

**JOINT FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE**

Date and Time: Thursday, April 7, 2016 @ 5:00 pm., Board Room

FINANCE Members Present: Oberbeck (C), Mielke, Nagle, Kellbach, Nutting

ED Members Present: Nagle (C), Rasmussen, Nutting, Wagner, Neal

Others Present: Tipple, Groat, Lindman, Jacobson, Ray, Kujawa, Schock, Stratz, Lepinski, Goede, and other interested parties.

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. The Economic Development Committee was in session when the Finance Committee joined the meeting and was called to order by Chairperson Oberbeck.

**8. JOINT ITEM: Discussion and Possible Action on the East Riverfront Frantz Community Investors Final Plan and Proposal**

Frantz and Schock updated the committee on the progress of the East River Front proposal. They are currently working on the financials for leasing and construction of the project. Frantz stated there is lots of interest already in the office space available and some good interest in the retail and residential part as well.

*ED Committee*

Motion by Rasmussen, second by Neal motioned to accept this concept as the plan document and at future meetings detail analysis of financials and any requests of the City can be brought forward. Motion carried unanimously 5-0.

*Finance Committee* - No action taken.

**7. JOINT ITEM: Presentation and Discussion on the Proposed Greenwood Hills Senior Living Complex Opportunity.**

There was a lengthy presentation given by Sebe Fust on a proposed resort style senior living facility at Greenwood Hills. He indicated they were still in the discovery phase and needed to have a market study done. They are looking for TIF financing for a proposed 90 unit complex; 36 units will be independent living and 54 will be assisted living. Rents would start at \$3500 a month; private pay, no Medicare. He reviewed all of the amenities that will be provided. Rasmussen noted that Greenwood Hills is not in a TID, so one would have to be created. Further discussion will be done in closed session.

**9. JOINT ITEM: Discussion and Possible Action on the Request for Assistance for the Properties at 601-607 North Third Street**

Dave Johnson and Kevin Korpela of Downtown Grocery were present and indicated they got the final bank commitment today and needed some additional help from the city. They provided three different funding options for committee consideration. One request of the commitment is that payments be deferred for three years and money is committed up front. Schock indicated we have the funds in the commercial rehabilitation account to facilitate this project. He stated they are looking to fill a gap that is \$250,000; which would be \$150,000 loan from the city and \$100,000 from McDevco. Further discussion will be done in closed session.

**10. JOINT ITEM: Discussion and Possible Action on the Proposal Received for the River East Brownstones Project (1304-1308 Third Street)**

Jason Blenker summarized they put together two additional options in addition to the one included in our original proposal. Both are similar, asking for a 0% construction loan in varying amounts depending on which option, with balances to be repaid and some of it to be forgiven. In our final option we are looking to possibly increase the size of the project, understanding that there are some other properties that we may be able to gain access to. Further discussion will take place in closed session.

**11. JOINT 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:**

- **Proposed Greenwood Hills Senior Living Complex Opportunity**
- **Request for Assistance for the Properties at 601-607 North Third Street**
- **Proposal Received for the River East Brownstones Project (1304-1308 Third Street)**

ED Committee

Motion by Neal, second by Nutting for Economic Development Committee to convene in Closed Session. Roll Call Vote: Ayes: Nagle, Nutting, Rasmussen, Wagner, Neal. Noes: 0. Motion carried 5-0.

Finance Committee

Motion by Nutting, second by Kellbach for Finance committee to convene into Closed Session. Roll Call Vote: Ayes: Nagle, Nutting, Mielke, Kellbach, Oberbeck. Noes: 0. Motion carried 5-0

**RECONVENED into Open Session to take action on Closed Session items.**

**Request for Assistance for the Properties at 601-607 North Third Street**

ED Committee

Motion by Rasmussen, second by Neal to approve Option C as presented under the current terms of the Commercial Rehab program for the project at 601-607 N 3<sup>rd</sup> St. (Downtown Grocery). Motion carried 5-0.

Finance Committee - No action taken.

**Proposal Received for the River East Brownstones Project (1304-1308 Third Street)**

ED Committee

Motion by Rasmussen, second by Neal to approve Option #3 for Blenker as presented, funds will be split from TID #2 housing stock funds and the fund account set up from the refinance of the mall; and recommend to the Plan Commission as part of the UDD zoning that they incorporate varied design elements into the façade. Motion carried 5-0.

Finance Committee

Motion by Kellbach, second by Nutting to approve Option #3 for Blenker as presented, funds will be split from TID #2 housing stock funds and the fund account set up from the refinance of the mall; and recommend to the Plan Commission as part of the UDD zoning that they incorporate varied design elements into the façade. Motion carried 5-0.

**Adjournment of ED Committee**

Motion by Wagner, second by Neal to adjourn the Economic Development Committee. Motion carried unanimously. ED adjourned at 6:40 pm.

**Public Comment**

None.

**Authorizing a Community Development Application to Wisconsin Housing and Economic Development Authority's (WHEDA) Foundation Grant**

Tammy Stratz stated the city owns a property at 1408 Bissell Street which is a group home facility of six units for severely disabled males. She explained in the back of the property there is a back deck that residents have utilized for getting outdoors and it is also a handicapped accessible exit. The deck porch area has been deteriorating and we have been maintaining it, but it needs to be rebuilt. She indicated we have an opportunity to apply for WHEDA Foundation funds of up to \$25,000 and if we are successful we would like to rebuild the deck in a composite type, maintenance free material so we don't have to continue to put money into it. She requested permission to apply for the grant.

Motion by Mielke, second by Kellbach to approve the application to WHEDA grant. Motion carried 5-0.

**Discussion and possible action regarding the 2016 room tax grant awards and related budget modification**

Groat stated we have a two times per year allocation process; continuing appropriations received approval last fall which were incorporated into the 2016 budget. She referred to the summary of those that have submitted requests through the spring of 2016. She indicated there are a couple of new requests: Wausau Events has submitted a request for a Beer & Bacon Festival; Wausau Symphony Band has submitted a request for \$4,000; and Main Street Dining Week submitted a request for \$2,000. She stated if they funded all of the requests there would be a projected deficit of \$26,000, based on estimated revenue of \$750,000. She noted the 2015 Room Tax collection was \$845,000, so we do have a very conservative revenue estimate.

Groat pointed out this is the last year they will be giving grants because effective January 1, 2017, it is taken out of the city's hands. The CVB will be receiving the funds, but the city will keep 30%. Discussion followed.

Motion by Nagle, second by Mielke to allocate the room tax requests as presented and approve the related budget modification. Motion carried 5-0.

**Discussion and possible action on Station 2 replacement**

Chief Kujawa requested direction as to what she should do to get this project on the calendar. Rasmussen suggested taking it back through CIP again. Kujawa was concerned it would not be ranked high enough in CIP, delaying it even longer. Discussion followed.

Motion by Nagle, second by Nutting to approve a resolution authorizing the procurement of consulting services beginning in 2017, and commit to putting it in the budget. Motion carried 5-0

**Discussion and possible action on modification of the budget policy to provide budget modification oversight of the Water and Sewer Utility Funds to the Water Utility Commission**

Oberbeck questioned why the city council would not have oversight of the Water Commission when they modify the budget. Groat stated the purpose of this item is to start a conversation, because the state statutes seem to give utility commissions more authority than the City of Wausau has recognized in the past, particularly when it comes to the finances of the utility. Currently the utility commission approves the budget modification as it's outlined in the state statutes and in our municipal code; then it comes to Finance Committee and then, on to Common Council. She questioned if they would like to mitigate some of that red tape by taking it directly from the commission to Council, eliminating one step. Another option would be to delegate all of the authority for budget modification to the Water and Sewer Commission.

Lindman stated the ordinance states that the utility commission has the financial authority to do this; they can let bids and do contracts. He felt if they were going to make the decisions come through Finance, then they would need to amend the ordinance. He noted the utilities generate revenue for the utility; they maintain their own financial records and they are brought monthly to the commission meetings. He recommended taking modifications from the commission directly to Council.

Motion by Mielke, second by Kellbach to remove the Finance Committee from the process and go directly from the commission to the Council. Approved 5-0.

**Discussion and possible action regarding budget modification Walgreens 2015 excessive taxes**

Groat explained when they approved the agreement for excessive taxes with Walgreens the 2015 tax bills weren't developed yet, so we didn't know what the taxes were going to be. The agreement stated that we will pay them any increase in value over \$2.2 million, which will represent about a \$60,058.47 refund. We did not anticipate this in the budget because it was already approved, so this is a modification. She noted the law now states we will be reimbursed by the other taxing entities, so our share is actually approximately \$20,000. She indicated it would come from the Contingency Fund for our net amount.

Motion by Nagle, second by Mielke to approve the budget modification for Walgreens excessive taxes. Motion carried 5-0.

**December 31, 2015 General Fund Financial Report**

Groat stated they haven't seen a big change from the preliminary requests; revenue is exceeding the budget by \$24,825. Our profit for the year is approximately \$562,000 for the year. *The narrative report can be accessed on the city's website.*

**Adjournment**

Motion by Mielke, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:30 pm.