*** All present are expected to conduct themselves in accordance with our City's Core Values ***

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 7, 2021 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 11/10/2021.
2. Discussion and possible action on approving lease agreement for 180 E Wausau to Seth Carlson on behalf of Wausau Bike Polo (Brodek, Carlson)
3. Discussion and possible action granting consent to RJ Elm Properties, LLC, to mortgage the Property described in the Lokre (Plaza Hotel) Multifamily Phase I Development Agreement to GreenState Credit Union (Atty Jacobson)
4. Discussion and possible action on approving Planning Option Agreement with Gorman & Co for Westside Battery site (415 S 1st Ave) contingent on Common Council approval of Gorman as developer
5. T Wall presentation on reprioritization of development efforts from Riverlife to mall redevelopment site (Terrance Wall)
6. Discussion, and possible action on reprioritization request from Riverlife to mall redevelopment site
7. **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: relating to T Wall Riverfront and mall developments
8. **RECONVENE** into Open Session to Take Action on Closed Session Items, If Necessary
9. Adjourn

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 12/1/21
This meeting is being held in person and/or via teleconfrerence (all public participants' phones will be muted during the meeting) by calling 1-408-418-9388.
The Access Code is: 1461 00 7947 The Password is: p8mQtTmNS33
Members of the public who do not wish to appear in person may view the meeting live over the internet on the City of Wausau's YouTube Channel: **http://www.tinyurl.com/WAAMedia**, live by cable TV, Channel 981, and a video is available in its entirety and can be accessed at **https://tinyurl.com/WausauCityCouncil**. Any person wishing to offer public comment who does not appear in person to do so, may e-mail **tammy.stratz@ci.wausau.wi.us** with "PH&S 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.

Other Distribution: Media, Alderpersons, Mayor, City Departments

MINUTES

Economic Development Committee Meeting

Date | time Wednesday, November 10, 2021, at 5:15 P.M. | *Meeting called to order by* Watson at 5:15 P.M.

In Attendance

Members Present:	Tom Neal (C), Sarah Watson, Lisa Rasmussen, Becky McElhaney, and Tom Kilian
Others Present:	Mayor Rosenberg, Liz Brodek, Tammy Stratz, Tara Alfonso, Shannon Graff, Randy Fifrick, MaryAnne Groat, Chuck Ghidorzi, Trent Claybaugh, Tom Raddantz, Sam Wessel. Deb Ryan

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 the Minutes from 11/2/2021

Watson motioned to approve minutes, seconded by Kilian. Motion carried 5-0

Agenda Item 2 – Discussion and Possible Action on proposals for the Westside Battery RFP

Brodek introduced the topic and explained the developers were present to answer any questions the committee might have.

Rasmussen asked Claybaugh if the summary from REI addressing site restrictions would be a deal breaker for their proposal or overcome the obstacle(s).

Claybaugh responded that based on the cost projections received from their architecture and engineering firms they had enough buffer built into their model to weather any possible concerns mentioned. He said they still need a geotechnical report to clarify any issues Gorman will face with the development. Claybaugh further explained when he built the model, he was very aware of how constrained the site is, which is why he built in a substantial buffer to accommodate any possible additional costs that might arise.

Watson asked Claybaugh if there was any development regarding the parcel across the street if additional parking is needed. Claybaugh said he contacted the owner of the parcel who said they would be willing to sell the parcel for the right price and Gorman staff have identified a price they think would be reasonable.

Ghidorzi spoke in favor of the W.O.Z. proposal.

Tom Raddantz spoke briefly about their concerns about the site.

Agenda Item 3 – **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: Consideration of development proposals received for the Westside Battery RFP

Rasmussen motioned to move to closed session, seconded by Watson. Motion carried 5-0.

Agenda Item 4 – Reconvene into Open Session to Take Action on Closed Session Items, if Necessary

Rasmussen commented about the need for a diverse mix of housing at all levels and discussed the need for affordable housing which prompted the creation of the housing task force. Rasmussen continued that Gorman's proposal checks all the boxes for affordable housing but also offers quality aesthetic, will help activate public spaces for the east side of the river.

Rasmussen motioned to approve Gorman's approval and direct staff to execute the appropriate process steps. Motion seconded by Kilian. Motion carried 5-0.

Agenda Item 5 – Adjourn

Motion to adjourn by Watson, seconded by Kilian. Motion carried 5-0.

SHORT TERM LEASE AGREEMENT

THIS LEASE, made this ____ day of December, 2021, by and between the City of Wausau, a municipal corporation of the State of Wisconsin, ("LESSOR") and Seth Carlson ("LESSEE");

WITNESSETH:

WHEREAS, LESSOR presently owns property in the City of Wausau at 180 E. Wausau Avenue, a description of such property being attached hereto as "Exhibit 1" and incorporated herein by reference; and

WHEREAS, the property described on Exhibit 1 contains an enclosed warehouse type structure/building which is surfaced with asphalt and is currently unoccupied (the property and the foregoing described improvements are hereinafter referred to as "Premises"); and

WHEREAS, LESSEE is an active member of an organization known as Wausau Bike Polo Club ("Club"); and

WHEREAS, the Club desires to be able to play "bike/bicycle polo" indoors for the winter months; and

WHEREAS, LESSEE wishes to lease from LESSOR the Premises, and LESSOR wishes to lease to LESSEE the Premises, all upon terms and conditions as follows.

NOW, THEREFORE, and in consideration of the rents, covenants, and Leases herein contained, LESSOR does hereby lease to LESSEE, and LESSEE does lease from LESSOR the Premises subject to the following terms and conditions:

1. PREMISES. LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR the Premises.

2. DURATION OF LEASE. The term of this Lease shall begin on the _______ day of December, 2021, and terminate on the 30th day of April, 2021.

3. RENT. LESSEE agrees to pay to LESSOR as follows:

   (a) The rent shall be Two Hundred and Seventy Five Dollars ($275.00) per month, beginning __________________________, 2021. Rent shall be payable in advance and paid by cash, cashier's check, or certified funds. Payments shall be made at the office of the City Clerk at City Hall, 407 Grant Street, Wausau, Wisconsin, or mailed to that address, without prior demand or notice. Payment shall be received by the 1st day of each month for which the rent is due (if the rent payment is made by mail, the money must be received by LESSOR on or before the 1st day of each month). If the commencement date of the Lease is other than the 1st of the month, rent for the first month of this Lease will be prorated based upon the number of days from the commencement date to the end of the month.

   (b) LESSEE shall provide LESSOR a security deposit in the amount of ___________________ ($_____________) ("Security Deposit") upon execution of this Lease and prior to occupying the Premises. LESSOR shall refund to the LESSEE the amount of the Security Deposit after LESSEE vacates the Premises less the cost of repairing any damage, waste or neglect of the Premises for which the LESSEE is responsible. If the Security Deposit is not sufficient to cover amounts the LESSEE owes under this Lease, LESSOR may seek to collect the balance due from the LESSEE. LESSOR may commingle the Security Deposit with LESSOR's other funds, unless otherwise required by law in each instance. Upon the occurrence of any event of default by LESSEE, LESSOR may, from time to time, without prejudice to any other remedy provided herein or provided by law, use such Security Deposit to the extent necessary to make good any arrears of rent or other payments due LESSOR hereunder, or any other damage, injury, expense or liability caused by any event of LESSEE's default.

4. CONDITION OF PREMISES. LESSEE having inspected the Premises, agrees to accept the Premises in its present condition and state of repair and acknowledges that LESSOR has made no representation as to the condition of the Premises.

5. USE OF PREMISES. The Premises shall be used by the LESSEE and the members of the Club in order to play the recreational activity of "bike/bicycle polo." LESSEE shall not permit use of the Premises by other "bike/bicycle polo" teams or clubs, it being the intention of the parties the Premises shall be used by LESSEE and its Club members only. LESSEE shall be solely responsible for securing all necessary and appropriate permits, licenses, and approvals from all governmental authorities having jurisdiction for the use of the Premises, and shall provide, at its sole cost and expense, appropriate toilet facilities (such as "port-a-potty") and accompanying sanitation station(s). LESSEE shall not use or allow the Premises to be used for any unlawful purpose, or in a manner that would otherwise violate any recorded covenant or restriction affecting the Premises. Lessee shall not cause or maintain or permit any nuisance or commit or suffer the commission of any waste in, on, or about the Premises.

6. CARE OF PREMISES. LESSEE agrees to keep the Premises in good repair and reasonably clean at its expense, to maintain in good repair all equipment which is within the building included in the Premises and to return the Premises to LESSOR in as good condition of repair as when taken by it, including without limitation repairing or replacing all broken or missing articles, reasonable wear and tear and damage by the elements alone excepted. LESSOR shall have the right to inspect the Premises at all reasonable times and if LESSEE fails to keep the Premises in a reasonably clean condition, LESSOR may clean the Premises and charge the costs thereof to LESSEE, or declare the LESSEE in default under this Lease.

7. REPAIRS AND MAINTENANCE. LESSEE shall, during the term of this Lease, keep the interior of the building included in the Premises in good order, and in a presentable appearance, reasonable wear and tear excepted, and shall keep the exterior Premises reasonable free of debris and in good order and in a presentable manner. LESSOR's duties for maintaining the Premises shall include, but shall not be limited to, repairs to the heating system, air-conditioning system, electrical system, plumbing system, walls, floors, ceilings, roof, and windows. In general, the structural components of the building shall be the responsibility of LESSOR to repair and maintain, except for any repair necessitated by an act or an omission of LESSEE or someone on the Premises at the invitation of LESSEE or its club members.

8. CHANGES/IMPROVEMENTS OTHER THAN INTERIOR. LESSEE shall not alter or make any changes or modifications to or place anything on the exterior of the building, the land, the parking lot, or place any signs on the exterior of the building, without the prior, written, advance approval

of LESSOR.

9. REMOVAL OF EQUIPMENT, FIXTURES, ETC. LESSEE may remove, at its own expense and without damage to the Premises, any trade fixtures, or other personal property owned and installed by LESSEE in or on the Premises, provided, however, that LESSEE shall repair any damage to the Premises caused by its removal of such trade fixtures or personal property and restore the Premises to its original condition. Notwithstanding the foregoing, LESSEE shall remove, at its sole cost and expense the toilet facilities (such as "port-a-potty") and accompanying sanitation station(s) placed on the Premises for its use during the term hereof.

10. EXTERIOR. It is agreed between the parties hereto that LESSOR shall be responsible for the exterior of the building, the doors and the windows, unless the repairs and/or maintenance is necessitated by an act or an omission of LESSEE or someone on the Premises at the invitation of LESSEE or its club members.

11. HEAT AND UTILITIES. LESSOR shall provide and pay the reasonable costs of natural gas, electrical, heat, light, water, and sewer for the Premises during the term of this Lease. LESSEE shall use all natural gas, electrical, plumbing, sanitary, heating, ventilating, air conditioning, appliances and other facilities and appurtenances in a reasonable manner and shall refrain from excessive use of utilities. Costs resulting from the unreasonable or excessive use of utilities shall be paid by the LESSEE may be deducted from the Security Deposit by LESSOR.

12. GOVERNMENTAL REGULATIONS. LESSEE shall keep and occupy the Premises in accordance with all police, sanitary, health, safety, and other rules, laws, and regulations imposed by any governmental authority.

13. LIABILITY INSURANCE.

(a) LESSOR shall maintain during the term of this Lease, Commercial General Liability Insurance including coverage for Premises and Operations liability, Products and Completed Operations, Contractual Liability (including joint negligence coverage), personal injury coverage, and fire damage limits as follows:

1.	Each Occurrence limit	$1,000,000
2.	Personal and Advertising Injury limit	$1,000,000
3.	General aggregate limit (other than Products-Completed Operations) per location	$2,000,000
4.	Products-Completed Operations aggregate	$2,000,000
5.	Fire Damage limit – any one fire	$250,000
6.	Medical Expense limit – any one person	$5,000

(b) LESSEE shall maintain personal property insurance on its owned, leased or borrowed personal property and personal property in the care, custody and control of the LESSEE. The LESSOR shall not be liable for damage/loss/loss of use/extra expense to such property including business income or extra expense losses. Perils insured shall be insured on a "special form" (aka "all risk") basis. The valuation clause shall be replacement cost. LESSEE waives its right to subrogation against LESSOR.

(c) Such insurance must be primary and non-contributory to any insurance or self-insurance carried by Lessor.

(d) All policies required herein must be endorsed with a waiver of subrogation in favor of LESSOR, its officers, council members, agents, employees, and authorized volunteers.

(e) Any deductible or self-insured retention in LESSEE's policy must be declared to the LESSOR and satisfied by the LESSEE.

(f) Insurance is to be placed with insurers who have an A.M. Best rating of no less than A- and a Financial Size Category of no less than Class VII, and who are authorized as an admitted insurance company in the State of Wisconsin.

(g) LESSEE shall provide to the LESSOR a certificate of insurance, signed by the insurer's authorized representative evidencing the coverage required by this Lease. The City of Wausau, and its officers, council members, agents, employees, and authorized volunteers must be named as additional insured on all liability policies for liability arising out of leased premises. The certificate of insurance shall be accompanied by copies of additional insured endorsements or insurance policies evidencing the inclusion of the additional insureds. LESSEE shall not use or occupy the Premises until proof of insurance has been provided in writing to LESSOR.

(h) LESSEE and/or insurer shall give LESSOR thirty (30) days advance written notice of cancellation, non-renewal or material changes to any of the policies during the term of this Lease.

14. INDEMNIFY AND HOLD HARMLESS. LESSEE agrees to indemnify LESSOR, and to save and hold LESSOR free and harmless from and against any and all judgments, damages, losses, costs, claims, expenses, suits, demands, actions, and/or causes of action of any kind or of any nature, which may be sustained by reason of damage or damages or injury to any person or persons or property or death to any person or persons, or by reason of any other liability imposed by law or by anything or by anyone else upon LESSOR, as the result of and/or due to LESSEE's operations or activities on the Premises which are the subject of this Lease and/or as a result of and/or due to the presence of LESSEE, its club members or any of its invited guests on the Premises which are the subject of this Lease and/or the result of and/or due to the existence of this Lease; and LESSEE agrees to indemnify and save and hold free and harmless any of LESSOR's appointed, hired, and elected officers, agents, employees and designees from the aforementioned judgments, damages, losses, costs, claims, expenses, suits, demands, actions and/or causes of action of any kind or of any nature, and this specifically includes within this indemnification and hold harmless, attorney's fees and other costs of defense which may be sustained by and/or occasioned to LESSOR and/or any of LESSOR's appointed, hired, and elected officers, agents, employees and designees.

15. RELEASE. LESSEE hereby releases LESSOR, and its officers, agents, employees and designees from all judgments, damages, losses, costs, claims, expenses, suits, demands, actions and/or causes of action of any kind or of any nature, which may result from or be due to LESSEE's operations or activities on the Premises which are the subject of this Lease and/or as a result of and/or due to the presence of LESSEE, its club members or any of its invited guests on the Premises which are the subject of this Lease and/or as the result of and/or due to the

existence of this Lease.

16. ASSIGNMENT—SUBLETTING. LESSEE may not assign or sublet all or any portion of the Premises without the prior advance, written approval of LESSOR. LESSOR shall have the right to sell, assign, or transfer LESSOR's interest in this Lease.

17. SIGNS. LESSEE may not erect such signs, or place lettering or other types of identification upon the Premises.

18. DAMAGE OR DESTRUCTION. In the event the Premises shall be destroyed, or so damaged by fire, explosion, windstorm, or other casualty so as to be untenantable, LESSOR shall not be bound to restore the Premises, and this Lease shall be immediately terminated. In the event the damage does not render the Premises untenantable, LESSOR shall restore the Premises with reasonable dispatch and while such damage is being repaired, LESSEE shall be entitled to an equitable abatement of rent. LESSOR shall not be liable or responsible for any delays in rebuilding or repairing due to strikes, riots, acts of God, national emergency, act of a public enemy, pandemics, governmental laws or regulations, inability to procure materials, labor, or any other causes beyond its control.

19. TERMINATION OF LEASE BY LESSOR. If default is made in the payment of rent, or if LESSEE shall break any of the covenants, or fail to perform any obligation imposed hereunder, or shall willfully or maliciously do injury to the Premises, or shall file a petition in bankruptcy or have an involuntary petition in bankruptcy filed against it, or make an assignment for the benefit of creditors, LESSOR or its legal representatives shall have the right at any time thereafter, without notice, to declare this Lease immediately terminated and the term herein contained ended, and may proceed to have LESSEE removed from the Premises by any lawful means, without prejudice to any remedies which LESSOR may have to collect arrears of rent or damage to the Premises.

20. CUMULATIVE REMEDIES. All rights and remedies of LESSOR herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law, and said rights and remedies may be exercised and enforced concurrently and whenever and as often as occasion therefor arises.

21. NOTICES. Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by certified mail, return receipt requested, to LESSEE at ____, and to LESSOR at City Hall, 407 Grant Street, Wausau, WI 54403. Either party may, by proper notice, at any time from time to time, designate a different address to which notice shall be sent. Notices given in accordance with these provisions may also be made through personal receipt by the party to whom the notice is addressed.

22. INSPECTION. LESSOR or its agents or representatives shall have the right to enter and inspect the Premises at reasonable times including during usual business hours and at any time in the event of an emergency that would substantially jeopardize LESSOR's interest in the Premises.

23. SURRENDER OF PREMISES. LESSEE agrees and covenants that at the termination of this Lease, it will quietly and promptly yield and surrender the Premises to LESSOR in as good condition of repair as when taken by it, reasonable wear and tear and damage by the elements alone

excepted.

24. SNOW REMOVAL, GRASS CUTTING, AND MAINTENANCE. LESSEE shall be responsible for removal of snow and ice from the parking lot and from the drive approaches, and LESSEE shall place the snow, or haul away the snow, so as not to cause visual obstructions for traffic or problems for neighbors; LESSEE shall be responsible for cutting the grass and other growth on the Premises and on the boulevards between the sidewalks and the streets. LESSOR shall be responsible for the removal of snow from the sidewalk abutting the Premises and for surface maintenance of the parking lot, unless the maintenance is necessitated by damage caused by snow plowing or by anything other than normal wear and tear.

25. FAILURE TO VACATE PREMISES. Should LESSEE remain on the Premises subsequent to the termination date of this Lease, LESSOR may, at its sole election, proceed to remove the LESSEE from the Premises by lawful process, or consider LESSEE as a month-to-month tenant upon the same terms and conditions as this Lease and LESSOR shall have the right to terminate said tenancy upon thirty (30) days' notice.

28. AMENDMENTS. This Lease constitutes the entire Lease and understanding of the parties, and supersedes all offers, negotiations, and other Leases of any kind. There are no representations or understandings of any kind not set forth herein. Any modification of or amendment to this Lease must be in writing and executed by both parties.

29. SURVIVAL. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with this Lease, as well as all continuing obligations will survive termination or expiration of this Lease.

30. SEVERABILITY. If any portion of this Lease shall become illegal, null or void or against public policy, for any reason, or shall be held to be invalid or unenforceable by any court of competent jurisdiction, the remaining portions of this Lease shall not be affected thereby and shall remain in full force and effect to the fullest extent permissible by law.

31. WAIVER. The failure of either party to enforce any of the provisions of this Lease shall not be construed as a waiver of such provision or of the right of the party thereafter to enforce each and every such provision.

IN WITNESS WHEREOF, this Lease has been duly executed the day and year first above written.

CITY OF WAUSAU BY:	LESSOR BY:
______________________________	______________________________
Katie Rosenberg, Mayor	Seth Carlson
	______________________________
	Address
______________________________	______________________________
Mary Goede, Deputy Clerk	Address

EXHIBIT 1

Lot one (1) of Certified Survey Map No. 14150 recorded in the office of the Register of Deeds for Marathon County, Wisconsin, in Volume 62 of Certified Survey Maps on page 157, as Document No. 1431494; being part of Government Lot one (1) in Section twenty- four (24), township twenty-nine (29) North, Range seven (7) East, in the City of Wausau, Marathon County, Wisconsin; subject to easements of record.

Office of the City Attorney

TEL: (715) 261-6590
FAX: (715) 261-6808

Anne L. Jacobson
City Attorney

Tara G. Alfonso
Assistant City Attorney

Nathan Miller
Assistant City Attorney

STAFF MEMO

TO: Economic Development Committee Members
Common Council Members

FROM: Anne Jacobson, City Attorney

RE: Request from RJ Elm Properties, LLC to Consent to Mortgage of Phase I Development Property

DATE: December 3, 2021

Purpose: To provide information to assist governmental body members in analyzing the request from RJ Elm Properties, LLC ("Developer") to consent to mortgage Developer's Parcel, as defined in the Development Agreement ("DA") and shown on the attached map.

Background: Recall that a DA was reached, effective August 26, 2020, with Developer, wherein the owner then of 201 N. 17th Avenue (Plaza Hotel) proposed dividing its parcel and selling a portion to Developer and Developer, in turn, would further divide its parcel into two separate parcels and build two (2) mixed-use multifamily residential complexes each consisting of approximately 60,000 useable square feet on its parcel, in two separate phases. This Agreement governs only the Phase I Project.

Paragraph 7. of the DA states that "*Developer shall not, directly or indirectly, sell, assign, transfer, convey, mortgage or encumber the Property during the term of this Agreement unless it first obtains the prior written consent of the City, which consent shall not be unreasonably withheld. . . .*"

Paragraph 2.b. permits Developer, but does not require it, to divide its parcel into two or more lots and record a CSM showing the lots as "Property" and "Phase 2 Property."

The City is obligated to provide a "Grant" to the developer under the Agreement in an amount up to $450,000 for costs associated with the demolition of the existing improvements on the Property. Further, the City agreed to provide tax increment financing incentives not to exceed 10% of new construction value for the for the construction of proposed multifamily residential units with a minimum construction value of $17,000,000. (See attached April 14, 2020 Resolution and Term Sheet)

The Project completion deadline is December 31, 2022.

Current Status:

At the City's request, the owners have provided an updated sources and use table (attached) and a project update:

"The borrow equity is the value of the land held in RJ Elm Properties, LLC. The current development is considered Phase 1, and the mortgage will only be on this Phase 1 Development. The total cost of the project is slated to be just shy of $28,000,000 which exceeds the $9,500,000 stipulation in the development agreement. The hard construction budget is $23,234,101. The total gross square footage of the building is designed to be a total of 247,005 SQ.FT., and the Phase 1 Development agreement called for a development of greater than 60,000. The equity position of the investors is 20% of the projected loan to value according to the bank's appraisal. Construction costs are higher than expected and the valuation of the retail/hoteling components were lower than our initial underwriting assumptions. Being a private equity deal, the capital stack structure is common to most similar deals. Our financing is secured with GreenState Credit Union and plan to close as soon as we receive City approval next week. The term of the loan is 10 years. The interest rate is 3.45%.

Construction began in September and the site has been prepared with the foundations and lower-level concrete infrastructure has been installed. The construction remains on track for a Q4 2022 completion. Closing the loan next week will be critical to continuing the project to be completed on time late next year."

Summary:

The Developer is obligated only to demolish the existing improvements on Developer's Parcel and construct a mixed-use multifamily residential complex consisting of approximately 60,000 useable square feet, with a minimum construction cost of $9,500,000, with no obligation to divide the Developer's Parcel into lots, nor construct a Phase 2 Project.

The Developer has chosen not to divide the Developer's Parcel into lots and it will remain as one parcel as shown on the attached map. The final project now encompasses the entire parcel. There will not be a Phase 2 Project (nor separate agreement). The minimum construction cost exceeds $9,500,000, estimated to be just under $28,000,000. The hard construction budget is $23,234,101, and the total square footage 247,005. The mortgage amount is $20,703,032, for a term of 10 years at 3.45% interest. The mortgage will encompass the entire parcel, then, as shown on the attached map.

On May 11, 2021, the Council adopted an ordinance of the Plan Commission to rezone 1520 Elm Street from SMU, Suburban Mixed-Use Zoning District to PUD, Planned Unit Development Zoning District and approved the General Development Plan. The project contains a variety of internal and external parking on the site (and a surface lot south of Elm Street provides for overflow parking). The ground floor contains retail space on the 17th Avenue side, along with common space for the public and residents of the apartments.

Floors two through four contain 47 apartment units per floor. Of those units, 26 are planned to be efficiency, eleven (11) are one-bedroom, six (6) are two-bedroom and four (4) are three-bedroom.

The top floor would contain a roof top patio area, some space for a green roof, as well as an indoor restaurant. The enclosed restaurant would take up approximately only 5,500 square feet of the roof top.

SOURCES & USES
bantr Wausau

LOKRE GEARED EQUITY
12/2/21

SOURCES & USES	Amount	% Total
Sources		
First Mortgage Financing:	$20,403,032	73.0%
Demolition Grant (TIF)	$450,000	1.6%
Investor Equity	$7,000,000	25.0%
Borrower Equity:	$100,000	0.4%
Total Sources	**$27,953,032**	**100%**
Uses		
Land Cost:	$100,000	0.36%
Demolition Cost:	$450,000	1.61%
Apartment Hard Costs:	$22,077,101	78.98%
Retail Hard Costs:	$816,000	2.92%
Soft Costs:	$3,109,931	11.13%
Contingencies:	$1,400,000	5.01%
Total Uses	**$27,953,032**	**100%**

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

JOINT RESOLUTION OF THE ECONOMIC DEVELOPMENT AND FINANCE COMMITTEES

Approving tax increment financing incentives not to exceed 10% of new construction value for proposed multifamily residential units as part of a major redevelopment of the existing Plaza Hotel site at 201 N 17th Avenue and related budget modification.

Committee Action: ED: Approved 4-1
FIN: Approved 5-0

Fiscal Impact: $900,000 for Phase 1; $800,000 for Phase 2 of the multifamily residential development

File Number: 20-0410	**Date Introduced:** April 14, 2020

FISCAL IMPACT SUMMARY				
COSTS	*Budget Neutral*	Yes☐ No☒		
	Included in Budget:	Yes☐ No☒	*Budget Source: TID #8*	
	One-time Costs:	Yes☒ No☐	*Amount:*	
	Recurring Costs:	Yes☐ No☐	*Amount:*	
SOURCE	*Fee Financed:*	Yes☐ No☒	*Amount:*	
	Grant Financed:	Yes☐ No☒	*Amount:*	
	Debt Financed:	Yes☒ No☐	*Amount: $450,000*	*Annual Retirement: $52,500*
	TID Financed:	Yes☒ No☐	*Amount: $450,000*	
	TID Source: Increment Revenue ☒ *Debt* ☒ *Funds on Hand* ☐ *Interfund Loan* ☐			

RESOLUTION

WHEREAS, the City of Wausau has a long track record of successful public-private partnerships to facilitate quality redevelopment activities that increase economic benefits to the City of Wausau and further economic development goals; and

WHEREAS, the Plaza Hotel has needed renovation and redevelopment, having gone through foreclosure and seen a lack of investment for many years; and

WHEREAS, the owner has presented a proposal to renovate part of the hotel, and sell the rest for its redevelopment into other complimentary uses; and

WHEREAS, the redevelopment of the Plaza Hotel site:

- Would not occur without the financial assistance from the City of Wausau financed from Tax Increment District Number Eight.
- That the financial assistance will be supported by a development agreement and other related documents signed by the developer.

- That the development incentives and developer payments are eligible expenses under the tax increment financing laws.
- That the redevelopment of the existing Plaza Hotel site furthers the purposes of tax increment financing and the objectives of Tax Increment District Number Eight.
- That development incentives were listed as project plan costs within the Tax Increment District Eight Project Plans.
- That the incentive to the developer is necessary and convenient to effectuate the purposes for which Tax Increment District Number Eight were created.
- That the City will initiate and/or complete a Project Plan amendment to add this property to the district's boundaries.
- That redevelopment of the Plaza Hotel site is in the best interest of the City and its residents in accordance with the public purpose and conditions of applicable state and local laws and the standards under which the tax increment district was undertaken and implemented; and

WHEREAS, the following budget modification is required to fund the developer incentives:

Increase 148-348497200	TID 8 Developer Incentives	$450,000
Increase 148-351289120	TID 8 Debt Proceeds	$450,000

NOW, THEREFORE, BE IT RESOLVED, the Wausau Common Council approves tax increment financing incentives not to exceed 10% of new construction value for the construction of proposed multifamily residential units with a minimum construction value of $17,000,000 in substantial conformance with the plans presented and the term sheet herein; and

BE IT FURTHER RESOLVED, that the Wausau Common Council approves the Mayor and other proper city officials to execute development agreements and loan documents in substantial conformance with the proposal and term sheet herein for the development of the proposed multifamily residential units; pursue debt financing and publish any required budget modifications to facilitate said grants and reverse increment payments.

Approved:

Robt B Mielke

Robert B. Mielke, Mayor

Plaza Hotel Multifamily Redevelopment Term Sheet

The Developer shall construct a residential multifamily development with a minimum construction value of $17,000,000 on the site.

- Phase 1 of the residential multifamily building shall commence before December 31, 2020 and complete the project before December 31, 2022; subject to final site plan, zoning approvals, and tax increment district amendments.
- Phase 2 of the residential multifamily building shall commence before December 31, 2022 and complete the project before December 31, 2023; subject to final site plan, zoning approvals, and tax increment district amendments.

The City shall provide the Developer a $450,000 grant towards site improvements and the demolition of existing ballroom, pool and motel areas of the existing Plaza Hotel as part of Phase 1 residential multifamily construction.

The City shall provide the Developer 50% of available increment annually for 5 years not to exceed $450,000 as part of Phase 1 of the residential multifamily redevelopment.

The City shall provide the Developer 70% of available increment annually for 7 years not to exceed $800,000 as part of Phase 2 of the residential multifamily redevelopment.

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE COMMON COUNCIL	
Approving substantive terms of development agreement for the development of the proposed multifamily residential units as part of the redevelopment of the existing Plaza Hotel site at 201 N 17th Avenue Committee Action: Approved 6-3 Fiscal Impact:	
File Number: 20-0410	**Date Introduced:** June 30, 2020

	FISCAL IMPACT SUMMARY		
COSTS	*Budget Neutral*	Yes☐ No☐	
	Included in Budget:	Yes☐ No☐	*Budget Source:*
	One-time Costs:	Yes☐ No☐	*Amount:*
	Recurring Costs:	Yes☐ No☐	*Amount:*
SOURCE	*Fee Financed:*	Yes☐ No☐	*Amount:*
	Grant Financed:	Yes☐ No☐	*Amount:*
	Debt Financed:	Yes☐ No☐	*Amount* *Annual Retirement*
	TID Financed:	Yes☐ No☐	*Amount:*
	TID Source: Increment Revenue ☐ *Debt* ☐ *Funds on Hand* ☐ *Interfund Loan* ☐		

RESOLUTION

WHEREAS, on April 14, 2020, the Common Council approved the terms of a development agreement with Roland Lokre and Jim Frings for the construction of multi-family apartment complexes; and

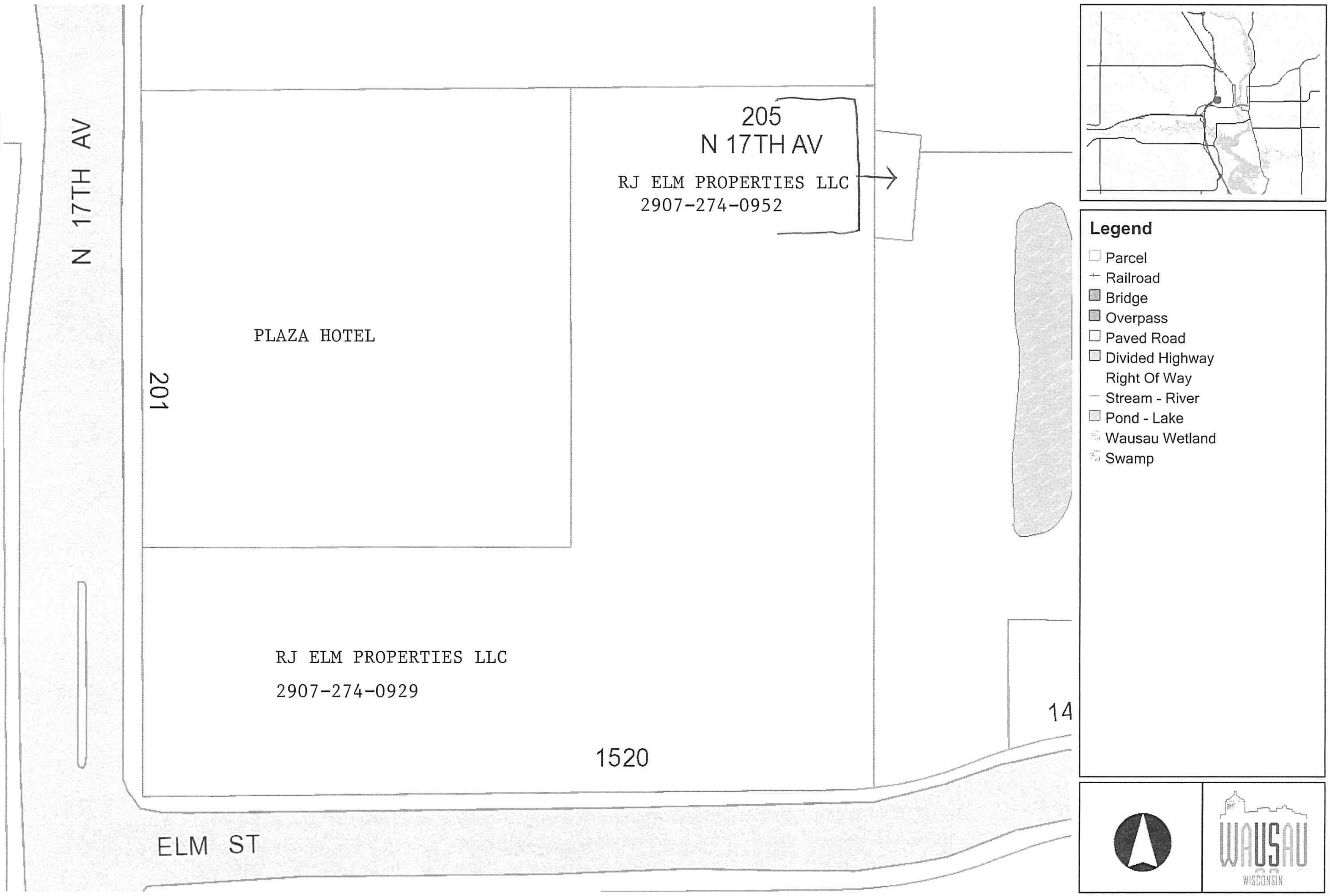
WHEREAS, the development agreement would provide the developers $450,000 in TIF assistance upon the completion of the demolition of the existing structure; pay an additional $450,00 in reverse TIF upon the completion of the first 60-unit apartment building; and $800,000 in reverse TIF upon completion of the second 60-unit apartment building; and

WHEREAS, the developers are requesting the city to consider renegotiating the portion of the clawback provision associated with repayment of city grants in the event construction of the second building is not completed by the end of 2023.

NOW, THEREFORE, BE IT RESOLVED the Common Council of the City of Wausau hereby directs the Community Development Department staff and the city attorney to renegotiate a fair clawback provision to this proposed development agreement.

Approved:

Katie Rosenberg, Mayor



Legend

- Parcel
- Railroad
- Bridge
- Overpass
- Paved Road
- Divided Highway
- Right Of Way
- Stream - River
- Pond - Lake
- Wausau Wetland
- Swamp

WAUSAU WISCONSIN

Notes

Map Created: 12/3/2021

38.31 0 38.31 Feet

NAD_1983_HARN_WISCRS_Marathon_County_Feet

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE ECONOMIC DEVELOPMENT COMMITTEE

Granting consent to RJ Elm Properties, LLC, to mortgage the Property described in the Lokre (Plaza Hotel) Multifamily Phase I Development Agreement to GreenState Credit Union

Committee Action: Pending

Fiscal Impact:

File Number: 20-0410 | **Date Introduced:** December 7, 2021

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

RESOLUTION

WHEREAS, on April 14, 2020, the Common Council approved tax increment financing incentives not to exceed 10% of new construction value for the construction of proposed multifamily residential units with a minimum construction value of $17,000,000, to include a $450,000 grant towards the cost associated with the demolition of existing improvements on the property (Plaza Hotel-ballroom, pool and motel areas) and 50% of available increment annually for 5 years not to exceed $450,000 as part of Phase 1, and 70% of available increment annually for 7 years not to exceed $800,000 as part of Phase 2; and approved the term sheet attached to the Resolution; and

WHEREAS, on June 30, 2020, the Common Council approved a substantive change to the terms to require a fair clawback provision in the Development Agreement; and

WHEREAS, on August 26, 2020, the City entered into a Development Agreement (Plaza Hotel Multifamily – Phase I) with RJ Elm Properties, LLC, a Wisconsin limited liability company ("Developer") to develop its parcel in two separate phases, constructing two mixed-use multifamily residential complexes each consisting of approximately 60,000 useable square feet, with a minimum construction cost of $9,500,000; and

WHEREAS, on May 11, 2021, the Common Council adopted an ordinance of the Plan Commission to rezone 1520 Elm Street to a Planned Unit Development Zoning District and approved the General Development Plan, which consists of one building on Developer's Parcel, which consists of a 4 floor, 141 unit, mixed-use multifamily residential complex with retail space and a rooftop containing a patio, green space and an enclosed restaurant; and

WHEREAS, the terms of the Development Agreement prohibit the Developer from, directly or indirectly, selling, assigning, transferring, conveying, mortgaging or encumbering the property that is the subject of the Agreement, unless it first obtains the prior written consent of the City, which consent shall not be unreasonably withheld; and

WHEREAS, on December 1, 2021, Developer requested City consent to mortgage the subject property, for a loan of $20,703,032.00 for a term of ten (10) years at 3.45% interest.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council of the City of Wausau hereby grants its written consent to Developer to mortgage the Developer's Parcel, as defined in the Development Agreement, for $20,703,032.00.

Approved:

____

Katie Rosenberg, Mayor

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE
ECONOMIC DEVELOPMENT COMMITTEE

Approving the proposal submitted by Gorman & Company, LLC for the redevelopment of the former Westside Battery and L & S Printing properties at 415 S. 1st Avenue and a Planning Option Agreement with Gorman & Company, LLC

Committee Action:

Fiscal Impact:

File Number:	**Date Introduced:**

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

RESOLUTION

WHEREAS, the City previously acquired both the former L&S Printing and Westside Battery properties and combined them into one parcel to facilitate their redevelopment into a use more appropriate for the continued redevelopment of the east and west riverfront areas; and

WHEREAS, the City released a Request for Proposal (RFP) in 2017 and again on September 17, 2021, with proposals due October 14, 2021; two responses were received, from Gorman & Company, LLC and Wausau Opportunity Zone, Inc.; and

WHEREAS, your Economic Development Committee at both its November 2 and November 10, 2021 meetings, heard presentations from both developers who responded to the RFP and on November 10, recommended to Council the approval of Gorman & Company, LLC's proposal to build a 50 unit, high quality, affordable housing complex;

WHEREAS, Gorman & Company, LLC ("Developer") has requested to secure the site for access to conduct due diligence activities over a 12-month planning period, by the conclusion of which Developer shall notice City of its intent to proceed to negotiate the terms of a development agreement.

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Wausau hereby approves the proposal of Gorman & Company LLC for the redevelopment of the property located at 415 S. 1st Avenue, and further, approves the Planning Option Agreement as attached, and instructs appropriate City staff to execute a letter awarding the Request for Proposal to Gorman & Company, LLC, along with the Planning Option Agreement.

Approved:

____

Katie Rosenberg, Mayor

MINUTES

Economic Development Committee Meeting

Date | time Tuesday, November 2, 2021, at 5:15 P.M. | *Meeting called to order by* Watson at 5:15 P.M.

In Attendance

Members Present:	Sarah Watson (Vice-Chair), Lisa Rasmussen, Becky McElhaney and Tom Kilian
Member Absent:	Tom Neal (C)
Others Present:	Mayor Rosenberg, Liz Brodek, Anne Jacobson, Tammy Stratz, Shannon Graff, Randy Fifrick, MaryAnne Groat, Chuck Ghidorzi, Trent Claybaugh, Jeff Stubbe, Mark Craig and Dave Eckman

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 the Minutes from 10/5/2021

Rasmussen motioned to approve minutes, seconded by Kilian. Motion carried 4-0

Agenda Item 2 | Discussion and Possible Action on Appointment of City's Poet Laureate

Brodek presented the agenda item. Brodek explained the resolution came from the Arts Commission and needs to be approved by a standing committee to be officially adopted of which the E.D. Committee is the "parent committee" to the Arts Commission. Brodek commented that adopting a poet laureate for our city puts Wausau in an echelon of a dozen or fewer Wisconsin cities.

Rasmussen moved to approve the appointment of the Poet Laureate, seconded by Kilian. Motion carried 4-0.

Agenda 3 | Discussion and Possible Action on Blenker Phase III Fourth Amendment

Brodek explained the amendment is to amend the commencement and completion date for the agreement. The most recent commencement date in May 2021 and December 2022 completion date. Brodek stated the developer is requesting more time due to supply chain issues and construction costs and is requesting a new commencement date of June 1, 2022 and December 31, 2024.

Rasmussen moved to approve the new timeline, seconded by Kilian. Motion carried 4-0.

Agenda Item 4 | Presentations, discussion, and possible action on responses to RFP for Westside Battery

Brodek stated the city received two proposals in response to the RFP for the Westside Battery – Gorman & Company, LLC and W.O.Z. Brodek introduced Trent Claybaugh, Development Manager, from Gorman who presented their proposal first.

Claybaugh described Gorman & Company's proposal to build a 50-unit, high quality, affordable housing complex on the site. He explained Gorman would offer the City of Wausau $100,000 for the parcel contingent upon an environmental investigation. He projected the development would generate roughly $2.23 Mil of annual tax base for the city. Claybaugh explained 20% would be for income levels at 30% or lower AMI, 40% of units would be for 31-49% AMI and 40% from 50-59% AMI. Claybaugh explained each unit would have at least one parking space underground and he has already been in contact with the adjacent property in case additional parking is needed. Claybaugh explained the breakdown of how the project would is estimated to be funded. He explained they are looking to apply for Neighborhood Investment Funds which could potentially cover the entire gap financing portion.

Kilian asked how soon they would know about the Neighborhood Investment Funds. Claybaugh responded the application is due back 11/11/21 and the deadline for a response is early December. Kilian then asked if Gorman is hopeful those funds would cover the nearly $1.7 Mil in gap financing. Claybaugh responded that would be the best-case scenario and that is what they would request from the fund. Kilian responded, if they do not receive all the funds requested from the fund, how does Gorman plan to finance the remainder of the gap. Claybaugh responded he envisioned the gap financing component would be to include a mixture of TIF, Home Investment loan and Wheda subordinate debt (allowed to borrow on a 1 to 10 basis). Kilian also asked if they anticipate any accessibility issues with the development being on a one-way street.

Rasmussen suggested if there is a portion remaining that other sources of funds be looked at in conjunction with or instead of TID financing due to this being a tax credit project and by law property taxes are paid at a rate of about 30% of that of a market rate building would and there would not be sufficient new increment to pay off TID debt sufficiently for taxpayers. Rasmussen also recommends having a closed session to discuss these proposals further.

Chuck Ghidorzi presented a proposal on behalf of Wausau Opportunity Zone (W.O.Z.). He provided poster visuals of the site with a four (4) story building and a poster visual with no building. He reminded the committee Wausau's master plan targeted the river life and downtown areas as key elements to the community's success. Ghidorzi explained the plan calls for a "sense of arrival", initially planned for Washington and 1st Streets but suggested it could occur much sooner. Ghidorzi voiced the addition of 4-story building on this site would destroy the master plan vision and mentioned several potential issues with constructability of the site. Ghidorzi offered W.O.Z.'s proposal as an exchange of the site for an additional 20,000 sq. ft. of land needed for the 78-foot street design on 3rd, Washington, Jackson, and 2nd Streets. He explained the mall land is currently assessed for $15/sq. ft., the cost to W.O.Z. has been $4.5 mil and the cost to the community has been $2.5 mil which equated to $22.43/sq. ft. to prep the pad for construction. He further stated the estimated value of land being exchanged is somewhere between $3-400k. Ghidorzi continued that the amendment to the purchase and development agreement proposed 95k sq. ft. of land for the street and the new design would increase it to about 121k sq. ft. Ghidorzi explained W.O.Z. proposes to amend the amendment to the purchase contract and put the property on the tax rolls in 2022. He explained Westside Battery would be raised in 2022 at their cost, estimated to be $100-125k. W.O.Z. would put $50k down in good faith pending finalization of the land transfer and the final street design.

Kilian commented the city is currently indebted to this property for about $390k. Kilian asked if W.O.Z. would be willing to pay the city $390k for the site. Ghidorzi responded their proposal speaks for itself and they feel the value of the exchange of land is equivalent to what the city has invested. Kilian expressed concern about the proposal and the master plan called for redevelopment rather than complete elimination of current development. Kilian also expressed concern regarding the financial piece of the proposal and said if W.O.Z. would be willing to pay the city $390k for the property he would potentially revisit his other concerns.

Rasmussen commented the committee is not equipped to decide regarding the proposals presented. She stated Gorman's rendering offers a quality product with the gateway appearance desired. Rasmussen discussed the concerns of building on the site but also mentioned the committee should focus on quality projects when presented. She continued that affordable housing and what is needed for the downtown is discussed often and what is needed is for people to live there or near there.

Watson spoke in support of Gorman's proposal due to the high demand for affordable housing.

McElhaney spoke in support of Gorman's proposal, but she did ask the tight timeline regarding submission of applications for tax credits.

Claybaugh responded the site isn't zoned for the density they're proposing so they preemptively applied for a planned unit development. Plan commission would review the application at Plan Commission on 11/16/21 and Common Council on 11/23/21.

It was the will of the committee to reconvene on 11/10/21 to discuss the proposals presented further.

Riverfront Condo Project:

Brodek stated staff continues to work through a development agreement with Mitch Viegut and his team. There have been two meetings with them in the last week and a multistep process was developed to address soil contamination issues and engineering concerns. Brodek stated a meeting is scheduled for next week to hopefully wrap up the agreement.

Rasmussen commented that it has always been known these sites have had contamination issues and asked if there was anything different about this site other than what is already known. Brodek responded there is nothing different with this site to her knowledge but said there appears to have been a misunderstanding between the city and developer regarding soil contamination and management and they're now working through that.

T-Wall:

Brodek stated the city was approached by W.O.Z. to discuss a potential reorganization of projects that T-Wall is involved in, in Wausau. Ghidorzi stepped forward to explain the request and answer any questions.

Ghidorzi provided an update on the progress of the downtown revitalization. He explained at the same time T-Wall expressed an interest in the Riverlife project, they also expressed interest in the mall project and immediately sent W.O.Z. a letter of intent to purchase block for an to have an option to purchase block 1. Ghidorzi explained the mall project has moved along much faster than expected and because of that, a strategy was discussed among W.O.Z., the Mayor's office and team, and T-Wall to prioritize the mall site for construction in 2022 and Riverlife in 2024. Ghidorzi outlined many positives of reversing the timeline of the developments.

Rasmussen expressed concern about the request due to the timelines agreed upon in the development agreement with T-Wall for the Riverlife project. She stated a representative from T-Wall needs to present in front of the committee and council to request a revision of the timeline promptly.

McElhaney expressed frustration that the committee was not made aware of changes to development agreements sooner.

Mayor Rosenberg addressed the committee and explained staff has been working tirelessly on this project and this is a unique opportunity to shift the focus to the now vacant mall area.

MaryAnne Groat discussed TIF, assessed value and equalized value and how it affects to the mall.

Rasmussen asked if it would be necessary to request an exemption due to the construction timeline. Groat responded it would be because if construction starts in 2022, the value would be lost.

Kilian commented that certain discussions should not be held in backdoor sessions that the committee and the body is not involved in and when there are profound changes, he would like to hear about them a lot sooner.

Neighborhood Investment Program Fund:

Brodek explained that this fund is intended to assist local and tribal governments in significant transformational projects that help neighborhoods recover from the negative effects of Covid and provide long term benefits to the neighborhood. The projects must include a significant upfront investment to achieve those goals. Every applicant can submit for up to $15 mil. in funding. Brodek stated Wausau is applying for two grants through the fund to attempt to get some projects off TID funding. One request will be for $10.5 mil for the pedestrian bridge at the mall redevelopment and the other will be for $490k for the infrastructure under the streets at the mall redevelopment site because roads cannot be funded but other infrastructure can be. After these two requests, there is a remaining amount of just under $4 mil. if needed.

Kilian asked for more detail about its history and eligible activities and applications.

Brodek said the program is run through the DOA and they intend to award up to $200 mil. dollars in grants to communities in throughout the U.S. The funds can be used for housing, childcare, and public improvements of which the pedestrian bridge and street project would fall under. The projects need to tie into the negative effects of the pandemic and Brodek said there's a strong argument the mall closed at a pace much faster than expected and the project is in a qualified census tract which is another component of the grant.

Groat explained these are ARPA funds the state received and the application period provided is a very short.

Brodek said the application must be submitted by 11/11/21 and all funds must be expended by 12/31/24.

Kilian expressed disappointment in the decision to request grant funding for public improvements when the money can be used for dire needs like housing and childcare.

Brodek explained the mall projects are in queue right now and would otherwise be funded through other public dollars, likely through the city. The grant provides an opportunity to move these projects quickly and due to the short timeline, there wasn't enough time to put together a multi-million-dollar project to use the grant funding for.

Rasmussen asked if qualified projects for the grant need to be shovel ready. Brodek responded that a project that is shovel ready scores 5 points higher than any other category.

Rasmussen spoke in support of requesting the funding for the mall redevelopment projects.

Mayor Rosenberg commented that although the city itself does not have shovel ready projects ready for childcare there are other agencies in Wausau who do have projects ready and are applying for these grants as well.

Agenda Item 6 | Adjourn

Kilian motioned to adjourn, seconded by Rasmussen. Motion carried 4-0. Meeting adjourned at 6:50 P.M.

MINUTES

Economic Development Committee Meeting

Date | time Wednesday, November 10, 2021, at 5:15 P.M. | *Meeting called to order by* Watson at 5:15 P.M.

In Attendance

Members Present:	Tom Neal (C), Sarah Watson, Lisa Rasmussen, Becky McElhaney, and Tom Kilian
Others Present:	Mayor Rosenberg, Liz Brodek, Tammy Stratz, Tara Alfonso, Shannon Graff, Randy Fifrick, MaryAnne Groat, Chuck Ghidorzi, Trent Claybaugh, Tom Raddantz, Sam Wessel. Deb Ryan

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 the Minutes from 11/2/2021

Watson motioned to approve minutes, seconded by Kilian. Motion carried 5-0

Agenda Item 2 – Discussion and Possible Action on proposals for the Westside Battery RFP

Brodek introduced the topic and explained the developers were present to answer any questions the committee might have.

Rasmussen asked Claybaugh if the summary from REI addressing site restrictions would be a deal breaker for their proposal or overcome the obstacle(s).

Claybaugh responded that based on the cost projections received from their architecture and engineering firms they had enough buffer built into their model to weather any possible concerns mentioned. He said they still need a geotechnical report to clarify any issues Gorman will face with the development. Claybaugh further explained when he built the model, he was very aware of how constrained the site is, which is why he built in a substantial buffer to accommodate any possible additional costs that might arise.

Watson asked Claybaugh if there was any development regarding the parcel across the street if additional parking is needed. Claybaugh said he contacted the owner of the parcel who said they would be willing to sell the parcel for the right price and Gorman staff have identified a price they think would be reasonable.

Ghidorzi spoke in favor of the W.O.Z. proposal.

Tom Raddantz spoke briefly about their concerns about the site.

Agenda Item 3 – **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: Consideration of development proposals received for the Westside Battery RFP

Rasmussen motioned to move to closed session, seconded by Watson. Motion carried 5-0.

Agenda Item 4 – Reconvene into Open Session to Take Action on Closed Session Items, if Necessary

Rasmussen commented about the need for a diverse mix of housing at all levels and discussed the need for affordable housing which prompted the creation of the housing task force. Rasmussen continued that Gorman's proposal checks all the boxes for affordable housing but also offers quality aesthetic, will help activate public spaces for the east side of the river.

Rasmussen motioned to approve Gorman's approval and direct staff to execute the appropriate process steps. Motion seconded by Kilian. Motion carried 5-0.

Agenda Item 5 – Adjourn

Motion to adjourn by Watson, seconded by Kilian. Motion carried 5-0.

PLANNING OPTION AGREEMENT

THIS PLANNING OPTION AGREEMENT (this "Agreement") is made and entered into as of the 8th day of December 2021, by and between the **CITY OF WAUSAU**, a Wisconsin municipal corporation established pursuant to Chapter 66, Wis. Stats., having its office at 407 Grant Street, City Hall, Wausau, Wisconsin 54401 (hereinafter "CITY") and **GORMAN & COMPANY, LLC**, a Wisconsin limited liability company, with its principal address of 200 Main Street, Oregon, Wisconsin 53575 (hereinafter "DEVELOPER").

WITNESSETH:

WHEREAS, CITY owns certain real property and improvements located at 415 S. 1st Avenue, Wausau, Wisconsin, known as "Westside Battery" and with Pin No. 291-2907-264-0970 (the "Property"); and

WHEREAS, DEVELOPER has requested a period of time to complete all desired due diligence necessary to determine the physical and financial feasibility of certain redevelopment activities at the Property (the "Project"); and

WHEREAS CITY desires to see the Property redeveloped in order to generate economic activity and tax base for the community; and

WHEREAS, depending on a determination by both parties of the economic and land use compatibility of the proposed Project, CITY is willing to negotiate a sale of the Property to DEVELOPER.

NOW, THEREFORE, for good and valuable consideration, the parties mutually agree and state as follows:

1. **Planning Option.**

   (a) CITY hereby grants to DEVELOPER (and any entity that is approved by the City of Wausau as a successor or assign) an exclusive period from the date hereof through December 31, 2022 to complete, at DEVELOPER's sole cost, any desired due diligence and feasibility studies relating to the Property and the Project (the "Planning Option"). With this Agreement, the City hereby approves Lutheran Social Services of Wisconsin and Upper Michigan, Inc., as an assign of DEVELOPER. The price of the Planning Option shall be Ten Dollars ($10.00). The Planning Option may be extended for an additional period of six (6) months upon written notice to CITY prior to expiration for an additional fee of Ten Dollars ($10.00) (such fee is non-refundable except as set forth below).

(b) CITY, during the period of the Planning Option or any extension thereof, agrees not to sell the Property and agrees that DEVELOPER has exclusive rights to the purchase and development of the Property during such period.

(c) During the Planning Option, CITY will provide DEVELOPER with reasonable access to the Property for purposes of completing customary due diligence; provided however, that: (i) any destructive or invasive testing shall require CITY'S advance written consent; (ii) prior to conducting any activities on the Property, DEVELOPER agrees to provide CITY with proof of liability insurance reasonably acceptable to CITY; and (iii) DEVELOPER agrees to promptly repair any damage DEVELOPER causes. CITY shall make available all known environmental reports in CITY's possession.

(d) During the Planning Option, CITY shall make good faith efforts to coordinate the public agency participation in planning, obtaining data from public records as may be available, reviewing and commenting on aspects of the proposed development in a timely manner.

2. **Development Agreement Negotiations.** Upon a determination by DEVELOPER that the Project is feasible, DEVELOPER shall have the option to provide CITY with written notice of DEVELOPER's intent to proceed prior to the expiration of the Planning Option. Upon the delivery of such notice, the parties agree to negotiate in good faith for a period of not less than sixty (60) days to arrive at a binding development agreement between the parties relating to the Project (the "<u>Development Agreement</u>"). The terms and conditions of the binding Development Agreement are subject in all respects to negotiation and mutual agreement, and neither party shall be obligated to enter into such agreement. If after such negotiation period no binding Development Agreement has been completed, this Agreement shall self-terminate. The following is the current, non-binding understanding as to the potential structure of the Project:

(a) The Project will be consistent with DEVELOPER's previous written response to CITY's Request For Proposal process.

(b) CITY will transfer the Property to DEVELOPER in its "AS-IS" condition for $100,000 pursuant to the terms of an executed Development Agreement.

(c) The Project will be compliant with existing zoning. This Agreement does not supersede existing zoning and it does not guarantee or imply that any proposed uses that are not currently permitted by existing zoning will e authorized or that the regular design review processes can be avoided.

(d) CITY's obligations under the Development Agreement will be conditioned upon, among other items, evidence of Project financing, review and approval of DEVELOPER's construction plans, and approval by the City of Wausau Common Council in all respects.

(e) If the parties enter into the Development Agreement before the expiration of the Planning Option, all payments made to CITY for the Planning Option shall be applied to costs associated with the transfer of title to DEVELOPER or other costs or expenses to be paid to CITY under the Development Agreement. If the Development Agreement is not agreed to by the parties, the DEVELOPER shall forfeit all development rights to the Property.

3. **Termination.** In the event DEVELOPER determines that the proposed Project is not feasible, or otherwise does not desire to move forward, DEVELOPER shall terminate this Agreement by providing CITY with written notice thereof. In the event DEVELOPER provides no notice to proceed prior to the expiration of the Planning Option, this Agreement shall automatically terminate. CITY shall have the option to terminate this Agreement, with or without cause, upon at least thirty (30) days' written notice and, if without cause, CITY shall refund any payments made to CITY for the Planning Option.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first above written.

CITY

CITY OF WAUSAU

a Wisconsin municipal corporation

By: ______________________________________

Katie Rosenberg, Mayor

By: ______________________________________

Kaitlyn Bernarde, Clerk

DEVELOPER:

GORMAN & COMPANY, LLC

a Wisconsin limited liability company

By: ____________________________

Brian Swanton, President/CEO

T. Wall Enterprises
Mgt LLC

December 3, 2021

RE: Development Update and Site Control

Economic Development Committee
City Hall
407 Grant Street
Wausau, WI 54403

Dear Economic Development Committee:

First, I would like to thank you for the opportunity to develop the Riverfront site. We have completed a General Development Plan and we have rezoned the property. We are making progress towards development of the site, and now we would like to work with city staff for site control.

Next, I wish to share an update and anticipated development schedule for the riverfront development and the downtown mall redevelopment.

Riverfront Development Schedule
Here is our development schedule, as of today, for the riverfront development.

Stage	Length of Time	Date Completed
Site Control	2 Months	Feb. 2022
SIP Submittal	2 Months (concurrent)	Feb. 2022
Final City Approval	2 Months	April 2022
Department sign offs	1 Month	May 2022
Construction Documents	6 Months	Nov. 2022
DNR CLOMR (floodplain)	9 Months (Concurrent)	Feb. 2023
State Plan Review	3 Months	May 2023
Groundbreaking	N/A	Oct. 2023

The next stage for us is to acquire site control so we can get soil borings, environmental testing, survey, title, etc. (i.e. We need site control for soil borings; we need soil borings for the architect and engineer to design the building.)

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Downtown Mall Redevelopment

In parallel with the riverfront site, we are also working with Wausau Opportunity Zone, Inc to redevelop the downtown mall site.

There is a unique opportunity for this site as it is centrally located and most importantly it is a blank slate. Just months ago, an empty mall with failing retailers was located on this site; now we have the opportunity to add two key components to the community of Wausau- successful retail and more housing.

We are particularly excited to develop this site because our main priority is revitalizing downtowns and creating a 'town center' or 'hub' for the community. This mixed-use development will bring in young professionals and empty-nesters alike from other communities to Wausau's downtown. The development will contain commercial, retail, and community areas that face the future public courtyard and Wausua Public Market that is masterplanned for the site. The mix of apartments and commercial space are purposefully calculated to create a program that will be successful for the development itself and also the downtown.

There are several advantages to Wausau in terms of timing for development of the site. This is an urban infill site, which typically, an urban infill site has bad soils, watertable issues, and takes years to prepare for construction. Fortunately for us and the City, there are minimal water table issues, good soils, and demolition has already occurred. This site could be shovel-ready within 12 months. I point out the timing for development of this property because we don't want to deliver the riverfront development and the mall redevelopment at the same as we don't want to risk the properties competing against each other and wrecking tax value to the TID. The favorable site conditions of the mall property allows us to deliver the mall redevelopment a year ahead of the riverfront development so the mall redevelopment can fully lease-up before the riverfront development is completed.

Here is our anticipated schedule for phase 1 of the mall redevelopment.

Stage	Length of Time	Date Completed
Site Control	1 Month (Completed)	Dec. 2021
Rezoning Submittal	2 Months	Feb. 2022
Final City Approval	1 Month	Mar. 2022
Department Sign offs	1 Month	Apr. 2022
Construction Documents	5 Months	Sep. 2022
State Plan Review	3 Months	Dec. 2022
Breakground	N/A	Dec 2022 (Goal Oct. 2022)

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Request and Next Steps

We can start on the mall redevelopment right away, because we have site control to do soil borings, survey, etc. We cannot proceed any further on the riverfront site until we have site control. We request that Economic Development Committee authorize staff to give us an option on the riverfront site. The option would grant us access to the site to perform our due diligence until we can complete a development agreement. The option is essential for us sticking to the above schedule.

Conclusion

In conclusion, we'd like to get site control wrapped up so we can finish a long list of work we need to do, including soil borings, having the architect draft the construction documents and obtaining a building permit. There's a lot to do with not very much time to do it.

Remember, this is the start of something great. We want to continue developing in Wausau, and this is the start.

Sincerely,

Nick Patterson
Project Manager
T. Wall Enterprises Mgt, LLC

cc: City Staff

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