

MINUTES

Economic Development Committee Meeting

Tuesday, December 7, 2021, at 5:15 P.M. | Neil 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, Alderpersons Michael Martens, Lou Larson, and Dawn Herbst, Liz Brodek, Attorney Anne Jacobson, Tammy Stratz, Randy Fifrick, MaryAnne Groat, Terrance Wall and Nick Patterson of T Wall Enterprises, Tyler Wildman of Wausau Bike Polo, Trent Claybaugh of Gorman & Co (via WebEx),

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 11/10/2021

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

Agenda Item 2 – Discussion and Possible Action on approving lease agreement for 180 E. Wausau to Seth Carlson on behalf of Wausau Bike Polo (Brodek, Carlson)

Brodek stated she was approached by Seth Carlson of the Wausau Bike Polo about the possibility of renting 180 E. Wausau Avenue for the winter. Brodek disclosed that the water was turned off to the building and that a portion of the roof was in disarray; however, Carlson was okay with these items as the building would be used only for team use and not public use. Carlson would provide the necessary insurance and provide all necessary snow removal during their tenancy.

Tyler Wildman of Wausau Bike Polo stated they are grateful for the opportunity to discuss making this a reality. They have tried for a couple of years to partner with the city for space but had been unsuccessful in the past. They will provide the necessary insurance, an outdoor bathroom facility, and remove snow as requested.

Kilian remarked that he has witnessed the group utilize Riverside Park when weather permitted. The group is very respectful of the property and is a very positive activity.

Rasmussen moved to approve the lease agreement. Seconded by Kilian. Motion approved unanimously.

Agenda Item 3 – Discussion and Possible Action on 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)

Attorney Jacobson stated this request is a formality so RJ Elm Properties can secure a mortgage against the property. All documentation needed from the developer and lender has been received as outlined in the packet memo with no abnormalities in the request.

Watson moved to approve the request. Rasmussen seconded. Motion approved unanimously.

Agenda Item 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. (Atty. Jacobson)

Attorney Jacobson stated that this agreement will allow Gorman & Company access to the property so they can perform their due diligence for the proposed development. Gorman will pay a fee for the access rights. After their due diligence period, the agreement allows for a specific period for Gorman and the City to derive an agreeable Developers Agreement. The city used this type of agreement in the past – when we sold the Wausau Club.

Kilian moved to approve the agreement. Watson seconded. Motion approved unanimously.

Agenda Item 5 – T Wall presentation on reprioritization of development efforts from Riverlife to mall redevelopment site (Terrance Wall)

Terrance Wall from T Wall presented on the reprioritization of development efforts from Riverlife to mall redevelopment.

Wall explained T Wall needs to get site control of the Riverlife property to allow them to do the borings, the environmental audit, ALTA survey, title work, etc. Many of these items drive the engineering of the building which cannot be completed until the aforementioned items are completed. Wall presented a timeline to illustrate the time it will take to complete the necessary components to be able to move forward with the development. He explained it's difficult to estimate a turnaround time from the DNR and state as it's dependent on how backed up they are. He further explained the flood plain issue could drive construction into 2023 if it takes as long as it's expected. Wall said they are moving as fast as they can to be able to start construction.

Agenda Item 6 – Discussion and possible action on reprioritization request from Riverlife to mall redevelopment site (Terrance Wall)

Wall explained this site is a much easier than the Riverlife site for many reasons. Engineering will be a lot easier because it's not on the water and because it's on a hill, there most likely won't be a water table issue, won't have pilings and they won't have to undercut footings. He also explained they know the soils are good/compressed because there was a building on it previously. Wall said this project could be completed much faster because they already have some site control, rezoning submittal and city approval are expected to be completed in April 2022, construction documents completed by September 2022 and State Approval to be completed by December 2022 with anticipated groundbreaking occurring in December 2022.

Wall explained they are not going to discontinue their work on one site in exchange for the other. The projects will be worked simultaneously to keep them moving forward and get them completed as soon as possible.

Rasmussen commented she is happy to see the projects would be moving in parallel and progress on the Riverlife project would not cease. She did ask T Wall if they feel their timeline is realistic.

Wall responded yes; the timeline is realistic but is dependent on the how backed up the state is and their turnaround time for approval. He said state approval could take 3-4 months, whereas it used to be 2-3 weeks, but even the 3-4 months is not a guarantee because it keeps changing.

Rasmussen asked if a planning option agreement gets T Wall where they need to go on the borings, will the completion of them move the development agreement construction along. Rasmussen commented that the mall redevelopment could allow time for the market to normalize the increased construction costs and asked if T Wall foresees the public ask for the Riverlife project to decrease at all if construction costs decreased.

Wall responded he doesn't expect the price of steel, PVC or copper to come down because there is too much of a shortage in the supply chain, but there is some speculation lumber prices will change, however, the cost of lumber has doubled in the past week. Wall explains they are counting on the cost of lumber to come down to get to where their TIF request is and if lumber costs would be below their budgeted amount, they could reduce their TIF request, but he doesn't think that will happen given a new tariff and flooding that occurred in British Columbia.

Neal asked City Attorney Jacobson if site control would imply an approved developer's agreement.

Jacobson responded that typically any due diligence activities would be included in the developer agreement. Attorney Jacobson suggested they are seeking in a site access agreement is similar to a planning option agreement such as the one presented in the packet for Gorman. Jacobson explains that assuming they find the property is a feasible project, that the site agreement would end up in a signed development agreement.

Kilian asked T Wall who will be funding T Wall's activities/construction on the site and how much of the funding will be coming from W.O.Z. directly.

Wall explained W.O.Z. is contributing the land and the survey.

Kilian referenced a memo from T Wall that stated, "we don't want to deliver the Riverfront development and the mall redevelopment at the same time as we don't want to risk the properties competing against one another." He asked who doesn't want to risk the developments competing against each other.

Wall explained there would be an overlap component regarding types of customers if the properties are brought to the market at the same time. Wall explained even if there is a study showing a city needs 1000 units, those units should be presented over time. He explained based on his experience, only so many units can be rented each year due to a short leasing period and only so many people move in a month, it would not be possible to get both properties fully leased in a short timeframe. He said rolling out one project, getting it leased and then rolling out another project is a better strategy.

Kilian commented had T Wall continued with the Riverlife project based on the timeline initially presented, it would have posed a competitive threat to the W.O.Z. development in terms of leasing the units which may have competed with the Riverlife development. Kilian stated with T Wall handling both projects and the timeline slows down on the Riverfront, then the competitive threat no longer exists.

Wall responded that T Wall did not know about the flood plain issue at Riverlife which resulted in an extended timeline for project completion because the turnaround time for DNR and the State is unpredictable. Wall continued that it was communicated with W.O.Z. that T Wall would complete the mall redevelopment right after the Riverlife district but due to the issues with Riverlife, it made more sense to reprioritize so a whole year isn't missed where something can be developed.

Agenda Item 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

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

Agenda Item 8 – Reconvene into Open Session to Take Action on Closed Session Items, if Necessary

Meeting reconvened at 6:26 P.M.

Rasmussen motioned to grant the request to T Wall Enterprises to begin the mall project first and the committee reserves a planning option agreement for them to gain access to the Riverlife site for 3 months to be fulfilled on March 1, 2022, and at that point, the committee would expect within 60 days a development agreement will be completed.

Motion is seconded by Watson.

Motion carried 4-1 with Kilian be the dissenting vote.

Agenda Item 9 – Adjourn

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