

ECONOMIC DEVELOPMENT COMMITTEE

Date and Time: Tuesday, August 1, 2017 @ 5:00 pm., Council Chambers

Economic Development Members Present: Neal (C), Rasmussen and Gehin

Others Present: Groat, Schock, Smith, Stratz, Mielke 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 5:02 pm.

Approval of Minutes from 6/15/17

Motion by Gehin, second by Rasmussen to approve the minutes as read. Motion passed 3-0

Discussion on Commercial Rehabilitation Loan application for the property located at 3309 Terrace Court

Stratz introduced Ron and Lauren Glaman- owners of Vino Latte. Their business was previously located at the corner of Thomas Street and Grand Avenue and is relocating to 3309 Terrace Court, Wausau. They have applied for a Commercial Rehabilitation Loan and their application is included in the packet showing the proposed exterior renovations. Based on the bids that were submitted, the Glaman's qualify for a loan in the amount of \$50,000 in addition to \$500 toward the closing costs. Rasmussen stated that this program does not need committee approval because the project is financed with Community Development funds – not TIF funds but is brought to the committee for informational purposes. She added she liked the project and wished them luck in their new location. Neal added that he was sad to see them leave their current location but also wished them luck.

Discussion on Commercial Rehabilitation Loan application for the property located at 309 McClellan Street

Stratz introduced the Commercial Rehabilitation Loan application that was received from David Hummer and his business – Wausau Museum of Contemporary Art located at 309 McClellan Street. Mr. Hummer is not making any drastic changes to the exterior due to its historic nature. However, there are areas of deterioration that need to be addressed, handrail systems that need to be installed and a lot of painting. Part of the application includes bringing the plumbing/electrical and HVAC up to code. Attached is the proposed rendering of what the building will look like after the painting and renovations occur. Based on the bids that were received, this project qualifies for \$89,250 in rehabilitation expenses plus \$500 toward the closing costs. Committee members stated that they are excited to see this project completed and ready for business.

Update on the Riverlife Village Project

Mike Frantz presented multiple updates on the Riverlife project, including a construction update focusing on the ground work being done by the end of the year, final financing and environmental issues. Franz mentioned the lighting ceremony on August 20th and hopes that the Frantz/Investor billboard will be up by then. He also stated the Walker Dunlap is working on the permanent financial package in the next few weeks and the final should be ready shortly after that, including the demand and enthusiasm for the residential aspect of the project and also the 45,000 square feet of commercial office space that is expecting to be 100% leased by the end of the year. Great news regarding the optimizing of the environmental issues, as there were no unusual complications, which coincides with the desire of this project to be as "green" as possible. Tom, their construction management lead, told the council that they were working through and qualifying through all of the PACE guidelines, including energy efficiency to maximize all utility conservations and building components. Frantz also introduced his lender and equity partner, David Barker of Barker Financial who owns and manages over 3,000 units through the Midwest and has plenty of experience in the development and property management phases of these projects. His daughter, Meg, was also there to help in evaluating the project as she is heavily involved in their other projects. Barker mentioned that he was quite impressed with the site and work being done on the site currently. They are very excited about the project and Wausau. Schock then showed the council the loan payments and the amending development agreement, timeline and updated financial components that have been made through Design, Preliminary Engineering and the Financing.

Update on the Development Project Located at 2800 Stewart Avenue

Chris Ghidorzi presented the strategic retooling site plan for the property across from Menards which holds 9.2 acres. As the City approached them, letting them know that the compliance agreement for this land was coming close to its end, Ghidorzi has moved forward with pushing hard and meeting with new people to redevelop the land for retail, office space or a medical provider rather than the retail box stores that they originally planned for. Smith talked about his concern about all of the proposed office space around the area and having too much of it, especially with the mall turning JC Penney's into office space. Rasmussen argued with that point saying that the market typically dictates what type of business occurs and that the land use and competitive marketplace, including the developer and private sectors, make the decision on taking the risk or when the market is saturated enough. As the council, they are worried mainly about the tax base value and the job opportunities that the business is bringing in. People have been successful and proactive in leasing space and she is not fearful of having too much office space, as long as it's being used. Neal agrees that this project will be optimistic and that some business will benefit from being there.

Update on the Economic Development Marketing Strategy

Elizabeth Knight, from Aplomb, presented the National Proactive Marketing study and gave a brief update on the MAT marketing strategy release done in early June. The article as released and distributed on 6/9/17 and within days the article was placed on 1,067 online media outlets and seen on the website traffic by 143 million viewers within 30 days. In the report she included other statistics and what major cities picked them up. Both Schock and Knight have the full report if anyone would want to see it. The discussion then started about a second campaign and what direction it should run in, as there are still marketing funds available. Knight proposed that the current trend of this first campaign was the millennials and what Wausau is doing currently to attract them. Rasmussen suggested that we go a different direction for the second campaign and not forget about the millennials, but show different components of the area, such as; metal manufacturing, food services, technology and other new industries. She believes the expansion of industry, the water resource we have here and the Riverlife Village residential living will be a huge success to "our story". Knight agreed with these thoughts and explained that they would use the same channels of media, just more on the backend and also try to get in front of the industry and business decision makers, rather than the real estate agents and developers. She also thought that the next step would include different types of ad campaigns and social media recognition surrounding the Riverfront redevelopment and by tweaking the target audience. Neal believes that by looking at the results from the first campaign we can get great involvement and loves the second campaign's strategy so far. Nick O'Brien of MCDEVCO also commented that thought these were good topics and he would also like to see the cultural elements of the community be involved, such as momentum of the social aspect and how that has been rising, including arts and music. There is certainly a beneficial approach to lure both businesses and millennials here to Wausau now and Rasmussen agrees, as that will attract the workforce. Neal also agrees and says that the need of the mixed generations and their cultures will tie "our story" together.

Update on the Live It Up Wausau Program

The Live It Up photo opportunity at 4:15 pm happened with a new homeowner. This home is in the SE neighborhood at 124 Weston Ave, Wausau. As of this meeting, there are now 26 Business partners and 6 loans in the works just waiting for accepted offers and 3 or 4 in the pipeline to be approved. Rasmussen commented that we need to keep the loan funds fresh to continue to do this program, until we can rely solely on the loan re-payments, which may take a couple of years. She states that this program has been widely celebrated and has noticed that it was sourced and copied by other municipalities.

Discussion and Possible Action on the Draft Business Loan Subordination Policy and Procedures

Schock discussed the proposed Business Loan Subordination Policy and Procedures. Currently staff has a policy in place for other types of loans – residential and commercial rehabilitation but doesn't have one for TIF loans. Recently a subordination request came into the department and therefore, created a need to have policies in place. This policy gives staff the authorization to review a potential request of an existing TIF loan and to approve/deny based on the request and if it meets the guidelines. This will allow a quicker turnaround time for businesses to meet their financial needs and closings. If a request is out of the normal and does not abide by the policy, that request can then come before the Economic Development Committee and Council for their input and possible authorization.

Rasmussen agreed with the policy and the ability for a business to receive quicker answers for such requests and not having to wait possibly months to go through committees and council.

Rasmussen moved to approve the Business Loan Subordination Policy and Procedures as proposed. Gehin seconded. Motion approved 3 – 0.

Special Instructions or Directives to Staff:

Schock reported that there is a possible Business Campus land purchase to happen before the next September Council meeting so Sara will poll the Council members and see if a September 5, 2017 meeting would work prior to the September 12, 2017 Council meeting.

Rasmussen moved to adjourn the meeting. Gehin seconded. Motion approved 3-0.

Adjournment Time: 5:50 p.m.