

ECONOMIC DEVELOPMENT COMMITTEE

Date and Time: Thursday, March 19, 2020 at 5:15 p.m., Council Chambers

Members Present: Tom Neal (c), Gary Gisselman, Patrick Peckham and Michael Martens

Members Absent: Lisa Rasmussen

Others Present: MaryAnne Groat, Anne Jacobson, Brad Lenz, Robert Mielke, Chris Schock, Dave Nutting and Michelle Van Krey

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 p.m.

1# Approval of the Minutes from 3/3/2020

Motion by Peckham, second by Martens to approve the minutes. Motion passed 4-0.

#2 Discussion and Possible Action on the acquisition of county-owned foreclosed property at 1407 N 2nd St.

Schock explained that the Community Development Department has expressed interest to the county for the blighted property at 1407 N 2nd St. The department has a couple different fund options available for this acquisition. Peckham asked if there were any other financial obligations tied to the property. Schock confirmed that the property was appraised at \$10,000 and had a delinquent utility bill of \$12,000 which the county paid when they acquired the property making the cost to acquire the property approximately \$22,000. Gisselman supports the acquisition of this property but expressed concern over the plan for Aedifix Holdings (Blenker) to put a 2 unit development on that lot.

Motion by Peckham, second by Gisselman to direct staff to pursue negotiations with the county to acquire the property. Motion passed 4-0.

#3 Discussion and Possible Action on supporting the Low Income Housing Tax Credit application by Gorman Company for the renovation of the Landmark Apartments.

Schock shared that Gorman Company has reapplied to WHEDA for Low Income Housing Tax Credit (LIHTC) for the Landmark Apartments. This would be the largest LIHTC project in the City to date and would add affordable housing to the downtown area. The Community Development Authority has approved a loan to Gorman Company to compliment tax credits and financing to make this project happen.

Motion by Gisselman, second by Martens to support the application. Motion passed 4-0.

#4 Discussion and Possible Action on the proposal received for 180 E Wausau Ave. (former Wausau Chemical truck warehouse)

Dan Weber, Timekeeper Distillery, and Lyn Kearns, Mosinee Brewing Company, shared a presentation of their proposal for Wausau Barrel House and Cannery at 180 E Wausau Ave. The proposed project would have a canning line, incubator kitchen, winery, event space, food truck stalls and storage for whiskey barrels among other things. The construction costs are estimated at \$990,000 to \$1.2 million and equipment costs are estimated at \$500,000.

Romey Wagner, manager of the Entrepreneurial & Education Center, spoke in strong support of this project and how it will benefit the community.

Guy Fredel, local attorney, spoke in support of the project while highlighting the success that Mosinee Brewing Company has had and the benefit this project will be providing to the community.

Schock explained that the department does not have the full amount they are asking for in the Commercial Rehab fund so the loan would have to come from TIF or a combination of the two.

Peckham asked if there were any environmental concerns. Schock indicated that when the Phase 1 was done on all Wausau Chemical properties this property had no concerns.

Gisselman questioned the availability for parking which Weber explained was ample for day to day operations of the business and that for large events the new lots near the Woodchucks Stadium could be used if there was not a conflict with a baseball game.

Motion by Gisselman, second by Peckham to support the proposal. Motion passed 4-0.

#5 Discussion and Possible Action on a proposal received from Aedifix Holdings (Blenker) for the proposed construction of townhomes on city-owned land at 2nd & 3rd Sts between Short and Bridge Sts; and along River Drive at Fulton St.

Schock explained that this item was re-agendized from the last meeting to give Aedifix Holdings (Blenker) the opportunity to explain why they asked for the City support that they did. Neal pointed out that the committee had asked staff to explain the concern to the developer regarding their initial proposal and their ask for high City involvement but that did not change the amount of support they are asking for.

Peckham expressed concern that the property is just being given away to the first person to express interest and that perhaps it should go out for RFP. Martens encourage the proposer to take another look at the financial associated with this project to see what could be trimmed down.

Neal directed staff to go back to the proposer to hammer out details and in the meantime leave the lots open for other interested parties if they come forward.

#6 Discussion and Possible Action on a Commercial Rehabilitation Loan application and tax increment financing request for the renovation of the Plaza Hotel at 201 N 17th Ave.

Jay Govardhan, applicant, called in to the meeting to explain that he was in the process of buying the other owner of this property out. He has been an owner since June of 2018 and is looking to change the brand of the hotel to Best Western and improve the quality of rooms.

Schock explained that the north lot of the property would be subdivided and sold. The back lot of the property which is the pool and banquet hall would be demolished and sold to a multifamily developer. The remaining hotel would be renovated to meet Best Western standards. The owner is requesting a commercial development loan and reverse TIF for 1 year.

Motion by Peckham, second by Martens to support the application. Motion passed 4-0.

#7 Discussion and Possible Action on the proposal received for Riverlife Phase 3 Mixed Use Building at 1200 N River Dr. and associated parking in the Riverlife North Zone.

Schock shared that the current developer is ready to move forward with the mixed use building proposed for the Riverlife development. They plan to use the same footprint as the initial plan from Mudrovich. The request is for more parking to be added in that area to accommodate a commercial space as well as reverse TIF of 9% of construction value capped at \$899,000. The project will begin construction when 65% of the space has been preleased.

Motion by Peckham, second by Martens to support the term sheet as proposed to move to Finance

Committee. Motion passed 3-1.

#8 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:

Closed session was not required and no action was taken.

#9 Reconvene into Open Session, if necessary

Closed session was not required and no action was taken

#10 Updates

Presented by Schock.

- Fix It Up Wausau

Schock summarized the memo that Michelle Van Krey wrote to the committee about the two Fix it Up loans that have closed so far.

- North Riverfront site planning

The demo of the Great Lakes Cheese building went out for proposal again since the original demo contractor passed away in December. Proposals have been received and a new demo contractor will be picked.

- Wausau Center Mall

WOZ is interviewing firms for the planning process. The goal is to unify the previous studies and plans that have been for the mall area with their new plan for the mall.

- Shopko

The owner is marketing the property for redevelopment and 18th Ave will be relocated slightly north to allow for better traffic flow and a larger development parcel to the south of 18th Ave.

- Next meeting date

If there are items that need to be addressed before the election the committee will set a meeting date.

#11 Discussion and Possible Action on allowing staff to approve the deferral of loan repayment on city loans to small businesses to assist business operations impacted by COVID-19 on a case by case basis for as long as necessary.

Schock recommends giving staff the opportunity to defer payments on city loans as necessary in response to the COVID-19 pandemic. For the loan programs that are serviced in house, staff already have the ability to work with borrowers to defer or set up payment plans but for other types of loans, like TIF loans, staff do not have authorization to defer. Interest would continue to accrue but payments would not be necessary during this deferred time.

Martens expressed concern over having a time frame set to this deferral program so that borrowers have to request this deferment within an appropriate amount of time. His suggestion was during the declared state of emergency.

Neal supports allowing staff to have the authority to work with borrowers to defer payments.

Peckham would also like to set a time frame for the borrowers to request deferment. He suggested for up to year.

Motion by Peckham, second by Gisselman to give staff the authority to defer loan payments on a case by case basis for up to a year from March 19, 2020. Motion passed 4-0.

Special Instructions or Directives to Staff:

None

Motion by Martens, second by Peckham to adjourn the meeting. Motion passed 4-0.

Adjournment Time: 6:36 p.m.