



OFFICIAL NOTICE AND AGENDA

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

Special Meeting: ECONOMIC DEVELOPMENT

Date/Time: **Thursday, October 20, 2016 at 5:30 p.m.**

Location: **Board Room, 2nd Floor, City Hall**

Members: Tom Neal (C), Romey Wagner, Pat Peckham, Joe Gehin (VC) and Lisa Rasmussen

5:00 p.m. Riverfront Project Tour - Meet at the Corner of 1st and Fulton by the Gate

AGENDA ITEMS FOR CONSIDERATION/ACTION

- 1 Public Comment on Matters Appearing on the Agenda
- 2 Discussion and Possible Action on the extension of the public construction contract with Miron Construction for the East Riverfront Redevelopment Area public improvements
- 3 Discussion and Possible Action on the Proposals Received for the Property at 411 Washington Street (Sears)
- 4 Discussion and Possible Action on granting of a utility easement to WPS at 309 McClellan (Wausau Club)
- 5 Discussion and Possible Action on the Proposal Received for the Property at 309 McClellan Street (Wausau Club)
- 6 Discussion and Possible Action on the submission of a Community Development Investment (CDI) grant to the Wisconsin Economic Development Corporation (WEDC)
- 7 Discussion and Possible Action on the potential property acquisition of 1707 Merrill Ave
- 8 **CLOSED SESSION** pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session
 - ▶ Discussion and Possible Action on the Proposals Received for the Property at 309 McClellan Street (Wausau Club)
 - ▶ Discussion and Possible Action on the Proposal Received for the Property at 411 Washington Street (Sears)
- 9 **RECONVENE** into Open Session to Take Action on Closed Session Items, If Necessary
- 10 Update and Discussion on the WOW Family Entertainment Center Project
- 11 Update on Economic Development Marketing

Adjournment
Tom Neal (Chair)

This notice was posted at City Hall and emailed to the media on 10/14/16

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, City Departments

BOARD OF PUBLIC WORKS

Date of Meeting: October 12, 2016, at 3:00 p.m. in the Birch Room.

Members Present: Lindman, Groat, Jacobson.

Also Present: Knotek, Wesolowski, Gehin, Gisselman.

In compliance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and received by the *Wausau Daily Herald* in the proper manner.

Discussion and possible action on a contract extension for the 2016 Riverfront Development Construction Project

Wesolowski explained that this contract is with Miron. There have been considerable delays with everything that is going on with the Riverfront Project. Miron has been asked to delay some items because of the upcoming Frantz Development. The contract completion date is October 28. Miron anticipates getting the trail paved yet this year. However, for completion of other items the contract will need to be extended into 2017. Discussion followed on when to extend the contract to. Aric Voigt, Miron, stated at this point they are unsure of when the Frantz Development will start. Groat suggested having multiple due dates as she would not like to delay the entire project and hopes things are done in spring as soon as possible. Lindman added there is an expectation to have the wharf and kayak area done next spring. Voigt suggested meeting in December to work out milestones for the project. Lindman indicated something needs to be in place prior to the contract completion date of October 28 in order to continue to authorize contract payments. Jacobson agreed that the contract should be extended to a specific date now and details can be ironed out at a later meeting with Miron. Voigt noted that a lot depends upon WPS and American Asphalt, but their goal is to get the trail blacktopped this year and install concrete intersections in spring. Staff will meet with Miron to establish milestones and due dates for various stages of the project.

Groat moved to extend the contract completion date to December 31, 2016. Jacobson seconded and the motion passed.

Redevelopment Proposal City of Wausau



WAUSAU MICON CINEMAS

Wausau Mall Wausau, WI 54403

Studio 3 Design
Architecture

MN 507.259.5578



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HOEFTBUILDERS.COM

CONSTRUCTION MANAGEMENT • DESIGN BUILD • GENERAL CONTRACTING • REAL ESTATE DEVELOPMENT

2423 Rivers Edge Drive // Altoona, WI 54720 // 715-833-1761 // WWW.HOEFTBUILDERS.COM

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WAUSAU MICON CINEMAS

Wausau Mall Wausau, WI 54403

Studio 3 Design
Architecture

MN 507.259.5578

HOEFT
BUILDERS INC.





October 14, 2016

Christian Schock, Planning, Community and Economic Development
City of Wausau
407 Grant Street
Wausau, WI 54403

Dear Christian:

We are pleased to submit a proposal for the redevelopment of the former Sears store in downtown Wausau. Hoeft Builders and Micon Cinema are jointly submitting this proposal and would co-own and operate the movie theater and planned commercial development. Hoeft Builders and Micon are currently working on creating a new LLC for the partnership. Micon Cinema owns and operates three movie theaters – two in Eau Claire and one in Chippewa Falls. Micon is a very successful family owned business – co owned by Mike & Connie Olson, Dan Olson and Nathan Woodworth.

Hoeft Builders specializes in design/build, construction management and real estate development projects. We have an ownership portfolio of \$40 million currently and own medical clinics, retail centers, senior living facilities and more. We are looking forward to working hand-in-hand with the City of Wausau to redevelop the former Sears store and to enhance downtown Wausau for years to come. Thank you.

Sincerely,

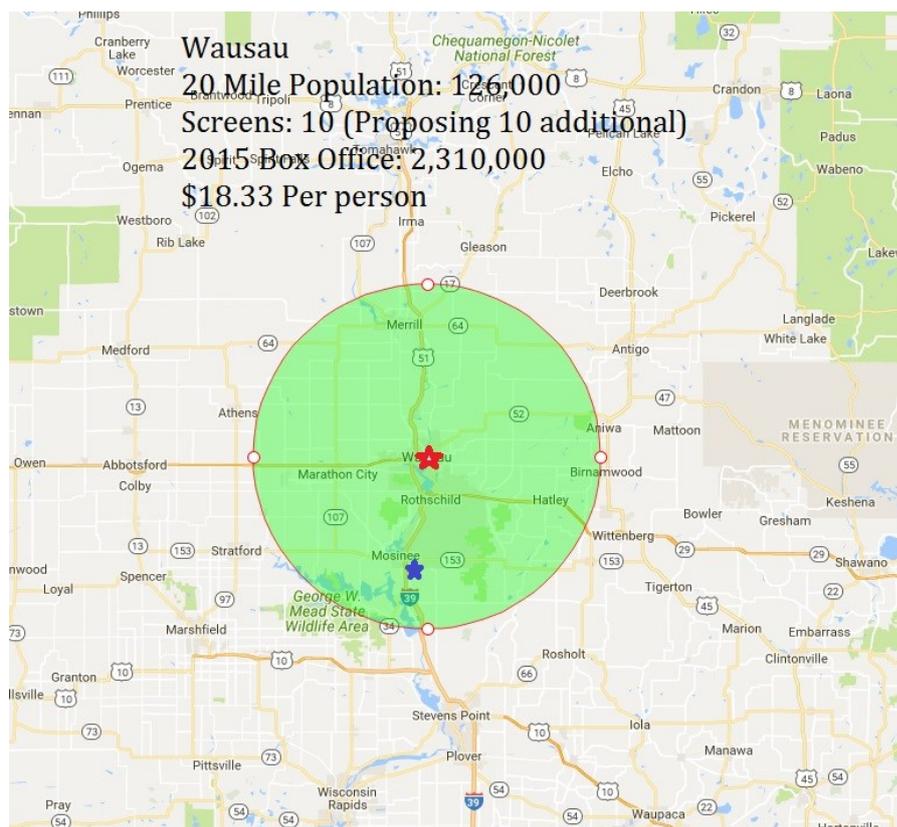
The Partnership Team

Mike and Connie Olson, Dan Olson, Nathan Woodworth, Peter Hoeft and Robb Majeski

Project Deliverables:

We are pleased to submit a proposal for the redevelopment of the former Sears store in downtown Wausau. Hoeft Builders and Micon Cinema are jointly submitting this proposal and would co-own and operate the movie theater and planned commercial development. Hoeft Builders and Micon are currently working on creating a new LLC for the partnership (in this proposal referred to as the team) which will own and operate the new movie theatre and commercial property on the former Sears site in downtown Wausau. The team proposes to build a 45,000 sq.ft., 10 screen movie theatre, create up to 12,000 sq.ft. of additional commercial space for lease and an outdoor plaza to redevelop and enhance downtown Wausau. The projected real estate value will be \$7.5 million. \$4 million will be spent on theatre equipment, seating, kitchen equipment, concessions and décor. This will be financed on a short term amortization driving the initial operating costs significantly higher. The team projects that the new movie theatre would employ up to 75 with 10 FTE and that the theatre will bring 400,000 patrons through the mall on an annual basis. The team projects that the new Micon 10 theatre will have annual sales revenue of \$3 to \$5 million. These figures are based on Micon Cinema annual sales and employees in Eau Claire and Chippewa Falls. The team strongly believes that the movie theatre and commercial space will be a true destination in downtown Wausau. Currently, there is not a movie theatre within 12 miles of downtown Wausau.

The team will purchase the property from the City of Wausau for the purchase price of \$800,000.00. The property will be a clean site at the time of closing, therefore the City of Wausau will be responsible for demolition of the building. The team will identify which portion of the building will remain to the City. The team is asking the City of Wausau for \$3 million in TIF funds to support the project. We have attached a spreadsheet showing the payback on the TIF expenditure to be completely returned to the City of Wausau through tax payments in year 15. (See next page for spreadsheet).



Project Deliverables:

TIF

10/12/2016

Micon - Wausau

Mill Rate	0.0255700	TIF Requested
Loan term # years	20	\$ 3,000,000
Assessed Value	\$7,500,000	

Year	Property tax Yearly	TIF Balance Yearly
1	\$191,775	\$2,808,225
2	\$191,775	\$2,616,450
3	\$191,775	\$2,424,675
4	\$191,775	\$2,232,900
5	\$191,775	\$2,041,125
6	\$191,775	\$1,849,350
7	\$191,775	\$1,657,575
8	\$191,775	\$1,465,800
9	\$191,775	\$1,274,025
10	\$191,775	\$1,082,250
11	\$191,775	\$890,475
12	\$191,775	\$698,700
13	\$191,775	\$506,925
14	\$191,775	\$315,150
15	\$191,775	\$123,375
16	\$191,775	\$68,400
17	\$191,775	\$260,175
18	\$191,775	\$451,950
19	\$191,775	\$643,725
20	\$191,775	\$835,500
Totals	\$3,835,500	

Project Management:

The Development Team includes the following:

Nathan Woodworth

Dan Olson

Mike and Connie Olson

Peter Hoeft

Robb Majeski

Nathan Woodworth

Nathan has served as President of WKM Properties in Winona, Minnesota since 2009. WKM Properties is a commercial property management and real estate investment company. WKM owns and manages 15 buildings, 300,000+ sq.ft. of space and has 50 tenants currently. Additionally, Nathan is a managing member of Micon Cinemas and 50% owner of 10 screens and 3 locations. Nathan is a licensed Real Estate Broker and serves on the board of directors for the Winona YMCA. Nathan received his Bachelor of Science degree from the University of Colorado in 2003.

Mike and Connie Olson

Mike and Connie Olson established Micon Cinemas in 2004 in Chippewa Falls, Wisconsin. Mike has been in the theatre business since 1971. Mike worked for various family owned theatre groups and Carmike and Excellence Cinemas from 1971 to 2003. It was 2003, when Mike and Connie decided to open their own movie theatre in Chippewa Falls. Micon Cinemas Stadium 8 opened in June 2004. Today, Mike and Connie continue to co-own and operate Micon Cinemas with their son Dan Olson and son-in-law Nathan Woodworth.

Dan Olson

Dan serves as General Manager and co-owner of Micon Cinemas. Dan joined the family business in 2010, when Micon purchased Grengs Theatres—London Square seven-plex, Cameo Budget and the Gemini Drive In all in Eau Claire. Dan has been instrumental in the expansion of Micon Cinemas in all three locations. The Downtown Budget theatre was transformed into dinner and movie theatre in 2014. Currently Micon is adding a new bar/restaurant addition in its lobby in Chippewa Falls and Eau Claire and Micon is remodeling several auditoriums in Eau Claire. Dan earned his Bachelor of Science degree from the University of Wisconsin-Stout in Business in 2007.

Peter Hoeft

Peter has been leading Hoeft Builders for 12 years. Since 2004, Peter has owned the company and grown the business from \$1 million to \$30 million in annual sales. Peter specializes in real estate development, project financing and project management. Peter and his development partner Robb Majeski have acquired, developed and currently own \$40 million in commercial real estate. Peter earned his Bachelor of Science degree in Construction Management from Colorado State University. Peter and Robb developed the River Prairie development in Altoona.

Robb Majeski

Robb has owned Cottagewood Group for 12 years. His responsibilities range from land acquisition to real estate management. Peter Hoeft and Robb have acquired, developed and currently own \$40 million in commercial real estate. Robb specializes in negotiating with city planning and zoning staff, lease terms, managing client relationships and completed real estate projects. Prior to owning the Cottagewood Group, Robb worked in facilities management with Rockwell Automation and received his B.S. degree and M.S. degree in Industrial Safety from the University of Minnesota - Duluth.

Level of Investment & Financial Viability

The projected construction budget on the project is \$7,500,000.00 for the construction of the new 45,000 sq.ft. movie theatre complex and up to 12,000 sq.ft. of commercial space. Micon Cinemas and Hoeft Builders are currently developing a LLC partnership for this project. The Development team of Nathan Woodworth, Dan Olson, Mike and Connie Olson, Peter Hoeft and Robb Majeski will be equal partners in the operation and ownership on the project. None of the development partners have ever had loan defaults, bankruptcies, suspensions or debarments.

Hoeft Builders has completed hundreds of commercial projects over the past 33 years. Our average sales over the last five years is \$19,307,000.00. In 2016 our sales will exceed \$30,000,000.00.

A summary Profit and Loss Statement for Hoeft Builders for 2013, 2014, 2015 are listed below:

	Sales:	Profit:	Net Income:
2013	\$14,603,481.00	\$2,570,065.00	\$1,732,895.00
2014	\$30,965,574.00	\$2,980,913.00	\$1,716,040.00
2015	\$15,539,083.00	\$1,750,649.00	\$ 738,650.00

A summary Profit and Loss Statement for Micon Cinemas Inc. for 2013, 2014, 2015 are listed below:

	Sales:	Profit:	Net Income:
2013	\$1,838,261.00	\$ 768,311.00	\$413,098.00
2014	\$1,796,254.00	\$1,040,496.00	\$305,121.40
2015	\$2,016,416.00	\$1,168,384.00	\$667,100.00



CONSTRUCTION MANAGEMENT • DESIGN BUILD • GENERAL CONTRACTING • REAL ESTATE DEVELOPMENT

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Successful Examples:

Micon Cinemas purchased Grengs Theatres in 2010 consisting of the London Square Theatre in Eau Claire, the Cameo Budget in downtown Eau Claire and the Gemini Drive In. Micon remodeled and expanded the London Square Cinema in 2011. Micon sold the Gemini Drive In property in 2015 to Chippewa Valley Energy. Micon converted the downtown Budget theatre built in 1940 into a dinner and a movie concept theatre in 2015. Micon is currently adding a bar at its Chippewa Falls Theatre location and is remodeling the auditoriums and adding a bar to its London Square location (See architectural plans for the current projects).

Peter Hoeft and Robb Majeski—Hoeft Builders have successfully developed hundreds of projects in Minnesota and Wisconsin. Two projects in particular that successfully utilized TIF funds are the City of Altoona River Prairie Development and the Chippewa Commons Redevelopment project.

The City of Altoona, a bedroom community adjacent to Eau Claire, set aside the land adjacent to the future Hwy. 53 bypass in 2005 for future commercial development and established a TIF district. In 2009 Robb Majeski and Peter Hoeft purchased 28 acres of property from the City and made a commitment to start developing the River Prairie area. In 2011 Peter and Robb secured Oakleaf Surgical Hospital and Chippewa Valley Orthopedics and Sports Medicine Clinic on 17 acres of land in the River Prairie Development. Robb and Peter negotiated with the City of Altoona and secured a significant TIF incentive package for the project. This project jump started the development of the River Prairie area. Today there are more than 25 businesses located in the River Prairie Development. Hoeft Builders secured Orgel Wealth Management, DeFatta ENT & Facial Plastic Surgery, Northwestern Bank, WESTconsin Credit Union in the River Prairie Development. Woodmans, Kwik Trip, StayBridge, Bernicke Wealth Management are other projects completed in the River Prairie Development.

The Chippewa Commons redevelopment project started in 2015. The center was an 80 percent vacant retail center. Hoeft Builders worked jointly with Gordy's Markets to purchase this retail center. Gordy's committed to opening a 40,000 sq.ft. grocery store in the center. Part of the retail center includes a 90,000 sq.ft. building that was vacated by Kmart in 2012. Currently, the partnership has a Letter of Intent to lease on the 90,000 sq.ft. building. In the year and half that the partnership has owned the Chippewa Commons the vacancy rate has gone from 80 percent to 10 percent with the current LOI in place. The partnership upgraded the exterior of the retail center and renovated the 40,000 sq.ft. space for the new Gordy's Market store.



Successful Examples:

Micon Eau Claire



Micon Downtown Eau Claire



Micon Chippewa Falls



Micon Downtown Cinema



Micon Downtown Cinema



Organizational Overview:

Micon Cinemas, Inc.

475 Chippewa Mall Drive

Chippewa Falls, WI 54729

715-720-2291

Owned by Mike and Connie Olson, Dan Olson and Nathan Woodworth

Mike and Connie Olson started Micon Cinema in 2004. Micon expanded operations in 2010 purchasing the three movie theatres owned by Gene Grengs in Eau Claire.

Micon Cinemas continues to grow and expand. In 2015 Micon turned the Budget Cameo downtown cinema into dinner and movie theatre and are currently remodeling its main Eau Claire theatre and Chippewa Falls theatre.

Hoeft Builders, Inc.

2423 Rivers Edge Drive

Altoona, WI 54720

715-833-1761

715-833-1720 fax

Owned by Peter Hoeft, Peter is the contact and authorizing agent to contractually bind for the company. Hoeft Builders started operations in Eau Claire in 1983. Hoeft Builders is an innovative and experienced general contractor/construction management firm. We specialize in design/build, construction management and real estate development projects in Wisconsin and Minnesota. For more than 30 years we have been a proud partner in building businesses and communities throughout the upper Midwest.

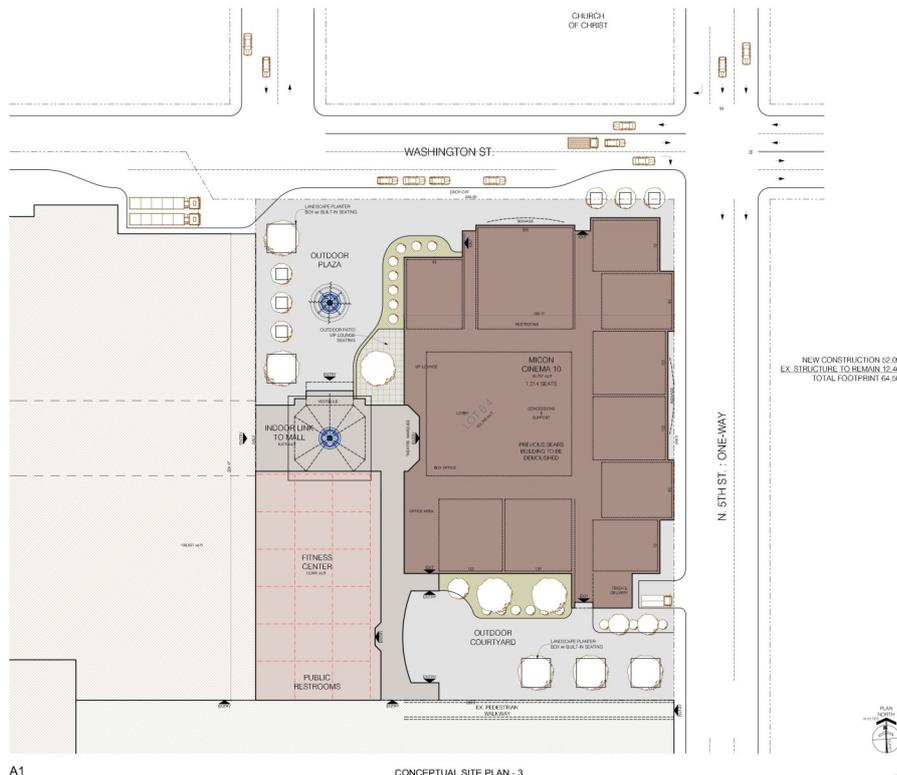
Scope/Phasing:

The Development team plans to start construction on the project in 2017 once the development agreement is in place with the City of Wausau. It is the intention to open during the holiday season in 2017. Hoeft Builders will be the general contractor on the project.



WAUSAU MICON CINEMAS
Wausau Mall Wausau, WI 54403

Studio 3 Design
Architecture
MN 507.259.5578



Studio 3 Design
Architecture

400 Woodland Ave.
St. Paul, MN 55108-1010
info@studio3design.com
Phone: 507.259.5578
Contact: Diana Engel, Assoc. Arch.

MICON CINEMAS
ADDITION & REMODELING
Wausau Mall
Wausau, WI 54403

Client:
Eau Claire Theaters Group, LLC
478 Douglas St. Ste. 200
Onongwa, WI 54451
Contact: Dan Olson

PRELIMINARY
NOT FOR CONSTRUCTION
PRINTED 08.22.16

SD3	08/22/16	Client Review Set
SD3	08/22/16	Client Review Set
SD3	08/22/16	Wausau 10% Set

Design, specifications and other details are subject to change without notice by the architect. The architect shall not be responsible for construction methods or techniques unless specifically indicated in the contract documents. The architect's liability is limited to the professional services provided. The architect is not responsible for any construction methods or techniques unless specifically indicated in the contract documents.

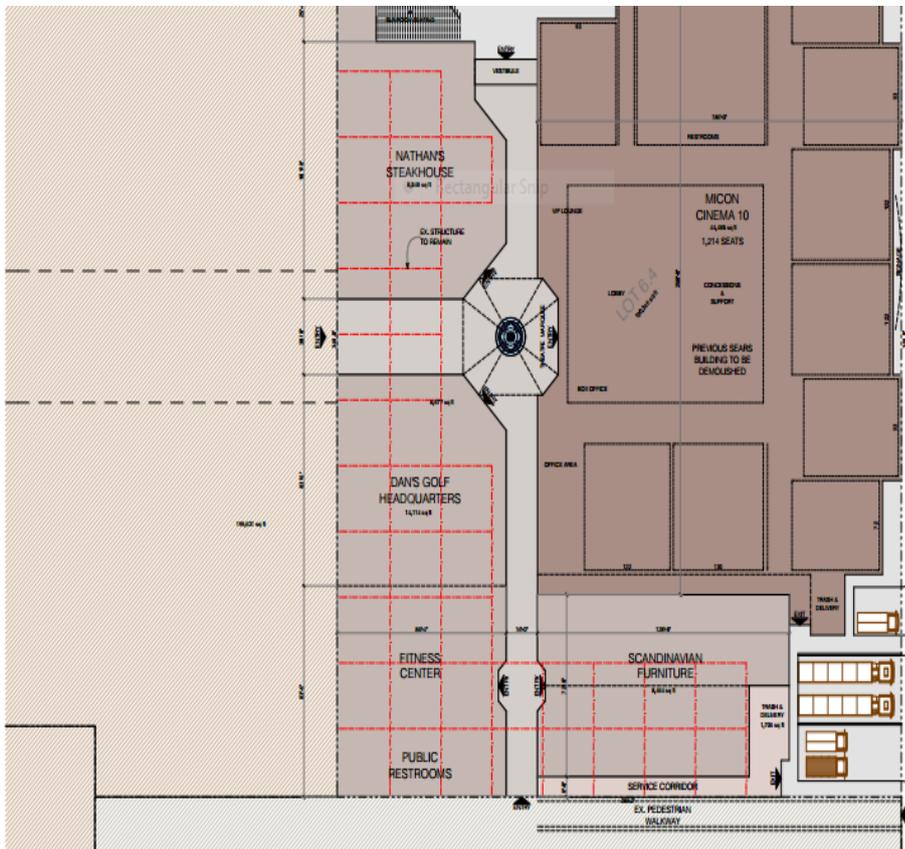
Wausau Mall MICON Wausau 08/22/16

CONCEPTUAL
SITE PLAN -
SCHEME 3

SD-3.1

Scope/Phasing:

The Development team plans to start construction on the project in 2017 once the development agreement is in place with the City of Wausau. It is the intention to open during the holiday season in 2017. Hoeft Builders will be the general contractor on the project.



N. 5TH ST. : ONE-WAY

NEW CONSTRUCTION 60,000 SF
EX. PORTION TO REMAIN 26,000 SF
 TOTAL FOOTPRINT 86,000 SF

450 Woodland Ave.
 Okauchie, WI 54601-1475
 ars_design@yahoo.com
 Phone: 507.259.5578
 Contact: Duane Engel, Assoc. AR

PROJECT

MICON CINEMAS
 ADDITION & REMODELING
 Wausau Mall
 Wausau, WI 54403

Owner:
 East Chaire Theatre Group, LLC
 475 Chippewa Mall Drive
 Suite 215
 Chippewa Falls, WI 54729
 Contact: Dan Olson

DRAWING INFORMATION

PRELIMINARY
 NOT FOR CONSTRUCTION
 PRINTED 06.20.16

NO.	DATE	DESCRIPTION	BY

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Model File: MICON Wausau 062016

SHEET TITLE

CONCEPTUAL
 SITE PLAN 1:20

August 12, 2015

Dear prospective client,

Working with Hoeft Builders was stress-free, and dare we even say, fun? Those are not words most people would use to describe their contractors! This is a group of good home town guys who bring world class service and experience. We never heard the words "no we can't". They were always happy to go leaps and bounds beyond what we expected during the busy and stressful time of building a new home for our practice. Each of the team members were present, available, and ready to jump in. They were full of ideas, recommendations and suggestions for us, who were new in the area and new business owners. They never stopped at the brick and mortar but helped us with every detail of the operation. We felt confident and comfortable that they would not only get the job done but get it done right.

Every single person we interacted with was professional and approachable. Peter Hoeft and his team effortlessly managed an orchestra that constructed a building before our eyes...from the plot of frozen ground to the beautiful final product of a functional building with classy details and personal touches. You can't help but to like these guys...they went from builders to friends...we would do it all over again but only with Hoeft Builders!

Sincerely,



Drs. Robert and Rima DeFatta

August 13th, 2015

RE: Hoeft Builders

To whom it may concern:

Advanced Laser recently completed a 4 million dollar expansion with Hoeft as our construction manager. We put considerable effort into picking a contractor, and ultimately picked Hoeft because of their approach to our project. A few highlights of our project:

- Fulltime onsite Hoeft manager – this made for a seamless single point of contact. Any question we had was quickly and professionally addressed.
- Extensive detail regarding project cost and schedule – There were virtually no “surprises” throughout the project. It was completed on time and on budget.
- Reputation in the market – before selecting Hoeft we networked with colleagues and received very positive feedback.
- Quality of the finished product – At every step of the process, Hoeft kept us up to date and part of the process. Corners were never cut; their attention to detail is impressive.
- Even after project completion, Hoeft continues to assist us in getting the most out of our new building. Although the project is complete, Hoeft continues to be an asset to our organization.

Hoeft will be at the top of our list for future construction projects, they are a pleasure to work with.

If I can answer any questions please do not hesitate to contact me directly at the number listed below.

Sincerely,



John K. Walton
President

Advanced Laser Machining Inc.
(715) 720-8093 x104



August 12, 2015

To: Future Client of Hoeft Builders

WESTconsin Credit Union just finished a major remodeling project at our newly acquired office in Chippewa Falls, Wisconsin. After careful consideration we chose Hoeft Builders to complete this project for us. The one requirement we had besides quality of the work was that we wanted the project done in a much expedited time frame. Hoeft delivered on this requirement! Everything Hoeft said they would deliver on they did. They provided us with a construction schedule upfront. That schedule was performed almost exactly as stated and in some areas work was completed ahead of schedule. It was an incredibly smooth process. This project was easily the best construction experience I have encountered. I would recommend Hoeft Builders to any company looking to expand, rebuild/remodel, or taking on a brand new project!

Respectfully,

A handwritten signature in black ink that reads "Jim Wookey". The signature is fluid and cursive.

Jim Wookey-CCUE
Chief Operations Officer
WESTconsin Credit Union

Response to the



RFP

for the former Sears building

By

HOM

FURNITURE

10301 Woodcrest Drive NW

Coon Rapids, MN 55433

763.767.3600

Introduction

Thank you for the opportunity to make an offer to purchase the former Sears building in the Wausau Mall. HOM Furniture would like to make a cash offer, invest substantial capital to update the building, create a presence that will inject new life into the mall, offer Wausau and surrounding areas a new exciting option for furniture and home decor, and create significant financial benefit to the community through new jobs and ongoing expenditures.

HOM and its tenants occupy 3,000,000 square feet of which 2.5M square feet is owned. We employ over 1,000 people, have never laid off an employee, and have no debt in the company or in the owned real estate. HOM has its own property management division taking particular pride in keeping all our locations attractive for customers and functioning perfectly.

Please review our offer and qualifications below.

Project Deliverables

We understand the building to be about 88,000 square feet. HOM would occupy the entire building. The owners, part of the Executive Team, and building contractor toured the space and found it to be conducive to the HOM brand, exact layouts yet to be determined by our architects and interior designers.

The HOM team has been successful for many years and believes Wausau to be an excellent new location for its concepts. HOM provides furniture in a wide variety of styles and price points and is confident Wausau and surrounding communities will be receptive and appreciate our products and services.

HOM has proven itself to be resilient in tough economies through its product value, strong financial position, amazing employees, business acumen, ever improving quality and customer service.

Project Management/Key Personnel

Wayne Johansen, Rodney Johansen, Carl Nyberg - Owners of HOM Furniture, Inc.

Wayne Johansen founded his original company shortly after graduating from high school in 1973. Partners Rodney and Carl joined the company in the late 70's, growing the company from a start up gift company to a waterbed specialty chain in the 80's, to HOM Oak and Leather Furniture in 1990, and in 1997 HOM Furniture grew into the business we know it as today. In 2008 HOM acquired long time industry icon Gabberts Furniture and in 2009 acquired the premier outdoor patio retail chain of Seasonal Concepts. Both brands operate either independently or as a division of the HOM brand. In 2011 HOM purchased a flooring company and entered into the retail and wholesale flooring industry and also opened an off priced furniture store known as DOCK 86. Currently there are 15 HOM branded locations, 5 Gabberts and 2 DOCK 86 stores. Showrooms are located in MSP, Onalaska, Eau Claire, Duluth, St Cloud, Rochester, Fargo ND, Sioux Falls, SD and Sioux City, IA. HOM has over 1,000 employees supporting our mission.

The success of HOM is well documented industry wide, We are one of the the top 40 largest furniture retailers in the US. HOM has been awarded many regional and national awards within the industry, and is a supporter of numerous organizations throughout the markets served in the Midwest. Honors include Midwest region Ernst and Young Entrepreneurs of Year, recipients of the Anti Defamation League Distinguished Service Award, National Rug Retailer of the Year, along with numerous other local and regional honors.

HOM actively supports many charitable organizations through their annual HOM Open Golf Tournament. Our primary charity being Minnesota Adult and Teen Challenge, who just honored the HOM owners as their partners of the decade in May, 2016. The 2016 26th annual HOM Open raised over \$335,000 of support for MNTC(MNTC.org). HOM is the title sponsor of numerous events including HOM Teal Strides Walk/Run in Edina, MN with over 3,000 participants supporting MOCA, the Minnesota Ovarian Cancer Alliance. HOM has been a key supporter in the Eau Claire market supporting the Chippewa Valley Boys and Girls Club with their annual Wine and Cheese event, held at the Eau Claire HOM showroom. Proceeds have exceeded \$250,000 for this event over the past 10 years with 2016 event hosting over 500 guests and raising \$45,000 for the local chapter. HOM sponsors Trees of HOPE, an annual event held between Thanksgiving and Christmas, teaming up with local television stations raising funds for local, regional, and national causes. Proceeds from this cause reach in excess of \$250,000 annually.

Wayne, Rodney, and Carl are all Midwesterners; Wayne and Rodney from the Sioux Falls, SD area and Carl from Northern MN and the Twin Cities area. All 3 have grown adult children working within the organization, transitioning the family business to the next generation.

Ralph Kloiber - Real Estate Director

Ralph earned a degree in Urban Development and City Planning from St. Louis University in 1974. He started his career with HOM Furniture in 1980 in Operations and has held positions in Sales, Sales Management and Corporate Training. His education prepared him for his current position as Real Estate Director which he has held since 1997.

Ralph directs the Maintenance Department, the Facilities Manager and is responsible for meeting all building codes, obtaining permits and supervising new construction projects. He meets with city planners, general contractors and directs the day-to-day maintenance of all company properties.

Ron Johnson - Ron Johnson Construction

Ron Johnson Construction, Inc. has been working in the capacity of General Contractor with HOM Furniture since 2008 with remodels of entire stores and additions at many of their locations. Some of the work includes a 38,000 square foot roof raise in Sioux Falls, a 180,000 remodel/build out in Little Canada, build-outs in St. Cloud, MN, Sioux City, IA, Rogers, MN, and an addition & build-out in Onalaska, WI. In 2008, they received the Service Representative of the Year award from HOM Furniture for the St. Cloud, MN, project.

Ron's Company has been in business for over 25 years and was incorporated in October of 1999. They maintain a status of an A+ Accredited Business with the Better Business Bureau. They have a current Certificate of Authority or Registration in the State of Wisconsin. (320) 597-3176

Connie Post - Space Planner

Connie has designed most of our store build outs. We believe Connie and her firm are the finest furniture retail space designers in the country. Renowned as a retail design strategist, author, trend translator and developer of both product and brands, Connie has built a career on understanding where consumers are, what they want most, and where they are going next. As the standard bearer of visual marketing in the home furnishings industry for the past three decades, she is responsible for the look of more than 20 million square feet of retail and wholesale space around the globe.

Driven by her unique design philosophy, Connie is committed to providing retailers and manufacturers with fresh and innovative environments that elevate the guests' experience.

<http://www.conniepost.com/>

Mike Brady - Real Estate Advisor

Mike has represented HOM Furniture for many years and many projects as a real estate advisor and broker. Mike works closely with the seller and HOM to assure the initiation of the project is on a firm foundation and the end goal is clear and attainable for all parties. Mike has developed \$50,000,000 of real estate personally, been a member of the Minnesota Commercial Association of Realtors for 28 years and holds a Real Estate Broker's license through the MN Department of Commerce under Entheos Commercial Real Estate. 612.327.2932

Level of Investment and Financial Viability

The substantial initial financial investment required is listed below. Some dollars are necessary to update the space and to increase the value of the Property while others are required for our business, bringing benefit to the community by building out a stunning store and spending capital in Wausau.

The Budget is as follows:

Initial Investment Required to Establish HOM Furniture Wausau		
Building and Land Purchase	\$ 700,000	
Soft Costs	\$50,000	Due Diligence, Legal
Building Related	\$1,200,000	Remodel and reconfigure
Non Building Related	\$1,430,000	Supplies and Systems-Phones, POS, Computers, etc.
HVAC, Roof, Misc	\$1,200,000	As needed per the Wausau Inspection Report
Display Inventory and Customer Inventory	\$1,500,000	
Initial Investment	\$6,080,000	

After the initial capital investment through the construction and store opening phase, Wausau will experience ongoing financial benefit through the running and maintaining of a successful HOM store. When we penciled out the long term quantifiable benefits to Wausau, it was apparent we should share them with you.

These figures are taken from stores similar in square feet and population and are available upon request.

Estimated Annual and 10 Year Economic Impact		
	Annual	Year
Wages and Employee Benefits, FICA	\$ 1,400,000	1
Sales Taxes	\$ 500,000	1
Local Market Advertising	\$ 325,000	1
Local Expenses, supplies, fuel, repairs, utilities, phone	\$ 424,000	1
10 Year Impact	\$ 2,649,000	1
each year plus 2%	\$ 2,701,980	2
	\$ 2,756,020	3
	\$ 2,811,140	4
	\$ 2,867,363	5
	\$ 2,924,710	6
	\$ 2,983,204	7
	\$ 3,042,868	8
	\$ 3,103,726	9
	\$ 3,165,800	10
Total Impact Over 10 Years	\$ 29,005,811	
Total Impact Over 10 Years Plus Initial Investment	\$35,000,000	

Photo Examples

Abandoned Gander Mountain in Onalaska

Before



Onalaska After



Abandoned Carson Pirie Scott in Rochester
Before



Rochester After



Abandoned Younkers and Mini-Mall in Sioux City
Before



Sioux City After



Our Coon Rapids, Lakeville, Hermantown and Fargo locations are the only ground up locations we have built, all other locations are repurposed buildings, everything from department stores to cooler freezer buildings.

The Offer

The Sears building is obviously tired and needs a complete retrofit and reconfiguration. Your inspection report lays out potential expenses for building systems and roof and we used those figures in our evaluation.

HOM's Offer is as follows with the understanding that details in a purchase agreement still need to be agreed upon together:

- Purchase Price \$700,000
- Closing January 26, 2017
- Contingencies
 - Financing None
 - TIF \$700,000 over the term of the existing District or creation of a new longer term District.
 - Environmental Buyer's review and acceptance within 3 weeks of signing
 - Land Included with the building
 - Broker Commission Seller shall pay a typical real estate commission of 6% to Entheos Commercial Real Estate

Organizational Overview

- Official registered name: HOM Furniture, Inc.
- Primary SIC number: 5712 *Furniture Stores*
- Address: 10301 Woodcrest DR NW, Coon Rapids, MN 55433
- Main Telephone Number: 763-767-3600
- Facsimile Number: 763-772-1502
- Key Contact Name: Ralph Kloiber
- Key Contact Title: Director of Real Estate
- Key Contact Phone: 612-919-7642
- Person authorized to contractually bind the organization: Wayne Johansen

Employee Count and Employee Benefits

Our expectations, based on our comparable stores are as follows:

Full Time employees	28
Average Wages	\$38,000 per year
Employee Benefits	Health Care Plan, 401k matching, paid vacations, multiple opportunities for advancement as the company grows and the corporate employees are graying. In house departments include delivery/shipping warehouse, accounting, media creation and buying, real estate management and procurement, sales, customer service, operations, and maintenance.

Scope/Phasing

We will begin the process immediately upon approval. It will take about 9 months from closing until Grand Opening, with conditions and approvals beyond our control potentially delaying the time. We have built out a number of former department and other stores (shown in the pictures plus more) and have our systems working well with Ron Johnson Construction. One slowdown could be the speed the City can react to inspections and approvals. After we complete the design and full assessment of the work needed, we can share more exact project phase dates. Our plan would be to begin demolition soon after Closing, simultaneously design the store layout, complete the remodeling, stage the store and have a Grand Opening. We are highly motivated to open as soon as possible.

Conclusion

An additional benefit to Wausau is drawing people not otherwise planning a trip to Wausau. For consumers, furniture is a large, well thought through purchase and our advertising will reach people and draw visitors from over 100 miles. While shopping HOM, our customers will purchase from other retailers, restaurants, hotels and entertainment venues in Wausau.

HOM will be the finest furniture/home goods shopping experience in Central/North Central Wisconsin. We are excited for the potential of serving Wausau by providing desirable furniture and home goods choices, contributing to the comeback of the Mall and employing your citizens.

We believe, and hope you agree, HOM Furniture is the perfect and best partner to help the Wausau Mall prosper, furthering the advancement of this strong and vibrant community.

We welcome questions and comments by phone or email. To get to know us better, please accept our invitation to meet staff and owners while touring our company headquarters, retail store, and warehouse in Coon Rapids, Minnesota.

Thank you again for the opportunity to become part of Wausau.



Wisconsin Public Service Corporation

700 North Adams Street
P.O. Box 19001
Green Bay, WI 54307-9001

www.wisconsinpublicservice.com

OCT 3 2016

9/22/2016

City of Wausau
Attn: Allen Wesolowski
407 Grant St
Wausau, WI 54033

Dear Customer:

Wisconsin Public Service Corporation (WPSC) is working on a Electric relocation or upgrade project that affects property that you own at **309 McClellan St**, in the **City of Wausau, Marathon County, Wisconsin**. This project will require new or upgraded facilities to be installed on property that you own at **309 McClellan St in the City of Wausau, Marathon County, Wisconsin**. An effort was made by a Wisconsin Public Service Corporation (WPSC) Representative to contact you or your agent about this project. In a few instances contact was unable to be made. WPSC will require an easement prior to the installation of the new or upgraded facilities.

I have enclosed two copies of the easement for your review. Signing this document will allow WPSC to install facilities on your property in the location described in the easement.

Please note that the Public Service Commission entitles you to a minimum of five days to examine the materials provided. However, you have the option to waive the five-day review period and sign and return the easement at any time.

If this property is subject to Wisconsin Marital property statutes please have your Spouse sign in the additional space provided.

*You will note that the documents **require** you to sign them in the presence of a **Notary Public**. Please make the necessary arrangements to meet with a Notary Public in your vicinity and have the Notary sign the documents where indicated. All signatures and blanks filled in must be completed in **BLACK INK** to be accepted by the Register of Deeds for recording.*

Please return one of the documents to me in the pre-paid envelope provided at your earliest convenience. The second document is for your records. Installation cannot be scheduled until the completed document has been received.

Please contact me if you have any questions regarding the easement. Please refer to Work Request **2105769**.

Thank you.

Sincerely,
Distribution Right of Way group – Real Estate
Wisconsin Public Service Corporation
(920) 272-8799
E-Mail EasementRequest@integrysgroup.com

59210

DOCUMENT NUMBER

UTILITY EASEMENT / CORPORATION

THIS INDENTURE is made this _____ day of _____, _____, by and between **CITY OF WAUSAU, a municipal Corporation**, ("Grantor") and **WISCONSIN PUBLIC SERVICE CORPORATION**, a Wisconsin corporation, along with its successors and assigns (collectively, "Grantee"). For One Dollar and No/100 (\$1.00) and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant unto said Grantee the perpetual right, permission, authority, privilege and easement, to construct, install, operate, maintain, inspect, remove, replace or abandon in place all equipment ("Facilities") necessary or useful for the purpose of transmitting electrical energy and/or gas for light, heat and power or for such other purpose as electric energy and/or gas is now or may hereafter be used, and for communication upon, over, across, within and above and/or beneath certain "Easement Area(s)" as shown below, or on attached Exhibit "A", on land owned by said Grantor in the **City of Wausau, County of Marathon, State of Wisconsin**, described as follows, to-wit:

Return to:
Wisconsin Public Service Corp.
Real Estate Dept.
P.O. Box 19001
Green Bay, WI 54307-9001

Parcel Identification Number (PIN)
291-2907-253-0279

Part of Lot 1 of Certified Survey Map No. 14751 Recorded in the Marathon County Register of Deeds Volume 66 of Certified Survey Maps on Page 23 as Document 1474431, more particularly described as follows:

A 6 foot wide easement strip being the South 12 feet of the East 15 feet of the West 60 feet of said Lot 1.

See the Attached Exhibit "A"

Grantor acknowledges that the measurements used in the above description or shown on the attached Exhibit "A" are approximate. Grantor agrees that the actual location of grantee's facilities as built and installed will be controlling as to the location of the easement granted.

Grantor grants to the Grantee the perpetual right, privilege and easement to enter upon the Easement Area for the purpose of constructing, installing, operating, maintaining, inspecting, removing, replacing or abandoning in place the Facilities. The Grantee shall have the right to enter on and across any of the Grantor's property outside of the Easement Area as may be reasonably necessary to gain access to the Easement Area and as may be reasonably necessary for the installation, operation, maintenance, inspection, removal or replacement of the Grantee's Facilities. Except in the event of an emergency, Grantee shall make reasonable efforts to notify the Grantor before going upon Grantor's property outside of the Easement Area.

Should Grantee's work on its Facilities require excavation, the Grantee shall restore the surface of the Easement Area to its condition prior to Grantee's work. All work performed by the Grantee pursuant to this Easement will be performed in a safe and proper workmanlike manner

The Grantee shall have the right to control all brush and trees within the Easement Area by cutting, trimming and/or other means as may be reasonably necessary, within Grantee's exclusive judgment, to prevent interference with or damage to Grantee's Facilities.

In order to insure the use of the Easement Area conforms with the (Wisconsin Gas Safety Code) (Wisconsin Electrical Code) and the Grantee's construction standards, the Grantor shall not permit any of the following to occur within the Easement Area without first securing the written consent of the Grantee: (i) construction of any improvements, including buildings or other structures; (ii) placement of any other objects, or (iii) change the grade more than four (4) inches.

Grantee shall indemnify and hold Grantor harmless from and against any liability associated with Grantee's use or occupation of the Easement Area, except where such liability arises from the negligence or willful misconduct of Grantor.

The covenants herein contained shall bind the parties hereto and their respective heirs, executors, administrators, successors, and assigns. No failure or delay of either Party in enforcing its rights hereunder shall act as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right set forth herein. This Easement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

WITNESS the hand and seal of the Grantor the day and year first above written.

City of Wausau, a municipal corporation

Corporate Name

Sign Name above

Print Name & Title above

Sign Name above

Print Name & Title above

STATE OF _____)

)SS

COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, _____, by the above-named _____, to me known to be the Grantor(s) who executed the foregoing instrument on behalf of said Grantor(s) and acknowledged the same.

Sign Name _____
 Print Name _____

Notary Public, State of _____
 My Commission expires: _____

This instrument drafted by: Eric Vilhauer
WEC Business Services, LLC

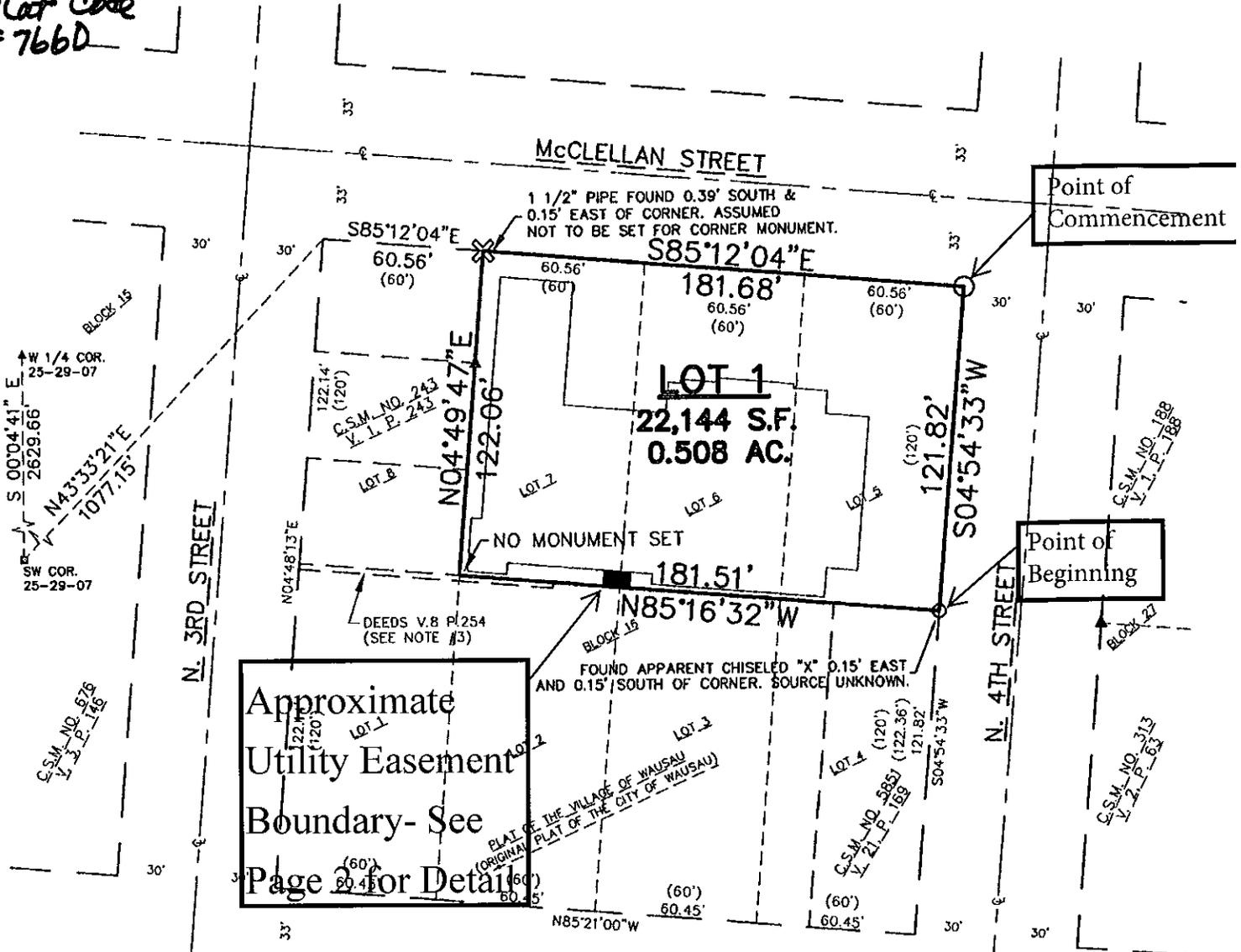
Date	County	Municipality	Site Address	Parcel Identification Number
September 22, 2016	Marathon	City of Wausau	309 McClellan St	291-2907-253-0279
Real Estate No.	WPSC District	WR#	WR Type	IFRIS
59210	61	2105769	EP Electric Project	Electric Systems-Flat Rate Underground

CERTIFIED SURVEY MAP

LOTS 5, 6, AND 7, BLOCK 16, PLAT OF THE VILLAGE OF WAUSAU, BEING PART OF SECTION 25, TOWNSHIP 29 NORTH, RANGE 7 EAST, CITY OF WAUSAU, MARATHON COUNTY, WISCONSIN.

FOR
CITY OF WAUSAU

291.4.2907.253.0279
Plot Code
766D



Approximate
Utility Easement
Boundary- See
Page 2 for Detail



David F. Huempfer Jr.
4/13/2007

LEGEND

- ⊗ SET CHISELED "X" IN CONCRETE SIDEWALK
- SET 7/8" x 18" IRON ROD (2.04 lbs./ft.)
- SET 1 1/4" x 18" IRON ROD (4.17 lbs./ft.)
- X^{CHISEL} EXISTING CHISELED "X" FOUND
- EXISTING PK NAIL FOUND
- EXISTING MARATHON CO. SURVEY CAP FOUND
- ▲ EXISTING 3/4" IRON ROD FOUND
- () RECORDED AS

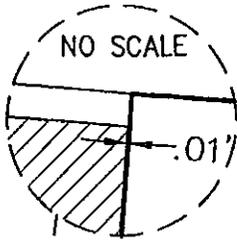
NOTES: 1. SEE DETAIL ON PAGE 2 FOR BUILDING LOCATIONS AND RECORDED EASEMENTS.
2. BLOCK BOUNDARIES WHERE DETERMINED BY EX. MONUMENTS AND R/W'S CENTERED

NORTH REFERENCED TO
WEST LINE OF SW 1/4 SECTION 25-29-7
MARATHON CO. BEARING S 00°04'41" E

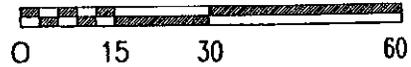
CERTIFIED SURVEY MAP
 LOTS 5, 6, AND 7, BLOCK 16, PLAT OF THE VILLAGE OF WAUSAU, BEING PART OF SECTION 25,
 TOWNSHIP 29 NORTH, RANGE 7 EAST, CITY OF WAUSAU, MARATHON COUNTY, WISCONSIN.

RECORDED EASEMENTS ON LOT 1

- DEEDS V.249 P.477 INGRESS/EGRESS TO LOT 8
- MR V.359 P.562 GAS PIPELINE, WEST SIDE LOT 7
- MR V.463 P.140 GAS PIPELINE, SOUTH SIDE LOTS 5,6,7
- MR V.577 P.529 FIRE ESCAPE STAIRWAY, WEST SIDE LOT 7



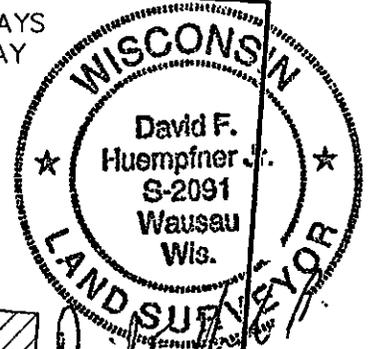
DETAIL
 SCALE IN FEET



McCLELLAN STREET

CONCRETE SIDEWALK WITH MULTIPLE DOORWAYS AND STEPS, AND OTHER OVERHEAD STAIRWAY AND UTILITY ENCROACHMENTS FROM LOT 8.

LOT 1



David F. Huempfer Jr.
 4/13/2007

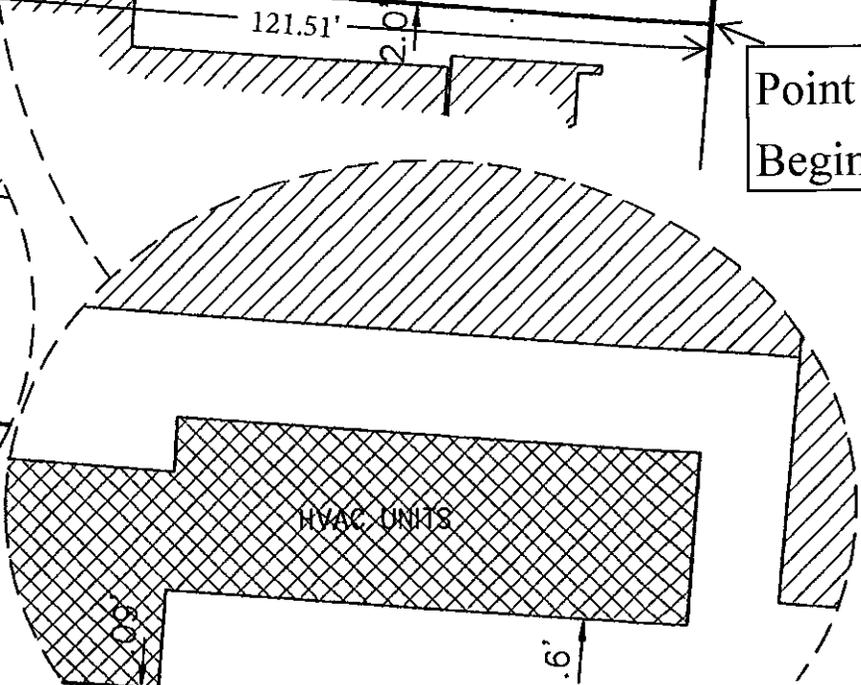
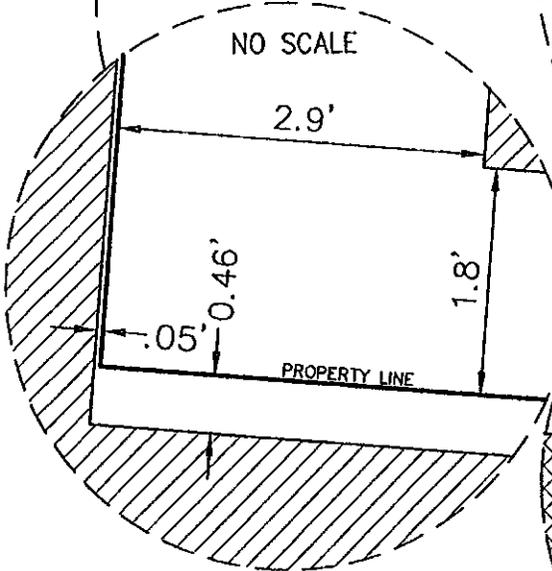
6 Feet Easement
 Width
 15' Length

HVAC UNITS ON
 STEEL FRAMING

- Steel Framing
 to be removed
 No HVAC Units
 in place 09/06/2016

N. 4TH STREET

Point of
 Beginning



NOTE: ALL DIMENSIONS FROM ARE FROM CURB TO PROPERTY LINES

CERTIFIED SURVEY MAP FOR CITY OF WAUSAU

I hereby certify: That I have surveyed and mapped, by order of the City of Wausau, a parcel of land being Lots 5, 6, and 7, Block 16, Plat of the Village of Wausau (Original Plat of the City of Wausau), Section 25, Township 29 North, Range 7 East, City of Wausau, Marathon County, Wisconsin, described as follows:

Commencing at the West ¼ corner of said Section 25; thence S00°04'41"E, along the West line of the SW¼ of said Section 25, 2629.66 feet to the Southwest corner of said Section 25; thence N43°33'21"E, 1077.15 feet to the Northwest corner of said Block 16; thence S85°12'04"E, along the North line of said Block 16, 60.56 feet to the Northwest corner of said Lot 7, the point of beginning;

Thence continuing S85°12'04"E, along said North line, 181.68 feet to the East line of said Block 16; thence S04°54'33"W, along said East line, 121.82 feet to the South line of said Lot 5; thence N85°16'32"W, along the South line of said Lot 5, 6 and 7, 181.51 feet to the West line of said Lot 7; thence N04°49'47"E, along said West line, 122.06 feet to said Northwest corner of Lot 7, the point of beginning, subject to easements, restrictions and roadways of record; said parcel contains 0.508 acres.

That this map is a correct representation of all of the exterior boundaries and division of said land.

That I have fully complied with the provisions of Chapter 236.34 of the Wisconsin Statutes, Chapter A-E7 of the Wisconsin Administrative Code, and Title 21 of the Wausau Municipal Code in surveying and mapping the same.



David F. Huempfer Jr. 4/13/2007
City of Wausau
Department of Public Works
Engineering Division
David F. Huempfer, Jr., S-2091
City Surveyor

[Handwritten Signature]

**ZONING ADMINISTRATOR
BEING DULY APPOINTED BY THE COMMON
COUNCIL, DO HEREBY CERTIFY THE ATTACHED
CERTIFIED SURVEY MAP HAS BEEN REVIEWED
& THERE ARE NO OBJECTIONS TO RECORD.
THIS CERTIFIED SURVEY IN THE REGISTER
RECORDS' OFFICE.**

APRIL 13, 2007

