MINUTES

Economic Development Committee

Date | time Tuesday, March 30, 2021 at 5:15 P.M. | *Meeting called to order by* Neal at 5:15 P.M.

In Attendance

Committee Members Present:	Tom Neal (chair), Lisa Rasmussen, Sarah Watson, Becky McElhaney (Webex) and Tom Kilian (Webex)
Others Present:	Mayor Katie Rosenberg, Sean Fitzgerald, Anne Jacobson, Patrick Peckham (Webex), MaryAnne Groat (Webex), Shannon Graff, Lou Larson (Webex), William LaBar (Webex), Terrence Wall (Webex), Mitch Viegut, Tyler Knudson, Keith Sampica, Elgin Hushbeck (Webex), Chuck Ghidorzi and Dave Eckmann

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

Agenda Item #1 – Approval of Minutes from 02/02/21

Motion by Watson, second by Rasmussen to approve the minutes. Motion passed 5-0.

Agenda Item #2 – Discussion and possible action on compliance of development agreement by Collaborative Consulting, Inc. d/b/a Collaborative Domestic Solutions Center-Wausau LLC

Fitzgerald explained the development agreement between Collaborative Consulting as described in the packet. Fitzgerald noted Collaborative Consulting was acquired by CGI a few months prior to the expiration of the jobs creation period identified in the development agreement. In discussions between CGI's corporate attorney and City of Wausau attorney, CGI recognized the terms of the agreement were not met.

Fitzgerald presented three options, as determined by the city attorney and staff, to remedy the situation.

Rasmussen recognized the failure to follow up on the development agreement but suggested a resolution that shows the City of Wausau takes its development agreements seriously. Rasmussen does not think making CGI pay back money is appropriate and recommended modifying the existing development agreement.

Neal expressed concern about the contradictory language in the development agreement as well as no specific information regarding claw back of funds if goals were not met.

Kilian stated the City of Wausau would be setting a poor example to residents if the city does not pursue enforcement. Kilian made a motion to fully enforce the agreement. Rasmussen seconded the motion and said she's not willing to simply not acknowledge this issue.

Attorney Jacobson stated a demand letter was drafted, but was told to hold it by a former employee.

Larson expressed disapproval of information in the media in regard to recommendations on how to resolve the matter.

Rasmussen suggested developing a legal strategy in closed session. Rasmussen divorced her second to Kilian's motion.

Neal suggested to table this item for a later date in closed session.

Agenda Item #3 – Discussion and possible action on the development proposals received from the Riverlife north zone RFP

Fitzgerald introduced the development proposals the city received for the Riverlife north zone and introduced the developers to summarize their respective proposals and tax incremental financing requests.

Viegut from Wausau Riverlife, LLC presented its proposal first, as identified in the packet.

Rasmussen asked if Wausau Riverlife, LLC planned to break ground yet this year, and Viegut replied that he would.

Kilian asked for more detail on what the developer is requesting from taxpayers. Viegut replied there would be no upfront cost to taxpayers, and that the $688,000 TIF request would be paid after the project completion.

Wall from T.Wall Enterprises, LLC presented its proposal as outlined in the packet.

Rasmussen asked how the developer arrived at its TIF request. Wall replied they typically request 15 to 18 percent of development cost and receive free land but are requesting less with this project. He said there are always unexpected costs that arise, but that it's also developer financed which means they're taking the risk.

Kilian motioned to accept the proposal from Wausau Riverlife, LLC. There was no second to the motion.

Neal commented he expected this to be the committee's first pass at the proposals and would like to see a more refined presentation from each developer. Rasmussen agreed with Neal that a second review along with renderings from the developers is desirable as well as a closed session to discuss the city participation.

Neal reiterated the goal of the Riverlife project and requested a more refined presentation of the developers' proposals at a special session. McElhaney agreed with Neal's comments in needing more detail from developers.

Neal tabled this item for a special session scheduled for April 22.

Agenda Item #4 – Discussion and possible action on the developer request to amend the Thomas Street remnant parcel single-family housing proposal

Fitzgerald reviewed the amendment to the development agreement as presented in the packet.

Neal requested clarification from the developers if their request is to purchase one lot and build one home at a time.

Sampica responded that their bank did not give board approval for the full scope of the project upfront, leaving them with only enough financing to construct the first home. He also indicated his bank's concerns around the public confusion regarding environmental issues raised in the neighborhood.

Rasmussen spoke in support of the amended proposal and said she doesn't feel all of the lots need to be developed immediately and there is no loss to the city if it takes a couple extra years to develop the lots.

Neal asked the developers if they truly sought the support of the committee. Knudson responded they are still committed to the project but there were unexpected variables that arose – citing the price of building materials, fear of contamination and potential purchase price – all of which potentially damaged the market to sell the homes. Knudson expressed this is an opportunity to be recognized as a builder in the community and asked for time and flexibility from the committee.

Kilian asked Fitzgerald if the initial RFP was to purchase all the properties at one time. Fitzgerald responded he believed that to be the intent of the committee when it approved the RFP.

Kilian followed up that the proposal was for all of the properties and the issues with the lender do not inspire confidence for him. He also mentioned the email received by Ald. Larson from the DNR regarding the environment history of the area. He also expressed concern if these developers do not build on all six parcels, it could lead to a patchwork of housing typology on the remaining lots.

Rasmussen asked the developers if they would buy all six lots and build one home at a time. Rasmussen disagreed with the possibility of patchwork housing if the builder does not buy the remaining lots because they're only building at the furthest east of the parcels. Sampica responded their preference is to buy one lot at a time starting with the east lot.

Rasmussen said she would possibly move to approve an amendment if the remaining lots would be listed for sale so the city doesn't sit on them for several years.

Neal asked the developer how they would feel if a new RFP was issued for the remaining parcels. Sampica replied they would be alright with the other lots being sold. They initially expected there to be proposals from other developers and thought they would only purchase one or two parcels and the other lots would go to different developers.

Rasmussen moved to approve the sale of the eastern most lot to Knudson Construction for them to build one of the home designs in their initial proposal and list the remaining five properties for sale. Seconded by Watson.

Watson asked if the remaining parcels are sold if they had to be homes. She asked if the parcels weren't developed as homes, could that potentially eliminate the environmental concerns with respect to people living there.

Attorney Jacobson asked Rasmussen if her motion meant this wouldn't be the sale of just one lot, but it is contingent on them building the design they proposed. Rasmussen responded the builders submitted renderings of a few different designs, all of which were desirable. Rasmussen said if the developer decides to build something drastically different than the drawings in their proposal, the committee would need to see those drawings.

Kilian asked if the committee is within its bounds to pull the proposed amendment apart and put the other lots up for sale when the agenda item referred to amending this developer's specific proposal. Kilian said it does not give the public sufficient information on what action was going to be taken.

Jacobson responded that the city is not legally or technically amending the proposal because the original resolution was rescinded, therefore any action is on the table. Kilian responded he would support amending the developer's proposal but not take immediate action on the remaining five lots.

Fitzgerald said city staff would like to maintain some control of the end use of the remaining lots put up for sale.

Neal asked if Rasmussen saw merit in divorcing her motion. Rasmussen responded if the committee cannot agree to list the other properties for sale, she would amend her motion to sell the eastern most parcel to Knudson Construction and come up with a plan for the remaining parcels soon. Watson seconded the amended motion.

Peckham spoke in support of selling the other five lots and suggested the buyer can decided whether the home built has a basement or not.

Larson said it's a double standard in the neighborhood to have one side of the railroad tracks with issues related to contaminants. He suggested if the parcels are sold without Phase I and Phase II testing, that legal verbiage be drafted that in the event someone gets sick from building on the lots, they cannot come back at the city in the future with any sort of lawsuit.

Motion by Rasmussen, second by Watson. Motion passed 4-1, with Kilian dissenting.

Agenda Item #5 – Discussion and possible action on the release of a request for proposal for the redevelopment of the former Westside Battery property at 415 S. 1st Ave

Fitzgerald reviewed the drafted request for proposal (RFP) as presented in the packet.

Attorney Jacobson discussed the proposal from Zenith Tech, Inc. to lease the lot through part of October and then month to month thereafter.

Rasmussen suggested releasing the RFP. Watson suggested asking developers to cite use of green technology within the proposals and incentivizing use of green technology in the proposal scoring metric.

Watson made a motion to release the RFP with language about use green technology. Second by Rasmussen. Motion passed 5-0.

Agenda Item #6 – Updates

Fitzgerald introduced the mayor to discuss conversations regarding an affordable housing initiative.

Mayor Rosenberg suggested a task force be created and discussed who would be included to address affordable housing. Mayor Rosenberg requested input from the committee on what the committee would like to see from the task force.

Rasmussen supported the idea of an affordable housing task force. Neal supported the idea of networking with neighbors but expressed concerns about reaching a consensus.

Kilian supported establishing a task force as quickly as possible. McElhaney also supported such a task force.

Watson asked if this task force would be a duplication of the Stop the Covid Spread Coalition.

Agenda Item #7 – Adjournment

Motion by Watson, second by Kilian to adjourn the meeting. Motion passed 5-0.
Adjournment Time: 7:30 P.M.