

COMMUNITY DEVELOPMENT AUTHORITY
MINUTES

06/18/2024

MEMBERS PRESENT: Sarah Napgezsek, David Welles, John Wagman, Patrick Gosz, Sarah Watson, Chad Henke, Rachel Hass

MEMBERS ABSENT:

OTHERS PRESENT: Liz Brodek, Juli Birkenmeier, Tammy King, Mayor Doug Diny, Anne Jacobson, Tammy Stratz, Andrew Lynch, Randy Fifrlick

(1) Call Meeting to Order

Meeting was called to order at 12:00 pm at 550 E Thomas Street, Wausau, Wisconsin.

(2) Approval of Minutes from 05/28/2024

Wagman made a motion to approve the minutes from 05/28/24. Hass seconded. Motion was approved unanimously.

(3) Discussion and Possible Action on Transfer of Thirteen (13) City Owned Thomas Street Parcels to the CDA

Brodek reviewed the memo provided to the board regarding the proposed transfer of thirteen (13) City owned lots on Thomas Street from the City to the Community Development Authority (CDA) for redevelopment. Brodek gave an overview of the project timeline and the corresponding funding sources that may potentially be available to assist with the redevelopment of the lots. She noted most recently the City was awarded the Wisconsin Assessment Monies (WAM) grant through the Wisconsin Department of Natural Resources on March 22, 2024, that would cover 100% of the Phase 1 and Phase 2 testing cost, which would test for a variety of contaminants. Brodek stated that after the completion and signature of Phase 1 testing the parcels would need to be transferred within 180 days to a qualified entity to allow for the application of the Ready for Reuse grant which would assist with any potential remediation cost. She furthered after discussion with the DNR the CDA would qualify and could apply for the grant. If the transfer does not take place, the City will not have access to those grant funds and would need to fund any remediation cost. When considering potential entities to transfer the parcels to if remediation is needed, the CDA was deemed the most appropriate entity due to grant eligibility and history of similar partnership projects in the past with the CDD. Brodek mentioned if no remediation is necessary, the CDA would be able to transfer the parcels back to the city.

Napgezsek asked if remediation was needed, would the CDA transfer the properties back to the City after completion. Birkenmeier stated that there are several scenarios regarding this, the CDA could retain ownership of the parcels for redevelopment partnering with CDD or the parcels could be transferred back to the City for redevelopment. Napgezsek questioned if the cost of remediation would be funded entirely through the Ready for Reuse Grant. Brodek stated the grant would cover 30% of the remediation and the remaining 70% would be in the form of a loan. She furthered the

CDA would be the only entity that is eligible for a Ready for Reuse Grant and would also have access to a loan. Brodek stated that there are other funds such as ARPA and TID that may be available to help fund the remediation and redevelopment of the parcels. Napgezek questioned the feasibility of completing the transfer of the parcels and potential remediation cost without the transfer of ARPA funds designated for affordable housing. Brodek stated the transfer is still possible and look to other funding options. Wagman stated that the CDA could agree to the transfer of the parcels contingent on receiving the ARPA and TID funds designated for affordable housing. Welles expressed concern regarding the unknown environmental concerns. Wagman stated another contingency requiring board review of the environmental information prior to the transfer of the parcels.

Wagman made a motion expressing interest to transfer the thirteen (13) City owned Thomas Street parcels to the WCDA contingent on funding sources, environmental clearance, and City Finance and City Council approval. Henke seconded. Motion was approved unanimously.

(4) Discussion and Possible Action on the Transfer of American Rescue Plan Act (ARPA) Funds from the City of Wausau to the CDA

Brodek reviewed the memo provided to the board packet concerning the proposed transfer of American Rescue Plan Act (ARPA) funds to the CDA to develop affordable housing within the City of Wausau. Brodek stated with the upcoming deadline of December 31, 2024, to obligate funds that have been designated to affordable housing, the CDA would be a feasible option as a beneficiary of the ARPA funds. She noted if the CDA accepts these funds as beneficiary, it would be considered obligated and expended by the City meeting federal ARPA compliance. Brodek furthered the CDA and CDD would partner together on the utilization of these funds to affordable housing projects such as infill and the multi-family housing for low to moderate income individuals and families. Birkenmeier stated she spoke with the auditor on compliance of these funds if they were to be transferred to the CDA and CliftonLarsonAllen (CLA) stated all requirements would be met under the beneficiary agreement. She furthered that the funds would be placed in the redevelopment account under restricted cash due as its only purpose if for affordable housing projects. Birkenmeier noted that the CDD would make requests to the CDA board for which projects they would be requesting funds for similar to what was done for the Live It Up loans.

Henke initially made a motion expressing interest in the acceptance of the affordable housing ARPA funds for to be used for the Thomas Street parcels. Wagman seconded.

Birkenmeier stated the funds could not be to be allocated for just one project as this would not meet the conditions of being a beneficiary of the funds.

Watson moved to amend the motion to show an interest in accepting the ARPA funds for affordable housing. Welles seconded. The motion was approved unanimously.

(5) Discussion and Possible Action on the Transfer of Tax Increment District (TID) Six (6) Affordable Housing Extension Funds to the CDA

Brodek explained that Tax Increment District Six (6) was granted an affordable housing extension that put aside \$4,000,000 for the construction of affordable housing. Brodek would like to potentially transfer \$1,000,000 specifically assisting with funding the Thomas Street infill housing and the multifamily complex. Brodek inquired if the board had an interest to accept these funds should the transfer of the thirteen (13) Thomas Street parcels and the affordable housing ARPA

funds to the CDA be approved by City Finance and City Council. She noted that there are no timelines or geographical requirements for these funds.

Welles moved to express interest in accepting the TID Six (6) affordable housing extension funds from the City of Wausau to the CDA. Wagman Seconded. The motion was approved unanimously.

(6) Consideration and Possible Action on the Purchase of 616 Forest Street Wausau, Wisconsin, and 405 S 8th Avenue, Wausau, Wisconsin from Marathon County

Brodek explained the County is looking to sell two parking lots located at 616 Forest Street and 405 S 8th Avenue that are currently underutilized. She noted both would require rezoning for the purpose of building. Brodek mentioned 405 S. 8th Avenue would have more rezoning requirements however is a better building site than 616 Forest Street. She explained it would not be fiscally feasible to purchase these properties without the use of ARPA or TID Six (6) funds. Wagman stated that the redevelopment committee discussed this agenda item and expressed interest in only purchasing 405 S 8th Avenue property contingent on rezoning.

Wagman made a motion to express interest in purchasing 405 S. 8th Avenue contingent on funding and rezoning and directed staff to begin negotiating with the County. Watson seconded. Motion was approved unanimously.

(7) Community Development Department and Community Development Authority Director Update

Birkenmeier announced that Liz Brodek has given her notice as Director and her last day will be July 5, 2024. She thanked her for her service to the CDA and wished her luck on her next endeavor. Mayor Diny stated that city staff is looking to assign an Interim Director and is expecting to have that position filled soon. Birkenmeier stated she will provide an update at the next board meeting.

(8) Operational Issues and Current Activities

Occupancy Overview - Birkenmeier reported 99% occupancy at Riverview Towers, 95% at Riverview Terrace and 96% at the Scattered Sites and said staff is currently administering 312 Housing Choice Vouchers.

Scattered Sites Kitchen Countertop Replacement Project - Birkenmeier stated three contractors have expressed interest in submitting bids for the 2024-2025 Scattered Sites kitchen countertop replacement project at 37 of the units. She furthered that this will be a two-phase project with eighteen (18) units to be completed in 2024 and nineteen (19) units to be completed in 2025. Birkenmeier is anticipating using CFP 2023 remaining balance as well as CFP 2024 grant funds for this project. She furthered bids are due by 3:00 pm on July 5, 2024.

WHEDA Audit – Riverview Towers LLC - Birkenmeier mentioned WHEDA has sent notice of an upcoming LIHTC audit of Riverview Towers LLC on June 27th and 28th. She noted the auditor will be on-site completing a physical inspection along with reviewing LIHTC tenant files. Birkenmeier noted this audit was last completed in June 2018 and is typically completed every three years, however with the pandemic WHEDA stopped on-site reviews for a short time.

Adjournment

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'S. Napgezek', written in a cursive style.

Sarah Napgezek
Chairperson