

OFFICIAL PROCEEDINGS OF THE WAUSAU COMMON COUNCIL
held on Tuesday, August 28, 2023 in Council Chambers, beginning at 6:02 p.m.,
Mayor Katie Rosenberg presiding.

Roll Call

08/28/2023

Roll Call indicated 11 members present.

<u>District</u>	<u>Aldersperson</u>	<u>Present</u>
1	Lukens, Carol	YES
2	Martens, Michael	YES
3	Kilian, Tom	YES
4	Diny, Doug	YES
5	Gisselman, Gary	YES
6	McElhaney, Becky	YES
7	Rasmussen, Lisa	YES
8	Watson, Sarah	YES
9	Herbst, Dawn	YES
10	Larson, Lou	YES
11	Henke, Chad	YES

Presentation: WOZ/T-Wall Presentation on Foundry on 3rd Ph1, LLC First Amendment Request and Project Progress – Liz Brodek, Nick Patterson, Jeff Stubbe, Chuck Ghidorzi

Presentation was given by Liz Brodek, Director of Community Development, to provide context on previous development agreements and amendments, and the need for the current development agreement and the terms of that agreement. *Point of Order* raised by Larson against the direction of the presentation. *Point of Order was not well taken by the chair* and it was clarified that the educational presentation only was currently before the Common Council. Patterson gave an update on the status of construction on The Foundry on 3rd project. Stubbe, Executive Director of the Dwight and Linda Davis Foundation who supports WOZ, provided background on the current financial market in relation to the development. Ghidorzi gave an update on the ongoing infrastructure projects surrounding the development.

Public Comment: Pre-registered citizens for matters appearing on the agenda and other public comment.

- 1) Dave Eckman, President and CEO of the Wausau Chamber of Commerce and President of WOZ, spoke in favor of accepting the amendment to the Development Agreement for Foundry on 3rd.
- 2) Owen Jones, Owner of Jones Real Estate and Tommy Docks, spoke on the current real estate market and in favor of the Development Agreement for Foundry on 3rd.
- 3) Michael Loy, Board Member of the Greater Wausau Area Prosperity Partnership and Geared Equity, spoke on the current financial market and in favor of accepting the amendment to the Development Agreement for Foundry on 3rd.
- 4) Tyler Vogt, Owner of Malarkey's Pub & Townies Grill and the Westsider Diner & Lounge, spoke on the housing market impact on local businesses and in favor of the Development Agreement for Foundry on 3rd.
- 5) Sam Wessel, North Central Wisconsin Regional Planning Commission, spoke on the current local housing market.
- 6) John Tubbs spoke on the current banking industry and in favor of accepting of the Development Agreement for Foundry on 3rd.
- 7) Susan Lang, President of Emmerich Properties, spoke on challenges in redevelopment and in favor of accepting the amendment to the Development Agreement for Foundry on 3rd.
- 8) Matt Rowe, President of RuderWare and Chair of the Board of the Greater Wausau Area Prosperity Partnership, spoke on the limited housing options for new residents and in favor of the Development Agreement for Foundry on 3rd.
- 9) Jeff Sargent, Executive Director of United Way Marathon County, spoke in favor of all housing projects and in favor of the Development Agreement for Foundry on 3rd.
- 10) James Tipple spoke in favor of accepting the amendment to the Development Agreement for Foundry on 3rd.
- 11) Maggie Gordon, Co-Founder of Imaginarium, Inc, spoke on the mall redevelopment and community support for the children's museum, and in favor of the Development Agreement for Foundry on 3rd.
- 12) William (Bill) Panzgrau, Board of Directors of Open Door, spoke on the operations of The Open Door and in favor of terminating the ARPA Subrecipient Agreement between the City of Wausau and The Open Door.

23-0815

08/28/2023

Motion by Watson, seconded by Rasmussen, to approve the Resolution from the Economic Development Committee Approving the First Amendment to the Development Agreement for Foundry on 3rd Ph 1, LLC.

Rasmussen stated that the terms of the proposed amendment simply requested more time and questioned if there was a need to move into closed session. It was stated that the city must act as a good faith partner with developers.

Diny stated in response to Rasmussen that there is more lost than time, in reference to economic opportunities lost. It was stated that there was a need for the city to keep best practices in vetting agreements and amendments to agreements. Diny requested that a financial agreement be reached to give confidence to the Common Council that the terms of the agreement will be met.

Kilian stated it is appropriate to seek outside counsel to seek answers to questions by the Common Council and stated disagreements to comments given that indicated that there was ample notice given on the specifics and terms of this amendment to the agreement. It was stated that previous development agreement amendments do not compare to the current item and had their own challenges for the city. Kilian stated a position as the alderperson representing the district of the redevelopment that the city has kept up on the agreement and the developer should do the same.

Larson stated agreement with the remarks provided by Kilian and that the history with the developer over the past years prompts the need to go into closed session and ask critical questions with outside counsel.

Watson stated that interest rates have increased from historically low levels several times since the beginning of the discussion of the development agreement. It was stated that previous development agreements have occurred during the historically low interest rate periods. Watson stated that it was possible to set a new start date on the development and make it clear that another extension amendment would not be provided. It was stated that further delays will result in less funds provided to the developer due to the nature of the reverse TID agreement thus the developer did not have a vested interest in further delays and that due to the housing situation, further delays would not be in the interest of city taxpayers.

Lukens stated appreciation for Watson and public comment speakers for providing context of this item. It was stated that further delays were not in the interest of the city but starting over with the redevelopment was also not in the best interest of the city.

Closed Session

08/28/2023

Motion by Gisselman, seconded by Kilian, to convene into CLOSED SESSION pursuant to s. 19.85(1)(g), conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved, and (1)(e), deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session: relating to the proposed First Amendment to the Development Agreement with Foundry on 3rd Ph1, LLC, and the Purchase and Development Agreement and related amendments with Wausau Opportunity Zone, Inc. (Wausau Center Mall).

Roll Call Vote:

<u>District</u>	<u>Aldersperson</u>	<u>Vote</u>
1	Lukens, Carol	YES
2	Martens, Michael	YES
3	Kilian, Tom	YES
4	Diny, Doug	YES
5	Gisselman, Gary	YES
6	McElhaney, Becky	YES
7	Rasmussen, Lisa	YES
8	Watson, Sarah	YES
9	Herbst, Dawn	YES
10	Larson, Lou	YES
11	Henke, Chad	YES

Yes Votes: 11

No Votes: 0

Abstain: 0

Not Voting: 0

Result: PASSED

Reconvened into Open Session

23-0815

08/28/2023

Motion by Rasmussen, seconded by McElhaney, to hold action on the amendment as written, and direct staff to not take action on default provisions on the existing agreement and meanwhile work on an amendment with WOZ and the developer to draft the amendment in accordance with statements made here tonight during comment to pay or cause to be paid the cost of the delay and other such commitments made as part of the record tonight. Our expectation is that this would be completed within 60 days.

Diny stated support for the motion to further examine the amendment to the agreement.

Rasmussen stated that the motion would allow a group of partners to get together and agree on an amendment.

Gisselman stated opposition to the motion due to a disagreement with the development being inadequate to the needs of the housing situation of the city for building high-end housing projects.

Kilian stated opposition to the motion for similar reasons to Gisselman and stated that it was encouraging to see the city hold developers accountable.

<u>District</u>	<u>Aldersperson</u>	<u>Vote</u>
1	Lukens, Carol	YES
2	Martens, Michael	YES
3	Kilian, Tom	NO
4	Diny, Doug	YES
5	Gisselman, Gary	NO
6	McElhaney, Becky	YES
7	Rasmussen, Lisa	YES
8	Watson, Sarah	YES
9	Herbst, Dawn	YES
10	Larson, Lou	NO
11	Henke, Chad	YES

Yes Votes: 8 No Votes: 3 Abstain: 0 Not Voting: 0 Result: PASSED

22-1109 08/28/2023

Motion by Watson, seconded by Lukens, to approve a Resolution from Finance Committee Approving 2023 Budget Modification – Public Health Vending Machine Program (PHVM).

<u>District</u>	<u>Aldersperson</u>	<u>Vote</u>
1	Lukens, Carol	YES
2	Martens, Michael	YES
3	Kilian, Tom	YES
4	Diny, Doug	YES
5	Gisselman, Gary	YES
6	McElhaney, Becky	YES
7	Rasmussen, Lisa	YES
8	Watson, Sarah	YES
9	Herbst, Dawn	NO
10	Larson, Lou	YES
11	Henke, Chad	YES

Yes Votes: 10 No Votes: 1 Abstain: 0 Not Voting: 0 Result: PASSED

23-0808 08/28/2023

Motion by Lukens, seconded by Watson, to approve the Resolution from Finance Committee Approving the over hire of two street operator positions within the Department of Public Works.

Yes Votes: 11 No Votes: 0 Abstain: 0 Not Voting: 0 Result: PASSED

00-0808 08/28/2023

Motion by Lukens, seconded by Herbst, to approve the Resolution from the Finance Committee Approving withdrawal of funds from Wausau Cemetery Perpetual Trust Fund.

Yes Votes: 11 No Votes: 0 Abstain: 0 Not Voting: 0 Result: PASSED

23-0817 08/28/2023

Motion by Rasmussen, seconded by Watson, Resolution from the Finance Committee Approving Termination of American Rescue Plan Act Subrecipient Agreement between the City of Wausau and The Open Door.

Rosenberg stated clarification on the item to provide context that after challenges in staffing the entity is returning to their mission.

Yes Votes: 11

No Votes: 0

Abstain: 0

Not Voting: 0

Result: PASSED

Adjourn

08/28/2023

Motion by Lukens, second by Herbst, to adjourn the meeting. Motion carried. Meeting adjourned at 8:39 p.m.,

Katie Rosenberg, Mayor
Kaitlyn Bernarde, City Clerk