

## **FINANCE COMMITTEE**

Date and Time: Tuesday, May 27, 2014 @ 5:45 pm., Board Room

Members Present: Winters (C), Nagle, Oberbeck, Nutting, Kellbach

Others Present: Tipple, Groat, Jacobson, Giese, Loy, Rasmussen, Wagner, Gisselman, Mielke, Neal, Abitz, Werth, M. Lawrence, Kujawa, Barnes, John Chmiel, Keven Fabel, Kristen Fish, media.

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. It was noted that there was a quorum present and the meeting was called to order by current Chairperson Winters.

### **Public Comment on matters appearing on the agenda.**

- 1) Deb Ryan, 702 Elm St, stated the city should work with the county on the CBL issue and perhaps locate the Social Services office in it. She felt they needed to get the county involved to look at long term issues.
- 2) Ron Simm stated perhaps the City of Wausau could go through the WEDC and state to attract and retain businesses for the mall.

### **Minutes of the previous meeting(s). (4/22/14 & 5/13/14)**

*Withdrawn*

### **Discussion and possible action regarding procedures and policy on Animals Held for Cause – Barnes**

Lt. Matthew Barnes stated we currently have a held for cause contract with the Humane Society. In cases such as animal neglect, animal abuse, animal cruelty or animals that we know the owner of, but for whatever reason they are not strays. He indicated there have been multiple cases of animals held for cause since the contract was signed, some of them costing the city \$200 - \$300 per animal. He related another case of neglect of two dogs that subsequently cost \$1600 in fees and vet bills to bring them to health. A more unpleasant alternative is to euthanize. He asked for direction from the Council as to the limit to be spent on animals held for cause because there is no cap in the contract. He questioned for instance, what one would do in a situation if they found a person who has malnourished 20 or 30 cats. The cost could possibly be \$20,000 in a situation like this.

Motion by Nagle, second by Nutting to direct staff to research other municipalities our size to find out what they are doing regarding this issue and report back. Motion carried 5-0.

### **Consider resolution authorizing the execution of an Airport Ground Lease to Keith Kocourek – Chmiel**

John Chmiel stated Keith Kocourek would like to build a hangar for Kocourek Automotive at the airport for his three airplanes that are currently based there. It would be a 100 x 100 hangar on leased airport land, directly adjacent to Hangar #4 to the east. He noted it would be the eleventh privately constructed hangar at the airport since 1998. He stated Kocourek has chosen not to build a hangar on two previous occasions, but this year he has projects going on within the city which will help him reduce the costs for development of the hangar. He indicated the Airport Committee approved it and it produces revenue from the lease on the square footage of the property as well as through taxes on the value.

Motion by Nagle, second by Kellbach to approve the resolution authorizing the execution of an Airport Ground Lease to Keith Kocourek. Motion carried 5-0.

### **Authorizing the renewing of parking lot lease (Third and McClellan Streets - Janke) – Groat**

Groat stated the existing lease is expiring June 2014 and they would like to renew for a five year term. The only change they are asking is that the city would incur the sidewalk shoveling on the outside of the lot. This is something we already do, but bill them for it, which is approximately \$100 - \$200 per year. She noted currently we have been losing about \$3,000 per year on the operation of the lot if we compare the rental and annual maintenance costs to the revenue generated. She noted the parking study is coming up and hopefully we will be able to change this.

Motion by Nagle, second by Oberbeck to approve the renewal of parking lot lease (Third and McClellan Streets – Janke). Motion carried 5-0.

**Consider parking agreement with Marathon County for the Sears Parking Ramp – Groat**

Groat stated we sell the county approximately 93 permits per month for the Sears Ramp. The Sears Ramp has a current market rate of \$25; the rate we give them is \$23.70. The county approached the city interested in signing a long term commitment of five years, but they would like a further discounted rate of \$21.80. This is an annual decrease of revenue to the city of \$2,120. Without a concession in the rent, they would likely be developing parking lots and relocating out of the ramp.

Oberbeck commented the parking consultants have said it is about \$150 per stall is a breakeven point and we are doing it for \$23. He felt we should only do a short term lease until we are done with the parking study and then renegotiate.

Groat commented it is a nice partnership between the city and the county because that ramp is the largest ramp as far as the number of stalls that we have in the central business district. If you look at the other ramps in the downtown, our rate is \$35. The price difference was to attract more of the downtown employees into that ramp because we do have excess capacity there.

Oberbeck stated the consultants told us that you pay for convenience and they are directly across the street with covered parking out of the wind and elements. We need to maintain or we may even potentially being going up in price to make this feasible. It costs a lot of money to purchase property and construct a surface lot is a lot of money. The county is being given a discount already that others are not enjoying.

Motion by Oberbeck, second by Nagle to approve a one year lease at the existing rate, indicating that we are in the middle of a parking study. Motion carried 5-0.

**Consider the amendment to the Parking Lot Land Lease with North First Street Holding Company to comply with Wisconsin Department of Natural Resources remediation cover inspection and maintenance plan - Werth and Fabel**

Kevin Fabel, DNR, stated they have been currently working on the closure of the Dudley parking lot site. He explained one of the requirements the DNR has to achieve closure is that we have an official agreement in place with North First Street Holding Company, specifically referencing a cap maintenance plan which has been approved by the DNR. The current agreement does not reference that plan and we are looking for approval to amend that agreement to reference the plan. There are no other changes to the agreement.

Motion by Nagle, second by Nutting to approve the amendment. Motion carried 5-0.

**Consider Budget Modification - Budget Modification 2014 Street Improvement Projects – Marquardt**

Groat stated the corrected street improvement budget is \$1,839,500; this reduced our budget overage from \$419,275.25 to \$297,330.25. Marquardt stated \$130,000 of the \$297,330 is accounted for in extending Curling Way up to Macdonald Street. The remaining amount was in storm sewer design. Winters clarified this would result in \$300,000 of additional borrowing. Groat stated an alternative would be to reduce the asphalt overlay that they wanted to accomplish this year.

Motion by Nagle, second by Nutting to approve the budget modification of \$297,330.25 for 2014 Street Improvement Projects. Motion carried 5-0.

**Consider Budget Modification - Budget Modification Low Level Lighting (Scott Street) – Marquardt**

Marquardt explained this was based on a petition received that was extended for additional length on Scott Street. It was added to our Project C bid that was opened last Tuesday and it came in relatively high. Overall the entire project will require an additional \$80,290 to install the lights; the total cost of the project is \$231,000.

Motion by Nagle, second by Kellbach to approve the budget modification of \$80,290 in additional borrowing for the Scott Street lighting project. Motion carried 5-0.

**Consider Budget Modification - Tax Increment District Number Six to fund additional costs for the Hwy 52 median landscaping project – Marquardt**

Marquardt stated this was the additional cost of \$18,893.30 for Revi to pay prevailing wages to their workers.

Motion by Nutting, second by Oberbeck to approve the budget modification of \$18,893.30 to fund the additional costs for the Hwy 52 median landscaping project. Motion carried 5-0.

**Presentation on the Motor Pool Fund – Groat**

*Deferred.*

**Consider the purchase of vacant land in the Wausau Business Campus at 101 North 72nd Avenue from Intercity Bank – Werth**

Ann Werth explained they were approached by the broker of Intercity Bank regarding the purchase of property on North 72<sup>nd</sup> Avenue. She stated we cannot do soil borings without an offer on the property. Kristen Fish, broker representing Intercity Bank, explained this is a customary practice in commercial real estate that there has to be an offer to do due diligence on the property. Winters questioned if there was any other interest in the property. Fish stated she recently had one call for someone who wants to lease it for hunting land and one call from someone who wants to build storage units on the five acres that is most developable across the street from the business incubator.

**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: for negotiating the purchase of properties. (101 N 72nd Avenue)**

Motion by Nagle, second Kellbach to convene in closed session. Roll Call Vote: Ayes: Nutting, Nagle, Winters, Oberbeck, Kellbach. Motion carried unanimously.

Reconvened into open session to take action on closed session item, if necessary.

No action taken.

**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. (Authorize the Amendment of the Ground & Air Rights Lease between the City of Wausau and CBL & Associates Properties, Inc., and Approval of Development Incentive Payments)**

and

**CLOSED SESSION pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. (Consider and Approve Development Incentives for Apogee Wausau Group, Inc.)**

Motion by Nagle, second by Nutting to convene in Closed Session. Roll Call Vote: Ayes: Nagle, Kellbach, Oberbeck, Nutting, Winters. Motion carried unanimously.

*Reconvened back into Open Session to act on Closed Session items.*

**CBL & Associates Properties, Inc.**

Motion by Nagle, second by Kellbach to approve entering into a developer agreement with CBL & Associates Properties for developer incentives equal to the base ground lease and 10% Net Cash Flow ground lease for a five year term and a one-time payment of \$375,000, in exchange for the developer incentives CBL will provide the city an executed 10 year lease with a retailer for the vacant J.C. Penny's space along with a commitment for a phase II redevelopment. Further the city's payments will be designated for tenant improvement, incentives and inducements. The \$755,000 will be reimbursed to the city if the phase II redevelopment does not occur. Motion carried 5-0.

**Apogee Wausau Group, Inc.**

Motion by Nagle, second by Oberbeck to approve the resolution outlining the development incentives for Apogee Wausau Group, Inc. Motion carried 4-1 (*Winters was the dissenting vote.*)

**Adjourn**

Motion by Nagle, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:15 p.m.