JOINT FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE

Date and Time: Wednesday, April 8, 2020 at 5:15 p.m., Council Chambers

Economic Development Committee Members Present: Tom Neal (c), Gary Gisselman, Lisa Rasmussen Patrick Peckham and Michael Martens

Finance Committee Members Present: Lisa Rasmussen (c), Linda Lawrence, Michael Martens, David Nutting and Dennis Smith

Others Present: MaryAnne Groat, Anne Jacobson, Brad Lenz, Robert Mielke, Chris Schock, Tammy Stratz 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 5:22 p.m.

The Finance Committee meeting was called to order by Rasmussen at 5:22 p.m.

1# Discussion and Possible Action on the deferral of interest and principal payments on city-funded loans and groundlease payments of small businesses impacted by COVID-19 for a period not to exceed one (1) year.

This item was referred back to committee by council because of some concern regarding the lack of criteria for businesses to request this deferment. Schock explained that the purpose of this deferral is to allow the administration to defer TIF loans on a case by case basis. Staff already work with borrowers on non-TIF loans when necessary but TIF loans are tied to a development agreement that would take Council action to change. Each TIF loan would have to go through committee and council in order to approve a deferment unless this authority is given to the administration to defer during this emergency time. Interest will continue to accrue but payments will not be due and no late fees will be assessed during the deferment period.

Rasmussen shared concern that if this resolution goes back to council with no changes it will delay this process even further.

Schock explained that criteria doesn't need to be created since the intention is to defer all loans during this time. Lawrence shared that after hearing Schock explain the intent of this process she agrees that no criteria needs to be created since it would create a more burdensome process for the administration.

Rasmussen suggested that the timeline be shortened to 6 months and could be revisited after 6 months if the situation is still occurring and that Community Development staff should be the ones administering the deferment and not the Mayor.

Discussion occurred regarding if criteria should be created to determine a level of need or if all loans should be deferred.

There was concern from some committee members that businesses would take advantage of our deferment and take it even if they didn't need it at this time. Mary Anne Groat, Finance Director, clarified that interest will still accrue during this time so if business were still able to pay during this time it would be beneficial to them to keep paying.

Peckham suggested edits to the resolution include an offer of deferment for all loans and ground lease payments for a period of 6 months with the decisions to be made by Community Development staff instead of the Mayor.

Anne Jacobson, city attorney, suggested that language be added to clarify how long staff has this authority and suggested that this would apply to current loans only and not future loans.

ED Committee: Motion by Peckham, second by Gisselman to accept the amended the resolution giving staff the authorization to defer loans on a case by case basis for up to six months. Motion passed 5-0.

Finance Committee: Motion by Nutting, second by Martens to accept the amended the resolution giving staff the authorization to defer loans on a case by case basis for up to six months. Motion passed 5-0.

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

Schock explained that this is a multi-based redevelopment proposal which would divide the Plaza Hotel lot into three lots. The northern lot would be sold for redevelopment, the tower portion of the hotel would be remodeled and the ballroom/pool area of the hotel would be demolished and sold to a multi-family housing developer, Lokre Company. There are two agenda items but it is important to note that they have to move in tandem since the sale of the property is part of the equity to be able to renovate the hotel.

Rasmussen spoke in support of the project, noting that the Plaza Hotel has been in need of repair for a long time and if the hotel is updated and rebranded we could see an uptick in room tax dollars because reservations will most likely increase.

ED Committee: Motion by Peckham, second by Rasmussen to accept application. Motion passed 5-0.

Finance Committee: Motion by Nutting, second by Smith to accept the application. Motion passed 5-0.

#3 Discussion and Possible Action on the tax increment financing request for the demolition and proposed multifamily residential project at part of the current Plaza Hotel at 201 N 17th Ave.

Rasmussen supports this request because despite the increase in housing developments recently the city is still in need of more housing to meet the demand. Nutting agrees and notes that this development would be on the bus line which is a bonus.

Smith shared concerned about the project and the possible price of the apartments and the ability to fill them at those prices.

Rolly Lokre, the developer, shared that developments like this take a risk like Smith said but that their research has shown that the market is underserved in Wausau and there is a need for more apartments. Within this development there will be a variety of rental price ranges but all still high end in nature. Units would also range in size from 1-3 bedrooms.

Lawrence asked Schock to expand on the ‘but for’ nature of this project. Schock explained that this project cannot happen unless the blighted, ballroom portion of the Plaza Hotel is demolished which is not able to be renovated due to its poor condition.

ED Committee: Motion by Rasmussen, second by Peckham to accept the request. Motion passed 4-1 with Gisselman being the no vote.

Finance Committee: Motion by Nutting, second by Lawrence to accept the request. Motion passed 5-0.

#4 Discussion and Possible Action on approving an application to the U.S. Department of Housing and Urban Development to become a HUD Approved Housing Counseling Agency.

Schock explained that this was a previously passed resolution that needs updating because HUD asked that instead of using the word “certified” the word “approved” is used instead.

ED Committee: Motion by Peckham, second by Gisselman to approve the application. Motion passed 5-0.

Finance Committee: Motion by Nutting, second by Smith to approve the application. Motion passed 5-0.

Special Instructions or Directives to Staff:

None

ED Committee: Motion by Gisselman, second by Peckham to adjourn the meeting. Motion passed 5-0.

Finance Committee: Motion by Nutting, second by Smith to adjourn the meeting. Motion passed 5-0.

Adjournment Time: 7:02 p.m.