

ECONOMIC DEVELOPMENT COMMITTEE

Date and Time: Thursday, June 15, 2017 @ 5:00 p.m., Council Chambers

Members Present: Neal (C), Peckham, Rasmussen, Wagner & Gehin

Others Present: Groat, Schock, Plaisance 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 meeting was called to order by Chairperson Neal at 5:00 pm.

Agenda Item #1 – Approval of Minutes from 6/6/17

Agenda item#3 had a change; first paragraph EDA needs to be changed to EPA and agenda item#5 had a change; motion was correct, but motion failed as a result of a 1-3 vote (not 3-1).

Agenda Item#2 – Update on the Schedule for Construction for the River East Brownstones Project

Jason Blenker presented the status of Blenker finalizing their plans by the end of the month. He also brought the signed development agreement that Schock would get to the mayor to sign. Timeline updates include; bidding going out in July, getting permits in August, pouring foundations in September & October and framing in November. They plan to work through the winter.

Wagner asked about the preliminary occupancy open dates & Blenker replied with early spring 2018.

No action needed.

Agenda Item#3 – Update on Centergy Staffing & Work Plan

Schock reported that the new director could not attend this meeting due to schedule changes so we will invite him back to a later meeting.

No action needed.

Agenda Item#4 – Discussion and Possible Action of the Metro Area Economic Development Strategy

Megan Will from the Regional Planning Commission presented their Metro Region Economic Development Assessment, which was an approved partnership between eight other pure communities in the metro region, including; Kronenwetter, Mosinee, Rothschild, Schofield, Weston, Rib Mountain and Marathon City. The EDA explores, identifies and analyzes demographics, housing, the labor force and economic trends in the Marathon County urbanized areas. This report used 2014-2016 numbers to capitalize on our regions assets, clarify our goals for each county and municipality and then the commission identifies and recommends solutions for our addressed regional challenges.

The presentation that Will showed is attached with these minutes, but a brief overview is below. The presentation is also on their website at www.NCWRPC.org.

The overall EDA report includes content such as; community overview and economic development history, demographics and housing, labor force, economic analysis, infrastructure and transportation, existing economic strategies and the next steps.

Demographics – The 1970's had a large growth population in this region and graphs attached show that the growth rate has substantially slowed and will continue to do so. Wisconsin and the Metro area are projecting to have a 14% population increase, as nationwide the number is closer to 23%. In 2014 the Wausau area had about 60% of the 65 year and older age group living here (which we call an "aged society") but in 2040 that number is projected to decrease to about 23%. The strategy that needs to be worked on here is how to keep the older adults living here and in the labor force.

Housing – Currently there are 33,000 households in the region and 36,000 housing units in the region. The median home value in the area is \$142,000 and the state value is \$165,000.

Labor Force – The report takes in effect the people that are living in the metro region, but don't necessarily work here. The report is also based on current labor trends and the numbers are always changing, for example, retail is dying and what will it do to the market? Well, retail trade has always been near the top of our labor force and with the issues surrounding the mall that is slowly decreasing. The projected job openings will be in the service industry, but unfortunately, these jobs don't pay the "living" wage. The cost of living is indeed lower here but compared to surrounding counties we pay lower, even though the living costs are the same. Commuting percentage shows that Wausau is the highest commuting area which proves how integrated our labor forces actually are. Approximately 30% of employees leave the county to work every day, but approx. 34,000 come in to work in the metro region.

Economic Analysis – Our metro region is expected to catch back up to the peaked 2006 numbers by 2018. An interesting number that Will found was that the Schofield area had more workers than residents. And another fact, manufacturing was and is the largest employer, but projections show that healthcare will outpace it. The most controversial topic was the Location Quotient Quadrant comparison. This analysis compared how concentrated an industry was related to the nation. The biggest factor is the number of different export industries. They support other jobs and circulate money between them and we only have 5 export industries. Instead of importing these products, we should make them here and that is what this report and the Supply Chain Gap Analysis report showed us. Wagner was concerned with the concentrated industry of manufacturing, as Will reported that we are looking at a projected 7.6% decrease within the next 10 years, which results in about 500 lost jobs in that industry. Wagner was surprised on this number so Will talked about how important this is to our region and how the industry is transitioning. The product and paper mill type manufacturers are decreasing, but the machine manufacturing looks to be gaining jobs. She also talked about the Crucial Regional Clusters and how these groups of industries are the ones that benefit from other industries. Currently, our metro region has 52 out of the 70 clusters.

In conclusion, Shock reported that the committee was reviewing and discussing the detailed report and will schedule the next steps. This report will give our region awareness of what type of programs and changes can be designed around these numbers.

No action needed.

Agenda Item#5 – Discussion and Possible Action on the Project Plan for Tax Increment District#12 (Downtown/Near North)

Groat presented the project plan and explained this as a rehabilitation district. Because of this they need to send notifications to all properties within the district and those have been mailed. Due to an upcoming number of development agreements, including; Micon, Macdonald, Wausau Chemical and Great Lakes Cheese (which both, when abandoned, will be donated to the City) was why this TID was formed. These properties, including other City owned properties and vacant properties with values, for the most part, made up the correctly sized district, as they wanted it large enough to offset deficits and were selected specifically if they were right for redevelopment. The financing committee came up with a new estimate for redevelopments in the next 10 years and used conservative numbers to come up with new value numbers and new tax increment numbers, after the start of construction and redevelopment. They needed to create the district and can now move into the project plan, which will include the placeholders on some properties with a 75% pay as you go estimate. There are future studies to be done on some of these properties, such as Forest & Short streets and parking improvements are always thrown into these TID district numbers.

Wagner had questions regarding the overlapping of the TID's and Groat explained that the old increments values are frozen and released into the new increment until the TID is retired. TID#12 is a smaller increment then TID#3 was, so this will help in unlocking the increment. Wagner was also concerned with how this would affect the cash flow and learned that once TID#3 is retired the frozen increments will be released to the general fund.

Peckham's concern was with the terms of the loan and the payments. Groat explained that there are different plans they can look at, whether its bond or conventional loans they will use any financing method that is available to us. The goal to this concern is timing and this decision will go through many committees, starting with the preliminary resolution on 6/27.

Rasmussen contributed her thought of the fact that some TIF funds will contribute to the general fund sooner than others and this plan is just a snapshot in time.

Groat set the timeline for the action on this TID#12 to be taken to the 6/20 Planning Commission and then the Joint Review board on that same day, then on 7/18 it will go to the Common Council and then shortly after they will set the next Joint Review board meeting to go over the preliminary resolution and then the final sale will happen in the August meeting. The reason this process took some time is because they were waiting for these larger negotiations with Wausau Chemical and Great Lakes Cheese.

Motion made by Rasmussen, second by Gehin to approve the plan as proposed. Motion passed 5-0.

Agenda Item#6 – Discussion and Possible Action on Riverfront Fundraising

Shock included a presentation of the Riverlife projects and reported that the Riverfront “working group”, the Wausau Chamber, HYPE, the Rivers Edge Commission and the Central Wausau Progress group was planning the kickoff fundraising and finalizing marketing materials. The entire presentation is on the website and the fundraising opportunities menu was made public and sent out to possible organizations interested in donating. Some foundations and organizations have already committed and they will keep a live version of this list on the website. Donations can be made through the City website or through the Community Foundation of Northcentral WI directly or through their website.

Rasmussen brought up the discussion of having donor bricks on site. She appreciated the ones done at the 400 block and thought it brought a feeling of ownership to the participants. Shock agreed on the feeling, but thought the process was hard to track and too high touch, making the process quite messy. He explained that the committee decided possibly to do something different for the participants, such as putting their names on the benches, tables, chairs and umbrellas in the park and then on a plaque and making that part of the art work at the park. The committee thought that was a good idea, also, but thought that we should still do the bricks. Wagner agreed with Rasmussen and brought up the idea of utilizing the community and possibly asking a service organization, for example; Wausau Noon Optimist, to support the City in this project. They could do all of the ordering and high touch part of the project and then it could be an ongoing fundraiser. If someone wants to buy a brick a year from now, we take out a dead brick and replace it with the participant’s brick. This way the fundraiser can be ongoing and we can continuously be promoting the park and the new riverfront area. Peckham asked the question if the “working group” ever considered using an outsourced professional fundraiser and Shock didn’t see the benefits in that considering that some of the larger funded items were already committed.

In conclusion, Shock agreed to keep the bricks on the fundraising menu and would be looking into partnering services. Rasmussen likes the idea that everyone will feel welcome and it will give people a feeling of ownership. She suggested the partnering service could be called “The Friends of River Life Park” and they would just do the brick fundraising for this specific project.

No action needed.

Agenda Item#7 – Discussion on Development Agreement Tracking and Status

The finalized master database to track the projects that are open and ongoing is complete. All projects are in compliance, except for the Collaborative project and the number of jobs that they said would be introduced this year. Collaborative has reported to be behind, but it will still happen as they are working with the state on a big hiring push and things are in process.

Peckham had a question regarding what has been in the media with the Ghidorzi property across from Menards and next to Kwik Trip on Stewart Avenue. As of right now, they are working on clarification of the development agreement and the inconsistencies.

No action needed.

Gehin left meeting at approximately 6:07 p.m.

Agenda Item#8 – Discussion and Possible Action on the Community Development Mission Statement

Schock presented the finalized mission statement that was crafted with all staff and human resources. There is a mission statement of the whole and then goals and projects divided into our different divisions of housing, planning, community development and economic development. This mission statement will be going through all of the boards and committees that work with the ED department, including the Planning Commission, Commissioners of the CDA and the Citizens Advisory Committee

Wagner had a recommendation for the first line, instead of “caring” we should just leave it out and start the sentence with “We strive for...” Peckham had a concern with the first bullet point under housing and didn’t understand what that meant by us providing affordable options. He thought maybe the words support or promote would work better and Shock will follow up with the CDA on that. Rasmussen’s recommendation was to use action words and thought this was a very good process.

No action needed.

Agenda Item#9 – Discussion and Possible Action on the Scheduling of a July Meeting.

Depending on the agenda items and the severity of the items the council was fine with foregoing a July meeting. Schock would look ahead with Groat and decide on the importance of a July meeting and then would talk to the council.

Adjournment

Motion to adjourn by Wagner, second by Peckham. Motion carried 4-0.

Adjourned in Open Session at 6:18 p.m.