MINUTES

Economic Development Committee Meeting

Date | *time* Tuesday, December 6, 2022, at 5:15 P.M. | *Meeting called to order by* Watson at 5:15 P.M.

In Attendance

Members Present: Sarah Watson, Chad Henke, Tom Kilian, Carol Lukens, Lisa Rasmussen

Others Present: Randy Fifrick, Shannon Graff, Tammy Stratz, Andrew Brueggemann, Chuck Ghidorzi, Alder Doug Diny, Mayor Rosenberg, Atty. Anne Jacobson, Maryanne Groat, Atty. Isaac Roang (Quarrels & Brady), Mark Macdonald (Athletic Park, Macndon Ventures)

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 11/1/22

Kilian motioned to approve minutes from 11/1/22, seconded by Henke. **Approved Unanimously 5-0.**

Agenda Item 2 – Discussion and possible action approving the purchase of 722 Washington Street (Stratz)

Stratz advised the committee that Community Development issued a rehabilitation loan to Vang Moua Chang and Chue Yang in the amount of $49,115.99. This was a special program where the city partnered with a local lender and an approved household to purchase and rehabilitate a home. The lender advised her they are going to start foreclosure proceedings on the home located at 722 Washington Street. She explained the lender has less than $10,000 in collected fees and loan balance which is less of a financial interest than the city, so she is requesting approval bid on the home at the sheriff's sale. She said anticipates the bid to be about $59,000 to make both the city and the bank whole, but there is a chance they will be outbid. If the bid is accepted and home purchased, the goal is to complete any rehabilitation necessary and then sell it to a low-moderate income household.

Rasmussen motioned to approve the purchase, seconded by Henke. **Approved Unanimously 5-0.**

Agenda Item 3 – Discussion and possible action approving sale of 206 N 6th Avenue (Stratz)

Stratz brought forth an offer to purchase for $1,000 for Habitat for Humanity to purchase 206 N 6th Avenue for their next approved family. She explained the conditions of the offer to purchase are that the city provide a Certified Survey Map to buyer by 1/1/23 and to have the trees from the property and boulevard removed by closing to accommodate crane swing and delivery of home. She noted they expect to close on March 15, 2023.

Kilian motioned to approve the sale, seconded by Henke. **Approved Unanimously 5-0.**

Agenda Item 4 – Discussion and possible action approving the Wausau Opportunity Condominium Plat, Declaration of Condominium by Wausau Opportunity Zone, Inc., Bylaws and Articles of Incorporation of Wausau opportunity Condominium Association, Inc. Deeds of the Condominium Units, and appointment of City Director on Condominium Association Board for Wausau Opportunity Condominium Associations, Inc.

Rasmussen motioned to approve, seconded by Henke.

Kilian asked how many members would be on the board. Atty. Roang noted there would be three members on the board. Kilian requested clarification from the city attorney to ensure it was properly vetted so there is no conflict of interest due to a previous situation in which the city Finance Director had to step down from a committee due to the conflicts. Atty Jacobson replied that it has been thoroughly vetted and she does not see a concern about a director level position to act as a sitting member on the board because they are representing the interest of the city as one of the owners.

Watson asked if there was a way to have a council member be part of the board in addition to or instead of the city staff member. Atty Jacobson asked Atty Roang his thoughts who said it would be up to the council how they would want to elect their representation. Roang stated the reason staff was chosen was for flexibility in case someone needed to step down then it wouldn't need to be agendized for a resolution for a replacement.

Kilian commented the previous situation in which the director level staff had to step down from a board was also vetted, but still resulted in a conflict requiring them to step down, and he saw parallels in this situation. Atty. Jacobson said she'd have to go back in her notes to see what occurred with the refenced scenario and how it was vetted and said she is willing to discuss it with Kilian further after the meeting or the next day. Atty. Jacobson again noted she does not have any concerns with this particular appointment.

Kilian requested clarification as to whether the city will maintain ownership of part of the vertical structure which is necessitating this action. Atty. Roang confirmed this was established because the city will maintain ownership of the parking lot on the property and the only way to facilitate continued ownership with ownership of a structure above and beside it, the condo structure is the only way under Wisconsin Law to set this up. Kilian followed up asking what the financial benefit is to the city in this relationship.

Atty. Roang replied what is being retained is what is already owned, and the city did not previously own the building above it and now that the ground and air lease has been terminated, a condominium structure needs to be created in order to maintain the ownership. Atty. Roang invited WOZ to discuss any development opportunities exist beyond that.

Kilian replied that is a concerning point for him along with the board appointment and the city retaining ownership of the vertical structure is a critical component of this makeup and is not going to see any financial benefit from the relationship and questioned why the city would retain ownership of the structure.
Atty. Roang responded that yes, the city could sell it if they had a buyer or if WOZ wanted to buy it, but condominium structure is what city council already approved doing and it is now simply being set up based on that decision.

Rasmussen commented that she does support this. She noted it outlines who owns what and the city needs to access and control its own assets and since the city has not made the decision to not be in the parking ramp business anymore, then the city must have a seat at the table, and this creates the legal structure to manage what the city owns. Rasmussen additionally commented on the board appointment and said we either trust our legal team, or we don't. She noted the prior arrangement when WOZ first formed was more about having the city having a voice than it was about gaining or managing other people's interests. Rasmussen commented that whoever sits on the board ensures continuity and institutional knowledge in the operation of said facilities. She noted if an alder is appointed to the board, politics is then brought into the mix and there is the potential for that member to disappear due to an election. She also commented that no alder has knowledge on parking lot management or city infrastructure so having a person with that knowledge base is essential.

Watson said that perhaps there is an opportunity to have oversight by simply attending the meetings without having a voice in any action.

Approved 4-1 with Kilian being the dissenting vote.

Agenda Item 5 – Update on Macndon Ventures, LLC Development Agreement for Athletic Park (Fifrick)

Fifrick provided an update on Athletic Park to ensure the committee knows of the impending amendment that will be presented in early 2023. He noted that in 2020 the City of Wausau entered into a Development Agreement and Athletic Park Use Agreement with Macndon Ventures, LLC that stipulates the city will create 150 new public parking spaces within a .125-mile radius of the park by 12/31/22 which the city is now unable to meet. Due to this, the city worked with Mark Macdonald with Macndon Ventures to provide 150 temporary spaces for the 2022 season and will do the same for the 2023 season and is working on an amendment to the previous agreement which will memorialize the temporary situation the city arranged as well as clarify signage requirements.

Fifrick also noted Macdonald is proposed to the Parks & Recreation Committee on 12/5/22, installing Astro turf in the infield foul territory sections of Athletic Park as well as bringing a Division 1 Collegiate Summer Softball team to Wausau (Woodchuck version of softball) in the summer of 2024.

Watson noted her support for this, especially bringing fast pitch softball to the area.

Rasmussen asked Macdonald if the additional activity added to Athletic Park would prevent from accommodating other long-term users of the park from being able to continue using it. Macdonald responded it would not.

Lukens expressed concerns using AstroTurf due to it being made from plastic and having an environmental impact.

No action needed for this agenda item.

Agenda Item 6 – Update on Riverlife Wausau, LLC Development Agreement

Fifrick explained a letter of default was sent to the developer because he failed to satisfy the closing conditions by 11/2/22 as required in the Third Amendment to the Development Agreement. Per that agreement, the developer had 30 days from 11/2/22, making the deadline 12/2/22, to cure the default but the developer failed to do so. Council requested a closed session to discuss any further action to take.

No discussion among committee members occurred as item was agendized for closed session.

Agenda Item 7 – **CLOSED SESSION** pursuant to 19.85(1)(e) of the Wisconsin Statutes for Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: relating to legal options and strategy to be adopted by body pursuant to Notice of Default for uncured violations of the Development Agreement with Riverlife Condos, LLC including termination.

Motioned by Lukens, seconded by Rasmussen to move into closed session. **Roll call vote Approved Unanimously 5-0.**

Agenda Item 8 – **RECONVENE** into Open Session to take action on Closed Session items, as necessary

Kilian motioned to reconvene to open session. Henke seconded. **Approved Unanimously 5-0.**

Rasmussen expressed disappointment with the progression of this development agreement. She commented the last amendment that was brought forward, it was reiterated to the developer that it would be the last one and the city wanted them to start the development, as agreed. She noted the proposal was sold to them because the developer was local, the number of expected units and the proposed amphitheater. Since then, the amphitheater was removed from the plan, then as additional amendments were presented, the number of units also decreased in addition to extending the completion timeline. Rasmussen noted there has been radio silence since the Third Amendment was approved and said at this point she wants to be done. She said not everything on the Riverfront needs to be developed overnight and we have time to exit this agreement and run a new RFP at some point rather than accept anything that's proposed or take the low-hanging fruit just to have a project because that's not who the city is.

Rasmussen motioned to direct staff to issue the appropriate termination of the development and forward it to Council for next week. Lukens seconded the motion. **Approved Unanimously 5-0.**

Agenda Item 9 – Discussion and possible action on January 2023 meeting date.

Fifrick asked the committee if there was any interest in moving the meeting in January because is on the day everyone returns from an extended holiday weekend. Members all agreed to keep it on the normal day as already scheduled.

Agenda Item 10 – Adjournment

Kilian motioned to adjourn, seconded by Lukens. **Approved Unanimously 5-0**

Meeting adjourned at 6:18 p.m.