

MINUTES

Economic Development Committee Meeting

Date / Time: Tuesday, February 6, 2024, 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: Mayor Rosenberg, Liz Brodek, Randy Fifrick, Tammy Stratz, Atty. Anne Jacobson, Blake Opal-Wahoske (River District), Nick Patterson (T-Wall), Atty. Matt Rowe, Bruce Bohlken, Tom Neal, Alder Gary Gisselman, Alder Doug Diny, Shannon Graff

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 December 5, 2023, meeting

*Henke motioned to adjourn, seconded by Lukens. **Motion passes unanimously 5-0***

Agenda Item 2 – Presentation from Wausau River District (Blake Opal-Wahoske)

Blake Opal-Wahoske, Executive Director of Wausau River District presented to the committee about Wausau River District, who they are, what their purpose is and what area they serve.

To see the full presentation, please visit <https://www.youtube.com/watch?v=PQjQBzCwJAq> from minute 2:20 through 21:10.

Agenda Item 3 – Presentation from Community Development Staff on National Community Development Association Audrey Nelson Award (Stratz)

Stratz showcased the Audrey Nelson Award that the City of Wausau won through the National Community Development Association for its role in the acquisition of the Community Partners Campus. Stratz explained that Audrey Nelson was the first Deputy Executive Secretary of NCDCA. In 1987, NCDCA established the Audrey Nelson award to honor communities, who exemplified the same dedication to addressing the needs of family, homes and neighborhoods just as Audrey did. Audrey was a young woman who grew up in an inner-city Chicago neighborhood which was a target area for the local Model Cities Program which is what CDBG is today. Stratz explained that Ms. Nelson was deeply committed to her neighborhood, local program efforts and had an incredible drive to serve low-moderate income people. Her list of achievements was cut short due to her untimely death from cancer at age 29. Stratz noted this was the 2nd year in a row for winning the prestigious award and is very proud to have been chosen among the several other applicants.

Agenda Item can be seen on the YouTube video from minute 21:40 through 25:54.

Agenda Item 4 – Update on Foundry on 3rd, LLC mall site redevelopment (Nick Patterson)

Brodek introduced Nick Patterson from T-Wall. She noted monthly updates are provided to council, but Patterson was able to attend the meeting to provide an in-person update.

Patterson noted their contractor is rebidding the project with several subcontractors so they can get the most competitive pricing with them. He stated the MEP team is still locked in and they're progressing on their specific plans. In the meantime, he mentioned they are looking at many construction pricing indexes and continually tracking them so when construction materials are purchased, they can be purchased at a lower cost. He noted multi-family construction increased by 37% between 2020-2023 but only a 2% in the 12 months which signifies construction is finally stabilizing. Patterson said pricing for sheet rock/drywall pricing has steadied in price since March 2023, steel pricing is down 5% this year, softwood lumber is up 6% this year and ready-mix concrete has seen a 10% increase throughout the year, but November and December showed signs of slowing down. By continually tracking prices and purchasing material when prices are down, help keep the cost down. If they would purchase when prices are high, they're stuck with that price forever. He went on to mention that Interest rates have steadily increased the past couple of years, but the three major indexes used by their lenders, SOFR, Prime and 10-year treasury, have been steady the last couple of months with the 10-year treasury decreasing a ½ percent. He also explained that they've made good progress with their lender the last couple of months as well, noting that last year, lending virtually stopped but they now have a term sheet from a local lender and are working towards a loan commitment. He explained all pieces are on progressing on track to begin construction by May 15th.

Kilian commented that the capital stack appears robust and asked Patterson if it will be set to go. Patterson answered that yes, everything is on track to close on the loan shortly before construction start and construction would begin on May 15th.

Agenda Item can be seen on the YouTube video from minute 25:55 through 29:03.

Agenda Item 5 – Discussion and possible action on Addendum to Development Agreement with Foundry on 3rd Ph 1, LLC, including forms of Skywalk and Balcony Easements (Brodek, Nick Patterson, Atty. Jacobson)

Brodek noted the Phase 1 included a brief reference to a skyway that would be talked about later with the later being this meeting. Brodek noted the amendment is meant to include both the Skywalk agreement and the balcony easement agreement and details how T-Wall will construct the balcony. She explained the easement for the balcony is a form easement which is why there are blanks in the document and nothing will be filled out until T-Wall closes on the property. She noted both documents are written to take effect after they close on the property.

Rasmussen commented that they want to lay the groundwork to let the project take flight on time so having these items in place ahead of time is beneficial.

*Rasmussen motioned to approve, seconded by Henke. **Motion passed 4-1** with Kilian being the dissenting vote.*

Agenda Item can be seen on the YouTube video from minute 29:03 through 31:00.

Agenda Item 6 – Discussion and possible action on Consent to Transfer, Waiver of Right of First Refusal, Termination of Recorded Deed Restrictions and Recording Set of Revised Deed Restrictions for 6235 and 6335 Packer Drive (Fifrick, Atty. Jacobson, Atty. Rowe)

Fifrick explained several requests have been received regarding the right of first refusal for certain properties, and addressing the requests isn't straightforward. He noted the language in the agreements is quite convoluted and has caused considerable back-and-forth between staff and attorneys involved.

Fifrick recommended to waive the right of first refusal for properties noted and move forward. He explained that to continuously revise agreements furthers us from the standard deed restrictions, and each property seems to require its own set of unique restrictions which is unfavorable because revisions consume a lot of staff time and resources of other parties involved.

Jacobson noted a correction to the purchase price to \$5.7 million, not \$6.7 million. She explained the discrepancy doesn't change the recommendation.

Rasmussen commented it's the city's long-term goal to establish a standardized set of deed restrictions; however, the unique circumstances surrounding existing properties, such as the one dating back to the late 1960s, present challenges in adopting a one-size-fits-all approach. She said while standardization is desirable, flexibility is crucial when dealing with properties that have been in use for decades.

Rasmussen recommended waving the right of first refusal and proceeding with the deed restrictions tailored to this specific circumstance, given the complexities involved. Seconded by Alder Lukens.

Atty. Rowe commented that he recognizes the desire to adopt standard deed restrictions, but it can present difficulties. He noted it would be different if the business park was just being developed but there are existing businesses dating back decades, like the subject property. He noted that he presented the proposed modernized deed restrictions to the party, and they discovered an issue because they said trucks couldn't be parked but they are a truck dealership, illustrating complexities of standardized deed restrictions for properties already in use. He recommended waiving the right of first refusal and said he thinks the revised deed restrictions could work and modernize it so there aren't two sets of restrictions that date back decades.

Atty. Jacobson requested to clarify Rasmussen's motion and asked if her motion was solely to approve the right of first refusal or did her motion include termination of the old restrictions.

Rasmussen responded her intention was to waive the right of first refusal but if the deed restrictions are ready to go, she was amendable to approving both. She noted consistency with standard deed restrictions is important, ensuring practicality concerning existing land use is equally important.

Rasmussen clarified her motion as waiving the first right of refusal today and include a directive to have staff review the deed restriction to ensure land use is accommodated without rewriting the entire document. Lukens agreed to this clarification.

Motion passes unanimously 5-0

Agenda Item can be seen on the YouTube video from minute 31:01 through 43:10.

Agenda Item 7 – Discussion and possible action on Economic Development Committee duties and responsibilities (Atty. Jacobson)

Watson initiated the conversation by noting the agenda item stemmed from ongoing discussions about committee roles, responsibilities, reporting structures, and procedural routing. There had been discussions within various committees regarding

these topics, prompting the need for a broader conversation. Watson referenced information in the packet dating back to the 1960s, which established the committee's directives. She mentioned while there might have been a review in the early 2000s, a comprehensive reassessment had not occurred in quite some time. Considering the upcoming election and the potential for newly elected council members, it was deemed an opportune moment to engage in this discussion.

Rasmussen noted discussion regarding responsibilities conferred upon committee's began in CISM which revealed inconsistencies in how committees interpreted their duties. The discussion unveiled a need for clarity regarding the committee's duties, highlighting discrepancies between committee duties in city code and on the website which led to misunderstandings among committee members, the public, and staff, causing confusion in navigating committee functions. For instance, the Legal Department found policies that assigned responsibilities to the Economic Development Committee, including handling land sales directly. However, these policies were not consistently followed, Rasmussen commented. She emphasized a need for accurate and updated descriptions of committee duties and proposed a holistic review of committee descriptions and duties to ensure clarity and accuracy and reduce overlap where feasible.

Watson asked if committee responsibilities are ordinance. Atty. Jacobson responded that is correct, the mayor in 1966 presented the committee descriptions to the council to adopt them as the duties of the standing committees but Atty. Jacobson does not have any knowledge of any follow-up resolutions that changed any aspects of the committees. She said committee descriptions are not listed in Chapter 216 and there are only various references throughout the entire code. For example, Jacobson said Economic Development Committee was only mentioned twice.

Kilian asked Atty. Jacobson if there was anything in the memo or historical documents that she finds particularly important. Atty. Jacobson responded she felt Rasmussen covered the major points. She continued that she felt there was less problem with the E.D. Committee amongst all the standing committees, but she'd like to review website descriptions and the property disposition program more, possibly codified and taken into the ordinance so the duties are clear and not in a policy adopted by resolution. Kilian then asked where the property element resides based on where things were left 40-50 years ago. Atty. Jacobson noted the current ordinances are going to take precedence over the old report that was adopted by resolution, and she felt is was fairly clear except for clearing up Property Disposition. She noted E.D. has control over business campus properties but what needs to be clearer is the selling of vacant lots, lots for redevelopment purposes, when/where/how/why a property can be listed with a realtor or simply sold to a neighbor. She noted when the ordinance was crafted, it was unknown if a property was acquired for redevelopment purposes or if it was residential or commercial. Atty. Jacobson suggested putting as possible into an ordinance once the who/what/where/when/why is buttoned up. She noted chapter 312 only mentions sale of property and not purchase of city-owned real-estate.

Various suggestions were proposed, including the possibility of convening a Committee of the Whole or an Executive Committee meeting to facilitate discussions and gather input from all stakeholders.

Henke suggested that this task should be assigned to the new council. Watson noted the council has an organizational meeting which would be a great venue for this discussion. Rasmussen disagreed and though it would be better to have the discussions before the new council comes in because there could be members who never served on or understood the function of the committees clarifying it now would remove any questions when new members come in.

Atty. Jacobson commented it was her intention to wrap this up before new council members were introduced and she already has several committees ready to go and will be presenting to each in the coming weeks for each group to discuss if any amendments are needed prior to taking it all to council.

Watson said it would be nice to work the E.D. committee into the ordinance along with the other standing committees. She asked committee members if they wanted to firm up the description of their duties then or bring it back in March. Kilian responded addressing it in March would allow members to be more thoughtful about what they'd like in the description.

Watson tasked committee members with reviewing the website description and the sample ordinance provided by Atty. Jacobson and bring any suggestions/edits back for the next meeting or earlier if needed.

Agenda Item can be seen on the YouTube video from minute 43:11 through 113:05.

Agenda Item 8 – Update on Affordable Housing Task Force status and future of Task Force (Stratz, Brodek)

Watson said requested this agenda item to inform everyone about the recent developments from our last meeting. We discussed the progress of various projects, and there was enthusiasm about approving the extension of the TID and earmarking funds for proposed projects. We also recognized that some members' terms are ending soon, prompting a revisit of the task force's goals and mission. Initially, there was a misconception that our sole focus was guiding and recommending the use of

ARPA funds for affordable housing projects. However, upon reviewing the resolution, we realized there are broader objectives for us to address.

Rasmussen shared insights from the housing task force meeting she attended earlier, emphasizing that the task force still has significant work to do in addressing the regional shortage of affordable housing. This suggests a need for a more permanent structure beyond a typical task force, akin to other long-term committees or commissions.

Watson asked if it's going to be a more long-term commission or committee would the resolution need to be revisited. Rasmussen responded that a couple of other committees were created by ordinance, and they will continue in perpetuity until there is no longer a purpose for it. Watson suggested language be proposed to create the task force when the E.D. Committee ordinance is created. Rasmussen noted there is a set process for how to establish a subcommittee with some provisions, like with membership, and if the task force continues with subject matter experts and citizens involved it may have to go through a different process to potentially stand it up through ordinance. Atty. Jacobson said she didn't have her master list but made a note to send it to all council members so they can see the origin of all the commissions and committees. She noted some of them were created by boards, some by state statute, some by ordinances and some by resolution. She suggested a specialized task force comprising of citizen members not be put in ordinance because it is expected to be temporary so it's best to have it in a resolution.

Watson suggested revising the task force's name to reflect its broader focus beyond just affordability. Discussion delved into the nuances of what "affordable" truly means and how perceptions of the term can affect its effectiveness in addressing housing needs.

Kilian discussed redefining affordability based on local demographics rather than using a blanket citywide median income measure. The need for a nuanced understanding of affordability and its implications for different segments of the population was emphasized.

Additional comments underscored the importance of defining affordability more clearly to instill hope and address skepticism within the community. The meeting concluded with plans to reconvene in a month to delve deeper into these discussions and potentially act on refining the task force's objectives and structure.

Agenda Item can be seen on the YouTube video from minute 113:06 through 131:10.

Agenda Item 9 – Adjourn

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

Meeting Adjourned at 6:45 PM

CITY OF WAUSAU, YouTube MEETING LINKS

ALL City of Wausau Meetings can be viewed at:

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

The ED meeting from 02/06/24 can be viewed at:

- <https://www.youtube.com/live/PQjQBzCwJAg?si=EOILRsZSCG7dHvY6>