



\*\*\* All present are expected to conduct themselves in accordance with our City's Core Values \*\*\*

## OFFICIAL NOTICE AND AGENDA

*of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.*

**Meeting:** Economic Development Committee

**Date/Time:** Tuesday, March 7, 2023 at 5:15 p.m.

**Location:** City Hall, Council Chambers

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

### AGENDA ITEMS FOR CONSIDERATION

*(All items listed may be acted upon)*

1. Approval of Minutes from 2/7/22
2. Presentation on Wausau River District 2023 Work Plan (Opal-Wahoske)
3. Discussion and possible action on approving a Commercial Rehab Loan for 300 N. 3rd Street, Heinemann Venture, LLC (Stratz)
4. Discussion and possible action approving First Amendment to Plaza Multi-family Phase 1 Development Agreement at 1520 Elm Street with RJ Elm Properties, LLC (Brodek, Loy)
5. Update on Scattered Sites Redevelopment using ARPA funds (Stratz, Brodek)
6. Adjourn

It is likely that members of, and a quorum of the Council and/or members of other committees of the Common Council of the City of Wausau will be in attendance at the above-mentioned meeting to gather information. **No action will be taken by any such groups.**

**This Notice was posted at City Hall and emailed to the Media on 3/2/23**

Members of the public who do not wish to appear in person may view the meeting live on Channel 981 of Cable TV or the City of Wausau Meetings YouTube Channel at <https://tinyurl.com/WausauCityCouncil> (go to playlist and choose the meeting playlist desired). Any person wishing to offer public comment who does not appear in person to do so, may email [Liz.Brodek@ci.wausau.wi.us](mailto:Liz.Brodek@ci.wausau.wi.us) with "EDC public comment" in the subject line by 4:30 p.m. on the meeting day. All public comments received, either by email or in person, if agendized, will be limited to items on the agenda only. Messages related to agenda items received by 4:30 p.m. on the meeting day will be provided to the Committee Chair.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 (ADA), the City of Wausau will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs or activities. If you need assistance or reasonable accommodations to participate in this meeting or event due to a disability as defined under the ADA, please call the ADA Coordinator at (715) 261-6622 or email [ADAServices@ci.wausau.wi.us](mailto:ADAServices@ci.wausau.wi.us) to discuss your accessibility needs. We ask your request be provided a minimum of 72 hours before the scheduled event or meeting. If a request is made less than 72 hours before the event, the City of Wausau will make a good faith effort to accommodate your request.

Other Distribution: Media, Alderpersons, Mayor, City Departments

# MINUTES

## Economic Development Committee Meeting

*Date | time* Tuesday, February 7, 2023, 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, Mayor Rosenberg, Atty. Anne Jacobson, Rick Rubow, Atty. Matt Rowe

*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 12/6/22

*Kilian motioned to approve minutes from 12/6/22, seconded by Henke. **Approved Unanimously 5-0.***

### Agenda Item 2 – Update on Wausau World Market (Stratz)

Stratz explained to the committee that the sheriff's sale took place for Wausau World Market, but the outcome of the sale did not produce the desired result because 4 Star Market, the owners on the unrecorded Land Contract with Wausau World Market, could not outbid an outside bidder, therefore the City of Wausau, nor MCDEVCO will not have their outstanding loans satisfied. She noted that despite the bad news, there have been positive outcomes from the project. She explained the city received over \$40,000 in loan payments and the assessed value of the property increased by over \$400,000 subsequently increasing property taxes by \$11,000. She stated the increased tax revenue plus the loan payments over the past 6 years has made the city whole on the \$100,000 investment.

### Agenda Item 3 – Update on First Amendment to Plaza Multi-family Phase 1 Development Agreement at 201 N 17th Avenue AKA 1520 Elm Street (Brodek)

Brodek explained staff received notice the developer would not be able to meet the 12/31/22 completion deadline so they've been working on an amendment to amend the completion deadline. She noted they have been working to obtain the required documentation needed to satisfy the rest of the development agreement. Brodek stated she is hopeful the amendment will be brought to the March Economic Development meeting.

Rasmussen clarified the referenced project is the one behind the former Plaza Hotel, which is substantially up, and asked if they are completing interior work. Brodek responded that she believed so but wasn't 100% sure as she has not seen the latest from inspections and what has been permitted.

### Agenda Item 4 – Update/Overview on Riverlife Housing Developments (Brodek)

Brodek explained staff want to make sure the public is informed about what is transpiring at the Riverfront and noted there have been a lot of questions and seems to be some confusion as to what project is going on where. She explained staff is currently working with Swiderski on a development agreement to construct 200 market rate apartments, 800-2200 square feet of retail space in both buildings with a bridge that connects them, and a parking ramp. The development will be located to the South of W.O.W. which is where T-Wall was to develop until their agreement was terminated in March 2022.

Brodek noted the other project that has caused some confusion is the condos that were to go to the south of the daylighted creek and the current Riverlife Apartments. Brodek reminded the committee and public that there was an agreement with a developer, and they were on the third amendment and missed several deadlines. At the November 2022 the committee rejected the option for a fourth amendment and therefore the project is no longer in the pipeline. Brodek stated they don't have any immediate plans to RFP that parcel but explained staff is willing to entertain ideas or proposals anyone has and discuss with the committee as to whether it's something to move forward with it or if there's enough interest to open it up for another RFP. Brodek said but with the 200 units in the pipeline with Swiderski and 154 at the mall site and 250 affordable housing developments that are awaiting word on tax credit applications, staff wanted to hold off on an RFP until we see how things look with the aforementioned developments.

### Agenda Item 5 – Discussion and possible action on Amendment to Standard Deed Restrictions to waive 12-month construction restriction with Wausau Coated Enterprises at 110 S. 84th Avenue (Atty. Jacobson)

Atty. Jacobson explained the city transferred the property on December 14, 2022, and that Stephen Lapowski (client's attorney) was concerned on behalf of his client regarding the Deed Restriction labeled 1A that says the city has the right to

repurchase the property at the sales price if the grantee fails to start construction within one year of the date of conveyance and asked if there was any way to remove the restriction.

*Rasmussen motioned to amend the standard deed restriction to remove the 12-month requirement as recommended by the City Attorney. Seconded by Henke.*

Kilian asked what the rationale was for that part of the agreement.

Fifrick explained they plan to use it for parking in the future due to location and future expansion and noted staff should have reviewed the standard deed restrictions during the process and change that restriction to something relevant to their plan. Fifrick explained when selling land in the Business Campus, it's typical to expect someone to build something that's going to have assessed value but said there was no value in this parcel.

Henke clarified they did not think they could begin construction of the parking lot before 12/14/23. Fifrick replied that they would not. Atty. Jacobson recommended to approve the motion.

### **Approved Unanimously 5-0.**

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Agenda Item 6 – Discussion and possible action to direct staff to prepare amendment to the Memorandum of Right of First Refusal between City of Wausau and Jim N.E. Cricket, LLC, eliminating restriction of the payment in lieu of real estate taxes, for benefit of current owner, MOCA, Inc. at 309 McClellan Street (Rick Rubow, Atty. Jacobson, David Hummer)

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Brodek noted E.D. committee requested this item be brought back to January's meeting, however a meeting was not held. She noted council made a motion on 11/15/22 that failed and a resolution back to E.D. failed but the minutes reflected wanting to see it further discussed in the E.D. committee to recommend the waiver of a PILOT payment. Brodek explained Jim N.E. Cricket is a for profit LLC who then transferred or sold the property to MOCA, Inc which is a non-profit organization with the deeds signed on 12/30/22 and recorded on 1/3/23. She further explained the memorandum of right of first refusal was dated 8/31/17 and memorializes a deed restriction that the property owner must make a payment in lieu of taxes for 20 years (through 8/31/37) regardless of the property owner exemption status. Brodek explained the committee is not discussing the exemption status or the process of exemption but rather whether to keep or remove the deed restriction as it relates to the current owner or amend the deed restriction to a PILOT payment or lesser/flat payment amount.

Rasmussen noted she thought it was fairly clear how the museum operates and what point he was at with trying to transfer the museum to his non-profit entity. She noted he operated within the confines of the project with some assumptions, right or wrong, but also thinks the use of the building matters. Rasmussen explained the interior the building was in disrepair and Hummer borrowed the money to finish the interior work and has turned it into a usable and operable building. She explained he knows becoming tax-exempt is subject to state law and the opinion of the City Assessor but that the requirement of a PILOT payment nullifies the reason to make the building tax-exempt. Rasmussen noted other facilities in the community who have community value, art appreciation and tourism components but don't have the caveats that require a PILOT payment. She stated the committees decision is to decide whether to remove the PILOT payment for the current owner or any future owner and that the committee should make that decision on a case-by-case basis if ownership would ever transfer. She also noted that Hummer discussed rehabbing the upstairs and make it an event space which would then be taxable which he's agreeable to and noted if a PILOT payment is in place, the event space will not be able to be taxed.

*Rasmussen motioned to eliminate the PILOT payment in favor of Jim N.E. Cricket, seconded by Lukens. Discussion continued before vote.*

Kilian requested City Assessor Rick Rubow to confirm that whether or not the property becomes tax exempt or not is something entirely different than the discussion of a PILOT payment of which the committee is discussing.

Rubow confirmed they are separate actions requiring separate processes. He stated property tax exemption in Wisconsin falls under Chapter 70 of Wisconsin statutes and if the property owner meets the requirements within the statutes then the PILOT payment would come into play which is determined between the municipality and the property owner. He said some exempt organizations have a PILOT payment and others do not.

Kilian commented some members of the current committee may have voted in support of the agreement proposed in 2017 which was agreed upon by the entity involved, was presented before multiple bodies, and approved. He said his understanding is government assistance was received, therefore the door to government requirements and agreements is

opened and requiring a PILOT is consistent with other agreements where there is public involvement. He stated he would not support waiving a PILOT.

Watson asked if a PILOT is between the City and the entity and that the other taxing entities wouldn't get any payout. Rubow confirmed there are several ways a PILOT can be arranged when there are agreements with the city and said some of them are determined by the assessed value and apply the municipal tax rate while others use the full tax rate of the municipality.

Rasmussen explained a PILOT is take place of lost taxes. She stated there are often caveats such as a PILOT in agreements as a way to ensure project completion. The only part the committee has control over is whether or not to impose a PILOT because it's a contract that's agreed to by the parties and they have the ability to amend the contract to remove that obligation and if part of the building becomes for profit, the owner and assessor will figure it out then. She offered options of waiving a PILOT as she initially motioned, reduce the payment to another arbitrary amount or wait until the next meeting when David Hummer can be present and said a final decision does not need to be made tonight. Rasmussen stated now that Mocha has transferred to a non-profit status a PILOT is coming regardless so a decision needs to be made. Rasmussen did withdraw her motion.

Lukens agreed to withdraw her motion as well.

Atty Jacobson explained being tax-exempt does not exclude an entity from paying taxes. She said an exempt entity like a 501c3 can pay taxes and other exempt entities who don't. She explained this scenario is not to determine if the property owner is exempt rather it would be to determine if the use of the property is eligible for tax exemption which is a separate process from getting tax exempt status or transfer of property to a 501c3. She noted if part of the building becomes taxable, they would pay taxes and those could not be waived but if other portions of the building are determined exempt, that's when a PILOT would kick in.

Watson asked if a PILOT could be removed at a later date if something else changed; it could be removed and help with this current year's taxes. Atty. Jacobson replied, yes.

Rasmussen said this item could be held until the outcome of his exemption status and he is in attendance to discuss the financial aspect of the organization.

Atty Jacobson agreed with Alder Rasmussen that if the committee agrees to waive a PILOT in whole or in part that it's done for the current owner and for as long as the property is being used for a particular use and remains used for that particular usage. She recommended if it's decided to amend the memorandum to eliminate the PILOT that it is specific to the current owner and only for the period of time he is the owner.

Kilian asked if when the agreement was initially agreed upon it indicated there would be some form of payment and no one was under duress or use invisible ink. Atty. Jacobson replied that it is typical with a construction agreement to impose a PILOT due to city assistance. Stratz responded further that Mr. and Mrs. Hummer came to her office to review the documents and the memorandum was discussed. It was explained to them they would be paying taxes for the next 20 years to ensure a return on the city's investment. She noted Mr. Hummer asked about becoming a non-profit exempt from real estate taxes and that she advised him per the agreement he would then be required to make a PILOT payment. Stratz said he did understand the agreement as it was presented and that even when he came back years later questioning a non-exempt status, that he admitted remembering why the agreement was written as it was.

Kilian asked if it could be quantified how much the city would forego if the PILOT were to be waived. He requested the minutes from each body it went to and passed at in any forthcoming meeting to see that the party consented to the agreement, and which body members voted for it. He said this does not feel like economic development, rather economic implosion and questioned why the City continues to have agreements from this committee if members are going to waive or not defend them. Kilian said when a citizen's grass is too long they get a fine in the mail and have to pay it and can't come to the city to ask them to waive it and a PILOT is 10's of thousands more substantial than fines. Kilian requested committee members to be objective to not take irregular steps in waiving valid agreements that were consented to and Wausau should stand behind a deal and expect other parties to as well.

Atty Jacobson replied it's difficult to speculate what the city would forego because the use and improvement of the property could change with time.

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Agenda Item 7 – Update on dates for April (4/6), July (7/5), and November (11/8) Economic Development Committee meetings for 2023 (Graff, Brodek)

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Brodek advised the committee that the dates of three meetings were changed for 2023. April was changed to 4/6/23 due to elections, July was changed to 7/5/23 due to Independence Day and November was changed to 11/8/23 due to elections.

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Agenda Item 8 – Adjournment

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

Meeting adjourned at 6:13 p.m.

An aerial photograph of a city street corner in Wausau, Wisconsin. The scene shows a mix of historic brick buildings and modern multi-story structures. A prominent church with a blue dome and spires is visible in the background. The foreground includes a brick-paved sidewalk, a street with parked cars, and a yellow SUV. A large blue graphic overlay is centered on the image, containing the text 'WAUSAU River DISTRICT' and '2023'.

WAUSAU

*River*  
DISTRICT

2023



## ABOUT US

Wausau River District is a 501(c)3 nonprofit Main Street Program with a mission of promoting and facilitating the economic vitality and historic preservation of downtown Wausau for the benefit of the entire community.

### AREAS OF FOCUS

- Placemaking
- Business Development
- Residential Development



# ABOUT US

## BOARD OF DIRECTORS

- Ann Werth, Former Community Development Director
- Dustin Peterson, VP Central WI Market Manager Associated Bank
- Elijah Gustafson, Senior Youth Board Member
- Erik Rasmussen, HR Covantage Credit Union
- Gary Gisselman, MCHS & Alderperson
- John Prey, Former Director of Habitat for Humanity
- Joseph Mella, Attorney Ruder Ware
- Liz Brodek, Development Director, City of Wausau
- Mayor Katie Rosenberg, City of Wausau
- Mark Craig, General Manager, Compass Properties
- Mark McKinley, Diamonds by Appt.
- Tyler Vogt, Malarkey's Pub & Townies Grill
- Quinn Barber, Junior Youth Board Member



# OUR NETWORK & SUPPORT

## MAIN STREET AMERICA

- Vast network of over 2,000 communities
- Downtowns are the heart of a community
- Movement of community changemakers

## WISCONSIN MAIN STREET

- Wisconsin Economic Development Corporation (WEDC)
- 35 communities and growing



# MAIN STREET APPROACH

Build a diverse economic base | Catalyze smart new investment | Cultivate a strong entrepreneurship ecosystem

Create an inviting, inclusive atmosphere | Celebrate historic character | Foster accessible, people-centered public spaces

**ECONOMIC  
VITALITY**

**DESIGN**

**COMMUNITY  
TRANSFORMATION**

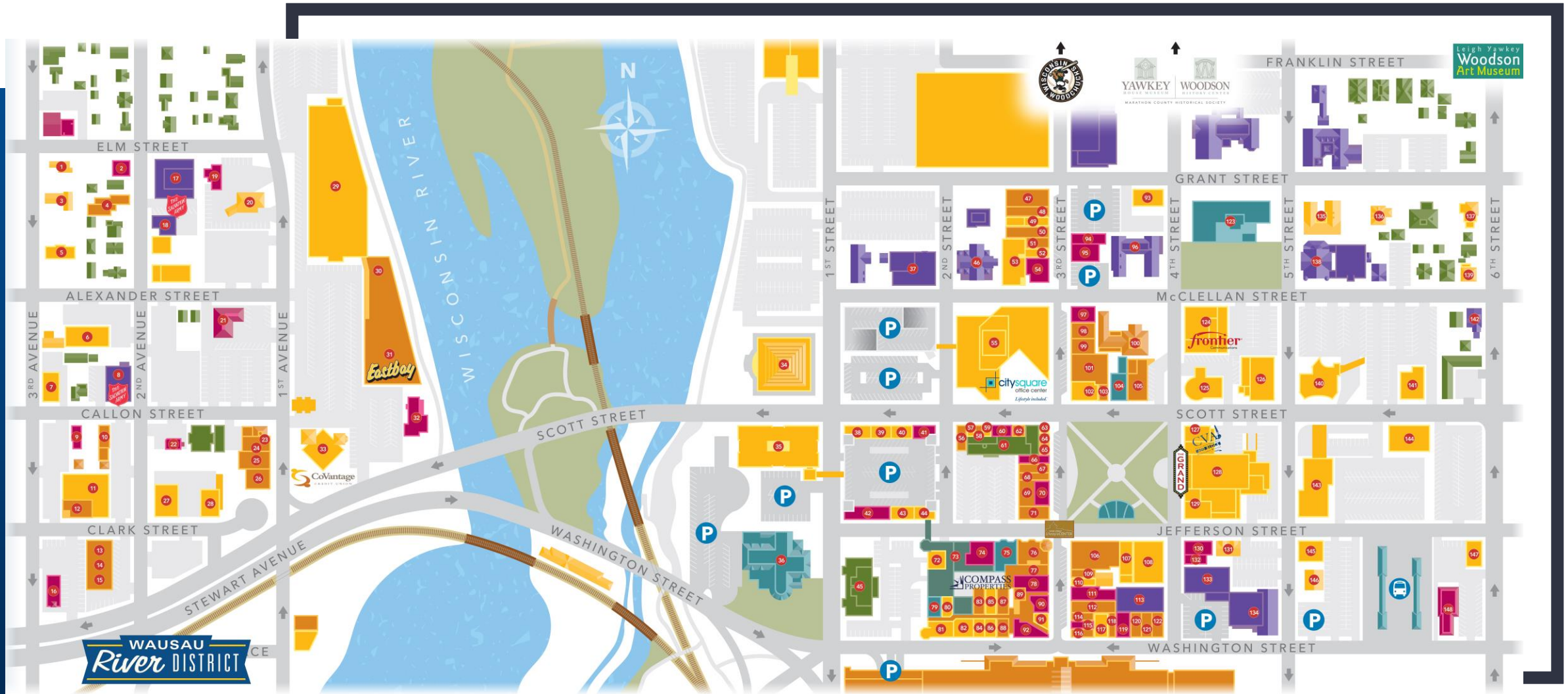
**ORGANIZATION**

**PROMOTION**

Build leadership and strong organizational capacity | Ensure broad community engagement | Forge partnerships across sectors

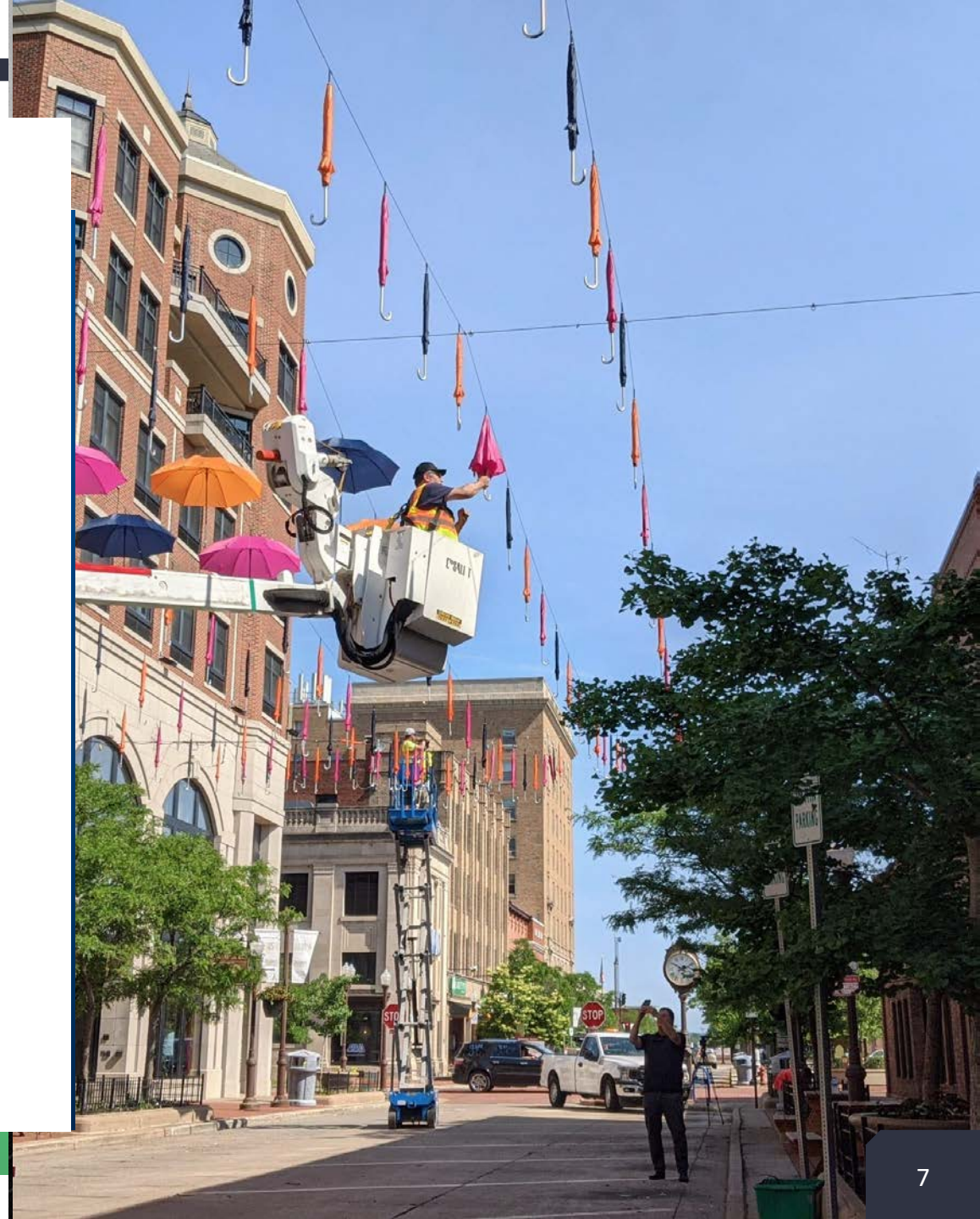
Market district's defining assets | Communicate unique features through storytelling | Support buy-local experience

# OUR DISTRICT



# IMPORTANCE OF OUR WORK

- Central Business Districts (CBD) are transitioning Central Social Districts (CSD)
- Rise of online shopping
- Support of the small & locally owned businesses
- Sense of place is vital



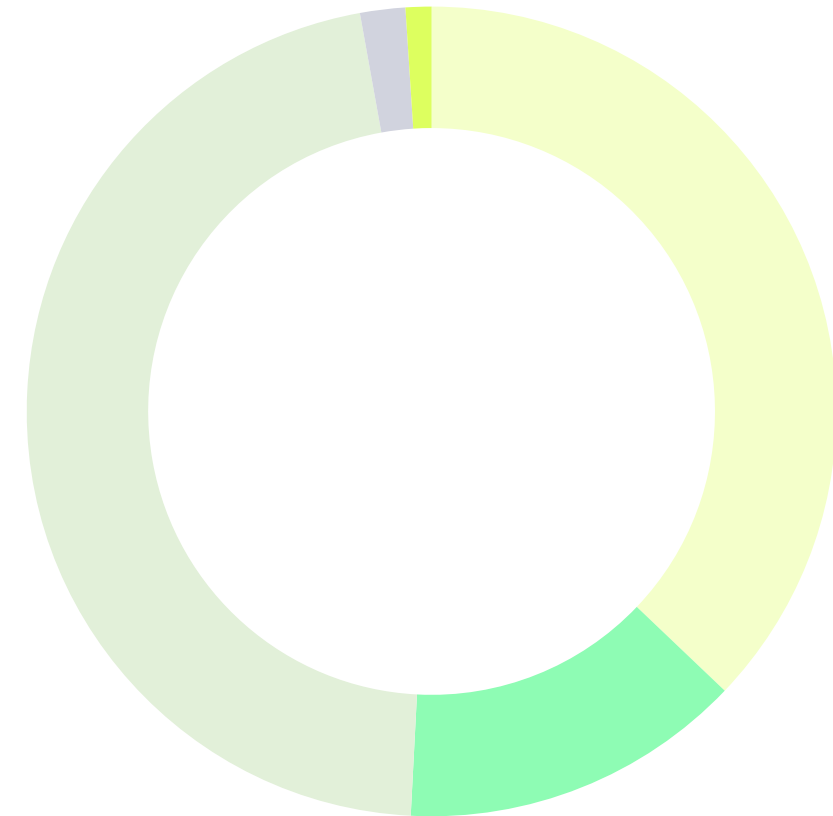
# FUNDING & INVESTMENT



# FUNDING

- 37% Business Improvement District (BID)
- 14% Room Tax
- 1% Friends of the River District Program (FORD)
- 2% Merchandise Sales
- 46% Sponsorships & Grants

## BUSINESSES AT RISK OF CLOSING PERMANENTLY



■ BID ■ Room Tax ■ Grants & Sponsorships ■ Merchandise ■ FORD Program

# INVESTMENT

## EXPENSE BREAK DOWN

- 36% Event Production
- 21% Projects
- 17% Overhead Expenses
- 19% Promotion/Marketing
- 7% Business Resources





## 2002-2022 RESULTS

- 159 Net New Businesses
- 1,115 Jobs Created
- \$101+ Million in Private investment
- \$32+ Million in Public investment
- 34 Housing units
- 308 Buildings rehabbed

### 2021-22:

- Total Event Attendance = 160,000
- \$12.9 Estimated Economic Impact



# 2023 BUSINESS SURVEY RESULTS

## 2023 BUSINESS SURVEY

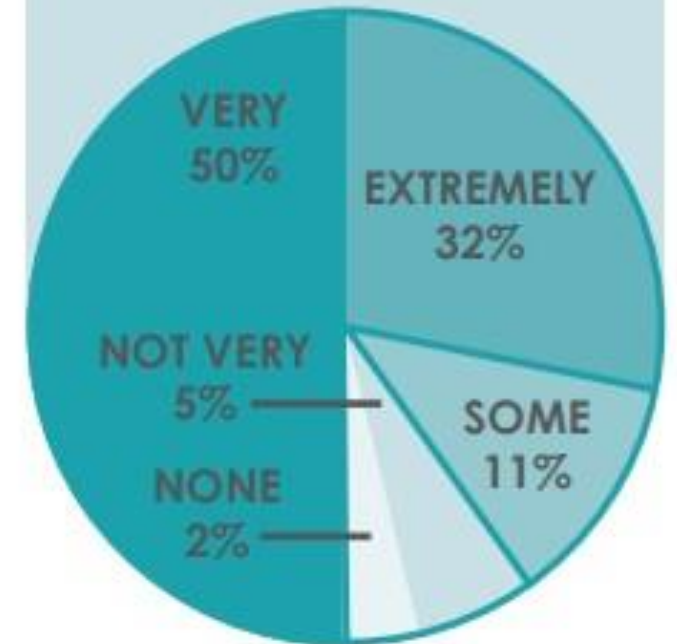
### WHY DOWNTOWN WAUSAU?

- Accessibility
- Community Strength
- Target Audience
- Purchased Existing Business
- Close to Home

### SATISFACTION AS A PLACE TO CONDUCT BUSINESS

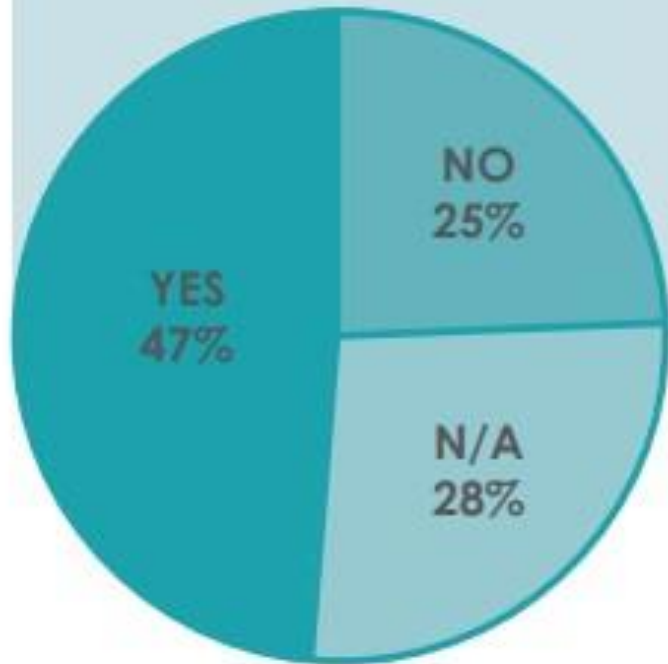


### CONFIDENCE FOR FUTURE SUCCESS

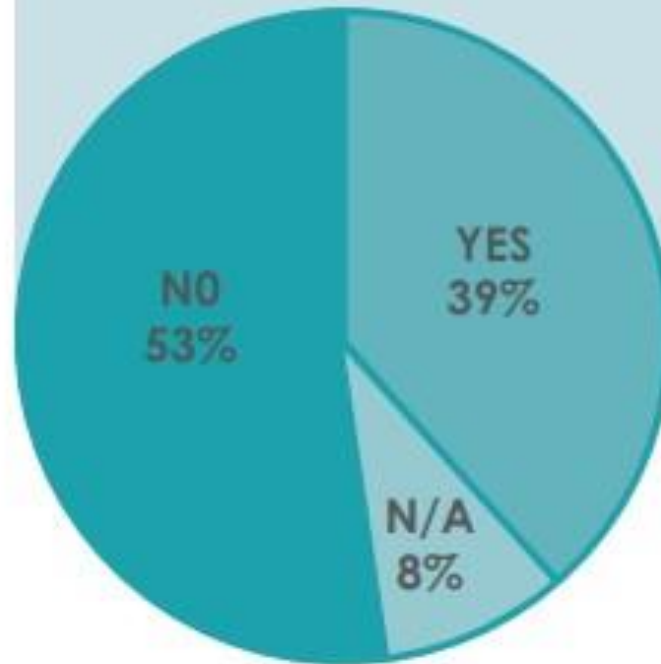


# 2023 BUSINESS SURVEY RESULTS

## DIRECT NEGATIVE IMPACT DUE TO UN-HOUSED POPULATION



## TROUBLE HIRING FOR OPEN POSITIONS



## TOP FIVE CHALLENGES

- 1) Traffic/Access
- 2) Availability of Parking
- 3) Signage/Marketing
- 4) Crime
- 5) Cost of Parking

# 2023 BUSINESS SURVEY RESULTS

Is your business more profitable & healthy than this time last year? YES: 79% NO: 21%

## TOP FIVE TOPICS OF INTEREST

- 1) Marketing
- 2) Financial Analysis with QuickBooks
- 3) Business Planning for Existing Businesses
- 4) Development/Expansion of E-commerce
- 5) Talent Attraction and Retention Tools

## DEMOGRAPHIC BREAKDOWN

Women-Owned: 50%  
Veteran-Owned: 3%  
Native American-Owned: 3%  
LGBTQ+-Owned: 3%

## TOP FIVE CUSTOMER WANTS

- 1) Better Nighttime Lighting
- 2) Public Restrooms
- 3) Additional Outdoor Dining Options
- 4) More Public Art
- 5) Additional Outdoor Seating

### Business owners:

- would like to see more retail-focused events
- are excited about the mall redevelopment/housing
- remain frustrated about paid customer parking
- are concerned about vacant storefronts

# 2023 PLANS



# PLACEMAKING

- Downtown History Minutes Series
- Wausau Pride
- Festival of Arts partnership
- Walk your wheels sidewalk stencil
- Memorial Bridge Restoration
- Umbrellas over Third Street
- River West sign
- 715 Day
- Merchandise





# BUSINESS DEVELOPMENT

- Market Profile
- Marketing of the District
- Sign Grant Program
- Quarterly newsletter
- Business Resource Guide
- Friends of the River District Program (FORD)
- Sidewalk Sales
- Downtown Employee Appreciation Day
- Dining on the Street
- Night Market

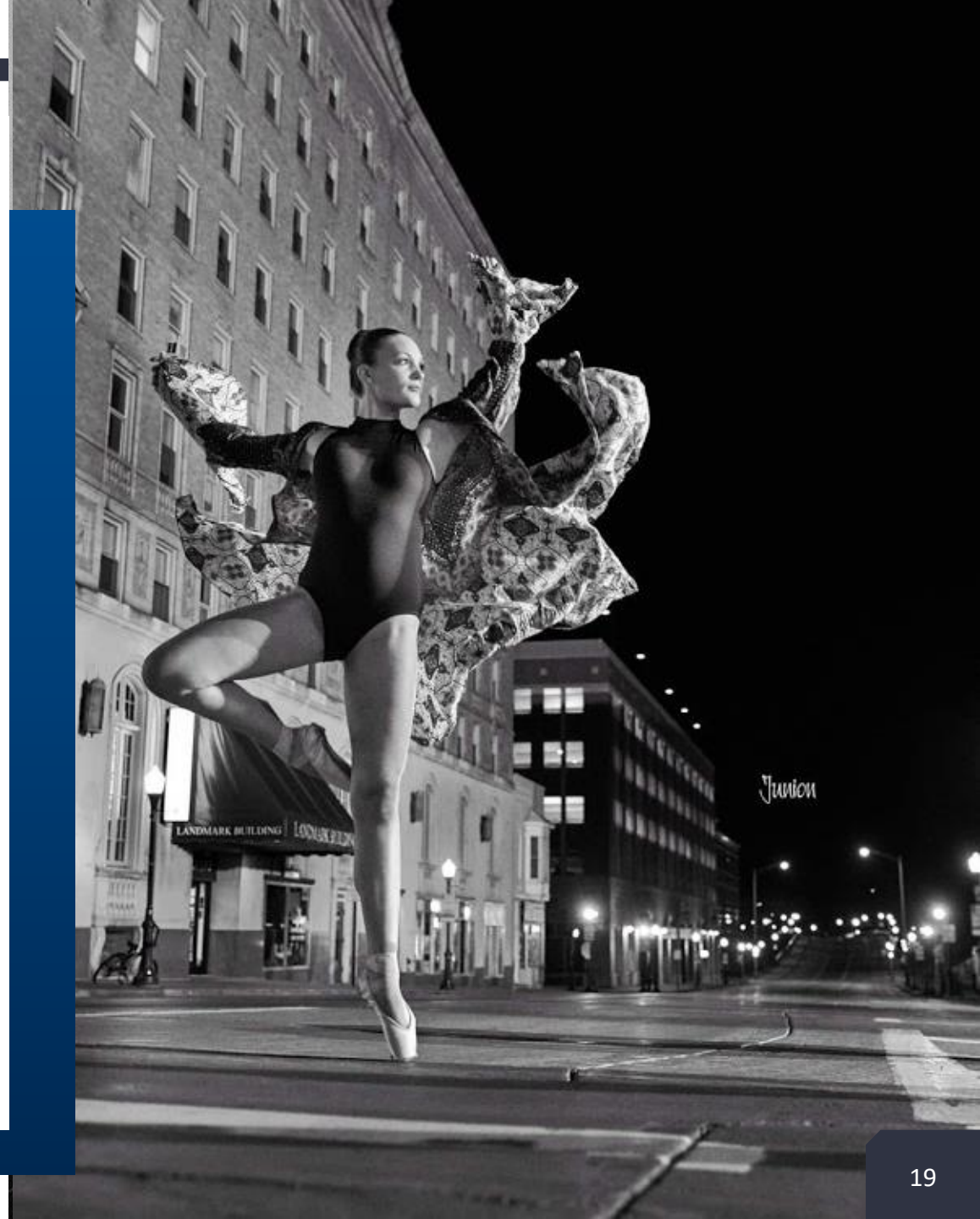


# BUSINESS DEVELOPMENT

- State of the River District Open House
- Exhibitour
- Holiday Open House Weekend
- Small Business Saturday
- Holiday programming
  - Santa, giftwrapping and children's caroling
- Ale Trails
  - Summer
  - Holiday

# RESIDENTIAL DEVELOPMENT

- Inventory of listings available within a ½ mile radius
- Advocate increased residential density within a ½ mile radius of the River District
- Inform and educate stakeholders on new and future developments
- Live Downtown Image Campaign







# THANK YOU! QUESTIONS?

Blake@WausauRiverDistrict.org | 715-297-1829



Planning, Community and Economic Development

# Memorandum

**To:** Economic Development Committee Members  
**From:** Tammy Stratz, Community Development Manager  
**Date:** 3/3/2023  
**Re:** Commercial Rehabilitation Loan Review – (300 N. 3<sup>rd</sup> Street)

The Community Development Department has been approached by Mark Craig to assist with the window awning upgrades on the Heinemann Venture building located at 300 N. 3<sup>rd</sup> Street. They have submitted a Commercial Rehabilitation Loan application with supporting documentation. They are requesting (\$156,320) in loan assistance. In accordance with the guidelines, the owner has provided a Sources & Uses scenario as listed below:

<b>USES</b>	<b>SOURCES</b>			
	<u>Owner</u>	<u>Bank</u>	<u>City</u>	<u>Total</u>
Acquisition	\$-0-	\$-0-	\$ -0-	Currently owns
Rehab	\$-0-	\$-0-	\$156,320	\$156,320
Soft Costs (closing costs)	\$ 1,000	\$-0-	\$ 1,000	\$ 2,000
<b>TOTAL</b>	<b>\$ 1,000</b>	<b>\$-0-</b>	<b>\$157,320</b>	<b>\$158,320</b>

Attached to their application is a rendering showing what the proposed awnings will look like and the quotes they received to purchase the awnings and have them installed.

Prior to the beginning of this year, the Commercial Rehabilitation Loan program had no funds to lend out. However, two loans were repaid in January giving a new balance of approximately \$100,000. In review of the proposed rehabilitation costs, the full \$156,320 is eligible under the Commercial Rehabilitation Loan guidelines along with the shared closing costs associated with the loan preparation. However, in the past (and according to the Commercial Rehabilitation Loan program guidelines) the City has typically required the borrower to utilize at least 10% of their own funds, the City would contribute between 15 – 25% and the remaining balance would be financed by the lender of the organization's choice. This request is for 100% of the costs associated with the project.

It is your choice as to if the City should stick to our guidelines regarding the maximum of funding or if you want to grant an exception for this project. If we would stick to our guidelines the maximum loan amount would be (at 25%) \$39,080.



CITY OF WAUSAU  
COMMUNITY DEVELOPMENT DEPARTMENT

COMMERCIAL REHABILITATION PROGRAM APPLICATION

Please provide information on your proposed project. Your signature below indicates you or your firm's intent to apply for commercial rehabilitation program funding and that you have received a copy of the program guidelines. **Please return to Community Development with your check in the amount of \$50.00 for the application fee.**

Applicant name: Heinemann Venture LLC / Noel Real Estate Holding LLC

Mailing Address: 4501 State Hwy 66 Stevens Point, WI 54482

Phone #: (715) 342-5414 (Kim Kindler – Controller) or 715 340-3077 (Mark Craig's cell)

SS#/FEIN# 47-2908236

Name(s) Listed on Deed Heinemann Venture LLC

Project Location 300 N. 3<sup>rd</sup> Street – Washington Square

Property Mortgage Holder(s): Associated Bank

Current Mortgage Amount: \$1,447,303

Loan Amount Requesting: \$156,320.00

Scope of Work to be Undertaken: (attach contractor estimates and rendering of project)

Replace the existing black cherry hooped awnings with rectangular black awnings. Replace or repaint the existing metal panels behind the existing awnings. Install black metal bands above the awnings to cover missing half-brick. (See attached photo rendering by State Main Street architect Joe Lawniczak).

Estimated Timeframe for Project Completion: Spring / Summer 2023

I certify that the information in this application is correct and accurate to the best of my knowledge.

[Signature] 2-22-2023  
Applicant Date

To be completed by staff:

Historic Landmarks Commission Review

Economic Development Committee Review

Signature Date

(Check box if reviewed)

(Check box if recommendations)

Signature Date

(Check box if reviewed)

(Check box if recommendations)





WASHINGTON SQUARE  
MAY 8, 2022

WAUSAU,  
JOE LAWNIC



801 JEFFERSON STREET  
WAUSAU, WI 54403  
TELEPHONE: 715.845.6614  
TOLL FREE: 1-800.533-5654

We Are Pleased to Quote....

Submitted To:

Mr. Jason Cieslewicz  
Compass Properties LLC  
PO BOX 6158  
Wausau WI 54403

Date: June 20, 2022

Quotation Number: 4407988

QUANTITY	DESCRIPTION	PRICE	AMOUNT
	<b>Project:</b> <b>Washington Square</b> <b>new awning system(s)</b> WCC to propose option to remove existing dome awnings and replace them with new traditional awnings per rendering provided.		
01 LOT	<u>Option 1</u> Remove 16 awnings from East and West side of Washington Sq. building and dispose of frames and fabric. Caulk holes from fasteners as needed to minimize chance of water damage. Note: location of new awning fasteners will not match existing holes. Old holes will be noticeable on panels even if caulked.	\$4800.00	\$4800.00
01 LOT	<u>Option 2</u> WCC to fabricate 16 new traditional style awnings with sides and valances. <ul style="list-style-type: none"> <li>• Welded aluminum frames, 1" square tube. Mill finish.</li> <li>• Sunbrella acrylic fabric with 10 yr. manufacturer's warranty.</li> <li>• Welded fabric seams, no stitching used.</li> <li>• Includes installation.</li> </ul> <b>1 at Width = 21 feet (East door)</b>	\$42,840.00	\$42,840.00

01 LOT	<p>6 at Width = 09 feet (approx)  5 at Width = 09 feet-06 inches (approx)  4 at Width = 10 feet-02 inches (approx)</p> <p><b>Option 3</b></p> <p>WCC to remove and dispose of 6 dome and convex style awnings from the South side, middle area and replace with 6 new traditional style awnings with sides and valances.</p> <ul style="list-style-type: none"> <li>Welded aluminum frames, 1" square tube. Mill finish.</li> <li>Sunbrella acrylic fabric with 10 yr. manufacturer's warranty.</li> <li>Welded fabric seams, no stitching used.</li> <li>Includes installation.</li> </ul> <p>2 at Width = 11 feet 6" (approx)  1 at Width = 08 feet (approx)  1 at Width = 17 feet (approx)  1 at Width = 10 feet (approx)  1 at Width = 10 feet 10" (approx)</p>	\$14,180.00	\$14,180.00
01 LOT	<p><b>Option 4</b></p> <p>WCC to recover all 14 traditional style awnings on West side, SW corner and South side.</p> <ul style="list-style-type: none"> <li>Remove and replace fabric with black Sunbrella Acrylic as above. Welded seams.</li> <li>Touch up frames (color is currently beige)</li> <li>Includes installation.</li> </ul> <p>West</p> <p>3 at Width = 19' feet 3" (approx)  1 at Width = 12' feet 8" (approx)  1 at Width = 11' feet 8" (approx)  1 at Width = 6' feet (approx)  1 at Width = 12' feet (approx)</p> <p>SW corner</p> <p>1 at Width = 6' feet (approx)</p> <p>South</p> <p>4 at Width = 19' feet 3" (approx)  1 at Width = 11' feet 7" (approx)  1 at Width = 12' feet 3" (approx)</p> <p>Applicable taxes are additional</p>	\$19,800.00	\$19,800.00

*total \$61,820*



**MATERIAL AND LABOR QUOTATION**

**SCOPE:** To furnish and install Aluminum Composite Panels at existing panel area as well as a 24" high band of panels beneath the cast stone sill on the 2<sup>nd</sup> floor. Six soffit areas are included.

**MATERIALS:**

1. Aluminum Composite Panels: Mantech Series 1200, dry joint, 2" deep, 4mm thick, color to be black, approximately 127 panels and 1,948 square feet.
2. Sub-girts: 18 gage, 7/8" deep, located at horizontal panel joints.
3. Fabricated Trim: 24 gage, painted black, located at perimeter of panels.
4. Accessories: Panel clips, fasteners for attachment.

**INCLUSIONS:**

1. Materials as specifically listed or described above.
2. Freight to the jobsite. Based on one production run and one shipment.
3. Shop drawings.
4. Sales Tax.
5. Union labor and equipment for installation.

**EXCLUSIONS:**

1. Materials not specifically listed or described above.
2. Demo of existing materials.
3. Air and vapor barriers.
4. Bid bonds or Performance and Payment Bonds.

**BASE BID:**

**\$94,500.00**

*Pricing valid for 30 days.*

**SUBMITTED BY:**

Chad Patoka  
President

Email: [chad@designpointexteriors.com](mailto:chad@designpointexteriors.com)



**FIRST AMENDMENT TO  
DEVELOPMENT AGREEMENT**  
**(Bantr – 1520 Elm Street)**

**THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT** (this “Amendment”) is made as of the \_\_\_\_ day of \_\_\_\_\_, 2023 (the “Execution Date”), by and between the CITY OF WAUSAU, a Wisconsin municipal corporation (the “City”), and RJ ELM PROPERTIES, LLC, a Wisconsin limited liability company (“Developer”).

**RECITALS**

WHEREAS, the City and Developer entered into a certain Development Agreement with an Effective Date of August 26, 2020 (the “Development Agreement”), with respect to certain property located at 1520 Elm Street, formerly a part of the real property that was located at 201 N. 17th Ave., in the City of Wausau, County of Marathon, State of Wisconsin, as more particularly described in the Development Agreement; any capitalized term used in this Amendment but not defined herein shall have the meaning assigned to that term in the Development Agreement; and

WHEREAS, after the execution of the Development Agreement, the scope and timing of Developer's project at the Property has changed, including changing from a two-phase project (as was contemplated in the Development Agreement) to a single-phase project; and

WHEREAS, subject to the terms and conditions herein, the City and Developer desire to amend the Development Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Amendment, the parties agree as follows:

1. Effective Date. The parties are signing this Amendment as of the Execution Date in the introductory paragraph to be effective as of December 31, 2022 (the “Effective Date”), subject to the terms and conditions of this Amendment.
2. The Property. The “Property” referred to in the Development Agreement shall mean the real property legally described on Exhibit A attached hereto. The parties agree that the certified survey map referenced within such legal description is the Parent Parcel CSM contemplated by Section 2.a of the Development Agreement. All references to the “Developer's Parcel” or to the “Phase I Property” in the Development Agreement are hereby revised to the “Property”.
3. Single-Phased Project. The parties agree that the Project is no longer the first of a two-phase project but is, instead, a single-phase project. Accordingly, the following revisions to the Development Agreement are hereby made:
  - a. The subtitle of the Development Agreement is revised from “(Plaza Hotel Multifamily – Phase 1)” to “(Bantr – 1520 Elm Street)”.
  - b. The third recital of the Development Agreement is amended and restated in its entirety as follows:

WHEREAS, Developer proposed to build a multifamily residential complex on the Property.

- c. The fourth and the fifth recitals of the Development Agreement are deleted.
- d. The definition of the “Project” in Section 1 of the Development Agreement is amended and restated in its entirety as follows:

“Project” means the demolition of existing improvements on the Property and the construction of a mixed-use multifamily residential complex on the Property consisting of approximately 247,005 gross square feet, including, but not limited to, the construction of all improvements as may be required in order to comply with applicable laws, rules, regulations, codes and ordinances in the use of the Property.

- e. The definitions of the following terms are hereby deleted from Section 1 of the Development Agreement: Developer's Parcel; Developer's Parcel CSM; Phase 1 Project; Phase 2 Development Agreement; Phase 2 Property; Phase 2 Project.

- f. The text of Section 2.b of the Development Agreement (regarding the division of the Property to accommodate multiple phases of development) is deleted in its entirety and replaced with “[Intentionally Deleted]” text.

4. Updates to the Project. Based on updates to the scope and timing of the Project, the following revisions to the Development Agreement are hereby made:

- a. *Plans.* The parties agree that the Plans as approved by the City shall mean those plans referenced on Exhibit B attached hereto.
- b. *Project Completion Deadline.* The Project Completion Deadline is changed from December 31, 2022, to May 31, 2023.
- c. *Project Cost Breakdown.* Developer represents and warrants to the City that Developer's current sources and uses information for the Project is attached hereto as Exhibit C-1 (the “Sources and Uses”) and that the current detailed Project Cost Breakdown is attached hereto as Exhibit C-2. Upon Project Completion, Developer shall promptly provide the final Project Cost Breakdown to the City
- d. *Proposal.* The definition of the term “Proposal” in Section 1.cc. of the Development Agreement is hereby deleted in its entirety and replaced with “[Intentionally Deleted]” text, and all references to the term “Proposal” throughout the Development Agreement are hereby deleted.

Developer shall not, without the City's prior written consent, materially change any of the following: the scope of the Project, the Plans, the Sources and Uses, or the Project Cost Breakdown, the provisions of such consent of the City is hereby delegated to the appropriate City staff.

5. Tax Increment Grant and Grant. Due to the revised Project scope, the following revisions to the Development Agreement are hereby made:

a. Section 3.b. of the Development Agreement is hereby deleted in its entirety and replaced with the following:

*Tax Increment Grant by the City.* Subject to the terms and conditions of this Agreement, the City agrees to make, and Developer agrees to accept, the Tax Increment Grant as partial reimbursement for the construction of the Project. The Tax Increment Grant shall be made in up to five (5) annual installments on or before November 1 of each year in the amount of the Tax Increment Grant Amount for the prior calendar year up to the cumulative maximum amount of the Tax Increment Allocation; provided, however, that the amount of the Tax Increment Grant in each year is further limited to the amount of the Tax Increment actually appropriated for use as the Tax Increment Grant by the City Council for such year. The first annual payment of the Tax Increment Grant shall be in 2025 for payment of the Tax Increment Grant Amount for calendar year 2024, and the final scheduled annual payment of the Tax Increment Grant shall be in 2029 for payment of the Tax Increment Grant Amount for calendar year 2028. In the event that Developer fails to meet all conditions precedent for an installment of the Tax Increment Grant for a given year, such installment shall be forfeited for such year. The City makes no representation or covenant, express or implied, that any non-zero Tax Increment Grant Amount will be generated and/or appropriated in any given year or that, in the aggregate, all such installments will be sufficient to total the Tax Increment Allocation. Any Tax Increment which is not appropriated and allocated toward the Tax Increment Grant Amount may be used by the City for any legally permitted purpose, in its sole discretion. The City reserves the right to accelerate payments of the Tax Increment Grant.

b. The amount of the Grant shall be revised to \$350,000.00. Developer hereby confirms that the City has disbursed \$350,000 to Developer with respect to the Grant.

6. Additional Amendments to Development Agreement. The Development Agreement is further amended as follows:

a. Regarding Section 7 of the Development Agreement, after Project Completion is achieved, City consent shall not be required for any such transfer, unless the Property is being transferred to an entity which is exempt from real estate taxes.

b. Regarding Section 10.a of the Development Agreement, the address for notices to Developer is hereby updated as follows:

Notices to Developer:

RJ Elm Properties, LLC  
c/o Rolly Lokre  
P.O. Box 215  
Plover, WI 54467

*with a copy to:*  
James Frings  
1450 Don's Way  
Kronenwetter, WI 54458

7. Recorded Memorandum. Reference is made to that certain Memorandum of Development Agreement by and between the City and Developer, which was dated as of October 23, 2020 and recorded on November 3, 2020 with the Register of Deeds for Marathon County, Wisconsin as Document Number 1818932 (the “Recorded Memorandum”), which gives record notice of the Development Agreement. Developer and the City agree that the subtitle of the Recorded Memorandum (and references therein to such subtitle) is hereby revised from “(Plaza Hotel Multifamily – Phase 1)” to “(Bantr – 1520 Elm Street)”. At present, the parties do not believe this change requires a recorded amendment to the Recoded Memorandum; provided, however, at the request of either party, a recordable instrument shall be executed (subject to such instrument being acceptable in form and content to each party) to evidence this change and to give notice of the existence of this Amendment, which instrument may then be recorded in the real estate records at the expense of the requesting party.

8. Conditions Precedent in Development Agreement.

a. The text of Section 4.a.xi of the Development Agreement (regarding the Parent Parcel CSM) is deleted in its entirety and replaced with “[Intentionally Deleted]” text.

b. Throughout the entire section 4 of the Development Agreement, “Conditions Precedent to the City's Obligations”, if the City’s approval, consent, or acceptance is required, such approval, consent, or acceptance is hereby delegated to the appropriate City staff, except that the consent required by Section 4.a.xii. may only be given by the City Council.

9. Conditions Precedent to this Amendment. The effectiveness of this Amendment is conditioned upon the satisfaction of each and every one of the following conditions:

a. The City, through its City Council, shall have approved or authorized this Amendment and the transactions contemplated herein, and all the conditions to such approval shall have been satisfied.

b. No uncured default of Developer, or event which with the giving of notice or lapse of time or both would be a default of Developer, shall exist under the Development Agreement. Developer shall not be in default (beyond any applicable period of grace) of any of its obligations under any other agreement or instrument with respect to the Project to which Developer is a party or an obligor.

c. Developer shall cause each Guarantor to consent to this Amendment and to ratify the Guaranty in the form attached hereto or in a form otherwise reasonably acceptable to the City.

d. Developer shall obtain a consent to this Amendment from each of its mortgage lenders with a mortgage on the Property in the form attached hereto or in a form otherwise reasonably acceptable to the City.

e. Developer shall provide the City with all documentation reasonably requested by the City with respect to the Project and as required by the Development Agreement.

10. Reaffirmation of Development Agreement. The Development Agreement, as modified by this Amendment, remains in full force and effect, and all terms of the Development Agreement, as modified hereby, are hereby ratified and reaffirmed by Developer. The provisions of the Development Agreement not affected by this Amendment remain in full force and effect.

11. Representations and Warranties of Developer. Developer hereby represents and warrants to the City that:

a. After giving effect to this Amendment, all of the representations and warranties made by Developer in the Development Agreement are true and accurate in all material respects on the Effective Date of this Amendment, and no event of default under the Development Agreement has occurred and is continuing as of the Effective Date of this Amendment.

b. The making, execution and delivery of this Amendment, and performance of and compliance with the terms of the Development Agreement, as amended, have been duly authorized by all necessary action of Developer. This Amendment is the valid and binding obligation of Developer, enforceable against Developer in accordance with its terms.

c. The following list includes all of mortgage lenders with a mortgage on the Property:

i. GreenState Credit Union (which has a mortgage on the Property securing a loan for \$20,703,032.00).

ii. None other.

12. Miscellaneous. If any provision of this Amendment or the application thereof to any person or circumstance is or shall be deemed illegal, invalid or unenforceable, the remaining provisions of this Amendment shall remain in full force and effect and this Amendment shall be interpreted as if such illegal, invalid or unenforceable provision did not exist. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. The parties agree that faxed and electronically scanned signatures shall be binding on all parties. This Amendment shall be governed in all respects by the laws of the State of Wisconsin.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties are signing this First Amendment to Development Agreement as of the Execution Date in the introductory paragraph to be effective as of December 31, 2022.

**DEVELOPER:**

RJ ELM PROPERTIES, LLC

By: \_\_\_\_\_  
Name: Roland Lokre  
Title: Member

**THE CITY**

CITY OF WAUSAU

By: \_\_\_\_\_  
Katie Rosenberg, Mayor

Attest: \_\_\_\_\_  
Kaitlyn Bernarde, Clerk

**GUARANTOR CONSENT TO AMENDMENT  
AND RATIFICATION OF GUARANTY**

Reference is made to a certain Guaranty of Specific Transaction (the "Guaranty") given by Roland Lokre and James Frings (each a "Guarantor") and dated as of August 26, 2020, which guaranteed certain obligations with respect to the development project to be completed by RJ Elm Properties, LLC ("Developer") at the property described on Exhibit A attached to and made a part of this First Amendment to Development Agreement (this "Amendment").

Each Guarantor hereby consents to the following: (i) the terms of this Amendment; (ii) the terms of the Development Agreement (as defined in this Amendment) as modified hereby; and (iii) to Developer entering into this Amendment. Additionally, each Guarantor hereby ratifies, confirms and reaffirms all covenants, warranties and representations set for the Guaranty as being true in all material respects as of the date hereof (taking into account any knowledge or other qualifiers contained in such covenants, warranties, and representations). This Guarantor Consent may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

GUARANTOR

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ROLAND LOKRE

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JAMES FRINGS

**MORTGAGEE CONSENT TO AMENDMENT**

Reference is made to a mortgage (the "Mortgage") given to GreenState Credit Union ("Lender") by RJ Elm Properties, LLC ("Developer") dated December 10, 2021, and recorded with the Register of Deeds for Marathon County, Wisconsin on December 15, 2021, as Document No. 1852319, under which Lender took an interest, as mortgagee, in the property (the "Mortgaged Property") described on Exhibit A attached to and made a part of this First Amendment to Development Agreement (this "Amendment").

Lender hereby consents to the following: (i) the terms of this Amendment; (ii) the terms Development Agreement (as defined in this Amendment) as modified hereby; and (iii) to Developer entering into this Amendment.

LENDER

**GREENSTATE CREDIT UNION,**  
an Iowa credit union

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

**Lot two (2) of Certified Survey Map No. 18721 recorded in the office of the Register of Deeds for Marathon County, Wisconsin as Document No. 1816014; and Outlot one (1) of Certified Survey Map No. 13624 recorded in said Register's office in Volume 60 of Certified Survey Maps on page 1, as Document No. 1391257; being part of the Northeast quarter (NE 1/4) of the Southeast quarter (SE 1/4) of Section twenty-seven (27), Township twenty-nine (29) North, Range seven (7) East, in the City of Wausau, Marathon County, Wisconsin; subject to easements of record.**

PINs: 291-2907-274-0929 and 291-2907-274-0952

**EXHIBIT B**

**LIST OF PLANS**

[Attached to this cover page.]

## EXHIBIT C-1

### SOURCES AND USES

SOURCES & USES  
bantr Wausau



7/13/22

SOURCES & USES	Amount	% Total
<b>Sources</b>		
First Mortgage Financing:	\$20,403,032	73.0%
Demolition Grant (TIF)	\$450,000	1.6%
Investor Equity	\$7,000,000	25.0%
Borrower Equity (Land):	\$100,000	0.4%
<b>Total Sources</b>	<b>\$27,953,032</b>	<b>100%</b>
<b>Uses</b>		
Land Cost:	\$100,000	0.36%
Demolition Cost:	\$350,000	1.25%
Apartment Hard Costs:	\$22,177,101	79.34%
Retail Hard Costs:	\$816,000	2.92%
Soft Costs:	\$3,109,931	11.13%
Contingencies:	\$1,400,000	5.01%
<b>Total Uses</b>	<b>\$27,953,032</b>	<b>100%</b>

**EXHIBIT C-2**

**PROJECT COST BREAKDOWN**

[Attached to this cover page.]

**[NTD: Developer to provide latest Pay Application.]**