



OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

Meeting of: **ECONOMIC DEVELOPMENT COMMITTEE**

Date/Time: **Tuesday, December 1, 2020 at 5:15 p.m.**

Location: **City Hall, Council Chambers**

Members: Tom Neal (C) , Lisa Rasmussen, Sarah Watson, Becky McElhaney and Tom Kilian

AGENDA ITEMS FOR CONSIDERATION (All items listed may be acted upon)

- 1 Approval of the Minutes from 11/04/2020
- 2 Discussion and Possible Action on the extension on the deferral of interest and principal payments on city-funded loans and ground leases for small businesses during the COVID-19 pandemic.
- 3 Discussion on street layout options for the former Great Lakes Cheese property in the North Riverfront area
- 4 Updates
 - Riverlife area development progress
 - 1300 Cleveland environmental testing progress
 - Thomas Street Remnant Parcels Housing RFP
- 5 Adjournment

It is likely that members of, and a quorum of the Council and/or members of other committees of the Common Council of the City of Wausau will be in attendance at the above-mentioned meeting to gather information. **No action will be taken by any such groups.**

This Notice was posted at City Hall and emailed to the Media on 11/25/2020

Due to the COVID-19 pandemic, this meeting is being held in person and via teleconference. Members of the media and the public may attend in person, subject to the social distancing rules of maintaining at least 6 feet apart from other individuals, or by calling 1-408-418-9388. The Access Code is **146 589 2496**. Password is **ZTkxs94v2re**. Individuals appearing in person will either be seated in the Council Chambers or an overflow room, subject to the social distancing rules. Space available will be on a first come, first served basis. All public participants' phones will be muted during the meeting. Members of the public who do not wish to appear in person may view the meeting live over the internet at <https://tinyurl.com/WausauCityCouncil>, on the City of Wausau's YouTube Channel https://www.youtube.com/channel/UC-Nigpdco_i8sq5FbbJD_aw, live by cable TV, Channel 981, and a video is available in its entirety and can be accessed at https://www.youtube.com/channel/UC-Nigpdco_i8sq5FbbJD_aw. Any person wishing to offer public comment who does not appear in person to do so, may e-mail Sean Fitzgerald at sean.fitzgerald@ci.wausau.wi.us with "Economic Development Committee public comment" in the subject line prior to the meeting start. All public comment, either by email or in person, will be limited to items on the agenda at this time. The messages related to agenda items received prior to the start of the meeting will be provided to the Chair.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 (ADA), the City of Wausau will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs or activities. If you need assistance or reasonable accommodations in participating in this meeting or event due to a disability as defined under the ADA, please call the ADA Coordinator at (715) 261-6590 or ADAServices@ci.wausau.wi.us to discuss your accessibility needs. We ask your request be provided a minimum of 72 hours before the scheduled event or meeting. If a request is made less than 72 hours before the event the City of Wausau will make a good faith effort to accommodate your request.

Other Distribution: Media, Alderpersons, Mayor, City Departments

ECONOMIC DEVELOPMENT COMMITTEE

Date and Time: Wednesday, November 4, 2020 at 5:15 p.m., Council Chambers

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

Others Present: MaryAnne Groat, Anne Jacobson, Brad Lenz, Katie Rosenberg, Sean Fitzgerald, Deb Ryan, Patrick Peckham, Lou Larson, Dave Eckmann, Michael Loy, Mary Thao, Gary Gisselman, Chris Norfleet and Patti Kaiser.

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.

Agenda Item #1 Approval of the Minutes from 10/06/2020

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

Agenda Item #2 Discussion and possible action on the amendment to the Development Agreement with Wausau Opportunity Zone (WOZ) for the redevelopment of the Wausau Center Mall property.

Fitzgerald introduced City Finance Director Groat who explained the development agreement amendment as outlined in the packet. Mayor Rosenberg further explained the modified development agreement is an opportunity for the council to take ownership of the development as well as receive assurances the project will provide a guaranteed minimum tax revenue to the city in future years.

Eckmann from Wausau Area Chamber of Commerce addressed the overarching economic development strategy behind the mall redevelopment plan as a placemaking initiative to attract workforce talent to the region. Loy, the chair of the chamber's board of directors, explained the organization's economic development plan is geared toward marketing the community's assets to potential workforce recruits, and that the mall renovation proposal is an effort to highlight the community's vitality.

Rasmussen indicated Wausau has a good deal of recent development to celebrate and that its \$200 million growth in property value since 2016 has been historic. She indicated sufficient due diligence has been done to modify the WOZ development agreement in a manner that reflects promises made by council members during their campaigns for office this past spring 2020.

Neal indicated it's necessary for the community to take a bold stance and move forward with development projects in this current economic environment.

Larson indicated he is unable to support the amended agreement because the city doesn't own the building and he doesn't support spending city money to build new roads in the downtown when he feels existing infrastructure in his district is outdated and in need of modernization.

Kilian asked about how the amount of the annual payment of \$327,000 was conceived. He also asked about how the practice of using a disbursement agent was conceived. Groat responded she was not aware

of the genesis behind the annual payment figure. Kilian cited a letter from the city's outside legal counsel identifying the 2018 tax bills for mall properties equaled approximately \$327,000.

Eckmann explained the figure was intended to assist with operating shortfalls for the first part of 2020. Kilian said he believed there is some confusion the developer payment made to WOZ could be used to pay its property taxes. Eckmann responded the developer payment could be used for operating expenses, but has not been tapped into at this time.

Ryan suggested using the existing facility for other purposes and asked if WOZ had pursued other options for the existing structure. She said she would not support spending city money for its further development.

Rasmussen reiterated the city is unable to forgive property taxes, and explained tax increment financing can be used by the city as a funding mechanism for a variety of development expenses. She said no elements of this negotiation with WOZ were conducted in an illegal manner. She said if no modifications are made to the existing development agreement, the city would ultimately have no return on its investment on the mall property in future years.

Kilian asked Atty. Jacobson if it's an acceptable practice to reimburse property taxes with TIF funds. Jacobson referenced reversed TIF funding as an often-used and acceptable manner of providing support for developers. Kilian also suggested there had been no public analysis of the phase 1 environmental study conducted on the mall property.

Groat said she researched the 2018 tax bill for the mall property and identified \$274,000 for the main facility itself, a \$53,000 tax bill for the JC Penney property, and no tax bill for the Sears property because the city owned it during that year. Groat also noted those tax bills did not include any assessment for land value because the city had owned the land on which the mall was constructed.

Rasmussen clarified the amendment under consideration is to make the existing agreement even better. Neal reiterated the amendment to the agreement is a grand improvement on behalf of the city. Kilian had asked the committee to go into closed session to consult with legal counsel. Atty. Jacobson said the matter could go into closed session if a majority of the committee acted upon a motion to do so.

Motion by Rasmussen, second by Watson to approve the amendment to the development agreement with Wausau Opportunity Zone (WOZ). Motion passed 4-1, with Kilian the dissenting vote.

Agenda Item #3 Discussion and possible action approving the project plan amendment 3 of Tax Incremental District #7 to serve as a donor district to Tax Incremental District #12.

Groat explained the tax increment finance district donor proposal as outlined in the packet. She said the measure is a financial strategy to reduce debt and reduce interest payments on city debt. Groat said the first year of exercising the option to use any additional increment would be in 2023 to assist with the budget allocation in that year.

Rasmussen clarified this process of approving a project plan amendment helps to mitigate taxpayer risk. She said it reserves the council's right in future years to have additional financing options.

Kilian asked the committee if they knew of any vote ever presented to the TIF joint review board that had not been rubber stamped. Rasmussen said the financial professionals who work for the county, schools

and technical college district are thoughtful in their deliberations and would not necessarily provide the city with a rubber stamp.

McElhaney asked about how the funding process will be structured in the first two years before the donor TIF becomes available. Groat explained sources and uses of funds for 2021 would be \$3.5 million in developer payments and \$1.2 million in street and infrastructure costs all funded by borrowing. She said debt service payments made from the incremental tax revenues between 2023 and 2025 would cover about 80 percent of the debt, and the full debt would ultimately be retired by 2028.

Larson indicated the city debt has increased and asked how the city is able to take care of its roads when it has so much debt. Groat explained additional tax increment from TID #6 and TID #7 had been used to update various city infrastructure, citing Thomas Street, First Avenue, Cedar Street and the medical campus.

Kilian asked for the relationship between net new construction and levy limits in Wisconsin. Groat explained the process outlined in state statutes for calculating levy limits. Kilian then asked if the city could be at risk for having to raise taxes if it experiences large increases in net new construction over time. Groat answered that it wouldn't be likely to need to raise taxes because there is a 2 percent cap in place through state statute to not penalize municipalities for excessive growth in net new construction.

Motion by Rasmussen, second by Watson to approve the project plan amendment 3 of Tax Incremental District #7 to serve as the donor to TID #12. Motion passed 4-1, with Kilian the dissenting vote.

Updates – Given by Fitzgerald

- **Wausau Center Mall Planning**

Fitzgerald indicated both of the measures approved during this meeting would go to the city's Finance Committee on November 10, 2020, then to a public hearing at the Plan Commission on November 17, 2020, then on to a meeting of the Joint TIF Review Board, and then ultimately brought before the full city council for approval on November 24.

- **Aedifix Builds proposal for the Riverlife area and for the Near North neighborhood.**

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 for its December 2020 meeting.

Adjournment

Motion by Kilian, second by Rasmussen to adjourn the meeting at 6:50 p.m. Motion passed 5-0.

Adjournment Time: 6:50 p.m.



Planning, Community and Economic Development

To: City of Wausau Economic Development Committee

From Sean Fitzgerald, Business Development Specialist

RE: Extension of the deferral of interest and principal payments on city-provided loans and ground lease payments to assist small businesses during the COVID-19 pandemic

On April 14, 2020 the City of Wausau Common Council approved a resolution approving the deferral of interest and principal payments on city-provided loans and ground lease payments due to the city for commercial properties and businesses for six months to assist small businesses during the COVID-19 pandemic emergency declaration. The resolution approved by council is included later in this packet.

A total of 11 businesses applied for and received an Extension Agreement for City of Wausau Loans during April 2020 in which all principal and interest payments were deferred until November 2020. A survey this past October by Community Development Administrator Tammy Stratz found seven of the businesses receiving loan deferments had either been continuing to make payments on their loans or were prepared to resume making regular payments. The same survey identified four businesses who still needed extensions on their loans due to economic conditions extending from the growing pandemic.

Economic Development Committee member discussion of the matter at its April 8, 2020 meeting suggested bringing the matter back to the committee and the council after six months if the pandemic situation had not been resolved. COVID-related public health and economic conditions continue to place unprecedented stress on locally-owned businesses to sustain themselves until normal market conditions prevail.

Staff Recommendation

The Community Development staff recommends extending the loan and lease deferral on city payments for an indeterminate period. Additionally, we recommend the committee authorize staff to continue working with businesses enrolled in the loan deferral program to help manage when each is able to begin resuming payments either during the remaining pandemic or in its potential aftermath.

RESOLUTION OF THE ECONOMIC DEVELOPMENT AND FINANCE COMMITTEES

Authorizing the deferral of interest and principal payments on existing City-provided loans and ground lease payments due to the City of commercial properties and businesses for six (6) months to assist small businesses who request such during the COVID-19 pandemic emergency declaration.

Committee Action: ED: Approved 5-0
 FIN: Approved 5-0

Fiscal Impact: \$0 (loan interest will continue to accrue but no payments are due during deferment)

File Number: 20-0315

Date Introduced: April 14, 2020

FISCAL IMPACT SUMMARY

COSTS	<i>Budget Neutral</i>	Yes ☒	No ☐	
	<i>Included in Budget:</i>	Yes ☐	No ☐	<i>Budget Source:</i>
	<i>One-time Costs:</i>	Yes ☐	No ☐	<i>Amount:</i>
	<i>Recurring Costs:</i>	Yes ☐	No ☐	<i>Amount:</i>
SOURCE	<i>Fee Financed:</i>	Yes ☐	No ☐	<i>Amount:</i>
	<i>Grant Financed:</i>	Yes ☐	No ☐	<i>Amount:</i>
	<i>Debt Financed:</i>	Yes ☐	No ☐	<i>Amount</i> <i>Annual Retirement</i>
	<i>TID Financed:</i>	Yes ☐	No ☐	<i>Amount:</i>
	<i>TID Source: Increment Revenue</i> ☐ <i>Debt</i> ☐ <i>Funds on Hand</i> ☐ <i>Interfund Loan</i> ☐			

RESOLUTION

WHEREAS, the COVID-19 pandemic has, and will continue to, have a profound impact on small businesses- especially those in the entertainment, restaurant, and craft economy sectors, and

WHEREAS, the City has a long and successful history of providing gap financing and low interest loans for the renovation of properties and directly support growth of small and craft economy businesses.

BE IT RESOLVED, by the Common Council of the City of Wausau that City staff is authorized to approve deferral of interest and principal payments on existing City-provided loans and ground lease payments due to the City on a case by case basis for six (6) months to assist small businesses who request said deferment during the COVID-19 pandemic emergency declaration.

Approved:

Robert B. Mielke, Mayor

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.

#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.

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.



Planning, Community and Economic Development

To: City of Wausau Economic Development Committee

From Sean Fitzgerald, Business Development Specialist

RE: Guidance on North River Drive street design for Riverfront North – former Great Lakes Cheese property

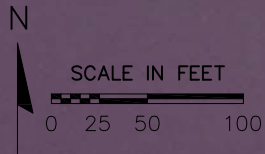
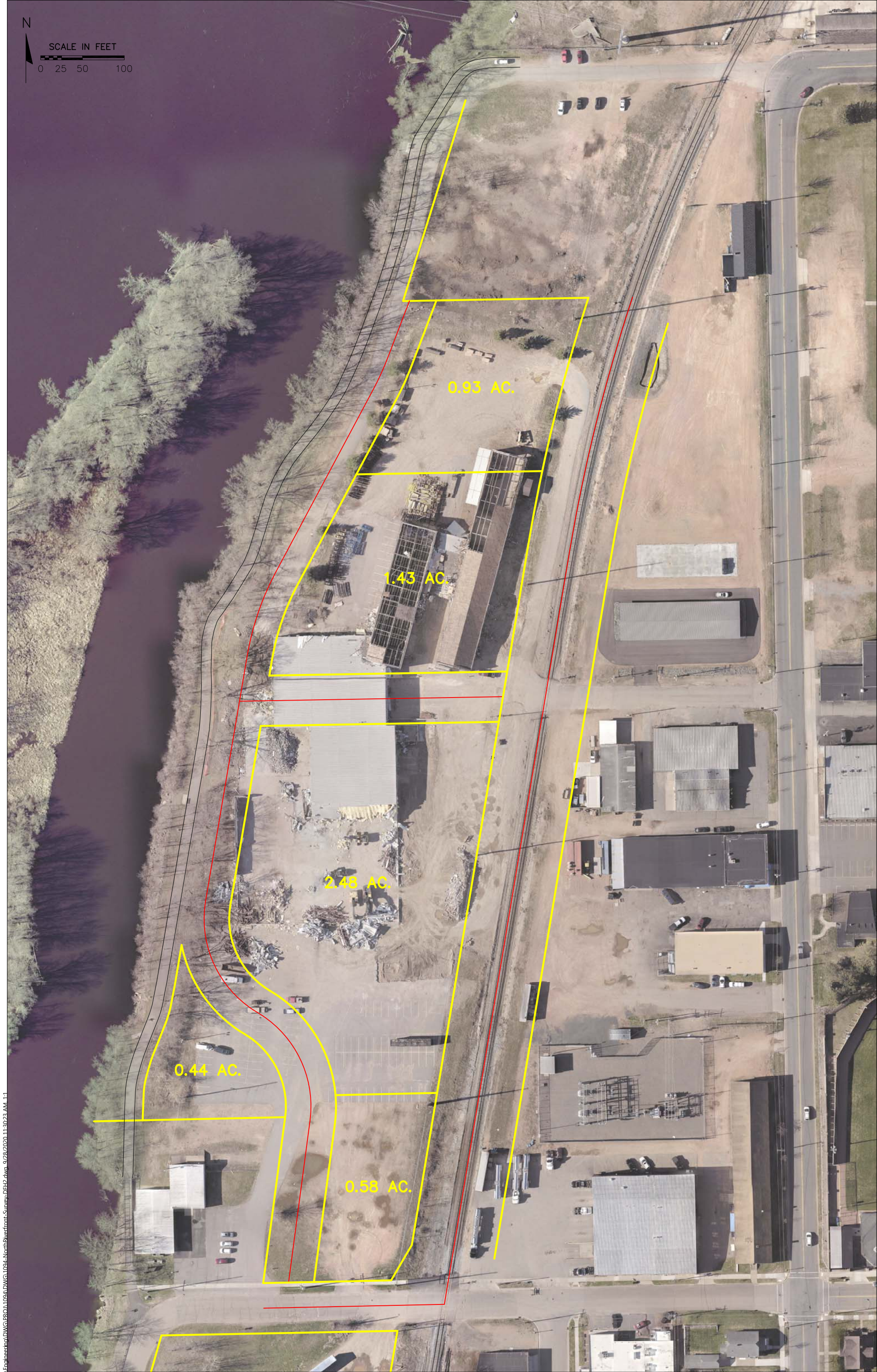
City of Wausau Economic Development Committee authorized the issuance of a request for proposals in the Riverfront North area in September 2019 and received three proposals for development which were presented at the December 17, 2019 meeting of the ED committee. Two of those proposals have since rescinded their development plans, while the proposal from Straight Shot Investment Group LLC has been waiting to move forward with its plans for 18 residential condominium units.

Since that time, the City of Wausau has completed demolition of the former food processing facility and prepared it for development. The site has been surveyed and soil borings have been sampled and tested by an environmental engineering contractor.

Initial site and street layout considerations prepared by Enberg Anderson Architects identified a street design similar to that illustrated in layout B in this packet. But this design ultimately creates longer-term issues for the larger site along the riverfront. An alternative design from the city's engineering department is presented in layout A. Other considerations have been to lay out North River drive along the west side of the Canadian National railway all the way to the north end of the property.

Ultimately the roadway design will determine land and parcels available for private sale and development. Staff is presenting these attached options to the Economic Development committee to consider and discuss before bringing its recommendations to the city's engineering department and the city's Capital Improvements & Street Maintenance Committee.

No vote is required. This item is for discussion only.



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SCALE IN FEET

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