MINUTES

Economic Development Committee Meeting

Tuesday, August 2, 2022, at 5:15 P.M. | Henke at 5:15 P.M.

In Attendance

Members Present:	Lisa Rasmussen, Chad Henke, Tom Kilian, Carol Lukens
Member Excused:	Sarah Watson
Others Present:	Liz Brodek, Randy Fifrick, Tammy Stratz, Alder Doug Diny, Alder Gary Gisselman, Shannon Graff, S.C. Swiderski Team – Jacqui McElroy, Kortni Wolf, Connor Langbehn, Alison Baxter, Madeline Check, Chuck Ghidorzi, Mayor Rosenberg, Atty. Anne Jacobson, Anthony Kazee (KG Development Group), Jamie Gray (KG Development Group), Brian Loftin (J Jeffers & Co.) Alder Gisselman, Hannah & Justin Steege (Sugar 'n Spice Cheesecakes)

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

Agenda Item 1 – Approval of Minutes from 8/2/22

Kilian motioned to approve minutes from 8/2/22, seconded by Lukens.

Approved unanimously.

Agenda Item 2 – Discussion and possible action on Approving Commercial Rehabilitation Loan Funds for 108 N 2nd Avenue. (Stratz)

Stratz presented a commercial rehabilitation loan proposal for the building formerly occupied by Frostman's Fish Market but advised the address was incorrect in meeting materials and should be 108 S. 2nd Avenue. Stratz explained Hannah and Justin Steege have been doing a lot of work themselves and noted they are only asking for $47,000 of the $450,000 total project cost.

Rasmussen and Henke spoke in support of the rehabilitation loan.

Rasmussen motioned to approve the Commercial Rehab Loan Funds, seconded by Lukens.

Approved unanimously, 4-0.

Kilian also spoke in support of the rehabilitation loan but asked for Atty. Jacobson's to clarify any issues would arise from the address being incorrect in the meeting materials. Atty. Jacobson replied she did not see it as an issue because the packet had a picture of the building, so it was known what building was being renovated.

Agenda Item 3 – Discussion and possible action on approving assumption of TIF loan from Wausau World Market to Four Star Market (Stratz)

Stratz reminded the committee about the TIF loan provided to Wausau World Market in 2015 to purchase and remodel the building on 3rd Avenue. Stratz explained it was successful for awhile but when Covid hit, and payments stopped. Stratz said staff reached out to the owner and mail was returned with a forwarding address in another state. It was discovered the legal owner sold the building and business to Four Star Market on a land contract which included a large cash down payment. Stratz continued, the sale was not relayed to any entity involved in the initial purchase nor were any of the entities agreeable to the transaction. Abby Bank foreclosed but the new owners continued making payments on behalf of the legal owner to the Abby Bank, the City and MCDEVCO and has steadily increased business. Stratz said the city received notification of a Sheriff's auction on occurring on 8/23/22 and the new buyer will either outbid Abby Bank to take over or Abby Bank will take over ownership and sell to Four Star Market. Stratz said however it occurs, Wausau and MCDEVCO would like to rewrite their respective mortgages with Four Star Market which is the only way the city would not lose out on the money.

Rasmussen motioned to grant the loan, seconded by Kilian.

Kilian spoke in support of the assumption of the TIF loan but asked if it was possible to identify protective measures in future agreements to protect the city from these situations in the future.

Stratz explained it's difficult when you provide Gap financing to be fully protected when in 2nd or 3rd place on a mortgage but did note the city's foreclosure rate is around 1-2%.

Lukens also spoke in support of the assumption of the TIF loan.

Approved unanimously, 4-0.

Agenda Item 4 – **Removed from Agenda** - Discussion and possible action approving Third Amendment to Riverlife Condos Development Agreement (Brodek, Atty. Opperman, Viegut)

Brodek explained staff did not receive the draft from the developer and an addition to the packet would not have provided enough time for committee members time to review. Brodek explained it's expected the committee to discuss moving all dates in the agreement back because the deadlines will not be met. Brodek also noted there would need to be an amendment to the Riverfront Declarations. Brodek stated she anticipates this will be brought to the next E.D. meeting.

Rasmussen asked if there have been any substantial changes to the project as it was initially agreed upon. Brodek responded she has been told they're going to go back to Plan Commission for a new GDP, but she doesn't have a draft confirming that information. Rasmussen commented that before Plan Commission approves a revised plan that any changes to the original project need to be presented to the E.D. Committee first. Brodek agreed.

No Action Required

Agenda Item 5 – Presentation on Riverlife RFP Responses (Fifrick, Brodek, representatives from J. Jeffers and S.C. Swiderski)

Fifrick reminded the committee of the approval of an RFP release for Lots 6, 7 and 8 of Riverlife District. Fifrick stated two proposals were received from the RFP: one from S.C. Swiderski and one from KG Development and J Jeffers & Co. He said both groups were in attendance to present their proposals to the committee.

KG Development and J Jeffers & Co. presented first and proposed developing 16 townhomes in Lot 6, seventy-two units of mixed-use (residential and commercial) development in Lot 7 and eighty-four units of mixed-use (residential and commercial) development in Lot 8. The proposal includes community gardens and encompasses community event space. The total development cost is $44,682,316 with a TIF request of $6,414,328 as well as additional funding needed through City participation of $18,567,988. Completion was estimated to be April 2024.

S.C. Swiderski then presented and proposed a mixed-use development featuring a 7-story building containing 200 market rate units. Unit size and count would be 72 studio units, 70 studio suites, 18 2-bedroom units, 36 1-bedroom units and 4 penthouse suites with a variety of floorplans. The building would house 2 ground level commercial retail spaces, bike parking and tenant amenities such as a community center, conference room, yoga room, fitness room, tenant storage, tenant patio and grilling areas and a rooftop terrace for outdoor gatherings. The proposal includes a 5-story, 280 vehicle, parking structure, 21 exterior lot parking spaces and 44 ground floor parking spaces. S.C. Swiderski offered to purchase the lots for $400,000 which includes outlot 4. The proposal requested 15% in TIF assistance for the $45 million project. The development timeline reflected a completion date of July 2026.

Agenda Item 6 – **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 review and recommendation of Riverlife RFP responses.

Rasmussen made a motion to move into closed session and read state statute. Roll call vote.

Approved unanimously.

Agenda Item 7 – **RECONVENE** in Open Session to take action on Closed Session Items, if necessary.

Rasmussen made a motion based on discussion in closed session to accept the proposal from S.C. Swiderski, LLC. and direct staff to commence the appropriate negotiations for that plan. Motion Seconded by Lukens.

Passed 3-1 with Kilian being the dissenting vote.

Agenda Item 8 – **Adjourn**

Kilian motioned to adjourn, seconded by Lukens.

Approved unanimously. 4-0.

Meeting adjourned at 6:43 P.M.