

ECONOMIC DEVELOPMENT COMMITTEE

Time and Place: The Economic Development Committee met on Tuesday, April 7, 2015 at 4:30 p.m. in the 2nd Floor Board Room at City Hall, 407 Grant Street, Wausau

ED Members Present: Tom Neal (VC), Romey Wagner, Dave Oberbeck and Lisa Rasmussen

ED Member Absent: Bill Nagle (C)

Others Present: Mayor Jim Tipple, Alderpersons David Nutting and Gary Gisselman, Ann Werth, MaryAnne Groat, Anne Jacobson, Nan Giese, Christian Schock, Brad Lenz, Allen Wesolowski, Kevin Fabel, Tammy Stratz, Tom Mudrovich, Joe Vraspir Fritz Schierl, Andrew Halverson, Darrell Lentz, Cari Logemann, Sid Sczygelski, Elizabeth Field, Mark Goffin, Mark Craig, Dave Sether, Raj Bhandari, Wayne Kleinschmidt, Sunny Bhandari, and media personnel

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

Neal 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 public comments were made.

APPROVAL OF MINUTES FROM 1/15/15, 2/3/15 AND 2/23/15

Rasmussen moved to approve the minutes as they appear. Wagner seconded. Motion passed unanimously.

INTRODUCTION OF THE NEW CITY ECONOMIC DEVELOPMENT MANAGER

Werth introduced Christian Schock as the City's new Economic Development Manager. Chris came to Wausau from Ohio where he was previously the director of a regional planning commission outside the City of Cincinnati.

DISCUSSION AND POSSIBLE ACTION ON A PROPOSED COMMERCIAL REHABILITATION LOAN FOR THE PROEPRTY LOCATED AT 500 THIRD STREET (this item was taken out of order)

Neal indicated he would have to abstain from this project since his company does work with Compass Properties.

Stratz indicated Compass Properties submitted an application for the Commercial Rehabilitation Loan Program for their proposed renovations at 500 N. 3rd Street, previously known as the M&I Building. The acquisition/renovation project totals over \$4 million of which Compass Properties is requesting \$150,000 in program funding. Staff reviewed the renovation bids and derived that over \$220,000 of the costs were exterior renovations that qualify for this program; therefore, the \$150,000 request is reasonable.

Mark Craig discussed the renovations in detail and distributed photos of the current condition of the building and the proposed improvements. Dave Sether of Revi Design, showed renderings of what the proposed landscaping will be once the exterior renovation are complete. Rasmussen stated she supports this project because the building is in the heart of the downtown and the renovations will bring new life into the building.

Rasmussen moved to approve Commercial Rehabilitation Loan Program funds in the amount of \$150,000 for the 500 Third Street project. Oberbeck seconded. Motion passed unanimously.

DISCUSSION AND POSSIBLE ACTION ON THE DEVELOPMENT AGREEMENT WITH ASPIRUS WAUSAU HOSPITAL INC.

Werth introduced Darrel Lenz, President, Sid Sczygelski, Sr. Vice President and Chief Financial Officer, and Cari Logemann, Sr. Vice President and General Council for Aspirus. The Development Agreement that was entered into between Aspirus and the City of Wausau in 2005. The agreement stated that the City would assist with the creation of a new road which would assist in their creation of additional buildings; in turn, Aspirus would construct additional buildings that would total in value of \$15 million by 2012.

Sczygelski discussed the process of Aspirus Hospital acquiring the property from Wausau Insurance in 2004/2005. At that time they spent \$105,000 towards storm water retention, \$106,000 in site improvements and \$54,000 for a feasibility study of realigning Bridge Street to better accommodate these parcels. That is when they approached the City for assistance with building a new road. From there they were able to build several buildings - totaling over \$14 million. Aspirus just acquired the Westwood Center, performed renovations and now have two large tenants in the building. Their agency works with and donates to many local non-profit organizations and has just successfully brought the new medical college to Wausau. So, they may not have met the legal requirements of the development agreement, they believe they have met the spirit of the agreement with all the additional community work they provide. Rasmussen agreed and added that Aspirus stepped up to donate land to the Women's Community for their new facility and they paid for the Bridge Street feasibility study. They have proven themselves to be a great community partner and believe they have more than met the spirit of the development agreement. Rasmussen moved to approve the completion of the development agreement between the City and Aspirus Wausau Hospital Inc. Wagner seconded. Motion passed unanimously. Staff was directed to prepare a resolution and bring it to council.

DISCUSSION AND POSSIBLE ACTION ON A PROPOSED COMMERCIAL REHABILITATION LOAN FOR THE PROPERTY LOCATED AT 407 N. THIRD AVE.

Neal mentioned that the agenda item contained a misprint and the location of this project is on North 3rd Avenue – not South 3rd Avenue.

Stratz indicated that Raj Bhandari had submitted an application for the Commercial Rehabilitation Loan Program to assist with the renovation of his recently acquired 407 N. 3rd Avenue. This property was the old "Johnnie's Service Station. The packet included a present photo as well as a rendering of what the project will look like after renovations are complete. The total acquisition/renovation project costs are over \$500,000 with the exterior renovations totaling almost \$120,000. Therefore, staff recommends approving a loan in the amount of \$101,500.

Raj Bhandari introduced himself and indicated that he had recently finished a similar project where he purchased and renovated a gas station in Brokaw. From there he was looking in the Wausau area to find another location. The renovations include removing the service area of the building and turning it into a full-service convenience store/gas station. Nutting agreed that this area was in need of a good project and hoped this would spur additional projects.

Wagner moved to approve Commercial Rehabilitation Loan Program funds in the amount of \$100,500 for the 407 N. Third Avenue project. Rasmussen seconded. Motion passed unanimously.

DISCUSSION AND POSSIBLE ACTION OF THE PROPOSED PLANNING AGREEMENT FOR THE PROPERTY AT 309 MCCLELLAN STREET (WAUSAU CLUB)

Jacobson discussed the draft planning agreement between the City of Wausau and Elk Creek Architects which offers protection to Mark Goffin to perform his due diligence in obtaining possible grant sources to assist with the proposed renovations. This agreement will give Mr. Goffin until December 31, 2015 to secure financing in order to proceed with his project. Neal agreed that he supported this project from the beginning and the need to move this project forward. Rasmussen moved to approve to enter into the planning agreement with Elk Creek Architects. Oberbeck seconded. The motion passed unanimously.

DISCUSSION AND POSSIBLE ACTION ON PROPOSED DEVELOPMENT AGREEMENT FOR THE PROPERTY LOCATED AT STEWART AVENUE AND THIRD AVENUE.

Neal abstained from this project.

Schock introduced Fritz Schierl of Schierl Companies and Andrew Halverson of Ellis Stone. Schierl Companies is proposing to replace the existing service station and construct an 11 unit market rent apartment complex where the Stahmer Clinic stands currently. Halverson reviews project and asks for assistance through TIF #8. With the slope of the two parcels, the expense to correct the elevation changes and the demolition costs are a major cost to the project. As a part of this proposal, Clark Street (between 2nd and 3rd Avenues) would need to be vacated and the parcel would need to be rezoned as UDD. Halverson had spoken with the neighbors in this area and none seemed to be against of the vacation. Tom Mudrovich, of Mudrovich Architects, revealed renderings of the new store and apartment complex. The Stahmer building will be renovated into the apartment complex and the new gas station/convenience store will be placed closer to the road to give a more urban design will enhance the landscaping and lighting.

Rasmussen was appreciative of the market rate housing and the adequate parking. She feels the flow of the new design was much better than their previous proposal.

Schock overviewed the proposal: Reverse TIF funding which would equate to approximately \$575,000, the creation of 11 apartment units, creation of 15 jobs – which should be able to meet that goal very quickly, with an approximate total construction cost of \$3.6 million. Their final plans will need to be approved through Plan Commission. Rasmussen indicated that CISM was previously favorable regarding the vacation of Clark Street and didn't see that would be an issue this time around as well.

With the negotiation of possible financing, the committee went into closed session to discuss this item as well as Item #18 – Discussion and possible action on the Permanent Skywalk Obligations as set forth in the 2005 development agreement with Dudley Investments, LLC

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 ON PROPOSED DEVELOPMENT AGREEMENT FOR THE PROPERTY LOCATED AT STEWART AVENUE AND THIRD AVENUE AND
*DISCUSSION AND POSSIBLE ACTION ON THE PERMANENT SKYWALK OBLIGATIONS AS SET FORTH IN THE 2005 DEVELOPMENT AGREEMENT WITH DUDLEY INVESTMENTS, LLC**

Oberbeck moved to go into closed session. Wagner approved. Roll call vote was done, and motion passed unanimously. Neal excused himself for the discussion of the proposed Schierl Development Agreement. Neal came back to discuss the Dudley Development Agreement.

RECONVENE INTO OPEN SESSION TO TAKE ACTION ON CLOSED SESSION ITEMS, IF NECESSARY

Rasmussen moved to reconvene into open session. Wagner seconded and the motion carried unanimously 4-0

Rasmussen moved to authorize expenditures up to \$15,000 for an engineering and design study for the proposed walkway between the current Dudley Building and the McClellan Parking Ramp. Oberbeck seconded and the motion carried unanimously 4-0.

DISCUSSION AND POSSIBLE ACTION ON THE PROPOSED PROPERTY DISPOSITION PROGRAM FOR THE CITY OF WAUSAU

Stratz discusses the draft Property Disposition Program. The program would enable the City to offer their vacant properties to individuals/developers for the construction of single family homes/rental properties, etc. The proposed guidelines were discussed. Neal asked if we can incentivize homeownership. Stratz agreed and stated that homeownership is always the desired goal but questioned how the committee would like the approval process to flow. Rasmussen thought that the proposals could come back to the Economic Development Committee for approval – since there really shouldn't be more than a couple at a time. Jacobson indicated that the current ordinances may need to be changed in order to sell properties this way. Staff will work together to see what kind of changes may be needed and will bring back more information at another E.D. meeting. Wagner supported the program and stated that this type of program was what he was looking for.

DISCUSSION AND POSSIBLE ACTION ON CITY OF WAUSAU URBAN DESIGN STANDARDS

Lenz presented the proposed Urban Design Standards. Rasmussen agrees with the approach and thought the standards would assist developers in their proposed projects. Rasmussen moved to approve the Wausau Urban Design Standards as proposed. Wagner seconded. Motion approved unanimously 4 -0.

UPDATE ON THE VILLAGE OF BROKAW

Neal presented an update regarding the Village of Brokaw. They are currently \$3 million in debt. The drop dead date for a decision is June 2016.

UPDATE ON WAUSAU CHEMICAL

Werth presented the status as continuing. Fabel discussed the Environmental Review and the recommendation that the building should stay in place as a cap. If the building would be demolished, soil extraction would be necessary. The approximate cost for the extraction would be approximately \$30,000.

MONTHLY UPDATE ON CURRENT DEVELOPMENT AGREEMENTS

Werth presented an update on the current development agreements.

DISCUSSION AND POSSIBLE ACTION ON ADDING AN ADDITIONAL ECONOMIC DEVELOPMENT COMMITTEE MEETING IN MAY

Committee members agreed that if there is enough reason to have another meeting, there could be one. Staff to keep members updated.

ADJOURN

Wagner moved to adjourn. Rasmussen seconded and the motion carried unanimously 4-0.

The meeting was adjourned at 7:25 p.m.

Respectfully Submitted,
ECONOMIC DEVELOPMENT COMMITTEE

Tom Neal, Vice Chairperson