEVELOPMENT AND REPLACEMENT PLANS).**

**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 PUBLIC BUSINESS, WHENEVER COMPETITIVE OR BARGAINING**

**REASONS REQUIRE A CLOSED SESSION. (CONSIDER AND APPROVE DEVELOPMENT INCENTIVES FOR APOGEE WAUSAU GROUP, INC.).**

Neal motioned to move into closed session. Wagner seconded. Roll call was performed with all members electing to go into closed session.

**RECONVENE INTO OPEN SESSION TO TAKE ACTION ON CLOSED SESSION ITEM, IF NECESSARY.**

*Committee reconvened back into Open Session in the Board Room.*

**NEGOTIATIONS WITH CBL & ASSOCIATES PROPERTIES, INC. REGARDING TENANT REDEVELOPMENT AND REPLACEMENT PLANS**

Rasmussen made the motion to approve option #2 with the last "Be it resolved" to be amended to read: By the Common Council of the City of Wausau that the proper City officials be and are hereby authorized and directed to enter into a developer agreement with CBL & Associates Properties for developer incentives equal to the base ground lease, 10% net cash flow ground for a five year term and a one-time payment of \$375,000; in exchange for an executed 10 year lease with a retailer for the vacant JC Penny space, along with a commitment for a phase 2 redevelopment. Further City payments will be designated for tenant improvements, incentives and inducements. The \$755,000 will be reimbursed to the City if the phase 2 redevelopment does not occur. Neal seconded and the motion carried unanimously 5-0.

**CONSIDER AND APPROVE DEVELOPMENT INCENTIVES FOR APOGEE WAUSAU GROUP, INC**

Rasmussen made the motion to approve the resolution for the execution of a developer's agreement between the City of Wausau and Apogee Wausau Group Inc. The committee wanted the following added: We enter into this developer's agreement to facilitate their expansion. However we add the contingency at the end, if the outlined jobs in the proposal are not established in the community we will request repayment of said funds. Neal seconded and the motion carried unanimously 5-0.

**ADJOURN**

Rasmussen motioned to adjourn. Neal seconded and the motion carried unanimously 5-0.

The meeting was adjourned at 6:00 p.m.

Respectfully Submitted,  
ECONOMIC DEVELOPMENT COMMITTEE

Chairperson  
Bill Nagle

**CONTRIBUTION DEVELOPMENT AGREEMENT  
BETWEEN THE CITY OF WAUSAU AND 2800 STEWART AVENUE, LLC**

THIS AGREEMENT made this 16 day of October 2012 by and between the City of Wausau, a municipal corporation of the State of Wisconsin, hereinafter referred to as "CITY" and 2800 Stewart Ave, LLC, Inc., by its Manager Charles A. Ghidorzi, duly organized as a limited liability company and existing under the laws of the State of Wisconsin, operating in Wausau, Wisconsin.

**DEFINITIONS**

"City" means the City of Wausau, Wisconsin a municipal corporation.

"Contribution" means the contribution that is made through this Agreement, and for which the Monetary Obligation is incurred, to assist the Project by reimbursing certain expenditures.

"Developer" means 2800 Stewart Ave, LLC by Charles A. Ghidorzi its Manager.

"Project" means the project that is described in the **Project Plan of Tax Increment District Number 7, Amendment Number One** and the Project Description and that Developer is undertaking to assist in the development of the Site.

"Site" means the real property, identified as a parcel that is approximately 11.2 acres of remnant land with address of 2800 Stewart Ave with legal description:

PT NE1/4 NE1/4 SEC 33-29-7

PT SE1/4 SE1/4 SEC 28-29-7

DESD AS LOT (1) CSM VOL

76-6(16357)DOC #1625873

"Interest Rate" means an annual interest rate of (0%).

"Monetary Obligation" means a limited and conditional monetary obligation in the maximum principal amount of \$1,035,942 that is incurred when the Contribution is earned and that is payable over time with no interest.

"Project Costs" means the costs incurred by Developer with respect to the Project for site improvements to the extent described in the Project Plan as "project costs" of the Tax Incremental District.

"Project Description" means the description of the Project set forth in Exhibit A.

"Project Plan" means the project plan for the development of the Tax Incremental District, namely, the Project Plan for Tax Incremental District Number Seven approved by the Common Council of City on January 11, 2006 ,and as amended to the Project Plan for Tax Incremental District Number Seven Amendment One, to be approved by the Common Council of City on September 25, 2012, and by the Joint Review Board on September 26, 2012 and as further amended from time to time pursuant to the Tax Increment Law.

"Tax Incremental District" means City's Tax Incremental District Number Seven.

"Tax Increment Law" means section 66.1105 of the Wisconsin Statutes, as amended.

**BACKGROUND**

This Agreement is entered into pursuant to the Tax Increment Law. Under this Agreement,

- 1) City makes the Contribution in connection with implementing the Project Plan and assisting in the Project,
- 2) Developer agrees to undertake the Project,
- 3) The Contribution will reimburse Developer for costs of public works or improvements with respect to the Project,
- 4) The Contribution will be made when it is earned by Developer and will be paid, without interest, through the Monetary Obligation.

- 5) Developer agrees to the additional undertakings in Section 5.

## **AGREEMENT**

In consideration of the premises, the mutual covenants contained in this Agreement, and other good and valuable consideration, the parties agree as follows:

### **1. FINDINGS AND DECLARATIONS**

City makes the following findings and declarations:

- 1) The Site lies within the Tax Incremental District Number Seven and is suitable for commercial development and is properly zoned for under the Tax Increment Law as evidenced by the Project Plan for the Tax Incremental District.
- 2) The Contribution is a "project cost" under the Tax Increment Law. The Contribution is a payment that is necessary or convenient to the creation of the Tax Incremental District and that is made to implement the Project Plan and effectuate its purposes. The Contribution is a grant to a developer and it reimburses costs of public works or improvements described in the Project Plan, including costs of clearing, grading, and filling land.
- 3) The Contribution serves a public purpose by promoting commercial development, enhancing City's tax base, promoting employment opportunities, inducing appropriate development of the Site, and encouraging development of nearby parcels.
- 4) City will make the Contribution by having Developer advance funds. By doing so, City avoids borrowing money from a third party and is able to shift to Developer the risk of insufficient tax increments, which City could not do if it borrowed money from a third party.
- 5) The amount of the Contribution is the amount determined by City to be necessary to induce the Project.
- 6) City is incurring a limited and conditional monetary obligation to pay for "project costs" under the Tax Increment Law. The Monetary Obligation is itself a "project cost" under the Tax Increment Law,
- 7) City is undertaking the Project to fulfill purposes of the Tax Increment Law.
- 8) City is making the Contribution to benefit the community at large and does not expect any direct benefit from the Contribution. The Contribution is not compensation for any specific quantifiable service.
- 9) This Agreement is necessary and convenient to implement the provisions and effectuate the purposes of the Project Plan.

Developer. Developer declares that "but for" the Contribution, it would not undertake the Project.

Development challenges include lack of water and sewer utilities, overhead power lines, DOT ingress and egress restrictions, excess fill left on site by the DOT and lack of an internal drive access to support multiple developments.

### **2. CONTRIBUTION**

- A. Making of Contribution. City agrees to make, and Developer agrees to accept, the Contribution, on the terms and conditions described in this Agreement. The maximum amount of the Contribution, and therefore the maximum principal amount of the Monetary Obligation, shall be \$1,035,942.

- B. When Contribution is Earned. The Contribution will be made when it is earned. It shall be earned, in one or more installments, to the extent of Project Costs paid by Developer, when payment of the Project Costs is certified and documented from time to time to City's reasonable satisfaction. The certification and documentation are subject to City's review and audit. The Contribution will be paid by City to Developer in one or more installments, through the Monetary Obligation.
- C. Monetary Obligation. The Monetary Obligation is incurred for the Contribution, when the Contribution is earned. The maximum principal amount of the Monetary Obligation shall be \$1,035,942. The unpaid amount of the Monetary Obligation bears no interest, from the date or dates the Contribution is earned. City agrees to make payments of the Monetary Obligation prior to or on each September 1 (subject to the conditions described in Section 3). City shall make each payment of the Monetary Obligation by mailing one or more checks to Developer or by such other means as may be agreed to by City and Developer.
- At City's option, City may prepay all or any part of the Monetary Obligation, on any date, without premium or penalty.
- D. Source of Payments. City may use tax increments (or any other available funds) as a source of payments for the Monetary Obligation, but no tax increments are pledged to the payment of the Monetary Obligation.
- E. Application of Payments. Payments that City makes on the Monetary Obligation shall be credited to the payment of principal of the Monetary Obligation.
- F. Unpaid Amounts. Any amount of the Monetary Obligation that is unpaid in one year carries over to the next year; however, any amount that is unpaid after the termination of the Monetary Obligation shall be extinguished, and no further amount shall be due from City under the Monetary Obligation or this Agreement.
- G. No Reduction of Debt Limitation. For the purposes of the Tax Increment Law, this Agreement is an evidence of indebtedness; that is, it fully evidences City's obligation to pay the Monetary Obligation. No negotiable instrument is being prepared to separately evidence the Monetary Obligation. The Monetary Obligation shall not, however, be included in the computation of the City's constitutional debt limitation, because the Monetary Obligation is limited and conditional, and no taxes have been or will be levied for its payment or pledged to its payment. Nothing in this Agreement shall be deemed to change the nature of City's obligation from a limited and conditional obligation to a general obligation.
- H. No Right to Accelerate. Developer has no right to accelerate the payment of the Monetary Obligation. The only remedy of Developer in the event of nonpayment shall be legal proceedings to collect the specific installment of the Monetary Obligation that is due and payable. Developer may institute legal proceedings only after filing a claim with City in the manner described in Section 893.80 of the Wisconsin Statutes.

### 3. CONDITIONS TO PAYMENT

Tax Increments; Appropriated Funds. City has no obligation to make total payments of the Monetary Obligation in excess of \$1,035,942. In addition, in any year, City has no obligation to make payments of the Monetary Obligation in excess of either:

- (a) 80% of the aggregate amount of tax increments that, through that year, have been collected with respect to the Site; or
- (b) The amount of funds in that year that have been appropriated by the Common Council of City and are available for such payment.

No Other Obligations. City has no obligation to pay, repay, or reimburse any funds advanced by Developer for Project Costs or otherwise, except as provided in this Agreement.

City has no obligation to undertake any projects as part of the Project Plan, and Developer does not endorse or have any obligation with respect to projects undertaken as part of the Project Plan, except as otherwise expressed in this Agreement.

Annual Notice. Each year, City shall provide Developer with a notice showing the amounts of tax increments that have been collected with respect to the Site and allocated to the Tax Incremental District under the Tax Increment Law and the amounts paid on the Monetary Obligation.

Termination. City has no obligation to make payments on the Monetary Obligation if the Monetary Obligation shall terminate, as provided in this Agreement.

### 4. TERMINATION

- A. Termination of Agreement. This Agreement shall terminate when the Tax Incremental District terminates.
- B. Termination of Monetary Obligation Upon Payment in Full. The Monetary Obligation shall terminate when the principal on the Monetary Obligation have been fully paid.
- C. Termination of Monetary Obligation Upon Passage of Time. Even if principal on the Monetary Obligation have not been fully paid, the Monetary Obligation shall terminate when payments of the Monetary Obligation are made equal to either (i) 80% of the aggregate amount of tax increments collected with respect to the Site through the latest possible years of collection with respect to the Site and allocation under the Tax Increment Law or (ii) the aggregate amount of funds that have been appropriated by the Common Council and are available for such payment; and no further amount shall be due from City under the Monetary Obligation or this Agreement.
- D. Termination of Monetary Obligation Upon Occurrence of a Material Disturbance. The "Public Benefits" that arise from the Project are the following:
  - 1) The enhancement of City's tax base, by approximately Ten Million Five Hundred Thousand Dollars (\$10,500,000) through assessment of the completed Project for the

purposes of *ad valorem* property taxation, at a value of not less than Four Million Dollars (\$4,000,000) by January 1, 2014, and at a value of Five Million Five Hundred Thousand (\$5,500,000) by 2016 and full value at project completion to be at a minimum assessed value of Ten Million Five Hundred Thousand (\$10,500,000) by January 1, 2020.

- 2) The promotion of employment opportunities through the employment by Developer or its assigns, by January 1, 2020, of a work force of not less than 50 full-time-equivalent jobs.
- 3) Appropriate development of the site.

**"A Material Disturbance"** exists if any of the following conditions occurs and is continuing:

- 1) The Site or any substantial part thereof shall be exempt from *ad valorem* property taxation.
- 2) If the Project has not been completed substantially in accordance with the Project Description by January 1, 2020.
- 3) If, after completion, the improvements do not exist substantially in accordance with the Project Description, as the same may be amended from time to time by agreement of City and Developer.
- 4) Developer shall be in breach or default of any of its obligations under this Agreement.

If a Material Disturbance occurs and is continuing, City shall have the right (but not the obligation) to terminate further payments of the Monetary Obligation, using the following procedure.

City shall give Developer notice of its intention to terminate further payments of the Monetary Obligation, and Developer shall have 30 days to eliminate the Material Disturbance (or such longer time as may be reasonably required for it to do so, provided Developer commences doing so within the 30-day period and proceeds with due diligence to complete doing so).

Thereafter, if City still intends to terminate further payments of the Monetary Obligation, the Common Council of City shall adopt a resolution determining that the Material Disturbance prevents the substantial realization of the Public Benefits and constitutes just cause for the termination of the Monetary Obligation. City shall thereafter give notice to Developer (attaching the resolution of the Common Council) that City has elected to terminate further payment of the Monetary Obligation. Upon City so giving the notice, the Monetary Obligation shall terminate, and no further amount shall be due from City under this Agreement.

No Dissolution Other than by Statute. City covenants that, so long as a Material Disturbance does not exist, the Common Council of City will not, without obtaining Developer's written consent, adopt a resolution to dissolve the Tax Incremental District. The parties acknowledge that the Tax Incremental District terminates by statute if sufficient tax increments are allocated to pay all "project costs" or if it reaches a specified number of years.

No Other Basis for Termination. City may not terminate the Monetary Obligation except as provided in this Section: (Termination).

## 5. ADDITIONAL COVENANTS

Developer. Developer covenants as follows:

- 1) Completion Date. Developer agrees to expedite the plan to develop the site and complete the development by January 1, 2020.
- 2) Review Criteria. Developer agrees to bring full development plans to the CITY for prior review by the Economic Development Committee in addition to pulling the necessary permits for construction and agrees that the Committee may impose minor changes or improvements to the plan such as landscaping or architectural enhancements.
- 3) Job Creation Commitment. Developer agrees to provide in writing the, hire dates and positions of the Fifty (50) Full Time Employees hired as evidence of job creation to the City of Wausau upon completion of the project.
- 4) Valuation Criteria. Ghidorzi Companies agrees to a minimum assessed value to validate the rebates offered in this Agreement. The assumed minimum value of Ten Million Five Hundred Thousand Dollars (\$10,500,000) commits the developer to significant improvements.

Restriction on Sale. The Site and Project may be sold, transferred, or conveyed without the express written consent of City and approval by the Common Council of City provided that the party to whom sale, transfer or conveyance is made is not a nonprofit organization, a government entity, or other entity that will cause the Site to be exempt from ad valorem property taxes and such party expressly agrees in writing to the terms and provisions of this Agreement, and other reasonable terms desired by City to assure compliance with this Agreement.

Absolute Obligation. Unless this Agreement terminates or the amount of funds in any year that have been appropriated by the Common Council of City and are available for payment are less than 80% of the aggregate amount of tax increments that, through that year, have been collected with respect of the Site, the obligations of Developer under this Agreement shall be absolute and unconditional, and such obligations shall not be affected, modified or impaired, upon the happening from time to time of any event, including without limitation any of the following:

- 1) The failure to give notice of default to Developer under the terms of this Agreement;
- 2) The purported assignment or mortgaging of all or any portion of the Site or Project;
- 3) A waiver of the payment or performance of any of the obligations contained in this Agreement;
- 4) The extension of time for payment of any amount under this Agreement;
- 5) Voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or the adjustment of claims or other similar proceedings, including but not limited to proceedings under Chapter 128 of the Wisconsin Statutes; or
- 6) To the extent permitted by law, the release or discharge of Developer from the performance or observation of any obligation, covenant, or agreement contained in this Agreement, or arising by operation of law.

Indemnification; Environmental. Developer, and its successor and assigns, shall indemnify, hold harmless, and defend City, and their officials, officers, agents, and employees from any and all liability, suits, actions, causes of actions, claims, demands, losses, costs, damages, and expenses of any kind whatsoever, including but not limited to liability, damages, and expenses in connection with the loss of

life, personal injury, or damage to property, or any of them (the "claims") brought because of injury or damages received or sustained by any person, persons, or party on account of or arising out of the construction or operation of the Project or occupation of the Site caused wholly or in part by any act or omission of Developer, its agents, employees, partners, tenants, contractors, subcontractors, or invitees, or at any time occurring on or in Project and/or Site. This requirement shall apply with equal force to all work performed by Developer, its successors and assigns, and any architect, contractor, subcontractor, or any other party employed directly or retained by Developer to perform work or supply materials relating to the construction, operation, or maintenance of the Project or Site. Developer will further indemnify, hold harmless, and defend City as provided herein from any claims, causes of action, suits, or governmental or administrative proceedings arising from the presence of any hazardous waste or substance as defined in any applicable state or federal law on or at the Site, or adjoining land if such substance or waste migrate thereto from the Site, or within the Project. Developer, its successors and assigns, shall further reimburse City, and their officials, officers, agents, and employees for any reasonable attorney fees, costs, or disbursements incurred by them in defending themselves from the claims. Developer's obligations under this subparagraph will survive the termination or expiration of the Tax Increment District and this Agreement.

Warranties of Developer. Developer represents and warrants to City as follows:

- 1) That 2800 Stewart Avenue, LLC is a Wisconsin limited liability company, duly organized and existing under the laws of the State of Wisconsin and in good standing under the laws of the State; and that all proceedings of Developer necessary to authorized the negotiation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement have been taken in accordance with applicable law;
- 2) That this Agreement and all other documents required to be executed and delivered by Developer pursuant hereto, have been and will be duly and validly authorized, executed, and delivered by Developer, and will be enforceable against Developer in accordance with their terms; and
- 3) That the execution and delivery of this Agreement, the consummation of the transactions contemplated in this Agreement, and the execution and delivery of the documents required to be executed, delivered or acknowledged by Developer pursuant thereto, will not violate any provision of Developer's articles of incorporation, or its bylaws, or any other contract, agreement, court order, or decree to which Developer may be subject.

## **6. MISCELLANEOUS**

Parties and Interests. This Agreement is made solely for the benefit of the parties to this Agreement and their permitted assignees, and no other person, partnership, association, company, corporation, or other party shall acquire or have any rights under this Agreement or by virtue of this Agreement. This Agreement does not create the relationship of principal and agent, or of partnership, joint venture, or of any association or relationship between CITY and Developer.

Assignment of Rights Under this Agreement. Developer may assign its rights under this Agreement to a lender as collateral security for a loan. Otherwise, no party may assign its rights under this Agreement without the written consent of the other parties.

No Personal Liability. Under no circumstances shall any officer, official, director, commissioner, agent, or employee of City or the Community Development Authority of the City of Wausau have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

Governing Law. This Agreement is governed by, and must be interpreted under, the internal laws of the State of Wisconsin. Any suit arising or relating to this Agreement must be brought in Marathon County, Wisconsin.

Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Amendment. No modification, alteration, or amendment of this Agreement shall be binding upon any party until such modification, alteration, or amendment is reduced to writing and executed by all parties to this Agreement.

Captions. The captions or heading of the articles and sections of this Agreement are to assist the parties in reading this Agreement and are not a part of the terms of this Agreement. Whenever required by the context of this Agreement, the singular includes the plural and the plural includes the singular.

Exhibits. Exhibit A referred to in this Agreement is attached to and is part of this Agreement.

Approximations. Any dimensions, areas, and volumes set forth in the Exhibits are preliminary and tentative. Before the legal description of any parcel is made final, each party reserves the right to make minor changes in such dimensions, area, and volumes to best accommodate and facilitate the purposes of this agreement.

Nondiscrimination. No portion of the Project shall be undertaken, operated, or transferred in a manner to permit discrimination or restriction on any basis prohibited by applicable law, and the Project shall be undertaken, operated and transferred in compliance with all applicable laws, ordinances, and regulations relating to discrimination.

Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefits of the parties entering into it and their respective successors and assigns, and shall be a covenant running with the land with respect to the Site.

Recording. The parties shall enter into a memorandum or short form of this Agreement and either party may record the same in the office of the register of deeds for Marathon County, Wisconsin.

Copy to be Sent to Joint Review Board. City shall send a copy of this Agreement to the Joint Review Board for the Tax Incremental District.

Notices. All notices, demands, certificates, or other communications under this Agreement shall be in writing. They shall be deemed given (1) when hand delivered to the address below, (2) when transmitted by facsimile or electronic mail to the number below with electronic confirmation of receipt, or (3) two business days after being mailed by first-class mail, postage prepaid, to the address below. Any party may, by written notice to the other parties, designate a change of address for these purposes.

Severability. If any covenant, condition, provision, term or agreement of this Agreement is, to any extent, held invalid or unenforceable, the remaining portion thereof and all other covenants, conditions, provisions, terms, and agreements of this Agreement will not be affected by such holding, and will remain valid and in force to the fullest extent by law.

Enforcement; Non-Waiver. If proceedings are initiated to cure an alleged default or to enforce this Agreement, the prevailing party in such proceedings shall be entitled to reimbursement from the other party plus reasonable attorneys and associated costs and disbursements incurred in such proceedings.

The rights and remedies of the parties to this Agreement, whether provided by law or provided by this Agreement, shall be cumulative, and the exercise by any party of any one or more of such remedies shall not preclude the exercise by it at the same or different times of any other such remedies for the same event or default or breach or any of its remedies for any other event of default or breach by any of the parties.

Time is of the Essence. Time is of the essence with respect to this performance of every provision of this Agreement in which time of performance is a factor.

Entire Agreement. This Agreement represents the entire understanding and agreement between the parties with respect to the matters described herein.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed by its duly authorized officers, all as of the date of this Agreement.

2800 Stewart Ave, LLC

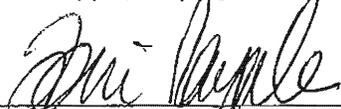
By: 

Charles A. Ghidorzi, Manager

CITY OF WAUSAU

By: 

James E. Tipple, Mayor

Attest: 

Toni Rayala, Clerk

Draft: August 28, 2012  
Revised: September 5, 2012  
Revised: September 24, 2012 (Heather Wessling)  
Executed: October 16, 2012

# O'Malley Automotive Group Expansion Project

*June 2014*

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Presentation Graphics and Financial Feasibility



**REI Engineering, Inc.**  
 480 N. 9TH AVENUE  
 MILWAUKEE, WISCONSIN 53211  
 PHONE: 778.452.8400  
 EMAIL: INFO@REIENGINEERING.COM

**REI**  
**CIVIL & ENVIRONMENTAL ENGINEERING, SURVEYING**

SCALE: 0 50 100  
 DATE: \_\_\_\_\_  
 REVISION: \_\_\_\_\_

NO.	DATE	BY	CHK'D	ISSUED BY	APPROVED BY
1	5-14-2014	MP		MP	MP

**PROJECT INFORMATION:**  
 PROJECT NO: 104-2  
 PROJECT NAME: CHALLEY  
 PROJECT ADDRESS: 348 & 305 STEWART AVENUE  
 PROJECT CITY: MILWAUKEE, WISCONSIN 53211

**DOCUMENT INFORMATION:**  
 SHEET NO: 3387  
 SHEET TITLE: SHEET OPTION 3





 <b>HONDA</b>	<b>O'MALLEY HONDA WAUSAU, WI</b>	PROJECT NO. <b>HON0800.22</b>	DRAWN <b>PLUS</b>	DATE <b>FEB'14</b>	REVISED	SCALE	<b>InterbrandDesignForum</b> • DESIGN CONTROL DOCUMENTS • <small>These drawings are for communication of design intent only. These drawings are to be used for informational purposes only. No liability is assumed for errors or omissions. All dimensions and specifications are subject to change without notice.</small>	DRAWING TITLE <b>EXTERIOR RENDERING</b>	DRAWING No.
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# O'Malley Development

	Total site costs	O'Malley investment	Requested assistance, City of Wausau
New Honda Building 20,000 - 22,000 sq. ft. at \$110 - 140/sq. ft.		\$3,000,000	
Expanded Cadillac Building		500,000 - 1000000	
Site Costs			
general, erosion control	\$ 25,000	\$ 25,000	
demolition	\$ 34,660	\$ 34,660	
building earthwork	\$ 23,730	\$ 23,730	
site work (including fill at \$200,000)	\$ 268,800	\$ 68,800	\$ 200,000
paving / concrete	\$ 246,475	\$ 246,475	
storm water mgt.	\$ 20,000		\$ 20,000
storm sewer	\$ 43,950		\$ 43,950
watermain	\$ 18,300		\$ 18,300
sanitary sewer	\$ 13,500		\$ 13,500
retaining walls	\$ 122,500		\$ 122,500
landscaping	\$ 89,750	\$ 89,750	
contingency (10%)	\$ 90,666	\$ 90,666	
Land	3.66 acres valued at \$7500/ acre		\$ 27,450
Total	<u>\$ 997,331</u>	<u>\$3,579,081</u>	<u>\$ 445,700</u>
Total investment		\$4,500,000	\$ 445,700 9.9%
Increase in assessed value		\$4-5,000,000	
Anticipated Tax (increment) not including Cadillac building (\$4.5M x \$24.11 per thousand)		\$108,500 /year	



REI Engineering, Inc.  
 1000 N. Grand Avenue  
 Suite 100  
 Wausau, WI 54980  
 Phone: 715.833.8888  
 Fax: 715.833.8889  
 www.rei-engineering.com



**REI**  
 CIVIL & ENVIRONMENTAL  
 ENGINEERING, SURVEYING

NO SCALE

DATE

REVISION

BY

CHKD

DESIGNED BY  
 SURVEYED BY  
 DRAWN BY

OTHERS

APPROVED BY

DATE: 09/28/14

CALLIAC RENDERING  
 CHADLEY  
 5405 & 5505 STEWART AVENUE  
 WAUSAU, WISCONSIN 54980

REI No. 5367  
 SHEET RENDERING

NOTE: RENDERING PREPARED BY **Conisler**

- Total Square Feet: TBD
- Improvement Value: \$500,000 - \$1,000,000

**RETURN ON INVESTMENT ANALYSIS**

**Project Costs**

- Property Acquisition: \$27,450
- Demolition: \_\_\_\_\_
- Site Development: \$997,331
- Building One: \$3,000,000
- Building Two: \$500,000 - \$1,000,000

**Jobs Created**

- Up to \$15,000: \_\_\_\_\_
- \$15,001-\$30,000: \_\_\_\_\_
- \$30,001-\$45,000: 10-15 jobs over 5 years
- \$45,001-\$60,000: \_\_\_\_\_
- \$60,001 and above: \_\_\_\_\_
- Description of Employee benefits: health insurance, 401K, vacation, sick days

**Value of Property**

- Pros: Property and improvement value will increase by approximately \$4,500,000
- Cons: None
- Lot Size (in acres): Combined plus new = 8.28 acres
- Improvement Square Footage: 20,000 - 22,000 plus Cadillac TBD
- Current Assessed Values: Land \$ 1,533,500 + Improvements \$ 803,500 = \$ 2,337,000
- Calculated Property Value: Land \$ 1,560,950 + Improvements \$ 5,303,500 = \$ 6,864,450

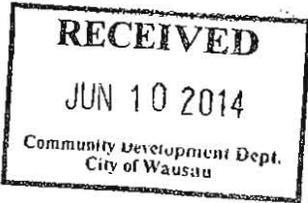
**Projected Property Taxes**

- Current Property Taxes: \$ 56,208
- Calculated Property Taxes: 164,708
- Calculated Tax Increment: 108,500

**Requested City Participation**

- Property Acquisition
  - Purchase: \$ 3.66 acres of remnant DOT property
- Site Preparation
  - Demolition: \$ \_\_\_\_\_
  - Preparation: \$ 445,700 for site development costs
- Financial Assistance – Grants
  - Amount: \$ \_\_\_\_\_
- Financial Assistance – Loans
  - Amount: \$ \_\_\_\_\_
  - Interest: \_\_\_\_\_ %
  - Duration: \_\_\_\_\_ yrs.

Please return to Community Development, Attn: Heather Wessling, 407 Grant Street, Wausau, WI 54403.



# City of Wausau TIF Application

Please complete the following information and return it along with a \$25 fee made payable to Community Development.

### DEVELOPER

Company: O'Malley Automotive Group

Main Office Location: 3405/3505 Stewart Avenue, Wausau, WI 54401

Type of Business: Automotive Dealership

Reason for Application Assistance: O'Malley Automotive Group is interested in expanding their facilities and constructing a new showroom/service center for the Honda line, as well as making significant upgrades to the Cadillac building. Significant site costs exist due to the grade, requiring fill and retaining walls, adding a nearly prohibitive amount of site costs to the development. Additionally, the City has ownership of remnant DOT parcels which are requested to maximize the expansion of the property and generate tax base on otherwise untaxable property.

### PROPERTY INFORMATION

**Parcel 1**

Address: 3405 Stewart Avenue

Size: 3.53 acres

Current Use: Cadillac Dealership

Current Assessed Value: \$1,182,100

Current Property Taxes: \$28,422

**Parcel 2**

Address: 3505 Stewart Avenue

Size: 1.5 acres

Current Use: Honda Dealership

Current Assessed Value: \$1,154,900

Current Property Taxes: \$27,766

**Parcel 3**

Address: \_\_\_\_\_

Size: \_\_\_\_\_

Current Use: \_\_\_\_\_

Current Assessed Value: \_\_\_\_\_

Current Property Taxes: \_\_\_\_\_

### PROPOSED IMPROVEMENTS

- Demolition of: \_\_\_\_\_
- Combine \_\_\_\_\_ parcels and \_\_\_\_\_
  - Total acres: \_\_\_\_\_
- Construct: New Honda dealership facility
  - Total Square Feet: 20,000 - 22,000 square feet for new Honda dealership
  - Improvement Value: \$3,000,000
- Renovate: Cadillac dealership

**CITY OF WAUSAU  
TAX INCREMENTAL DISTRICT NUMBER SEVEN  
CASH FLOW PROJECTION  
EXISTING OBLIGATIONS**

Year	USES OF FUNDS				SOURCES OF FUNDS			Annual Surplus (Deficit)	Cumulative Balance
	Existing Annual Debt Service	Administrative, Organization, & Discretionary Costs	Grants and Contributions	Capital Expenditures	Other Income	Debt Proceeds	Tax Increment		
									(\$999,205)
2012	\$624,923	\$11,718		\$852	\$35,776		\$378,588	(\$223,129)	(\$1,222,334)
2013	626,800	17,613	438,484	17,696	18,671	445,000	335,073	(301,849)	(1,524,183)
2014	671,117	11,150		105,000	17,000		422,972	(347,295)	(1,871,478)
2015	635,092	17,000					444,120	(207,972)	(2,079,450)
2016	616,653	17,000	75,000 *				524,164	(184,489)	(2,263,939)
2017	564,485	17,000	79,000 *				631,066	(29,419)	(2,293,358)
2018	515,394	17,000	119,000 *				739,107	87,713	(2,205,645)
2019	130,545	17,000	198,000 *				740,000	394,455	(1,811,190)
2020	51,350	17,000	199,000 *				751,100	483,750	(1,327,440)
2021	42,400	17,000	200,000 *				762,367	502,967	(824,473)
2022	41,600		165,942 *				773,803	566,261	(258,212)
2023	40,600						785,410	744,810	486,598
2024							797,191	797,191	1,283,789
2025							809,149	809,149	2,092,938
2026							751,100	751,100	2,844,038
<b>TOTAL</b>	<b>\$4,560,959</b>	<b>\$159,481</b>	<b>\$1,474,426</b>	<b>\$123,548</b>	<b>\$71,447</b>	<b>\$445,000</b>	<b>\$9,645,210</b>		

\*estimated payout schedule of developer agreement Stewart Avenue LLC

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

**ORDINANCE OF ECONOMIC DEVELOPMENT COMMITTEE**

Amend Section 3.12.040 Applicability-City representatives, relative to land acquired by the city for redevelopment purposes

Committee Action:

**Ordinance Number:**

Fiscal Impact: None

**File Number:** 02-0117

**Date Introduced:**

The Common Council of the City of Wausau do ordain as follows:

Add ( )

Section 1. That Section 3.12.040 Applicability-City representatives, is hereby amended to read as follows:

3.12.040 Applicability-City representatives. The procedure outlined above shall not be applicable to the sale or lease of city-owned land in industrial parks or land acquired by the city for redevelopment purposes. The sale or lease of this type of city-owned land shall be accomplished by means of contract, lease or other written agreement arrived at by means of negotiation by representatives of the city and prospective purchasers or lessees of the land. For purposes of this chapter the economic development committee is designated the representative of the city and is hereby directed to negotiate with prospective purchasers or lessees of parts or parcels of city-owned industrial parks and to recommend to the council sales or leases of parcels thereof and the terms of such sales or leases. Any action taken by the economic development committee in this regard is subject to final approval by the common council.

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3. This ordinance shall be in full force and effect on the day after its publication.

Adopted:  
Approved:  
Published:  
Attest:

Approved:

\_\_\_\_\_  
James E. Tipple, Mayor

Attest:

\_\_\_\_\_  
Toni Rayala, Clerk



## **STAFF REPORT ON PARKING LEASE**

### **BACK GROUND INFORMATION**

The City of Wausau entered into a 60 month parking lease agreement with Murdock Wausau Limited, 500 Third Street (the M&I Bank) on August 1, 2008. This agreement expired in 2013. Currently, the company purchases 297 permits for the McClellan Ramp and 41 permits in the Jefferson Ramp at the full price of \$35.

The company would like to reinstate its original parking space lease agreement with the following terms:

- 350 Stalls – up to 300 stalls within the McClellan Ramp/and adjacent lot with the balance to be provided within the Jefferson Ramp
- Parking permit monthly rate of \$27 for 60 Months
- Agreement Term August 1, 2014 to July 31, 2019
- One five year renewal option with a 3% increase in the parking rate.
- If the McClellan Ramp is torn down the City agrees to relocate the parking permits to a location within 100 yards from the facility.

The building is for sale and has a strong local buyer. Bank financing requires a long term parking agreement since the facility does not maintain onsite parking. The buyer plans on investing funds to renovate the building. The local buyer has an excellent track record in redevelopment projects.

The reduction in parking revenue will be \$33,600 annually.

Attachments:

- Original Agreement

CITY OF WAUSAU  
PARKING SPACE LEASE AGREEMENT

This parking space lease agreement ("Lease") is made and entered into as of this 1 day of August 2008, by and between the CITY OF WAUSAU, WISCONSIN a Wisconsin municipal corporation, as "LESSOR" or "CITY", and MURDOCK WAUSAU LIMITED PROPERTIES whose address is 500 Third Street Unit 321, Wausau WI 54403, as LESSEE(s):

1. **LEASE.** Subject to the terms and conditions of this Agreement, CITY leases to LESSEE parking spaces to use in common with other Lessees and the public, forty (40) unreserved permit parking spaces in a portion of the Jefferson Street Parking Ramp and thirty (30) unreserved permit parking spaces in a portion of the McClellan Parking Ramp ("PARKING FACILITY"). LESSEE may use and occupy these unreserved permit parking spaces in the Parking Facility on the indicated dates at the indicated times for the parking rates stated below for the following express purposes and no other purpose: parking is for normal passenger vehicles only including pick up trucks and passenger size vans provided they meet any height restriction of the PARKING FACILITY. The CITY shall in no manner be obligated to provide any particular parking space. This lease is transferable and may be assigned with prior written consent of the Lessor not to be unreasonably withheld. A map locating the eligible unreserved permit parking spaces is identified on the PARKING FACILITY map attached and referred to as Exhibit A.
2. **TERMS/DAYS/HOURS.** This lease shall be for the period beginning the 1<sup>st</sup> day of August, 2008, through the 31<sup>st</sup> day of July, 2013. LESSEE is authorized to park in the PARKING FACILITY:
  - Monday through Friday between the hours of 6:00AM through 6:00PM; or
  - Seven (7) days per week a week, twenty four hours per day; or
  - \_\_\_\_\_ days per week \_\_\_\_\_, between the hours of \_\_\_\_\_ through \_\_\_\_\_.
3. **PAYMENTS.** The lease rate shall be:
  - In \_\_\_\_\_ equal annual lease installments of \_\_\_\_\_ due on \_\_\_\_\_; or
  - In 60 monthly lease payment installments for 70 stalls in an amount equal to 80% of the current Fair Market Parking Permit Rate per leased stall, due, in advance, on the 1<sup>st</sup> of each month. Current "Fair Market Parking Permit Rate" shall mean the monthly permit fee adopted by the City of Wausau Common Council and charged to the general public for an unreserved parking permit.
4. **FINANCE CHARGES.** Fees/rents not paid within the terms of this agreement are subject to a 1 1/2% per month finance charge.
5. **DURATION.** This lease shall terminate at the earlier of, five years from the lease effective date, the date the PARKING FACILITY ceases to be available to the CITY or at the end of the lease term.

This lease shall be renewable on like-terms for one additional five year term upon at least 120 day notice to Lessor, prior to the end of the first lease term.

6. **RULES.** By signature below, LESSEE expressly acknowledges receipt of PARKING FACILITY rules. LESSEE expressly agrees to provide a copy of said Rules to agents, employees, tenants or guests who utilize the PARKING FACILITY. LESSEE is solely responsible to the CITY for any violation of rules by LESSEE's users.
7. **VEHICLES PARKED AT OWNER'S RISK.** LESSEE understands and expressly agrees that the CITY will not accept the vehicle in bailment or for safekeeping; nor shall the CITY be responsible for loss or damage to any vehicle or its contents by fire, vandalism, theft or any other cause, nor for loss, damage or injury by or to other customers or any other individual personal injury of any nature. LESSEE expressly acknowledges that the CITY shall have no duty to provide security, and expressly does not assume any obligation to provide for the security of the PARKING FACILITY or to protect individuals using the PARKING FACILITY, or vehicles or property in the PARKING FACILITY, from criminal activity.
8. **DAMAGED PROPERTY.** If LESSEE, or his/her guests or agents, damages any personal property at the PARKING FACILITY, or damages any PARKING FACILITY equipment, in addition to any liability LESSEE may have for any claims, losses or costs arising out of such damage, the CITY may terminate this Agreement.
9. **TERMINATION.** An event of default shall deemed to occur should any of the following events happen:
- failure to timely pay fee or invoice;
  - repeated failure of LESSEE, or of his/her guests or agents, to obey the rules of the CITY concerning security, safety, or preservation of the CITY Parking Facilities, during the term of the agreement; or
  - failure of the LESSEE to comply with any other term or condition of this agreement, including any addenda or amendments hereto.
- In the event of default, the CITY shall notify LESSEE in writing, and the CITY may terminate this agreement immediately upon notice to said LESSEE, without penalty or liability to the CITY.
10. **FORCE MAJEURE/OCCUPANCY DISRUPTION.** If the PARKING FACILITY or any portion thereof shall be destroyed or damaged by fire or other calamity, acts of God or other causes beyond the reasonable control of LESSEE or CITY, then this Agreement shall terminate upon at least five (5) days written notice, if practical, to the other party that an event of "Force Majeure" has occurred and prevented performance by the party experiencing the event of "Force Majeure". In the event of a termination by reason of "Force Majeure", the CITY shall not be liable or responsible to the LESSEE for any damages caused thereby and LESSEE waives all claims against the CITY for damages sustained by reason of such termination, except that any unearned portion of payments shall be abated or if previously paid refunded.
11. **PARKING FACILITY CLOSURE.** The CITY reserves the right to close the PARKING FACILITY for repairs and maintenance. When closing the PARKING FACILITY, the CITY shall seek to avoid any inconveniences to LESSEE. CITY will provide as much advance notice as is possible and will provide alternate parking during the closure period.

12. **RIGHT TO REMOVE.** The CITY reserves the right to remove or expel from the PARKING FACILITY any person engaging in or conducting him/herself in a manner disruptive, abusive or offensive to other patrons at or in the PARKING FACILITY. Neither the CITY, nor any of its employees shall be liable to the LESSEE for any damages that may be sustained by LESSEE through the CITY's exercise of such right.
13. **NO ASSIGNMENT.** The LESSEE may not assign its rights, obligations or duties hereunder without first receiving written consent by the CITY of Wausau.
14. **NONWAIVER.** The CITY's acceptance of rent or failure to complain of any action, non-action or default of LESSEE, whether singular or repetitive, shall not constitute a waiver of any of the CITY's rights. If LESSEE's payment of any sum due the CITY is accompanied by written conditions or is represented by LESSEE to be a settlement or satisfaction of any obligation, the CITY may accept and deposit such moneys without being bound by such conditions or representations unless the CITY expressly agrees in a separate written instrument. The CITY's waiver of any right of the CITY, or any default of the LESSEE shall not constitute a waiver of any other right or constitute waiver of any other default or subsequent default.
15. **ATTORNEY FEES.** If the CITY is required to file suit to collect any amount owed it under this Agreement, CITY shall be entitled to collect reasonable attorney's fees for its prosecution of the suit.
16. **ENTIRE AGREEMENT/AMENDMENTS.** This agreement constitutes the entire Agreement between the parties, and supercedes any and all previous written or oral agreements or representations between the parties. This agreement may only be amended in writing signed by both parties.
17. **SEVERABILITY.** If any covenant, condition, provision, term or agreement of this Lease is, to any extent, held invalid or unenforceable, the remaining portion thereof and all other covenants, conditions, provisions, terms and agreements of this Lease will not be affected by such holding, and will remain valid and in force to the fullest extent permitted by law.
18. **NOTICES.** Any notice under this Agreement shall be given by certified mail, overnight mail, or by personal delivery, and shall be effective upon receipt. Notice shall be sent to the address for the receiving party as designated herein: For LESSEE: As listed on page one of this Agreement. For CITY: City Clerk, City of Wausau, 407 Grant Street, Wausau, WI 54403.

## ATTACHMENT A

Eligible unreserved permit parking areas are as follows:

1. McClellan Ramp

Parking stalls are available on a first come first serve basis. Permit parking is available at any stall except: metered stalls and specifically signed stalls (such as stalls reserved for customer parking).

2. Jefferson Street Parking Ramp

Parking stalls are available on a first come first serve basis at all levels 4 and above.

The City reserves the right to modify these areas in the future.

Parking permits are designated for a specific ramp and are not considered interchangeable.

# Memorandum

**To:** Economic Development Committee Members  
**From:** Tammy Stratz, Community Development Manager  
**Date:** 07/10/2014  
**Re:** Commercial Rehabilitation Loan Review – 1910 N. 6<sup>th</sup> Street

The Community Development Department has been approached by Pat Zillman from Zillman’s Meat Market to assist with the renovations of their current business located at 1910 N. 6<sup>th</sup> Street. They have submitted a Commercial Rehabilitation Loan application with supporting documentation. They are requesting \$17,000 in loan assistance. In accordance with the guidelines, the owner has provided a Sources & Uses scenario as listed below:

**SOURCES**

<b><u>USES</u></b>	<b><u>Owner</u></b>	<b><u>Bank</u></b>	<b><u>City</u></b>	<b><u>Total</u></b>
Rehab	\$ 9,000	\$64,000	\$17,000	\$90,000
Soft Costs (Arch/atty fees)	\$incl above	-0-	\$ 775	\$ 775
<b>TOTAL</b>	<b>\$ 9,000</b>	<b>\$64,000</b>	<b>\$ 17,775</b>	<b>\$90,775</b>

Staff Recommendation – Upon review of the proposed rehabilitation costs, the total project is eligible under the Commercial Rehabilitation Loan guidelines; therefore, staff is recommending a loan in the amount of \$17,775. This would represent the city’s portion to be 19% of the total acquisition/rehabilitation project.



CITY OF WAUSAU  
COMMUNITY DEVELOPMENT DEPARTMENT

COMMERCIAL REHABILITATION PROGRAM APPLICATION

Please provide information on your proposed project. Your signature below indicated you or your firm's intent to apply for commercial rehabilitation program funding and that you have received a copy of the program guidelines. **Please return to Community Development with your check in the amount of \$50.00 for the application fee.**

Applicant name Zillman's Meat Market  
Address 1910 North Sixth St Wausau WI 54403  
Home Phone 715-675-3940 Work Phone 715-845-5123  
Property Owner(s) Patrick J Zillman  
Project Location 1910 N. 6th St Wausau WI

Scope of Work to be Undertaken: (can attach contractor estimates, if available)  
Outside of Building  
Possibly Electrical - the building is  
over 100 yrs old.  
Possibly some inside work - Primarily  
Outside of building.

Estimated Timeframe for Project Completion  
Property Mortgage Holder(s): Patrick Zillman

I certify that the information in this application is correct and accurate to the best of my knowledge.

Zillman's Meat Market  
Patrick J Zillman 5-13-13  
Applicant Date

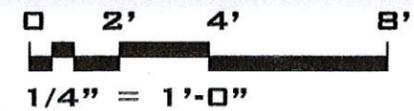
Historic Landmarks Commission Review  
Tammy Strach  
Signature Date  
 (check box if reviewed)  
 (check box if recommendations)  
Approved 1/29/14

Economic Development Committee Review  
Signature Date  
 (check box if reviewed)  
 (check box if recommendations)



NEW WOOD DOORS - FULL GLASS

PRELIMINARY EAST ELEVATION



ZILLMAN'S MEAT MARKET  
WAUSAU, WISCONSIN



ZILLMAN'S  
MEAT MARKET

ZILLMAN'S  
MEAT MARKET