

# MINUTES

## Economic Development Committee Meeting

**Date / Time:** Wednesday, October 3, 2023, at 5:15 P.M. | **Meeting called to order by** Watson at 5:15 P.M.

### In Attendance

**Members Present:** Sarah Watson (C), Tom Kilian, Lisa Rasmussen, Carol Lukens, Chad Henke

**Others Present:** Liz Brodek, Randy Fifrick, Michael Loy, Andy Lynch, Brad Lenz, Alder Gary Gisselman, Alder Doug Diny, Deb Ryan, Kaitlyn Konyon (Baker Tilly), Atty.

*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 8/1/23

*Henke motioned to approve minutes. Seconded by Lukens. **Approved unanimously 5-0.***

### Agenda Item 2 - Discussion and possible action on Second Amendment to Bantr Development Agreement at 1520 Elm St. (formerly 201 N 17th Ave) (Brodek, Loy)

Brodek stated the Second Amendment for Bantr is simply to adjust the project description noting that the original project description indicated the development would only be multi-family and did not contemplate any hotel or short-term use. She explained the description has been expanded to include multi-family, hotel stays and short-term rentals in any combination as determined by the developer to better serve their target market. Brodek noted the change would offer more extensive short-term housing for businesses, traveling professionals and the community.

*Rasmussen motioned to approve the Second Amendment, seconded by Kilian.*

Kilian asked Loy (Bantr) what the rationale was in the change to the project description. Loy first commented that there are two things he feels will not change with the approval of the amendment those being the assessed value and that it will provide room tax dollars. He continued by explaining that the development is 141 units and about 61 of them are fully furnished studio apartments. Loy stated the idea behind Bantr is to create community spaces those being on the first floor and the rooftop restaurant while also trying to create experiences for people residing there. He said the value proposition is people can reside there short-term which is opposite of typical apartment living. He said Bantr would easily rent the units with year-long leases but does not feel that is what the community wants or needs and notes they've had several short-term leases thus far which provide more flexibility for people. He noted conversations with several businesses that may be moving executives and/or other employees to the area who have not found a house or may only be here temporarily and allowing flexibility in the length of stay provides a value to businesses who are trying to attract and retain talent. Loy noted their goal is stability, so they'd prefer longer term leases, but as a whole they're trying to be flexible and help people transition in and within the community. Kilian responded that it sounds like a positive option for the community and has his support.

Henke commented when he moved to the area in 2010 that the shortest lease, he could find was for 6 months to a year but his family was ready to move out of the rental in 2 months so it would have been nice to have a short-term lease option.

Due to a concern raised by a citizen, Kilian asked Loy if it would be inconvenient to request neighborhood input or for others to be part of the process. Loy responded they're happy to do whatever gets them to the objective and noted that they do have a relationship with the owner of the Best Western and no objections have been brought forward by them.

Brodek added that the amendment does need to go through Plan Commission for an SIP Amendment on the 3<sup>rd</sup> Tuesday in October.

Kilian asked if there is a relevant neighborhood group in the vicinity of the development that they're aware of the group. Brodek responded that it's a commercial corridor in that area so she was unsure about a neighborhood group but would look into it.

Henke noted that he runs the Werle Group every month and that no one ever shows up.

Rasmussen commented that what Bantr is trying to accomplish with respect to workforce development aligns with the committee's goals of developing the community, increasing tax base, generating new dollars, developing workforce, and getting people to Wausau to live. Rasmussen said she cannot rationalize bottlenecking the process when the change requested complies with the use of the building and with their being a large market for housing of traveling professionals, the committee would be remised to stand in the way of Bantr offering available units to cater to that population and hopes the process continues moving along. She noted public meetings can be held after the fact and if neighbors want to attend, they may.

Lukens commented in agreement with Henke and Rasmussen. **Approved Unanimously 5-0.**

### Agenda Item 3 - Low Income Housing Tax Credit (LIHTC) presentation (Kaitlyn Konyon, Baker Tilly)

Kaitlyn Konyon, Baker Tilly, provided an educational presentation on Low Income Housing Tax Credits (LIHTC).

Kilian asked if there are any recommendations in long-term planning on how to avoid developments turning unaffordable all at the same which could cause an issue with gentrification at that point.

Konyn noted that WHEDA requires a market study be completed to evaluate current housing in the area and if there's a need for this housing specifically as proposed and if they cannot show a need and that it's not oversaturated, WHEDA will not fund the project. Additionally, there are a lot of tax projects out there that will re-syndicate and go through the process again to rehab the property which would extend the length of affordability.

Alder Diny noted residents in a Wausau LIHTC project that has reached the end of the affordability period and have continued residing there waiting for a couple of other developments in the works, but they have now been delayed a year. He asked about the closing of the affordability period and how it's handled with residents of the units as far as options and the notice process.

Konyn responded that she could attempt an answer but does defer the question to someone who works in compliance management on a daily basis. She stated she does know that they have to meet the Uniform Relocation Act and are required to give tenants proper notice which she thinks is 60-90 days but cannot say for sure. She asked Alder Diny if the building was sold. Diny replied it was sold and the new owners are raising rent. He believes the discounted rent will go until the end of year. Konyn responded that that is the unfortunate thing with a tax credit project; if there isn't any additional affordability requirement, after the 15-year period they could go to market rate adding to problem and increasing the need for affordable housing in the area which is why WHEDA add the extra affordability requirement of the additional 15 years to try to maintain affordability.

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#### **Agenda Item 4 – Development Project Updates**

- North Riverfront planning
  - Trail developments
  - Swiderski Riverfront/Sterling
  - Affordable housing infill projects
  - West Side Battery/Gorman affordable housing multifamily
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#### **Development Project Updates**

**North Riverfront planning:** Brodek noted there is \$100,000 in TIF 12 to assist with the planning process for the North Riverfront Development. She noted there's a lot of area to cover so extra help is needed outside of our office to so.

Lenz noted the area referred to as North Riverfront is located from Bridge Street up to the former County Materials property. Lenz said part of the planning process has been strategic property acquisitions such as County Materials, Dive Point, etc. He said with those acquisitions they are looking at infrastructure improvements including extending the trail as well as extending River Drive which will set the stage for the redevelopment of the area. He commented that staff does think the time to discuss a broader, more holistic plan for redevelopment of the area is now which includes how the area should look and how it connects to the neighborhood around it to ensure the right decisions are made when projects are presented.

**Trail Developments** Lynch explained that with the acquisition of County Materials, extending the River Edge Trail on the east side, north of Winton Street is very much a possibility now. He noted the extension would go north along the river and that the railroad crossing a bit further south would need to be moved. Lynch said they've been working with the owner of the railroad who have been very helpful, and once the crossing is designed, they'd need to take it to the state office for the commissioner of the railroad that would need to approve it. He explained once approved, there would be a crossing into Gilbert Park and sidewalks could be extended to where the boat ramp is which would represent on the northern end of the River Edge Trail on the east side which adds .6 miles and about 3 miles in total from Gilbert Park down to Oak Island with only one railroad crossing. Lynch noted the extension, for the most part, would complete trails on the east side of the river. He also mentioned funding for the trail is available through the TID, the Room Tax Commission gave \$250,000, and funding is being sought from private foundations as well.

Lynch explained the other section of trail is connecting Thomas Street around Kolbe & Kolbe by the river and the Wastewater Treatment and DPW site which comes out by Adolph Street. Kolbe & Kolbe has already signed off on the easement on their property and beyond their property then it's all city owned property to Adolph Street. There is currently an access trail around the outside of the fence on the DPW site. From Adolph street, the trail would use signage to direct users to the street which would lead to DC Everest Park. Lynch stated this portion is about \$470,000 but is not in a TID nor did it meet the threshold for the CIP process, so funding is being requested from local foundations. Lynch noted the Community Foundation has already provided \$50,000 and he has three more applications ready to be submitted with hope of more support to reduce the amount needed from the city budget. Lynch said both trails are slated to be built next year.

**Swiderski Riverfront / Sterling** Fifrick explained a meeting occurred with Swiderski to discuss how their project will interface with the trail Lynch spoke about which Swiderski noted it as being part of their planning process. Fifrick stated the general development plan will be brought to council next week and the next step would be bringing back a specific site plan in November. Fifrick stated everything is on track for their property conveyance at the end of the year and that Swiderski has stayed on the timeline well and as long as things continue to move forward, construction should hopefully start in Spring 2024.

#### **Affordable Housing / Infill Projects**

Brodek reminded the committee of the ARPA funds awarded to the Development Department for two housing projects on Thomas Street and Wyatt Street. Brodek stated Wyatt Street failed at Council in September and with that, it brings the number of projects with no local funding asks that were passed by Plan Commission and then failed at Council to 0 out of 3.

Brodek said she has a Wisconsin Assessment application into the DNR for Thomas Street which she's hopeful to hear back this week or next. Those monies would allow the sites to be surveyed into specific parcels. Brodek said an architect has been working simultaneously to provide five home designs based on the Visual Preference Survey results which she is working on dates to bring them to the neighborhood for input.

Rasmussen commented that ARPA funds have a narrow spend-down timeframe, so the funds allocated for Wyatt Street either needs to be reallocated or repurposed because there are several other projects that are being held for possible ARPA funding. Brodek responded the funds can either be reallocated to the Thomas Street project or the Wyatt Street project that is currently being revamped at an alternate location.

**West Side Battery / Gorman Affordable Housing – Multi-Family** Brodek noted Gorman won their tax credits and now staff and Gorman are working through environmental issues related to noise level from the railroad. Gorman's architect needs to submit a plan for how the sound will be mitigated. Additionally, Gorman is obtaining an appraisal for a parcel across the street. If the city is able to assist with the acquisition of the parcel, it would provide parking for four additional units in the project. Brodek said she's hopeful the Development Agreement will be brought to Committee by the end of the year because their planning option terminates at the end of the year which would need to be extended if the agreement isn't received. She also said she believes a development agreement is needed by year-end for the LIHTC as well.

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#### **Agenda Item 5 –Adjourn**

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

Meeting adjourned at 6:49 PM

#### **CITY OF WAUSAU, MEETING LINKS**

*ALL City of Wausau Meetings can be viewed at:*

- <https://www.youtube.com/@CityofWausauMeetings>

*The ED meeting from 10/3/23 can be viewed at:*

- <https://youtu.be/IAno806yJWI>