



*** 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: ECONOMIC DEVELOPMENT COMMITTEE
Date/Time: Monday, February 23, 2015 at 4:30 p.m.
Location: City Hall, 2nd Floor, Board Room
Members: Bill Nagle (C), Tom Neal (VC), Romey Wagner, David Oberbeck and Lisa Rasmussen

AGENDA ITEMS FOR CONSIDERATION/ACTION

- 1 Public Comment on Matters Appearing on the Agenda
- 2 Discussion and Possible Action on South West Side Redevelopment (including Thomas Street)
- 3 Discussion and Possible Action on the Resolution for the 2015 Riverfront Redevelopment Project and Authorization to Let Bids
- 4 Discussion and Possible Action regarding the Property Located at 2001 North River Drive (Wausau Chemical)
- 5 **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 regarding the Property Located at 2001 North River Drive (Wausau Chemical)
- 6 **RECONVENE** into Open Session to Take Action on Closed Session Items, If Necessary
- 7 Discussion and Possible Action on the Village of Brokaw
- 8 Monthly Update on Current Development Agreements

Adjournment

Bill Nagle (Chair)

This notice was posted at City Hall and emailed to the media on 2/17/15

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.**

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, Hebert, Lenz, Stratz, Rayala

THOMAS STREET CORRIDOR MASTER PLAN



Developer Interview Summary

DECEMBER 2014

Imagery from the Thomas Street Master Plan



Figure 1. Project Area Context. Source: Pictometry

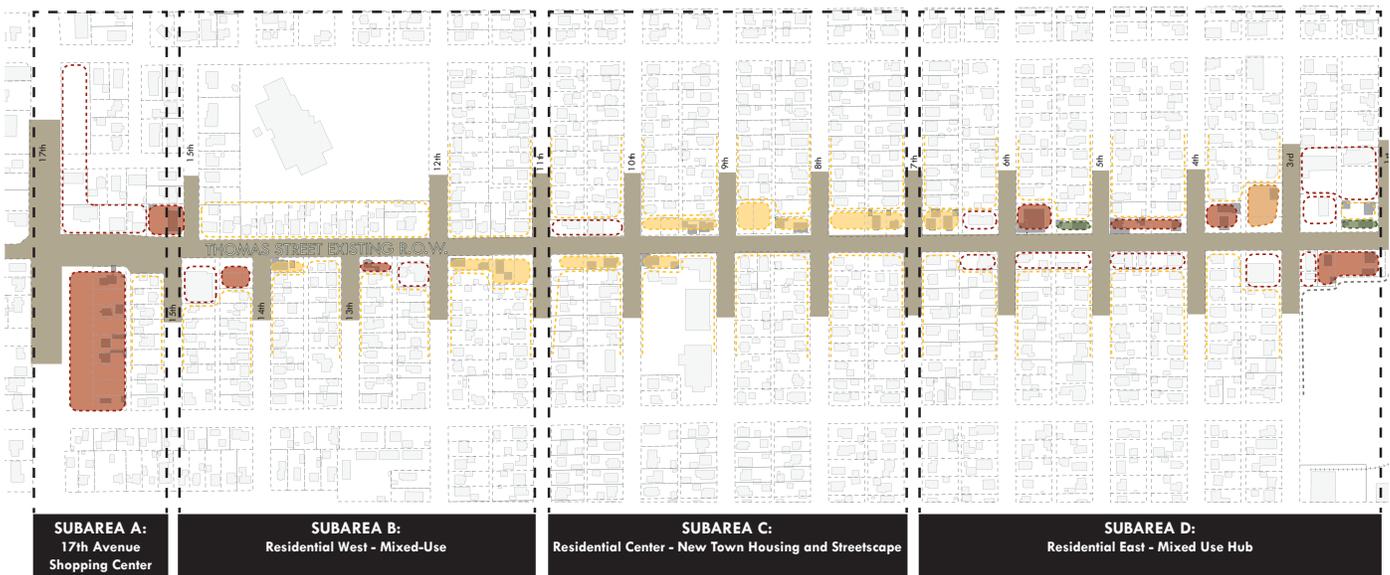
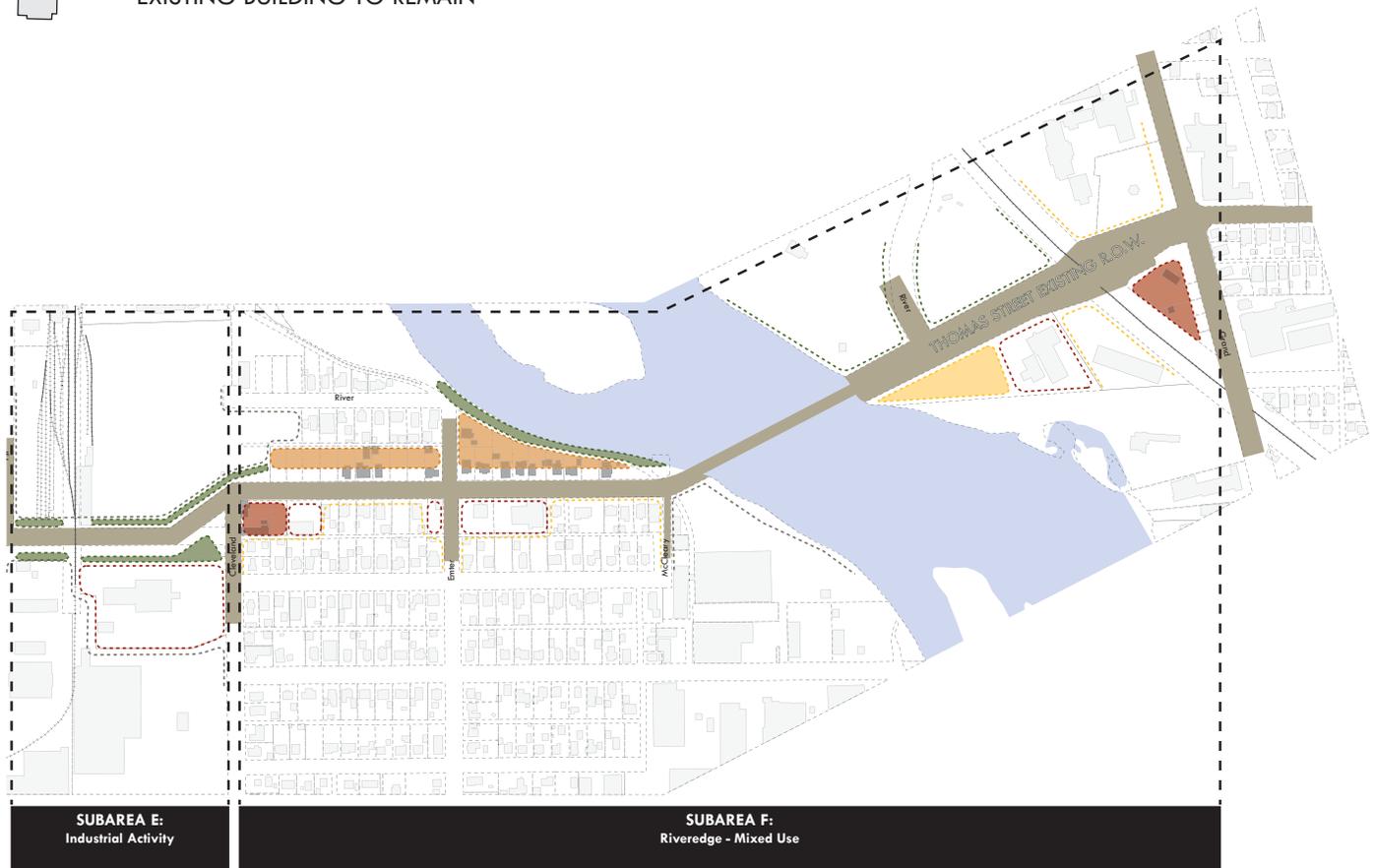


Figure 2. Urban Design Plan.

-  EXISTING THOMAS STREET RIGHT-OF-WAY
-  PROPOSED COMMERCIAL
-  EXISTING COMMERCIAL TO REMAIN
-  PROPOSED MIXED-USE RESIDENTIAL
-  PROPOSED RESIDENTIAL
-  EXISTING RESIDENTIAL TO REMAIN
-  PROPOSED GREEN SPACE
-  EXISTING GREEN SPACE
-  EXISTING BUILDING TO BE DEMOLISHED
-  EXISTING BUILDING TO REMAIN



A Primer

OVERVIEW

As part of the development of the Thomas Street Corridor Master Plan (Figures 1 and 2) completed in February and April of 2014, the Consultant Team conducted interviews with developers who have worked in, and are working in, the City of Wausau. The Economic Development Plan component of the Master Plan offered specific next steps for Thomas Street, some of which were based on comments from one of the developer interviews. See the Thomas Street Corridor Master Plan for more information.

The full set of developer interviews are summarized in this brief. The Consultant Team selected a small set of developers who represent a range in real estate development, from those who focus on housing to those specializing in full-scale, mixed-use development. These developers have worked in Wausau, but have also worked across the Midwest. Thus, these developers provide comparable

examples of what is working, and what could work better, in creating successful developments along a long-established corridor like Thomas Street.

The bulk of information contained here stems from blending input from three interviews:

- A developer based near Wausau, WI
- A developer based near Oregon, WI
- A developer based near Minneapolis, MN

This summary also integrates snapshot data of recent commercial real estate listings to illustrate comparables with similar uses and square footages. It must be noted that these comparables offer different amenities than would newer construction along Thomas Street (some are seen in Figure 3). These comparables, included at the end, demonstrate a couple of relative price points for commercial properties near Thomas Street.

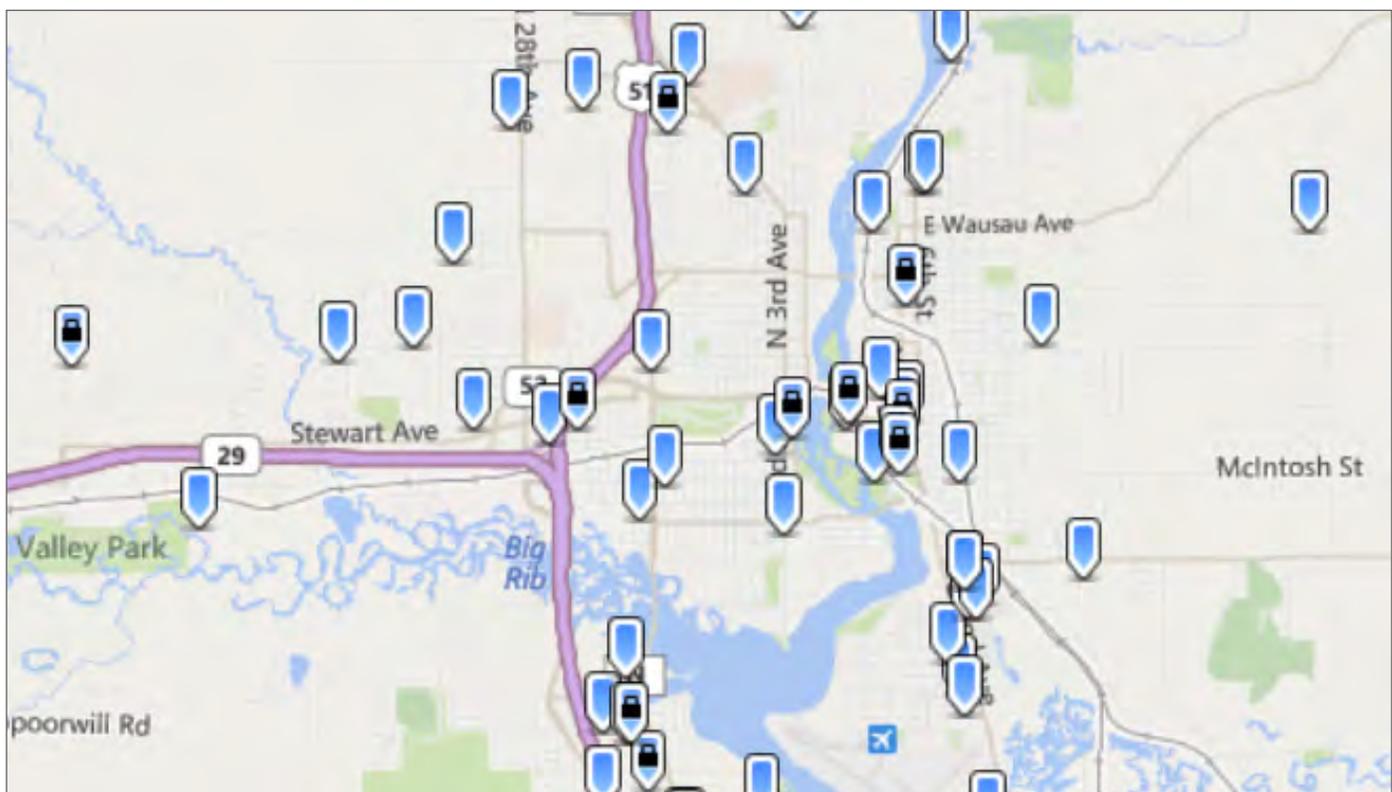


Figure 3. All Commercial Real Estate Listings for Sale as listed by LoopNet, November 2014.



Figure 4. The northeast corner of Thomas Street and Emter Street as a development opportunity in both the 72'194' & 94'194' ROW Option.

DEVELOPER COMMENTS

Conditions of / Relating to Thomas Street

What property do you consider to be the most ideal site for development along Thomas Street given your development focus?

From the viewpoint of **housing development**, the land northeast of the Thomas Street & Emter Street intersection would be of greatest interest (Figure 4). Development can often be tough with these river/street sites, which should be noted as a slight barrier in the process (mostly because it would impact the timeline for development). The site and area are desirable, and residential developers almost

always want to make a double corridor work (i.e. units with entries on both sides of a central hall) when possible. In this case, half would have river views, the other half would not enjoy the same views. That said, the quality of the streetscape plan is incredibly important to marketing this site. Dressing up the roadway, the median, and properties across the street would be an asset to make this site more developable, and consequently more enjoyable for property owners on the south side of Thomas Street.

There are exceptions to the assumption that the river side would be more palatable for residents. In a recent development in Minneapolis, for example, views of the Mississippi River valley take a back seat

to units in the same building that front the light rail. The leasing office in this development reports that the views of the light rail fill faster than the units with the valley views.

A few other precautionary measures should be noted for the northeast corner of Thomas Street and Emter Street.

- Developers will care about having a sizable green space buffer between the busy intersection and the development site. A high-quality streetscape will make the site more attractive for development.
- River sites are often smaller than they look because of buffer requirements or flood zones, so the buildings may not get as close to the riverfront as shown or depicted on a preliminary concept plan.

From the viewpoint of **mixed use development**, the most ideal sites are the bookends of Thomas Street, of which there are actually three: at 17th Avenue, at the parcels surrounding the river, and at Grand Avenue, because the traffic counts are higher. Simply put, they are more visible sites and thus present more options to developers than the other parcels along the corridor.

The first developer to develop mixed use (e.g. retail and housing, retail and office, etc.) will likely focus on these sites, and will look for more substantial financial support to offset the greater risk that comes with being the first to make a major reinvestment along Thomas Street.

What property do you consider to be the least ideal site for your development work?

Referencing Page 69 of the Master Plan (see Figure 5), the intersection of 17th Avenue and Thomas Street would be the least ideal for purely **housing development**. The smaller residential opportunities along Thomas Street would also not be of great interest. For developers whose niche

is housing, they tend not to pursue commercial developments unless an opportunity presents itself (such as a historic property where the first floor space can be ideal for retail).

None of the residential sites shown, except for the riverfront, meet the minimum square footage that certain housing developers require: an acre minimum (for building footprint and surface parking). They will consider a half acre if underground parking can be constructed, but underground parking is not common in a market like Wausau, since developers cannot easily recover the costs of building structured parking. That said, a half-acre lot may not be feasible for certain housing developers.

Some in the business of making **mixed use development** come together may not develop anything on the Thomas Street corridor. The areas for redevelopment are not large enough to accommodate the mixed use developments currently undertaken by developers. For most developers, everything in the middle will be the least ideal, as the widths and depths are narrow. This perception may be changed, however, as the bookends (at 17th Avenue, the river, and Grand Avenue) see new life. Building the market will allow for greater interest in niche renovation for commercial or residential activity along the bulk of Thomas Street.

Others in the business of mixed use development see potential near Thomas Street, but particularly with regard to where the Historic Tax Credits could be applicable, or where the City's Redevelopment Authority could provide additional incentives (be it economic development expertise, marketing, or financial support). The amount of time and energy that the City, County, and State can jointly focus on the enhancement of Thomas Street (whether by improving the roadway, enhancing existing properties, or pushing redevelopment on targeted sites) will directly impact the resulting level of developer interest.



Figure 5. 17th Avenue and Thomas Street as possible with the 72'194' ROW Option.

© COMMERCIAL

What kinds of financing tools or funding support do you believe the City should garner in order to rehabilitate Thomas Street?

In addition to aforementioned tools such as the Historic Tax Credits (more applicable elsewhere in Wausau due to the existing unit sizes along Thomas Street) and the City’s Redevelopment Authority, the way for certain **housing developers** to come into the market, predominantly, is with Low

Income Housing Tax Credits (LIHTC) financing. Commercial or **mixed use developers** look for New Markets Tax Credits (NMTC) or other tax credit programs that can change the bottom line. Figure 6 shows the three 2010 Census Tracts that include the Thomas Street corridor. Only the center Census Tract is NMTC Qualified.

The City should rigorously market the opportunities that come from the State level (where appropriate). For example, the Wisconsin

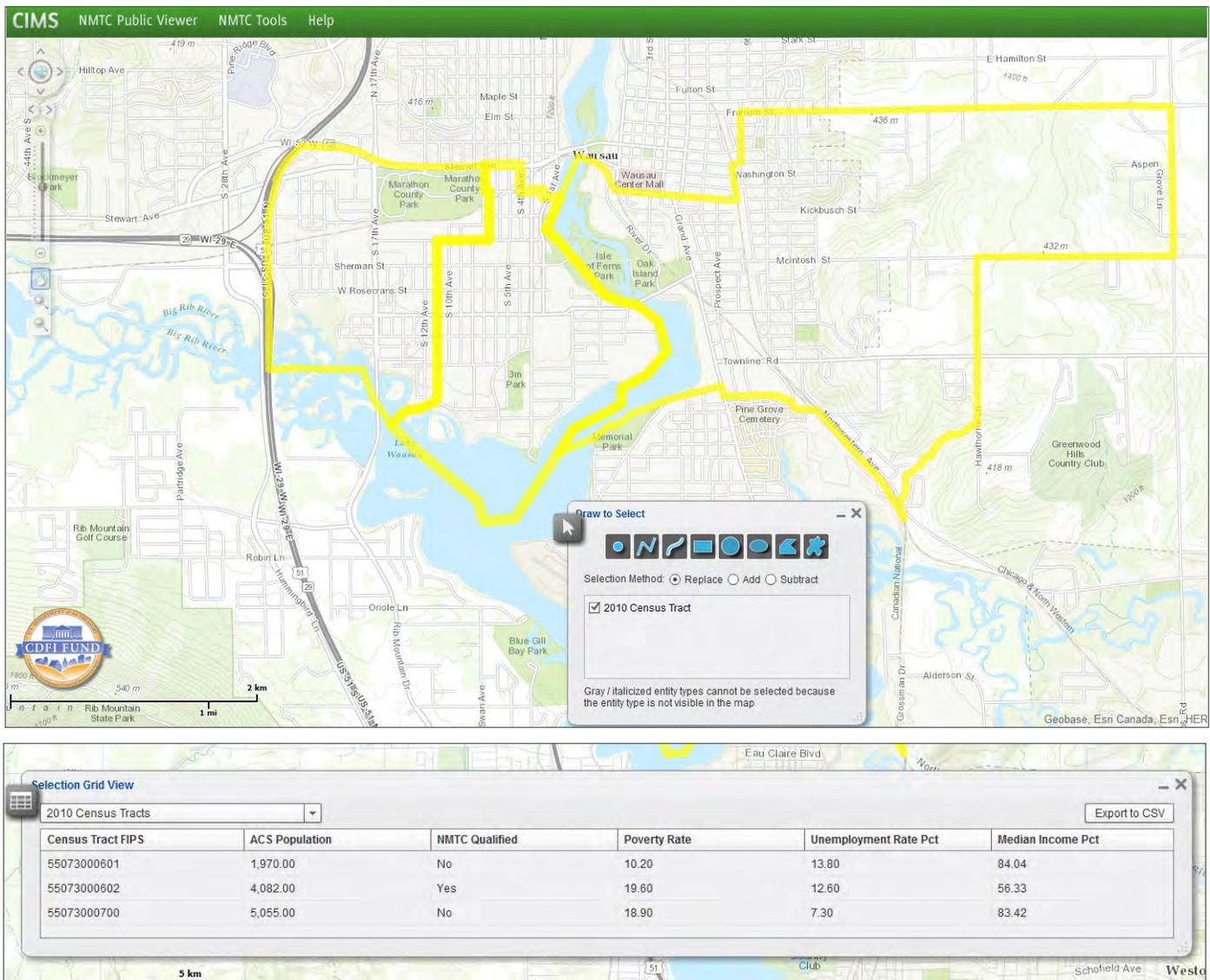


Figure 6. CDFI Fund Map of 2010 Census Tracts along Thomas Street. Only the center Census Tract is NMTC Qualified. Accessed December 3, 2014.

Economic Development Corporation (WEDC) offers programs like the Enterprise Zone Tax Credits which could jumpstart development activity near Thomas Street via specific businesses who pursue them. Overall, WEDC alone lists 18 programs comprised of grants, loans, and resources that can promote economic development activity at a local level.

If the City and philanthropic partners can incentivize property improvements for those currently in ownership along and near Thomas Street, developers would generally express greater interest in developing key sites, as general improvements to existing properties would represent value increases for all investment along Thomas Street. Focusing on roadway and existing property enhancements may prove more impactful than providing direct financial incentives to developers.

Impression of the Thomas Street Corridor

What do you feel is the most marketable characteristic about the Thomas Street corridor – for any type of new development?

Because Thomas Street is a key arterial that connects both sides of Wausau, the corridor has a natural appeal for new development and for renovation. One of the characteristics of Thomas Street that is marketable, and simply needs to be better marketed, is its established feel. Existing homes are charming, and the trees look mature. These positive features could be better marketed through reinvestment, and also through some efforts toward branding. The sense of place along Thomas Street is lacking compared to, say, Stewart Avenue.

The ends of the corridor are the most marketable (i.e. Thomas and 17th, and Thomas and Grand), particularly if the appropriate quantity of parcels



Figure 7. Bird's eye view of the monitoring and industrial area west of the Thomas and Emter intersection. Source: Pictometry.

are acquired by the City to make larger sites for redevelopment.

What do you feel is the least marketable characteristic about the Thomas Street corridor?

The monitoring area west of the Thomas and Emter intersection is currently the least marketable part of the corridor (Figure 7). Screening for the monitoring area is critical, given the understanding that monitoring could continue for 10+ years.

While the block east of the Thomas and Emter intersection is viable, actions to screen the block west of this intersection will determine the level of investment along the river near Thomas Street. Past experience with housing development in North Dakota, where one of the local downtown areas is peppered with similar monitoring structures for diesel fuel dump locations, has demonstrated to developers the difficulty in securing and retaining lenders for development projects (read: the complexity of contamination expectedly scares off financiers). When developers enter into a community with five site options, they often rule out the areas with blatantly viewable monitoring wells.

Another limitation of Thomas Street, which can be overcome, are some of the unattractive features of the corridor. When it comes to traffic, it does not have enough – both vehicular and pedestrian traffic. Seeing more activity on the street would make Thomas Street more salable for developers.

What kind of lease rates (cost per square foot) would you expect to get for retail, residential, etc. in Wausau?

One of the developments in Wausau has purchase prices and rental rates for units that are low, which have been supplemented by financing from state agencies. Rents for high-end, one-bedroom apartments are between \$600 and \$625 per

month, with two-bedroom apartments at \$700 per month and three-bedroom apartments at \$800 per month. These price points include units with river views, and require that tenants pay for heat, electricity, and air conditioning. With these rates, the property owner/manager covers the hot water usage, trash fees, and property taxes. Due to the rent structure, surface parking is almost always the solution. Structured parking would increase costs that couldn't be recouped.

Ideally, market rate multi-family residential in Wausau would capture \$1,000 to \$1,100 per month for 2+ bedrooms in order for the numbers to work out, yet this price point is extremely challenging without the presence of aesthetic improvements in neighborhoods like those around Thomas Street.

The rule of thumb seems to be that most tenants in apartment developments around Wausau are likely to be up to 60% of the median income. That appears to be the majority of the market (roughly 2/3 to 3/4). Some renters are over 60% of the median income, but there seems to be less demand from households in that income bracket. Rents are 90-95% of what developers would say is the market rate. There has been speculation about whether to increase rents, but the market in Wausau precludes property managers from successfully doing so.

What is seen around Wausau are transitional neighborhoods with some unique amenities, much like Thomas Street, such as river views and access to downtown employment. Yet continually, the detractor is the low quality housing. The City needs to work in concert with homeowners to put care into what are often charming units that are in need of a facelift. Developers can provide site amenities in Wausau that are better than most anything in the market (with direct access to the outdoors, unique architectural styles, community room, business center, green space, and parking), but still have trouble attracting the market if surrounding properties are not charming and well kept.

Would you like to do more development in Wausau, say, in the next 5 years or more?

“Yes, and preferably sooner than 5 years from now.”

“Yes, I plan to develop sites in Wausau in the next 5 years.”

“I cannot say. Market demand will determine how soon I can pursue a project in Wausau.”

Do you have other comments?

The City should focus on helping develop or improve catalytic areas of the city, such as the area near the river and near downtown. As such, the City should focus on making Thomas Street a nice neighborhood street – the situation has become too challenging to make it a full-service corridor for Wausau.

We somewhat agree with the sentiment in the Master Plan about the Request for Proposal (RFP) process, since we do respond to RFPs from time to time. When a RFP calls out the need for elevations, site plans and details like that, sometimes we shy away because of the cost of responding to the RFP is an obstacle. But if the City releases a RFQ and staff plans to interview developers, we are more likely to respond. Responding to a RFP or RFQ means that something meets our development criteria in a community where we have experience with development and the local government has a positive approach to working with developers in putting deals together. In particular, we need to see good public/private partnerships to make our financing deals work.

Generally when developers can respond to a RFP, it is a high-level developer that can and will respond. Minneapolis intentionally uses a RFP process throughout the city, including the riverfront properties that they control. The caliber of developer that responds is extremely experienced.

On a different note, the City theoretically has too many parcels to acquire on the Thomas Street corridor to make a significant short-term difference. I would advise the City to worry less about acquisition throughout the corridor, focus more on the ends of the corridor, and let the market work out the rest.

Working with the City over the years has been great. The staff is helpful, and they present few obstacles for developers. RFPs will hinder the re/development process for Thomas Street and elsewhere in Wausau though. RFQs and market-based support are preferred.

Existing Building Comparables

The pages that ensue illustrate recent (Fall 2014) comparables for existing buildings listed for sale near the Thomas Street corridor (Figures 8 through 11). These sites were not discussed during the developer interviews. These listings are included simply to offer a contemporary snapshot of values for the purposes of general conversation. One site has one structure with predominantly open land, while three others offer commercial and office properties with varying amenities.

Commercial Development Opportunity

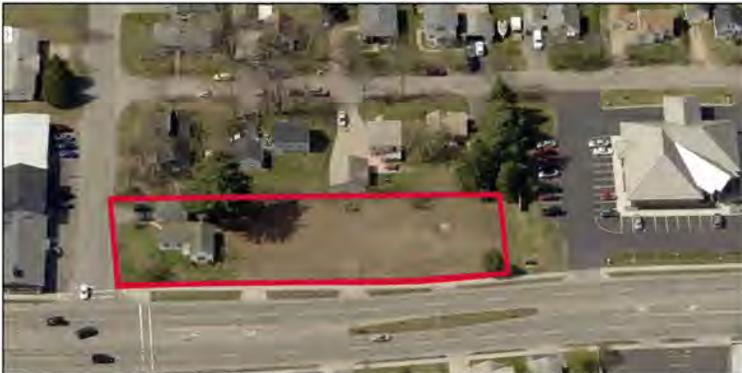
For Sale-Bank Owned

916-940 S 17th Ave, Wausau, WI



New availabilities to the Central Wisconsin area market

As exclusive agents, we are pleased to offer the following parcel for sale.



The Offering

.73 Acres of redevelopment land with excellent visibility along S 17th Ave. This property is located near new Retail Developments and is part of the 17th Ave/McCleary Bridge corridor that connects Wausau to Rib Mountain. Currently, there is a vacant home on the property.

Exclusive Advisor:

Ark Rhowmine, MPA, BPOR 715.297.1953 arkr@ngpwi.com

Newmark Grubb Pfeffler

200 Washington Street, Suite 100
Wausau, WI 54403-5530
Main: 715.261.2922 - Fax: 715.261.0454 - www.ngpwi.com

Snapshot

Asking Price	\$264,900
Acres	.73 acres
Zoned	UDD
Taxes 2013	\$5,935.57



WI DOT Traffic Counts

The information contained herein was obtained from sources believed reliable, however, Newmark Grubb Pfeffler makes no guarantees, warranties, or representations as to the completeness or accuracy thereof. The presentation of this property is submitted subject to errors, omission, change of price or other conditions, prior sale or lease, or withdrawal without notice.

Figure 8. Listing Accessed November 4, 2014.

Office Building For Sale or Lease

622/630 N 4th St, Wausau, WI



Sale Price: \$595,500

Lease Rate: \$5.00-11.00 SF

Available Space: 5572 SF

Parking: On-Site

Zoning: B4-1—Central Business District



- ◆ Located in the Business District
- ◆ City Center Across from City Hall, Woodson YMCA and Park
- ◆ Walk to Marathon County Courthouse, Restaurants, Shopping, Lodging and Mall
- ◆ Attractive and Well Maintained Building
- ◆ New Roof with Newer Windows and Doors
- ◆ The Newest High Efficiency HVAC System with Programmable Features Available installed in 2014
- ◆ Attractive Offices and Conference Rooms
- ◆ Lower Level 60% Finished
- ◆ Buy or Lease
- ◆ Owner Occupied—Owner/Tenant will Relocate or Remain

Exclusive Advisor:

Gene Davis 715.574.0371 gened@ngpwi.com

**Newmark Grubb
Pfefferle**

200 Washington Street, Suite 100
Wausau, WI 54403-5530
Main: 715.261.2922 - Fax: 715.261.0454 - www.ngpwi.com

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Figure 9. Listing Accessed November 6, 2014.

640 s 3rd ave



Price: \$199,900 *Excellent Value*
Type: Commercial
Style: Single Story
Bath(s): 3 *1 upper 2 lower bathrooms*
Basement: Yes, Full
Size: 5,471 sq. ft.
Lot Type: Rectangular
Lot Size: 0.3 acres 120ft x 109ft
Year Built: 1976
Taxes: \$8,721

Description

Metal constructed clear span retail building with C-Span concrete floor and full useable basement with restrooms, break rooms, and office. The large parking are with stripes for 17 vehicles and high visibility signage make this property extremely attractive. Security system, recent updates to HVAC, 200 amp Service, and 3 phase. Owners will consider Land Contract with down payment or Lease to Own scenario's with well qualified buyers.

Features

Interior Features

Alarm System

Roof

Metal

Heating

Forced Air

Buying Options

Lease Option | Rent to Own

Exterior Finish

Aluminum-Steel

Cooling

Central Air

Sewer/Water Systems

Public

Highlights

- Available to lease \$1,800 per month NNN
- Quality Construction
- \$97,000 below fair market value!
- Well known location

Figure 10. Listing Accessed November 6, 2014.

1024 S 1st Avenue



Price: \$187,500 *Price below value*
Type: Commercial
Style: 2 Story
Basement: Yes
Size: 7,840 sq. ft.
Lot Type: Rectangular
Lot Size: 0.17 acres
Year Built: 1047

Description

This property was originally a very successful supper club and has been owned and used by the Knights of Columbus for 38 years. The ground level has a full kitchen and bar, dining/meeting room for over 100 guests, conference room, and office. The second floor has 3 apartments and large storage area. This property has great potential for an owner/user or investment property. The adjoining duplex can be purchased with the property as an investment or for additional parking.

Features

Sewer/Water Systems

Public

Highlights

- High Traffic Location
- Natural Gas
- Well Known Location
- Central Air

Figure 11. Listing Accessed November 6, 2014.

4. Economic Development Plan

Local Trends - the Thomas Street Market and Demographic "Profile"

The Thomas Street neighborhood exhibits the market characteristics similar to many older residential areas in Midwestern cities. As a primarily residential area, market conditions follow the economic and social conditions of the housing. Figure 24 depicts some of the typical statistics of the Thomas Street area in comparison to the broader 10-minute and 15-minute drive times. What emerges from the statistics for the broader neighborhood (5-minute drive time) may not be well understood amongst the Wausau community: while there are lower-than-average property

values, **the population is relatively younger due to a larger percentage of the 15-34 age group.** The full Retail Market Profile is available in Appendix E

In addition to demographic features, however, market conditions are also dependent on traffic, visibility and access. The Traffic Analysis and Alternatives section provides the traffic counts, traffic forecasts, and other aspects of the corridor which impact neighborhood value (such as access and views).

The aforementioned gap analysis shows some of the key items derived from standard GIS data (in

	0 - 5 minutes	0 - 10 minutes	0 - 15 minutes
Population Summary			
2000 Total Population	13,021	43,747	72,521
2010 Total Population	12,069	43,473	75,994
2013 Total Population	12,082	43,436	76,394
2013 Group Quarters	434	1,056	1,371
2018 Total Population	12,137	43,648	77,244
2013-2018 Annual Rate	0.09%	0.10%	0.22%
Median Household Income			
2013	\$32,679	\$39,355	\$46,914
2018	\$36,542	\$47,588	\$57,822
Median Home Value			
2013	\$83,762	\$108,603	\$127,599
2018	\$88,162	\$141,462	\$172,896
Per Capita Income			
2013	\$17,234	\$23,430	\$26,390
2018	\$19,743	\$27,821	\$31,545
Median Age			
2010	33.2	37.7	38.5
2013	33.7	38.1	39.0
2018	34.7	38.8	39.4
2013 Population by Age			
Total	12,082	43,435	76,395
0 - 4	7.6%	6.8%	6.6%
5 - 9	6.8%	6.1%	6.3%
10 - 14	5.9%	5.9%	6.3%
15 - 24	15.0%	13.4%	12.9%
25 - 34	16.7%	14.3%	13.2%
35 - 44	11.8%	11.3%	12.0%
45 - 54	12.4%	13.1%	14.0%
55 - 64	11.1%	12.7%	13.2%
65 - 74	6.0%	7.8%	7.8%
75 - 84	4.0%	5.2%	4.8%
85 +	2.6%	3.4%	2.8%
18 +	76.5%	77.6%	76.9%

Figure 24. Thomas Street Retail Market Profile by 5 Minute, 10 Minute, and 15 Minute Drive Time.

this case the ESRI profile) that are typical of most market analyses. This includes data on “leakage” (the degree to which expenditures by local residents “leak” out from the neighborhood to make purchases in other areas and subareas). The results of the leakage analysis are not surprising. Given the relatively low concentration of chain retail stores, most residents drive outside of the neighborhood for retail goods and services. This is true for the city as a whole given the relatively short driving times to commercial corridors.

From a market perspective, the west and east ends of Thomas Street (bordering, respectively, I7th Avenue and the riverfront) provide opportunities for small retail clusters

which could simultaneously (a) add some tax base which would otherwise “leak” out to other communities, and (b) provide some additional retail services to the residential neighborhood which would, in turn, make the neighborhood more attractive and contribute to improved housing values. This recommendation is elaborated subsequently.

The other finding from the ESRI analysis concerns the demographic stereotypes for local areas in terms of the patterns of social subgroups (“tapestry segments”) and their proclivities for retail purchases (Figure 25 and described on the following pages). These subgroups should not be considered as a definitive, fixed description of the area but rather as a general perception of the neighborhood from the perspective of retail chains: the primary users

of ESRI data. In this case, the profile suggests that very modest improvements can be made to attract new retail uses. However, this demographic profile ignores customers who may drive through the neighborhood, along its edges, or who are employed in the area. Consequently, our recommendation is to consider a wider profile of retail options that might suit commuters and employees as well as residents.

None of the standard market analysis methodologies predicted the recession. To many planners, this is no surprise. Standardized statistical models always ignore patterns of social and political trends. Rather, statistical models usually portray conditions that impact markets over the next 6 months to a year, not the longer term evolution of markets that truly impact neighborhood redevelopment. Consequently, a useful neighborhood market must be viewed within the context of larger social and economic trends.

MARKET ANALYSIS - NATIONAL TRENDS

Resurgence of the Traditional Urban Neighborhood Market

The housing stock contains many older units which are often viewed as less attractive than newly built homes. However, older homes also represent a traditional neighborhood pattern which many newly formed families and “next generation” millenials find attractive due not only to the visual character of the community but also to the potential for a



Figure 25. Tapestry Segments for the 5 Minute, 10 Minute, and 15 Minute Drive Time around Thomas Street.

more socially interactive type of area. These types of market conditions do not show themselves in a typical statistical analysis but rather in the pattern of national trends toward smaller homes and multi-family housing.

Such social trends have been recognized by the Urban Land Institute – the primary professional organization of developers in the United States. However, because the revitalization of older housing stock has yet to become a major opportunity for new group investment, it is often overlooked as an economic development initiative. At the same time, the burst of the housing “bubble”, and the associated recession that has swept the country, has created a highly negative branding of neighborhood revitalization. Older homes are associated with foreclosures and upside-down mortgages rather than a major opportunity for reinvestment.

In contrast, **there have been several national trends that imply a resurgence in neighborhood improvement.** For example, there have been major changes in homeowner do-it-yourself (DIY) improvements evidenced in the success of retail chains specializing in home improvement as well as the employment of smaller, individual home improvement contractors.

Also the housing statistics that have shown improvements in this part of the economic sector include both the resale of existing homes and newly-constructed homes. Unfortunately, media attention fails to emphasize the dramatic distinction in these two trends from the standpoint of economic development. That is, the significant increase in resold homes represents a positive trend that needs to be emphasized and enhanced in older urban areas like the Thomas Street corridor. Current housing resales in the Thomas Street area are not experiencing a resurgence. Based on our understanding of economic trends, the issue is not “if” this will occur but “when” and at what level of investment.

Consequently, our recommendations are to focus on highly-intense housing clustered along Thomas Street to create a visible, successful image of new housing in concert with revitalized housing.

Trends toward Multifamily and Mixed Use – the Thomas Street “Bookends”

Social trends which bring greater value to traditional urban communities come in waves at different times. Typically mid-size, Midwestern communities experience these waves later than other places. For example, the wave of newer multi-family rentals for millennials really began in the largest urban centers in the United States after the recession. Incrementally it has impacted smaller cities, usually in downtown areas. More recently this trend has reached traditionally residential neighborhoods outside the urban core, especially along commercial corridors with a potential for retail activity that complements housing.

Based on our understanding of Thomas Street and the surrounding urban fabric of Wausau, this trend is likely to impact the east and west ends of the corridor – namely the area just west of the bridge and the area along 17th Avenue. Both east and west “bookends” offer the potential for smaller mixed-use residential and retail nodes. This type of condition can lead to two types of market opportunities: “vertical” mixed use in which apartment units are located above retail space or “horizontal” mixed use in which housing and retail are located in buildings that are next to each other. The former model – housing over retail – is often preferred as a more contemporary image of urban areas. However, the latter pattern – where two uses are simply located on adjacent sites – is often the easier pattern to implement by allowing investors to minimize risks in two different investment products. That is, a one-story retail building may suit the investment profile of one developer and a two or three story apartment structure might represent a less risky alternative

4. Economic Development Plan

for another developer. Both of these models can be implemented in visually attractive buildings and streetscapes.

The Integration of Industry

Historically, Thomas Street epitomized a full mixed-use neighborhood with industrial and manufacturing uses adjacent to residential, commercial and civic buildings. For many decades, especially during the expansion of suburban industrial parks, the standard practice for new industrial facilities involved isolated areas – with heavy buffers – as segregated as possible from residential uses. This trend was not unlike other suburban trends which segregated each type of housing product (estate housing vs. mid-size lots vs. small single-family lots vs. townhouses vs. multifamily apartments). Retail uses were also fully segregated from residential. The suburban model assumed a negative impact to mixing any types of land uses. During the 1980s, these trends began to reverse themselves, especially in urban areas. Residential uses became mixed and located along street edges. Retail uses were and are now considered desirable on the first floor of condominium apartments. The mixed-use neighborhood has made a full-fledged comeback. Over the next two decades, it can be anticipated that the juxtaposition of industrial buildings nearer to neighborhoods will no longer be considered as a highly negative option. There will, however, be many logistical problems to be solved, especially regarding access, safety, visual screening, and the reevaluation of real nuisances from – versus prejudices against – industrial development. Such solutions can be achieved though careful technical planning.

Along Thomas Street, the existing industrial facilities should be preserved and allowed to flourish. It is conceivable that additional industrial uses may also wish to locate in this area in future decades. For now, however, the key is designing a compatible system of access and landscape such that industrial operations can continue smoothly, and residential values are enhanced rather than harmed. In this

way, negative impacts of industry on residential markets can be avoided, and positive impacts of the tax base from industrial buildings can be continued.

Consequently, our recommendations are to maintain and improve the existing industrial facilities, with special attention given to combining the need for security and control with options for attractive landscaping and edge conditions. A series of smaller green spaces can be located and maintained in a cost-effective manner which enhances the value of both industrial and non-industrial sites. Also it will be critical to facilitate truck traffic in a way which keeps the streets safe but does not do so by reducing the quantity and quality of pedestrian and bicycle movement.

REDEVELOPMENT STRATEGIES FOR THE MARKETPLACE

Investor Communication and Engagement

Offering a statistical analysis of markets and economic conditions is rarely, if ever, an appropriate strategy for attracting investment. Most brokers and retail chains conduct their own analyses and are keenly aware of rental and leasing rates in an area. If rents are too high or there is an insufficient traffic flow, then no volume of statistics can change that reality. Similarly, site visibility (for retail) and neighborhood amenities like schools and parks (for residential) are subjective judgments made by investors on site. Moreover, site constraints (like utilities and access) as well as financial incentives (like TIF subsidies) are specific to each property.

What can be effective, however, is well-designed, web-based communications that allow brokers and investors to get relevant information in a timely manner. There are many pitfalls in this process. Local brokers usually offer information only on the sites they represent which can undersell a neighborhood to investors. Similarly, nationwide internet sites which only show assessed values and offer a photograph of a site do not provide

sufficient depth of knowledge. Accordingly, this Master Plan recommends a tailored form of a “community brokerage” website to advertise properties in the Thomas Street area. This could be combined with ongoing City efforts to attract investors.

In addition to employing web-based communication, the City must continue face-to-face contacts with key developers and investors. As part of this process, the Consultant Team talked with representatives of the property development industry.

Conversations with housing developers revealed where the first redevelopment is likely to occur along a reconstructed Thomas Street: the mixed-use or housing development on the north side of Thomas Street adjacent the west river bank. The parcel size allows for a) the building size needed to accommodate unit square footages and b) surface parking. Surface parking is viewed as the preferred option over structured parking due to the rental rates found in the Wausau market. Structured parking would drive the rental rates too high. As such, larger parcels like that shown in the riverfront area along Thomas Street are likely to develop before any infill residential sites throughout the corridor.

Even so, screening is imperative to the success of redevelopment at that location. Developers commented on the monitoring area just to the west, and how it currently serves as a deterrent to new housing development for numerous reasons. Similarly, the vehicular activity and frequency along an expanded Thomas Street would necessitate careful screening and a larger buffer (i.e. distance) between housing development and the curb. Therefore, the City’s creation of a detailed street design and streetscape plan will provide more security for interested housing developers.

These representatives of the property development industry are the key driving force

behind redevelopment, and as such, discussing the Thomas Street Corridor Master Plan with this group is only the start of what should become a longer-term partnership. It will be essential to continue meeting with these individuals, one on one, to find and initiate the first key redevelopment project. This is not a committee task, nor is it one that should be handled through an RFP. The most successful developers and investors typically do not respond to RFPs (in fact, the developers who do respond are often facing financial challenges and need new opportunities). Consequently, the City should pursue the types of investment projects identified in the next section. Ideally, it would be useful for the City to pursue at least one project in each of these categories.

Suitable Investment Products for Investors

Based on the above analysis, several types of reinvestment products are suitable for Thomas Street. These include:

- A new retail building in a cluster or node at the west end along 17th Avenue,
- A Multi-family apartment structure near the river (which could be combined with retail),
- New townhome-style buildings along the street edge in the middle of Thomas Street,
- Remodeled retail buildings containing existing businesses,
- Remodeled residential buildings,
- Redesigned landscaped areas associated with existing properties and/or civic uses.

All of these opportunities are shown in the 72’/94’ ROW alternative as shown in the Urban Design Plan. It must be emphasized that these reinvestment products are not intended to be started simultaneously. Rather, these represent a set of initial targets which can be evaluated on a one-to-one basis with each property owner. In this way, no owners are told that their property must be redeveloped. Rather, it becomes a question of choice, commitment, and incentives.

4. Economic Development Plan

To initiate these investments, we suggest that City representatives meet with property owners and developers to find likely candidates for redevelopment.

To date, GRAEF has conducted several interviews regarding a variety of investment products. The interviews were oriented to obtain up-to-date market information regarding development options. Interviews focused on the different types of markets for retail, residential, office, and industrial uses.

Incentives for Specific Redevelopment Targets

Property development markets, when unregulated, create sporadic opportunities, usually in areas where there are no obstacles to short-term investments. While a positive return on investment (ROI) for a short-term investment is always a good result for the owner, it is not necessarily the best result for a community where long-term issues are often more impactful. Moreover, the reason why a ROI may be higher can often be due to prior issues and problems which stem from disinvestment, environmental degradation, poorly maintained infrastructure, and other social and economic conditions which are not necessarily due to market forces. Typically, in urban areas requiring redevelopment – like the Thomas Street area – incentives for reinvestment are a natural and rational strategy to rebuild an effective real estate market.

In situations like Thomas Street, however, incentives should not be used indiscriminately. They must be targeted to have a positive, strong impact on the neighborhood – not simply an individual owner receiving an incentive. For example, a good target often requires a highly-visible property investment, along a busy arterial, where the visual impact of the investment will be recognized by the community at large. In addition, such investments should be clustered such that their combined impact

becomes even more emblematic of neighborhood revitalization. Figure 53 in the Urban Design Plan shows several such first target opportunities for Thomas Street in each of the categories of products noted previously:

- New retail building
- Multi-family apartment
- New townhouse
- Remodeled retail
- Remodeled residential
- Redesigned landscaped area

In each case, the largest incentives should be given to the first investors. The first investors often face the greatest uncertainty and therefore have the greatest risk of investment failure. They deserve the highest incentives. For example, the first multi-family apartment structure is riskier than the second or third and therefore should be given the larger incentive.

Incentives should not be predetermined by the City, but should be responsive to the specific needs and circumstances of the redevelopment. Incentives might include support for the following:

- Land acquisition and reduced land cost to investor
- Site preparation costs for parking, foundations, landscape
- Financing reductions or obligations
- Direct financial contributions
- Guarantees of rents

Each investor will have a different set of needs and the City should be highly flexible in providing the type of incentive that will work.

At the same time, these types of public/private partnerships need to be undertaken in a way which is fair to the City. Consequently, the City should develop hypothetical pro formas to determine the reasonableness of the risks and rewards for a project. If necessary, confidential discussions

should be undertaken to review the pro forma and determine the reasonableness of the incentive without publicly divulging proprietary business information. Figures 27 and 28 show the results of some hypothetical pro formas prepared for the types of projects envisioned for Thomas Street.

ACQUISITION - BOTH A REDEVELOPMENT AND A REHABILITATION TOOL

The civic engagement section references that the term “acquisition” has different connotations for Common Council members, City staff, and property owners alike. Some have used the word “acquisition” to describe future road width expansion - and thus demolition. Some have used the word “acquisition” to describe future right-of-way expansion - that is, possible demolition of existing buildings, but for sidewalks, terraces, etc. **Some have employed the word “acquisition” in the same way as this Master Plan: the purchase of property by the City for numerous avenues, which include rehabilitation of an existing building to spur an increase in value.**

The 2004 Thomas Street Corridor Study examined six different design alternatives, mostly from the perspectives of traffic flow and safety. These design alternatives were assigned preliminary cost estimates and acquisition numbers. Figure 31 offers this information and combines it with 1) 2011 TID Plan Amendment #2 expenditure estimates, and 2) preliminary cost opinions for this Master Plan, based on the 72’/94’ ROW Option as outlined in the Urban Design Plan. Additionally, estimated acquisition statistics are provided in Figure 29 for the following:

- The “72’/94’ ROW Option” as outlined in this Master Plan,
- The “94’/94’ ROW Option” as outlined in this Master Plan,
- The “110’ ROW Design” created in 2007, which the Common Council approved as the road

alignment in 2008.

Verbally describing both necessitated and optional acquisitions for the two design alternatives in this Master Plan clearly falls short of illustrating the countless pursuits of both the City and property owners. **To facilitate an informed dialogue on what Thomas Street would look like after buildings are demolished and each roadway alternative is constructed (and redevelopment has NOT YET occurred), the Consultant Team created Figure 30 - Acquisition Considerations for the Thomas Street corridor.** The diagram offers considerations for aforementioned 3 scenarios. For each scenario, the diagram outlines where:

- Full acquisition (with existing buildings) would be needed for right-of-way expansion,
- Full acquisition (with no existing buildings) would be needed for right-of-way expansion,
- Partial acquisition would be needed for right-of-way expansion,
- Full acquisition may be considered to accommodate the highest and best use of future land development.

This diagram is intended to be a primary conversation piece in determining what kind of road design and right-of-way width to pursue. As such, several pages follow with exploded views of the diagram.

The analyses in this Economic Development Plan inform the Urban Design Plan, which depicts conceptual land uses and building orientations based on the Economic Development Plan and the Traffic Analysis and Alternatives. These conceptual land uses and building orientations are primarily designed around the 72’/94’ ROW Option. The Urban Design Plan verbally describes alternative land use and building orientation options which would accommodate alternative market scenarios and a modified right-of-way.

6. Urban Design Plan

HISTORICAL STREET PATTERN

Like many historical urban streets, Thomas Street consists of a series of different segments which represent the variety of social and economic activities of the community. For those who live and work on or nearby the street, the various segments fit together into an integral pattern. Over time, changes in the street should not be considered as a “one-size-fits-all” model but rather as a sequence of activities that reflect the differences while creating a continuous pattern.

At the same time that the differences need to be recognized, the City should support the creation of a “complete” street that includes all critical circulation along with development activities. Critical circulation considerations include the projected increases in vehicular traffic, truck traffic, bicycle movement, pedestrian activity, and related maintenance and service needs. From a development perspective, a complete street should include all the current uses (residential, retail, and industrial) as well as a variety of civic uses integrated visually and environmentally.

The recommendations contained in this section balance all of these competing needs in order to create an overall redevelopment pattern that allows Thomas Street to thrive through and beyond the coming decades.

SEQUENTIAL PLACES

For this study, Thomas Street is evaluated as a series of 6 distinct segments, each with a different character (physical, social, and economic), which can be redeveloped in a way that integrates new structures with existing structures and street improvements. **It must be noted that the 72’/94’ alternative best meets the use types outlined in the Urban Design Plan shown below** due to residual lot sizes and building configurations. The 94’/94’ alternative incorporates varied development scenarios due to limiting residual lot configurations.

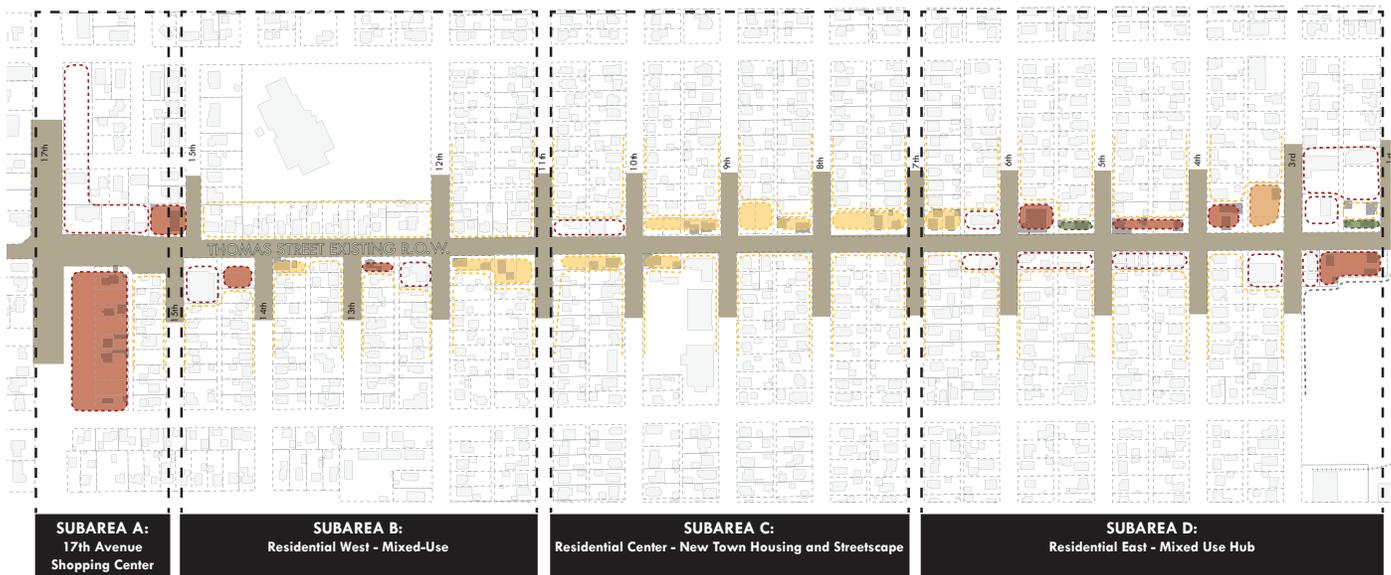
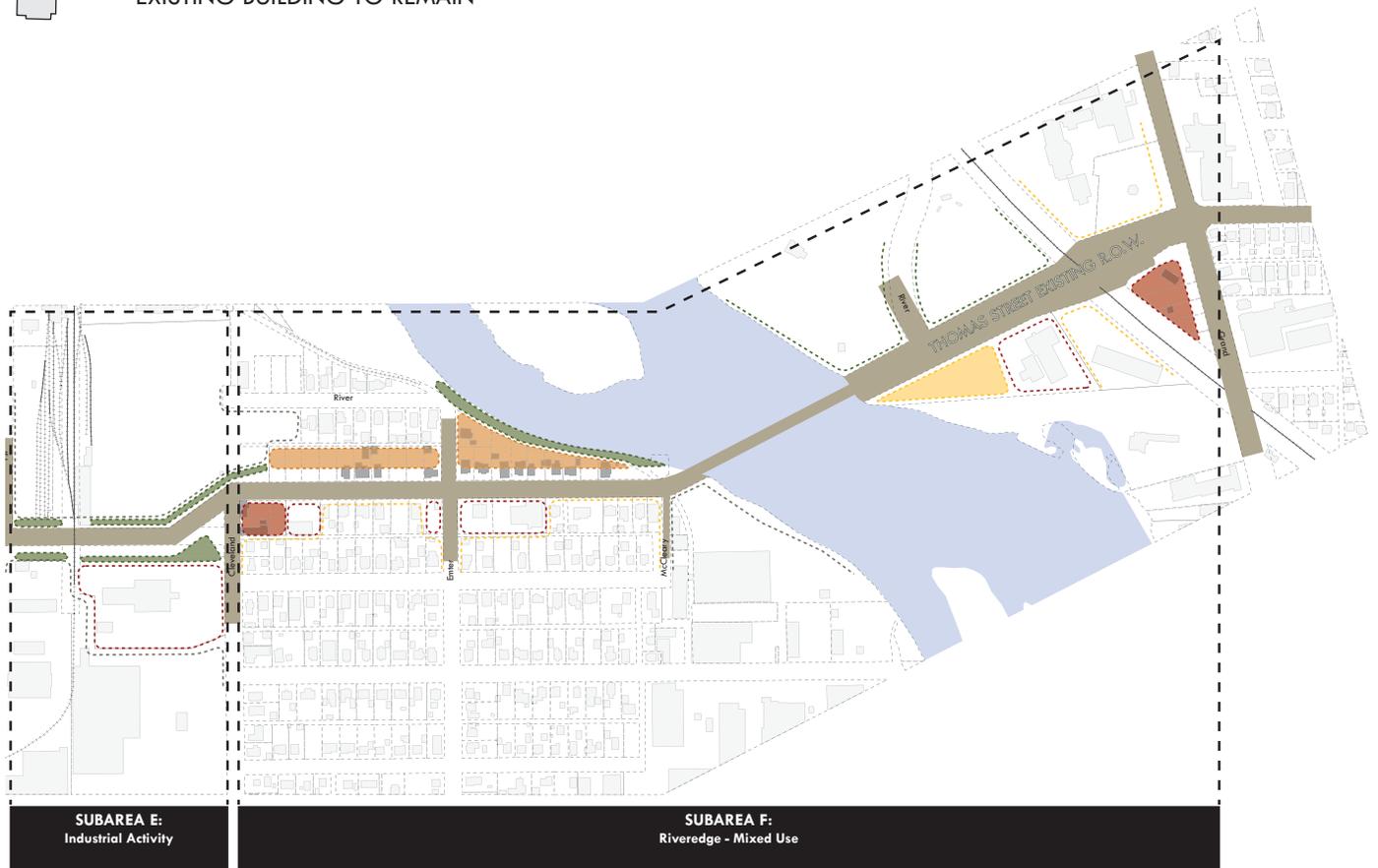


Figure 52. Urban Design Plan

-  EXISTING THOMAS STREET RIGHT-OF-WAY
-  PROPOSED COMMERCIAL
-  EXISTING COMMERCIAL TO REMAIN
-  PROPOSED MIXED-USE RESIDENTIAL
-  PROPOSED RESIDENTIAL
-  EXISTING RESIDENTIAL TO REMAIN
-  PROPOSED GREEN SPACE
-  EXISTING GREEN SPACE
-  EXISTING BUILDING TO BE DEMOLISHED
-  EXISTING BUILDING TO REMAIN



6. Urban Design Plan

17TH AVENUE SHOPPING CENTER

The westernmost segment, near 17th Avenue, has significant potential as a retail node servicing both the neighborhood and the traffic along 17th Avenue. As with all the segments, uses and activities are not seen as exclusionary, but rather inclusionary. That is, while the primary redevelopment suggestions focus on retail, there are also opportunities for integrated improved residential revitalization. The future value and identity of Thomas Street will depend heavily on the ability to create an attractive, appealing character via the buildings, street, and landscape.

As changes occur, it will be essential to minimize the disruption and the negative aspects of “change” that are usually perceived by existing land owners. Multiple options can be considered that respect the uses desired by individual owners. Two options for redevelopment are shown in the figures to the right. Streetscape and landscape can be used to minimize the perception of negative or nuisance outcomes. However, it must be emphasized that any form of redevelopment will lead to higher levels of traffic and activity at this western node.



Figure 53. Urban Design Plan: Subarea A

- EXISTING THOMAS STREET RIGHT-OF-WAY
- PROPOSED COMMERCIAL
- EXISTING COMMERCIAL TO REMAIN
- PROPOSED MIXED-USE RESIDENTIAL
- PROPOSED RESIDENTIAL
- EXISTING RESIDENTIAL TO REMAIN
- PROPOSED GREEN SPACE
- EXISTING GREEN SPACE



Figure 54. 72'194' ROW Option (C) COMMERCIAL



Figure 55. 94'194' ROW Option (C) COMMERCIAL

6. Urban Design Plan

RESIDENTIAL WEST - MIXED USE

There are three, primarily residential segments in the urban design plan. The western section does include some mixed uses which should be allowed to remain, especially to the extent that the business owners and operators wish to improve the property. The plan envisions incremental improvements to the street and to the private properties along the street. This should be incentivized with grants and loans to property owners who are reinvesting in their property. In some cases, owners who wish to sell their property to the City should be given such opportunities if their land can be effectively combined with other properties to create higher value redevelopment opportunities.

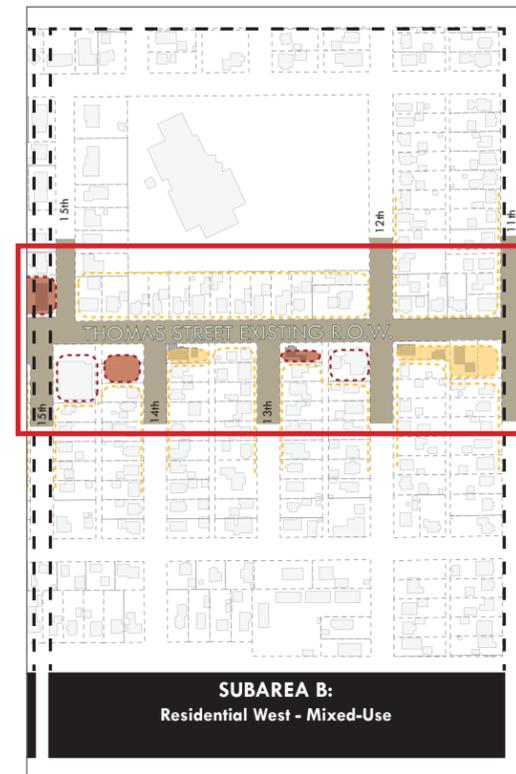


Figure 56. Urban Design Plan: Subarea B

- EXISTING THOMAS STREET RIGHT-OF-WAY
- PROPOSED COMMERCIAL
- EXISTING COMMERCIAL TO REMAIN
- PROPOSED MIXED-USE RESIDENTIAL
- PROPOSED RESIDENTIAL
- EXISTING RESIDENTIAL TO REMAIN
- PROPOSED GREEN SPACE
- EXISTING GREEN SPACE



Figure 57. 72'194' ROW Option

- C COMMERCIAL
- H HOUSING



Figure 58. 94'194' ROW Option

- C COMMERCIAL
- H HOUSING



6. Urban Design Plan

RESIDENTIAL CENTER – NEW TOWN HOUSING AND STREETScape

The central residential segment is envisioned as almost exclusively residential in nature. Improved central median landscaping and property acquisitions along the edge can create opportunities for new townhouses and attractive residential buildings. Here too, the plan envisions incremental improvements to the street and to the private properties along the street. This should be incentivized with grants and loans to property owners who are reinvesting in their property. In some cases, owners who wish to sell their property to the City should be given such opportunities if their land can be effectively combined with other properties to create higher value redevelopment opportunities.



Figure 59. Urban Design Plan: Subarea C

- EXISTING THOMAS STREET RIGHT-OF-WAY
- PROPOSED COMMERCIAL
- EXISTING COMMERCIAL TO REMAIN
- PROPOSED MIXED-USE RESIDENTIAL
- PROPOSED RESIDENTIAL
- EXISTING RESIDENTIAL TO REMAIN
- PROPOSED GREEN SPACE
- EXISTING GREEN SPACE



Figure 60. 72'194' ROW Option

(C) COMMERCIAL (H) HOUSING



Figure 61. 94'194' ROW Option

(C) COMMERCIAL (H) HOUSING

6. Urban Design Plan

RESIDENTIAL EAST - MIXED USE HUB

The eastern residential segment contains much stronger opportunities for mixed uses. That is, several of the sites might lend themselves to commercial activity in concert with residential uses especially as this segment nears the industrial area. Here too, the plan envisions incremental improvements to the street and to the private properties along the street. This should be incentivized with grants and loans to property owners who are reinvesting in their property. In some cases, owners who wish to sell their property to the City should be given such opportunities if their land can be effectively combined with other properties to create higher value redevelopment opportunities.

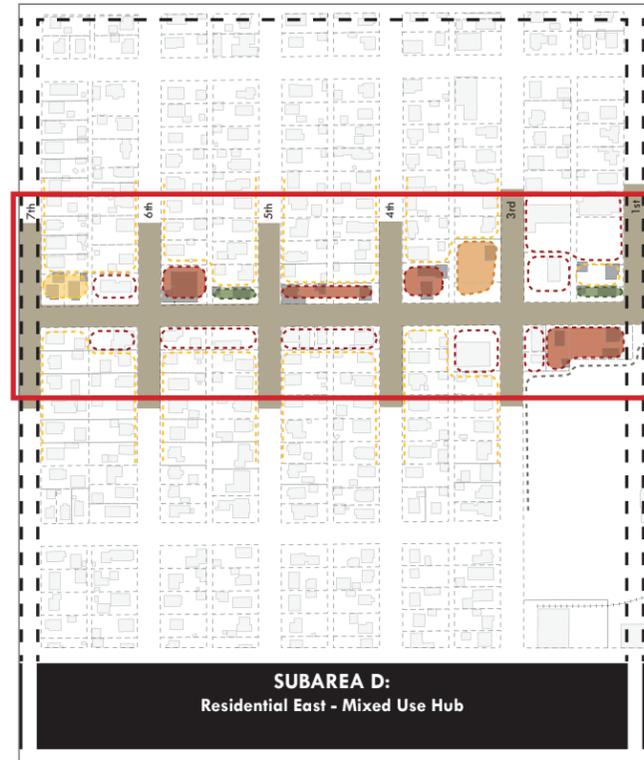


Figure 62. Urban Design Plan: Subarea D

- EXISTING THOMAS STREET RIGHT-OF-WAY
- PROPOSED COMMERCIAL
- ⋯ EXISTING COMMERCIAL TO REMAIN
- PROPOSED MIXED-USE RESIDENTIAL
- PROPOSED RESIDENTIAL
- ⋯ EXISTING RESIDENTIAL TO REMAIN
- PROPOSED GREEN SPACE
- ⋯ EXISTING GREEN SPACE



Figure 63. 72'194' ROW Option

- (C) COMMERCIAL
- (H) HOUSING
- (M) MIXED-USE



Figure 64. 94'194' ROW Option

- (C) COMMERCIAL
- (H) HOUSING
- (M) MIXED-USE



6. Urban Design Plan

INDUSTRIAL ACTIVITY

The uses proposed for the industrial area remain unchanged. The existing businesses represent a valuable economic asset providing jobs and tax base. Consequently the primary urban design strategy is focused on (a) providing appropriate and safe access to the businesses and (b) creating attractive and secure streetscape boundaries that make the experience of moving along the business boundaries a positive experience. This needs to be designed to work for pedestrian, bicyclists, and drivers. As with the other segments there are some locations where significant improvements are possible with regard to landscape and environmental features.

NOTE: Both the 72'/94' ROW alternative and 94'/94' ROW alternative are identical in both street layout and build-out options for this subarea.

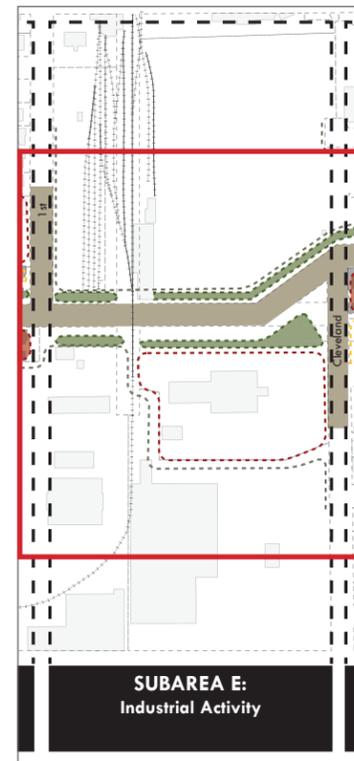


Figure 65. Urban Design Plan: Subarea E

- EXISTING THOMAS STREET RIGHT-OF-WAY
- - - PROPOSED COMMERCIAL
- · - · - EXISTING COMMERCIAL TO REMAIN
- · - · - PROPOSED MIXED-USE RESIDENTIAL
- · - · - PROPOSED RESIDENTIAL
- · - · - EXISTING RESIDENTIAL TO REMAIN
- · - · - PROPOSED GREEN SPACE
- · - · - EXISTING GREEN SPACE

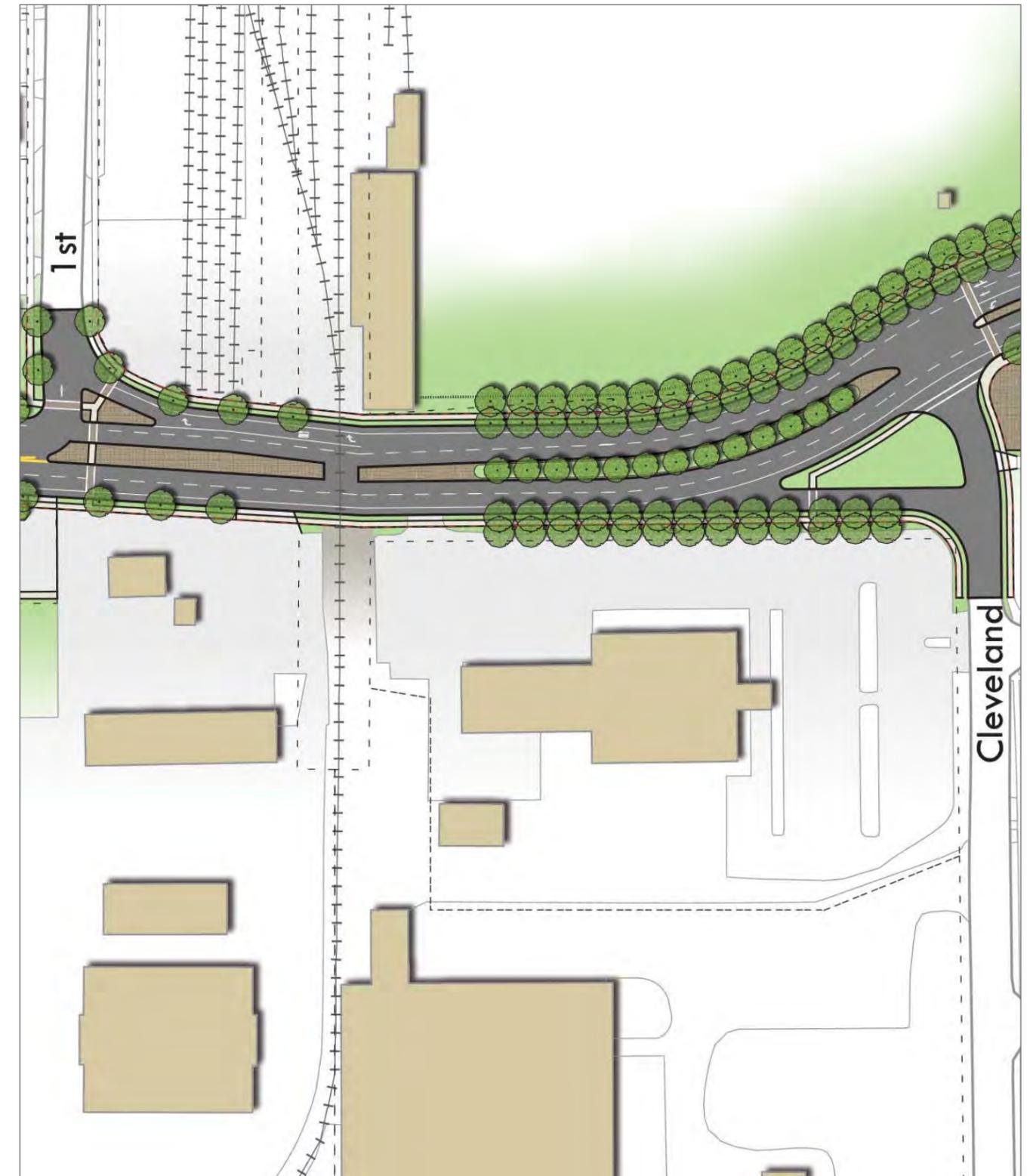


Figure 66. 72'194' & 94'194' ROW Option



Figure 67. Seating areas within landscaped area.



Figure 68. Existing visual appearance at industrial sites. Source: Pictometry.

6. Urban Design Plan

RIVEREDGE – MIXED USE

Both edges of the river represent the highest value potential. The west edge presents high value for mixed use buildings, specifically modest, ground-level retail with upper-story residential. The east edge presents high value in new retail and new multi-family residential buildings. The area serves as the gateway to Thomas Street from Grand Avenue, and offers notable views of Rib Mountain when traveling from west to east. That is, the amenity of the river can be used to drive higher value investment opportunities, especially for multi-family units. As with the western retail shopping node on 17th Avenue, the future value and identity of Thomas Street will depend heavily on the ability to create an attractive, appealing character via the buildings, street, and landscape.

-  EXISTING THOMAS STREET RIGHT-OF-WAY
-  PROPOSED COMMERCIAL
-  EXISTING COMMERCIAL TO REMAIN
-  PROPOSED MIXED-USE RESIDENTIAL
-  PROPOSED RESIDENTIAL
-  EXISTING RESIDENTIAL TO REMAIN
-  PROPOSED GREEN SPACE
-  EXISTING GREEN SPACE

NOTE: Both the 72'/94' ROW alternative and 94'/94' ROW alternative are identical in both street layout and build-out options for this subarea.

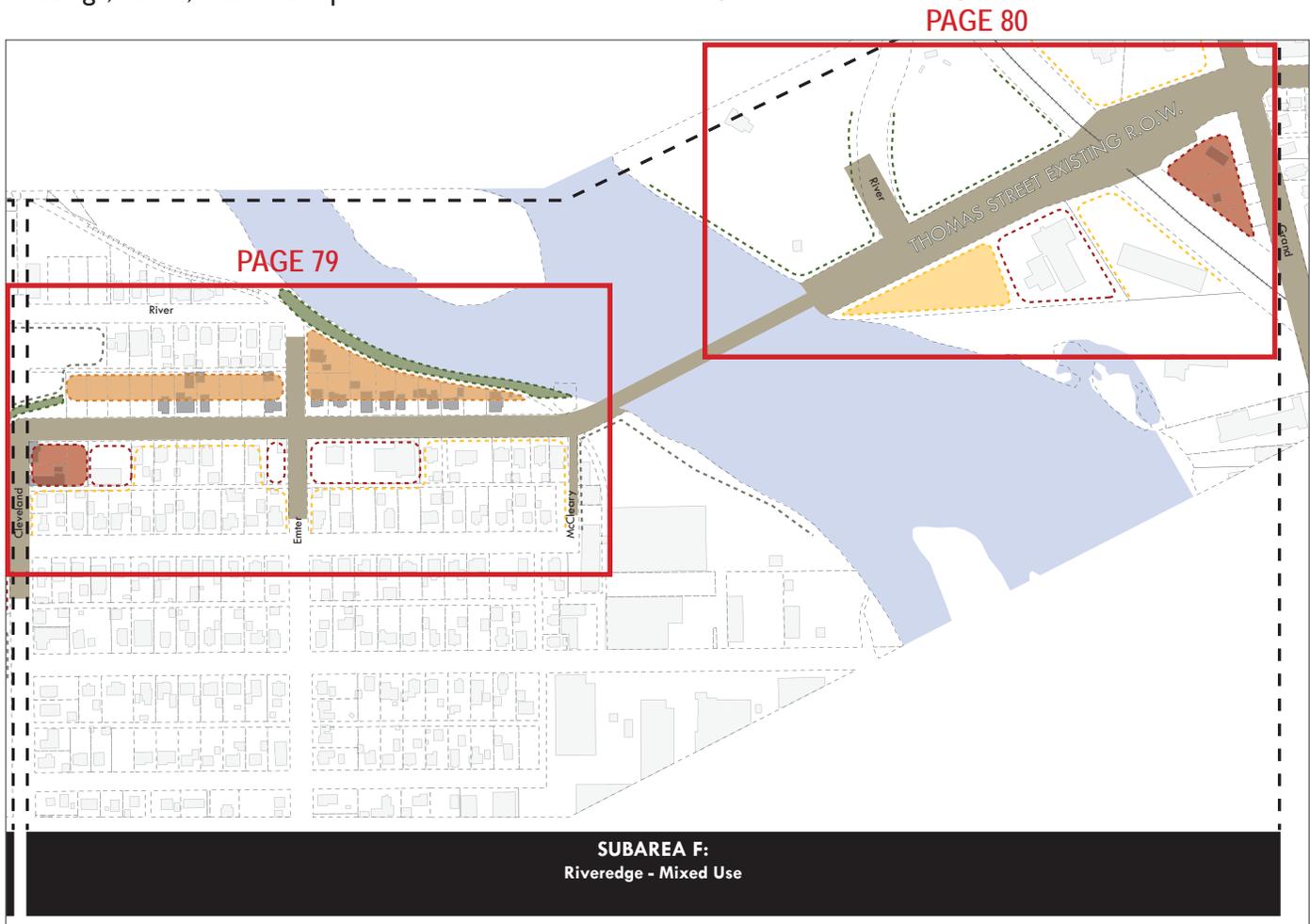


Figure 69. Urban Design Plan: Subarea F



Figure 70. 72'194' & 94'194' ROW Option

- C COMMERCIAL
- H HOUSING
- M MIXED-USE

businesses, and residents who raise substantial inquiries about the details of the project. In comparable circumstances, the following questions often arise:

- ✘ How will property be acquired?
- ✘ What is the purchase price for my property?
- ✘ What are the options?
- ✘ What is the schedule for decisions and what are the deadlines?
- ✘ How land will be appraised?
- ✘ What happens to property if it is not acquired?
- ✘ If property is acquired, does that equate to demolition and redevelopment?
- ✘ If property is not acquired, what are the options and support for maintenance, remodeling, and physical improvements?
- ✘ What new development might occur?
- ✘ If I am not moving, what will happen to the nearby property?

These questions represent the legitimate concerns of neighborhood residents. Not all answers will be clear at the outset. The City should establish an open communications process in which answers are provided as directly as possible. For those issues where answers are not immediately known, residents should be told how issues and questions will unfold.

As this implementation process unfolds, questions will continue to emerge. For example, when street construction begins, there will likely be questions about access to businesses, homes, parking, alternative vehicle / pedestrian / bicycle routes, and environmental impacts. When new development is proposed, there will likely be questions regarding the appearance and design of new buildings.

One of the best ways to maintain a constant flow of communication is to establish a website – and supporting print materials – for the Thomas Street project that is updated in a reliable, timely, and consistent manner. If local residents and businesses learn to view this website as a source of reliable

information, then future communications will ensure an avoidance of misinformation.

Identify Properties, Expected Uses, Partial and Full Takings, Disposition Options

One of the key outcomes of this study is to reduce the major uncertainties regarding land acquisition. **It must be first understood that acquisition does not equal demolition.** The City can facilitate acquisition for other purposes. This study considers acquisition of property for four basic reasons:

1. Necessary for construction of roadway concepts,
2. Potentially useful for non-roadway redevelopment,
3. Contributing, through the revitalization of property and existing structures, to the overall value of the corridor,
4. Fairness to those property owners who were promised acquisition, those who desired acquisition, and those have been left in limbo for many years.

Several types of acquisition are included in these recommendations. Many properties fall into more than one category. In addition, some who wanted acquisition originally may no longer have the same desire (and vice-versa). Consequently, to be fair and effective, the following policies are recommended for adoption to address property acquisition decisions:

- **The City should acquire those properties necessary for the chosen road construction design.**
- **For properties not designated for acquisition as part of Policy #1, the City should offer acquisition to owners, on an optional basis, of properties needed for**

7. Recommendations and Implementation

redevelopment or revitalization of the surrounding area.

- For properties not designated for acquisition as part of Policy #1 or #2, the City may consider acquiring properties needed for the contingency four-lane construction.
- For properties not designated for acquisition as part of Policy #1, #2, or #3, the City may offer acquisition to property owners, on an optional basis, for those properties which were both (a) previously identified for acquisition as part of the 110' right-of-way and (b) documented as having such an understanding in past dealings with the City.
- For the purposes of cost comparison and evaluation, the City should estimate acquisition costs and traffic service for a street design that fits a 60'/94' ROW, which would allow for fewer acquisitions and a lower level of service.

These recommendations, and properties that correspond to each recommendation, are shown in Figure 30.

Property Owner Meetings and Discussions

As the communication process continues, one of the most important issues impacting the neighborhood will be the detailed process for property appraisal and land acquisition. The City should address questions of those whose property might be acquired by hosting community meetings. It will be necessary to explain the details of the redevelopment, appraisal, and acquisition process. Typically, property owners are concerned with the precise methods whereby property values are determined. **To ensure the most effective dialogue, both the City and property owners must recognize that each party shares the same goal – that is, each party wants to see the highest and best value arise from**

physically modifying the Thomas Street corridor.

Owners who wish to invest in the Thomas Street corridor by remaining, and those whose properties are not acquired, will likely have questions about construction details, access, and future land value. Moreover, if the street reconstruction project is combined with redevelopment opportunities inclusive of building rehabilitation, then property owners will be interested in how such projects can be financed, e.g. loans and grants. The best way to handle this need for information is for the City to facilitate direct one-on-one conversations with each type of stakeholder.

Revise the Plan as Needed

Once the meetings are complete, the appropriate City committees should review the results. Subsequently, the City can amend the plan and recommendations accordingly.

STEP 3A: DEVELOP GENERAL COST OPINIONS

Although accurate costs will not be available until the plans, specifications, and estimates (PS&E) are developed, the City should gather a set of cost opinions at this stage, as it offers a valuable policy-making tool. This step is critical since costs are complex relative to different acquisition options, potential redevelopment value, and estimated level of service. As part of the policy analysis, cost opinions should also integrate TIF estimates for new value and pay outs.

STEP 3B: INITIATE INVESTMENT IN REDEVELOPMENT

Investments by private parties in redevelopment should start in tandem with Step 3C. One of the most efficient times to change vehicular access and streetscape for redevelopment projects is in tandem with any major reconstruction of Thomas Street. Additionally, once Thomas Street is reconstructed, additional reconstruction that

occurs on private property abutting Thomas Street may require modifications to street components that have just been built. While this is often an inevitable occurrence, it typically appears wasteful to persons who have not experienced the process previously. At best, it may seem less than efficient to the general public. Consequently, this report recommends that the City begin seeking investment just prior to the construction process.

As new investors are approached, they will be most concerned with the City's commitment to the reconstruction of Thomas Street and the redevelopment process. Consequently, it is essential to establish a high level of confidence by demonstrating a commitment to Step 3C and, at the same time, provide funding to needed subsidies through the TIF process and other programs.

Revitalization of Existing Buildings

The Redevelopment Plan must include both opportunities for new construction as well as opportunities for the reuse and revitalization of existing buildings. The official Redevelopment Plan should not be perceived as “replacing” the existing fabric of buildings and activities, but rather as expanding and enhancing those conditions. More specifically, the investment process should offer loans and/or grants to both residential and commercial property owners who wish to improve their current buildings in accordance with the Redevelopment Plan. This might include basic repairs to key components of a structure – especially those that require preventive maintenance for the long term integrity of the building (e.g., roofs and mechanical systems).

Revitalization must also emphasize those features which will govern the perceived value of the buildings such as new landscape features, painting, exterior improvements, and related features. In many cases, such simple, lower cost, exterior improvements represent the “low-lying fruit” that can be modified quickly and change the perception

(and inherent economic value) of the street. Typically, this increase in perceived value is most likely if exterior repairs can be focused or clustered around a specific intersection or along several structures on a block face. Historically Thomas Street, like many other streets in Wausau, offered an attractive image of a residential neighborhood with modest homes that are visually appealing. While much of the neighborhood retains this character today, there are some places abutting the street which detract from its appearance and where visual improvements would make a significant difference in the overall perceived quality.

Reuse of Existing Buildings

Along with revitalization of structures, **the reuse of structures must be considered.** The reuse of buildings includes a change in the current activity in the building. For example, a residential structure might be converted to office or commercial service. Similarly, a second floor residential use might be added or replaced. The City must demonstrate a clear commitment to improving the business and economic vibrancy supported by existing buildings. The goal is to help business operators (including residential property managers) make their business more successful and sustainable. The form of financial assistance will vary depending upon whether the business operator is also the property owner, or whether business space is leased to the operator. An often overlooked value of reusing buildings is the impact of this reuse on investors of new construction. When investors are interested in an entirely new project, they often examine the value of the surrounding properties as part of their overall “risk” assessment. If, in fact, they see a clear demonstration of revitalization and reuse in the neighborhood – as demonstrated by both the City and existing owners – they will have more confidence in the effort. Investor confidence translates to a lower risk assessment and an increased commitment/investment to the project.

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

RESOLUTION OF THE ECONOMIC DEVELOPMENT COMMITTEE

Approving 2015 Riverfront Redevelopment Project and Authorization to Let Bids

Committee Action: Approved

Fiscal Impact: Estimated Construction Costs \$3,525,000

File Number: 11-1214

Date Introduced: March 10, 2015

WHEREAS, the City of Wausau purchased approximately 16 acres of riverfront property for redevelopment, and

WHEREAS, the City was successful in securing a variety of Grants including a \$1,000,000 WEDC Grant, \$400,000 in EPA Remediation Grants, \$200,000 in EPA Planning Grants, \$151,171 of WDNR Ready for Reuse Grant and \$470,000 of Marathon County Environmental Funds Grant, and

WHEREAS, the Common Council has approved to date the engineering, remediation, utility relocation, street construction, wharf and river bank improvements; and

WHEREAS, the 2014 construction projects included the 1st Street extension bridge, daylighting the Stinchfield Creek, and remediation; and

WHEREAS, the 2015 budget provides for riverfront/bank remediation, 1st Street construction and streetscape, river edge trail improvements, wharf, utility relocation, and parking lot construction as outlined below; and

2015	2,015		Amended
Capital Expenditures	Adopted Budget	Amendments	Budget
Riverfront Remediation	\$ 1,000,000		\$ 1,000,000
Administration	50,000		50,000
Professional Services (120,000 budget and 175,000 amendment)	120,000	175,000	295,000
1st Street Construction and Streetscape	600,000		600,000
Riveredge Trail Improvements	1,325,000		1,325,000
McClellan and Grant Street Improvements	200,000		200,000
Wharf	400,000		400,000
Utility Relocation	1,000,000		1,000,000
Wayfinding	60,000		60,000
Riverfront Parking Lot	200,000		200,000
	<u>\$ 4,955,000</u>	<u>\$ 175,000</u>	<u>\$ 5,130,000</u>

WHEREAS, the first development project known as WOW, Wausau On The Water, will begin its redevelopment project with projected completion late 2015; and

WHEREAS, the CISM committee has reviewed and approved the 1st Street construction project; and

WHEREAS, the City has conducted various public outreach sessions to receive constituent feedback; now therefore

BE IT RESOLVED that the Common Council authorizes securing bids and construction of the 2015 Riverfront Redevelopment Projects as outlined in the 2015 budget.

James E. Tipple, Mayor

Current Development Agreements

DEVELOPER/OWNER	PROJECT	LOCATION	EFFECTIVE DATE	GRANT/LOAN AMOUNT OR SERVICE PROVIDED	JOBS REQUIREMENT	JOBS DEADLINE	DATE JOB REPORT SENT	JOBS CREATED	DATE CO REPORTS TURNED IN	CONSTRUCTION REQUIREMENT	ASSESSED VALUE REQUIREMENT	MISC NOTES
Ghidorzi (Ghidorzi)	City Center	1800 W Stewart Ave	04/29/03	\$35,000 CDBG Grant	15	10/31/04	N/A	26 FT/34 PT	11/21/14	14,000 sq ft- (13,880) ; Occupancy by 10/31/04	Fair Market Value = \$1,400,000 by 12/31/04; 2005 Fair Mkt = \$569,700; Current Fair Mkt = \$1,320,500	Agreement requirements not met; Letter sent 11/17/14 ; Remedies for fair market value, square footage and occupancy; Current Assess = \$1,433,100
Aspirus Hospital, Inc (Olkowski & Sczygelski)	Doctor's Offices & Medical Facilities	TIF 6; Wind Ridge Dr	08/08/05	TIF money used for construction of loop road, water main, lights & sidewalk	N/A	N/A	N/A	N/A	N/A	Total taxable improvements of not less than \$15,000,000 by 12/31/12	N/A	Remedy for valuation shortfall is reimbursement of funds expended for loop road construction (Wind Ridge Drive)
Dudley Investments, LLC ((Dudley)	Dudley Tower	500 N 1st Street	09/13/05	Site Prep - project utilities & extensions, relocation of gas, electric, water &/or sewer lines; Project Infrastructure - curb & gutter, drive approaches, sidewalk & hydrants; Parking; Skywalk	Not required - estimated to be between 500-600 workers	N/A	N/A	N/A	N/A	Not required - estimated btwn \$14-15 million & 100,000 square ft (actual = 165,000 sq ft)	Not required - 2005 = \$0; 2010 = \$20,228,500; 2013 = \$20,898,700	See agreement for parking and skywalk requirements
Scannell Properties #92, LLC (Snyder)	Wausau Window & Wall	7800 International Dr	08/20/07	\$2,956,977 TIF 5 Funds	450 total plant workers	09/01/09	06/25/14	2009 - 283 total plant workers		N/A	\$19,000,000 - \$16,422,900	20 acre option for 10 years. Failure to create jobs does not void contribution Agreement Amended - ED 9-18-14 & Council 10-28-14 (\$31,200/yr for 10 yrs)
Wausau Mine Company (Wage)	Wausau Mine Company	3904 Stewart Ave	10/23/07	In kind demo (2 buildings) and site prep	22 new FTE	06/30/09	08/20/14	25	09/05/14	N/A	Fair Market = \$985,100 \$837,400	\$10,000 remedy
Bridge Street Investor's Group, LLC (Schumacher/Hocking)	Young's Drug, Biggby & Subway	300 Block of E Bridge St	02/13/08	City sold land for \$2000, alley vacated & rezoning the block	20 FT equivalents	02/13/11	08/20/14	18 FT/16 PT	09/02/14	Bldg s/b 7000 sq ft (met = 7242 sq ft)	Fair Market = \$1,200,000 within 18 months - \$940,600	\$1000/yr remedy; Owners responsible for all site prep
Matt Krasowski	Century 21 Contempo	117 S 17th Avenue	11/11/10	In kind demo (removal of building) and site prep	6 *	12/31/13 12/31/14	11/21/13 12/02/14 01/13/15	9 Independent Contractors & 2 PT Office	01/20/15	N/A	\$350,000 (met = \$447,700)	* 5 Independent Contractors and 1 FTE Jobs deadline extended by ED on 2/18/14 - Council on 2/25/14
HAI Wausau LLC (Hilgenberg)	Sherwin Williams	8202 Enterprise Drive	11/24/10	City sold 2.26 acres for \$14,125	8 FT Equivalents	12/31/14 12/31/17	12/02/14 01/13/15	11 FT/1 PT	01/19/15	18,000 sq ft - met = 18,168	\$1,000,000 (met = \$1,307,300)	Agreed to sell land for reduced price Full purchase price = remedy
Wausau Window & Walls (Vanden Heuvel)	Wausau Window & Wall Old Site	1415 West Street	03/29/11	Up to \$400,000 Demolition/Site Prep grant (TIF 6)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Reimbursement upon sale (Property is advertised); Demo/Site prep submitted = \$259,670
Wausau Curling Club (Sandquist)	Curling Club	Kent Street (1920 Curling Way)	01/25/12	Street construction, sewer and water main and public right of way	N/A	N/A	N/A	N/A	N/A	Operational by 12/31/13 (met - 1/8/13)	N/A	Payment in lieu of taxes: 12/31/13 - \$1200 (pd 2/14); 12/31/14 - \$1500; 12/31/15 - \$1800 (and all years thereafter)
Collaborative Domestic Solutions (Robichaud)	Collaborative Consulting	500 N 1st Street	02/14/12	\$20,000 CDBG grant; \$15,000 MCDEVCO training grant \$10,000 TIF 3 grant \$40,000 Down Payment Assistance \$200,000 City forgivable loan	200 CC notify at 100 and 200 jobs	02/14/13 02/14/15 02/14/17	03/01/13 02/10/15	70	03/22/13	N/A	N/A	Total grants and loans equal \$2,995,000 (NTC, Alexander, Greenheck & WEDC) Employment Count = 100 on 1/6/14 Employment Count = 113 on 8/5/14
RMM Solutions, Inc (Moses)	RMM Solutions	210 McClellan Street	09/27/12	\$75,000 McDevco \$40,000 City Grant \$40,000 City Loan \$10,000 Down Payment Assistance \$70,000 Site Improvement	20 *	09/27/13 09/27/14 20 - 09/27/15 09/27/16 FINAL 09/27/17	11/25/13 10/08/14	14 27	12/04/13 11/03/14	N/A	N/A	* Must reach and maintain 50 employees by 09/27/2017 Parking space agreement Verification ltr should ask for total employees
Witter Land Properties, LLC (Johnson)	Westwood Development		05/18/04 Amend 10/09/12	City purchase of land with land and sewer & water assessment deferral	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Assesment deferred until 5/18/19 or until property is sold or developed
2800 Stewart Ave, LLC (Ghidorzi) 2800 Stewart Ave, LLC (Ghidorzi)	Kwik Trip & Future Business	2800 Stewart Avenue	10/16/12 10/16/12	\$1,035,942 TIF 7 Funds \$443,770 Site prep-water, sewer, storm, grading, retaining wall, power & utilities, shared access	50 FTE 20 PT	01/01/20 01/01/20				6000 sq ft met = 7052 sq ft	\$4,000,000 - 1/1/14 \$5,000,000 - 2016 \$10,500,000 - 2020	Contribution Agreement Developers Agreement - Site Improvement
Ghidorzi Companies (Ghidorzi)	Panera Toppers Cellcom	1700 Stewart Avenue	11/21/12	\$171,216 City Funds for demo, testing, utilities and site prep	20 FT/20 PT *7 FT/7 PT	08/01/14 11/14/14	8/21/14	22 FT/21 PT 2FT/20 PT 3 FT	09/29/14 09/29/14 09/29/14	Apx 4400 sq ft (4408) Apx 1624 sq ft (1541) Apx 2300 sq ft (2524)	\$1,600,000 - met \$1,900,000 - met	Occupancy - met * Combined 7 FTE and 7 PT btwn Toppers and Cellcom
Bull Falls Brewery LLC (Zamzow)	Bull Falls Brewery	901 E Thomas Street	11/23/12	\$100,000 Acquisition grant; \$100,000 Site Prep grant; \$400,000 TIF 9 loan; \$7000 City utility work	5	12/01/17				\$650,000	\$1,600,000 by 1/1/14	Occupancy permit by 08/01/13 - Working with Inspections-Permit issued 11/18/14 Assessment remedies
Briqs Softservice LLC/SPDW Properties LLC (Briquelet Miller)	Briqs Softserve	1605 Merrill Avenue	04/30/13	\$55,000 Property Acquisition grant; \$55,000 TIF 6 loan	1 FT/15 PT	06/01/14	05/06/14	2 FT/15 PT	05/16/14	\$650,000	\$650,000 by 1/1/14	Occupancy - met; Assessment remedies

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Lube Inc (Leher)	ThunderLube	1610 Sheridan Street	07/15/13	\$25,000 Acquisition Grant \$75,000 City Loan \$120,000 MCDEVCO Loan \$268,000 InterCity Loan \$10,000 Cash from Owner	3	12/01/15				\$500,000	\$475,000 by 1/1/15	Assessment remedies; Landscape maintenance agreement
Southern Stretch Forming (Arthur)	Southern Stretch	7555 Stewart Avenue	12/02/13	\$110,000 Acquisition grant (TIF 5) \$50,000 Equipment grant (TIF 5)	3 FT 9 Total FT	11/30/15 11/30/18	11/17/14 11/30/15 11/30/16 11/30/17 11/30/18	7	12/01/14	\$25,000 to improve exterior by 12/2/14 Verified 12/1/14	N/A	Equipment value must total \$250,000; Equipment grant remedies; Job creation remedies; Exterior improvement remedies
CAG Industrial (Ghidorzi)	Ordered Motion (Brewster) Omotion	305 84th Avenue	01/29/14	\$650,000 grant	25 Total of 50	12/31/14 12/31/18	12/02/14 12/31/15 12/31/16 12/31/16 12/31/17 12/31/18 12/31/19	29	12/02/14	\$3,900,000 Equipment Requirement by 01/29/19	N/A	Certification of Landlord's Work by 12/31/14 Executed Lease received 1/7/14 Mechanical Cranes verified 12/2/14
Apogee (Waldron)	Plant Relocation from Colorado	7800 International Drive	05/27/14	\$500,000 TIF 5 relocation grant \$50,000 Training grant (Judd grant) \$50,000 Workforce grant (Greenheck)	124	06/01/17	11/17/14 11/30/15 11/30/16 11/30/17	43	01/13/15	N/A	N/A	Job Creation remedies must be given within 1 year of failure; Additional remedies for job creation (see agreement); Real estate transfer agreement
Apogee (Marshall)	Linetec Expansion	725 S 75th Avenue	09/09/14	\$1,200,000 TIF 10 Grant for capital costs from facility expansion & equipment acquisition Apogee must expend \$4,000,00 before grant kicks in	14 41 67 82 93	09/09/15 09/09/16 09/09/17 09/09/18 09/09/19						Currently has 380 employees Claw back rights for job creation Sewer main agreement
Wausome Wafers (Gunning)	Wausome Wafers Relocation	2401 N 3rd Street	02/10/15	\$2,093 forgivable CDBG loan for moving expenses	1	02/28/17	02/01/17			N/A	N/A	