

# MINUTES

## Economic Development Committee

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*Date | time* Tuesday, January 5, 2021 at 5:15 P.M. | *Meeting called to order by* Neal at 5:15 P.M.

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### In Attendance

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Committee Members Present: Tom Neal (chair), Lisa Rasmussen (via webex), Sarah Watson (webex), Becky McElhaney and Tom Kilian

Others Present: Mayor Katie Rosenberg, Sean Fitzgerald, Patrick Peckham (webex), Brad Lenz, Tammy Stratz, James Wadinski (webex), MaryAnne Groat (webex), Dawn Herbst, Shannon Graff, Debra Ryan, Lou Larson, Anne Jacobson, Chris Norfleet, Ark Rhowmine, Sandy Kelch, Bruce Grau, Gary Gisselman, Tyler Knudson and Keith Sampica

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner.

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### Agenda Item #1 – Approval of Minutes from 12/01/2020

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Motion by McElhaney, second by Kilian to approve the minutes. Motion passed 5-0.

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### Agenda Item #2 – Presentation from MCDEVCO, Inc. on Wausau Cares 2020 Grant and loan program for small

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This item was put on the table due to the representative not being able to attend meeting.

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### Agenda Item #3 – Discussion and Possible Action on the issuance of a Request for Proposal (RFP) for Lots #6, #7 and #8 in the north zone of Riverlife

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Fitzgerald reviewed the proposed RFP for Lots #6, #7 and #8 in the north zone of Riverlife and explained there has been additional interest in these lots from developers. Fitzgerald requested approval from the committee to issue an RFP for those parcels.

Neal asked if there was language included in the RFP to reflect any past environmental or geologic issues.

Fitzgerald explained there isn't such language in the document but indicated it will be included. Fitzgerald explained there are phase 1, 2 and 3 environmental reports as well as reports on remediation work conducted on the lots. He said the city will make those reports available to prospective developers.

Kilian questioned if the city has an estimate or assumption of what external influences may do to costs, timing and logistics.

Neal responded that each year the cost of building increases regardless of any external influences and he anticipated the cost will likely remain steady or raise at the end of the pandemic because building activity will likely ramp up, increasing demand.

Rasmussen spoke in support of the RFP and stated the sooner the lots are developed and on the tax roll, the better it would be for the city.

Rasmussen recommended a 60-day turnaround for the RFP.

*Motion by Rasmussen, second by McElhaney to approve the release of the RFP. Motion passes 5-0.*

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#### **Agenda Item #4 – Discussion on concept of Community Land Trusts**

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Kilian presented an overview of community land trusts (CLT):

- Once land is in a community land trust, it is essentially there in perpetuity.
- There can be a mix of public and private participation which would allow residents to be part of the planning and execution of land in their neighborhoods.
- The land is held by the trust resulting in affordable housing in that the potential resident may purchase the home without having to purchase the land.

Neal supported the idea of the city looking into CLTs further and hearing from other communities who have started them to see what their learning curve was like and how they started.

Mayor Rosenberg supported the concept and reached out to Madison for more information. Mayor Rosenberg is curious how they run the public portion of their CLT.

Stratz discussed projects Community Development has worked on where the city has helped.

Rasmussen is interested in learning more about CLTs but cautioned this essentially locks down land use forever and could potentially stop an area from evolving. Rasmussen does not think the municipality can afford to subsidize entire areas.

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#### **Agenda Item #5 – Discussion and possible action on the proposal received for Thomas Street Phase 2 Remnant Parcel Housing Development Request for Proposal (RFP)**

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Fitzgerald explained this was a RFP the Economic Development Committee requested in October 2020 seeking builders for single-family homes on the six parcels the city owns on 100 block of East Thomas Street. One proposal was received by deadline from Tyler Knudson Construction LLC of Wausau. The contractor is proposing to purchase each lot for \$7,500 and build six single-family homes. Each home would be two stories, approximately 1,400 square feet in size and would be built in three phases of two homes each over a one year time.

McElhaney questioned tax revenue estimated in packet. Groat responded the estimated tax revenue for the city for each property after being developed would be about \$1,800.

Rasmussen spoke in support of the proposal. She indicated the proposal offers to purchase the property at a fair price and doesn't request any city participation.

Kilian spoke in opposition to the project. He opposed having a meeting with a controversial subject so soon after the holidays with little time for residents to digest the proposal and respond. He requested time to review the information with his constituents and hold a public meeting. He discussed issues of safety with environmental testing on the properties as well as affordability as it pertains to fit and price on this street.

McElhaney spoke in support of the proposal.

Neal spoke in support of the proposal.

Larson spoke in opposition of the proposal and stated the homes will turn the neighborhood into something it's not due to their price. He also mentioned the impact the price of these homes could have on property assessments for neighboring homes.

Ark Rhowmine, 1211 S. 10<sup>th</sup> Ave., spoke in opposition of the proposal and agreed there should be a task force to review affordable housing options.

Sandy Kelch, 802 Augusta Ave., spoke in opposition of the proposal and said she believed there is a need for more affordable housing. She did not think the price of the homes in the proposal was affordable.

Ryan spoke in opposition of the proposal. She said Wausau is in need of more affordable housing and this proposal does not provide that for residents. She also said the proposed price is not feasible for this particular neighborhood.

Bruce Grau, 1115 N 10<sup>th</sup> St., spoke in opposition of the proposal.

Peckham spoke in favor of the proposal. He recommended a task force to look into how to develop affordable housing in the city.

Mayor Rosenberg spoke in support of an affordable housing task force and said she would take this meeting as direction to look into establishing an initiative to address the issue.

Herbst spoke in support of the proposal.

Gary Gisselman, 319 Park Ave., spoke in opposition of the proposal.

Keith Sampica and Tyler Knudson from Knudson Construction discussed how the specifications in the RFP related to the homes being two story and having a two-car garage increase the price of the home. They also discussed the size of the yard and explained these homes allow room for growing families.

Kilian asked the proposers if lowering the size of the proposed homes would lower the selling price and if construction material prices would decrease post pandemic.

Knudson responded that reducing size of the homes in square feet is possible, but would make them less desirable. Additionally, Knudson said his materials supplier indicated he doesn't believe increased material prices will come back down in a post-pandemic market and will become the new normal pricing.

Chris Norfleet, 221 Scott St., spoke in opposition of the proposal.

*Motion by Rasmussen, second by McElhaney to approve the proposal from Tyler Knudson Construction LLC. Motion passes 4-1 with Kilian the dissenting vote.*

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### **Agenda Item #8 – Updates**

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- 1300 Cleveland Phase 2 environmental testing report
  - o Fitzgerald explained the environmental testing report was expected to be available in January but will likely be available in February instead. Data is being provided to the Wisconsin Department of Natural Resources for its evaluation of the results.
  - o Neal asked if there would be additional testing needed. Fitzgerald was uncertain of the report's findings at the time.
  - o Kilian stated the DNR told him that property had been rezoned to residential and cleanup standards would be higher if non-industrial zoning remains as is.
- U.S. Economic Development Administration Economic Assistance grant application
  - o Fitzgerald reported the city submitted an application for a grant from the federal government related to the coronavirus providing up to 80% matching funds. The grant outlines \$2.6 million in projects for some of the development of the infrastructure on the space where the mall currently sits. If the city is approved, Wausau could receive \$2.1 million from the federal government with a commitment from the city for a little more than \$500,000. Fitzgerald expects the city will receive a response to the application by early spring.
- Aedifix builds proposals for Riverlife and the Near North neighborhood along North 2<sup>nd</sup> Street
  - o Fitzgerald explained city staff is continuing to negotiate with the developer in an effort to bring a more refined proposal to the committee for consideration.

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### **Agenda Item #9 – Adjournment**

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*Motion by Kilian, second by McElhaney to adjourn the meeting. Motion passed 5-0.*

Adjournment Time: 7:05 P.M.