

ECONOMIC DEVELOPMENT COMMITTEE

Date and Time: Tuesday, October 2, 2018 at 5:15 p.m., Council Chambers

Economic Development Members Present: Neal, Rasmussen, Gisselman and Martens

Others Present: Schock, Mielke, Jacobson, Groat, Rubow & Plaisance

Other Council Members Present: Nutting

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 Neal at 5:15 pm.

Approval of the Minutes from 9/4/2018.

No changes were made.

Motion by Gisselman, second by Martens to approve minutes with no changes. Motion passed 4-0

Presentation and Discussion on the Wausau Center Market Study and Redevelopment Analysis

Schock introduced the consulting team from Michigan on the conference call as Place and Main Advisors, LLC and Archive Design Studio. These companies have partnered with the WEDC consultants for the Phase 1 market study and redevelopment analysis of the Wausau Center.

Joe Borgstrom of Place and Main Advisors presented on the regional draw, senior age group growth, strong household income growth, surprisingly affordable rent rates which causes lack of high end units and difficulty for development due to increasing demand which leads him to believe there is a great potential for condos. Because of the targeted senior population growth he suggests medical condos, assisted living condos and young professional developments with urban format housing versus rent rates. He also sees a huge retail gap and due to that there is more supply than demand and causes overbuilt retail. He believes niche retail is still alive and we need to look beyond retail and housing, such as hotels, office space and specialty shops.

Mark from Archive DS spoke on the design concepts of the urban design and how the site can be reused. He thinks there are good bones in the city and wants to create more traditional downtown spaces and grow them over time. There is a potential for multiple blocks, which includes many phases and continued growth depending on the market condition and influences. The presentation is in no means a final design, just a recommendation of mixed use buildings and green space. All industries can be mixed into these blocks, such as; commercial, industrial, institutional (public and government), office, residential, non-institutional, parks, green spaces and retail.

Dorian from Archive DS talked more on the walkability and short and long term design concepts. He thinks that creating a smaller, walkable block structure you will intrigue more developers to buy the broken down, smaller sites. These sites would be small enough for favorable financing but large enough to make an impact and if you phase the projects and build over time you are creating a successful incrementally developed area. Parking is already in place, which is a huge asset, but with the potential new streets and new blocks you could add parallel or angle parking also for the walkability standpoint. In the more residential areas, there would be less sidewalks and more green space. All buildings, he recommends, should be 2 – 4 stories tall depending on the type of building, the use of the building and the market studies done in Phase 2 of the project. Mark agrees and thinks there are numerous ways these buildings can be built and positioned. In some of the presentation slides he went through they talked about commercial use, including retail, restaurant, services and office use in the red shaded areas where there is more pedestrian orientation along 3rd and Washington Streets and then on the end of the blocks you'd have your residential buildings with some commercial use for easy connection and an easy way to get from point A to B. He explains that in Phase 2 there will be actual square foot numbers and scenarios.

Rasmussen is inspired by the new concepts and likes the ideas of the new and old streets. She thinks that logistics, land use and ownership will all come in to play but it is a good start. She talked about the past when there was discussion on de-malling the mall and opening up 3rd Street so she likes that they were not far off the mark after hearing the professionals that are doing the market and concept analysis present. She also likes that the designs are moving forward, more urban, and yet still maintaining many elements in the recommendations. Neal thinks the conceptual designs should take in account the views we have here and we don't have to set our minds on the three story buildings. At this point Neal opened the floor up to public comments, asking that they are brief and do not get lengthy.

Judith Miller, 903 Kickbusch Street had a few questions for the consultants. She wanted to know if the same recommendations and the redressing the balance would be happening the same if the mall was gone already. Joe from Place and Main Advisors, LLC reacted that goods and services depend on a supply and demand. For example, the clothing retail

stores are overbuilt but there is a possibility to recapture large retail stores in different facets. Miller's second question was What kind of retail should we attract and Neal replied that duplication of services or goods and traffic patterns were a big factor in these recommendations. Boutique or specialty stores and restaurants are popular commercial use now. Lastly, Miller asked what the average price for the residential buildings would be and Neal answered that there were no exclusive rates looked at yet. There would be high and low rentals which would encourage diversity. Rasmussen explained that she thinks it is important for the committee and the community to keep an open mind and that many smaller retail tenants have changed their mind set on type of building (such as brick and mortar shops) and the flow of pedestrian traffic. These things evolve and that doesn't mean retailers need to move, they just need to reformat to the urban way. Martens enjoyed the conceptual designs and he asked the consultants how they envision this type of project to move forward. Would this be something where there would be green space while developments come in or would it just consist of current buildings until a developer decided on moving in? Schock explained that it would depend on the building owners and/or the developers that had interest in the project. The Sears property could certainly be the first one considering that the city owns it. Obviously if there was an owner that was interested in the whole development we wouldn't turn them down, but he doesn't foresee that.

Presentation on the Proposal Received for the Riverlife Area South of Fulton Street

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 Sherman Street Remnant Parcels RFP.**
- ➔ **Discussion and Possible Action on the Extinguishing of Ground Leases and Development Agreements with Barker Financial for Phase 1 of the Riverlife Project.**

**ROLL CALL VOTE – Neal, Rasmussen, Peckham, Gisselman and Martens.
Others Present: Groat, Plaisance, Jacobson and Mielke.**

Motion made by Rasmussen, second by Peckham to go into a closed session. Motion passed 5-0.

Motion made by Peckham, second by Martens to go back into Open Session. Motion passed 5-0.

RECONVENE INTO OPEN SESSION, if necessary

Motion made by Rasmussen that Central Wisconsin Real Estate's proposal will be selected and staff is directed to go back and negotiate a price because none was stated in the proposal, second by Peckham. Motion passed 5-0.

Motion made by Rasmussen that all four ground leases be terminated and both development agreements extinguished, second by Martens. Motion passed 5-0.

Motion by Peckham, second by Martens to adjourn the meeting. Motion passed 5-0.

Adjournment Time: 7:28 p.m.