



*** 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, February 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 12/6/22
2. Update on Wausau World Market (Stratz)
3. Update on First Amendment to Plaza Multi-family Phase 1 Development Agreement at 201 N 17th Avenue AKA 1520 Elm Street (Brodek)
4. Update on Riverlife Housing Developments (Brodek)
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)
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)
6. Update on dates for April (4/6), July (7/5), and November (11/8) Economic Development Committee meetings for 2023 (Graff, Brodek)
7. Brodek)
8. 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 02/02/23

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 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) 261-6590 or email 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, 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 agendaized 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.



MEMO

TO: Economic Development Committee

FROM: Tammy Stratz

DATE: December 22, 2022

RE: Wausau World Market LLC

On August 19, 2022, City Council approved the assumption of a TIF loan previously held by Wausau World Market, LLC over to 4 Star Market on the property located at 828 S. 3rd Avenue.

As you may recall, 4 Star Market entered into an unrecorded Land Contract with Wausau World Market and started taking over the monthly loan payments to Abby Bank, the City, and MCDEVCO. Once Abby Bank discovered the unrecorded Land Contract, they elected not to renew the balloon note with Wausau World Market LLC. They, along with the City and MCDEVCO, agreed to have 4 Star Market assume the loans that Wausau World Market had on the property. Abby Bank planned to go to the Sheriff's Sale to bid what they had outstanding on the real estate loan with the hopes that the owner of 4 Star Market would bid more if needed due to other outside bidders. Unfortunately, that did not happen. An outside business, HVKL Investment Properties LLC bid \$499,000. 4 Star Market could not outbid them.

After the Sheriff's Sale, Chungsou Her (owner of Wausau World Market, LLC) filed an Objection to Confirmation of Sheriff's Sale in hopes to regain ownership of the building. That objection was heard on December 16, 2022. The Judge ruled there was no basis for the objection and the Sale was confirmed.

This results in the City of Wausau and MCDEVCO losing out on the balances of our loans. Our balance was just over \$81,100.

However, we don't want to lose sight of the loan repayments made totaling just over \$41,500. Additionally, the real estate was originally assessed at \$461,800 in 2014 to today's assessment of \$891,300 which equates to an increase in taxes from \$11,700 to \$22,764 – just over \$11,000 a year. The benefit of the increased tax base as a result of this project, began six years ago and calculates to \$67,800 in tax revenue. Adding the loan repayments and the increased tax revenue is \$109,300, which validates the City's recoupment of their \$100,000 investment. Furthermore, the tax bill will remain at today's rate, or better, making this project a successful TIF investment.

If you have any questions, please feel free to contact me at 715-261-6682 or tammy.stratz@ci.wausau.wi.us.

CITY OF WAUSAU STANDARD DEED RESTRICTIONS
FOR WAUSAU BUSINESS CAMPUS

1. The City of Wausau (CITY) shall have the option of repurchasing the land at the sale price paid by GRANTEE for the property, plus the cost, less depreciation, if any, of any documented, mutually agreed upon improvements made to the property, under either of the following circumstances: ("Improvements" shall include all labor and material costs not previously reimbursed by CITY in connection with the purchase, hauling, placement, and compaction of fill necessary to bring the land to grade.)
 - a. GRANTEE fails to start construction within one year of the date on which the conveyance to the subject property and the consideration for that conveyance are transferred (the date of closing).
 - b. GRANTEE fails to complete construction within two years of the date on which the conveyance to the subject property and the consideration for that conveyance are transferred (the date of closing).
2. Exercise of its option to repurchase the property under either of the circumstances described in Paragraph 1 shall be by a Resolution adopted by the CITY. Such option shall be exercisable upon delivery in writing of a notice by the CITY to the GRANTEE within three months after the expiration of such one or two year period. Conveyance to the CITY shall take place within 60 days following the exercise of such option on such date as shall be designated by the CITY specified in such notice, by warranty deed free and clear of all liens and encumbrances created by act or default of the GRANTEE.
3. CITY shall approve any sale or transfer of the property or improvements on the property to a tax-exempt entity, as evidenced by a resolution adopted by the CITY, authorizing such action. The CITY does not need to approve the sale or transfer to tax paying entities, so long as the use of the property complies with zoning ordinances.
4. Any use of the property or buildings on the property and all improvements placed on the premises and any alterations done thereto shall fully comply with the CITY's zoning ordinances, and any and all other laws, codes and regulations.
5. No premises, or any part thereof, shall be leased, assigned, transferred or sublet, in whole or in part, without fully complying with the CITY's zoning ordinances.
6. GRANTEE shall submit to CITY plans and specifications meeting the site design and land use requirements in the CITY's zoning ordinance as to the improvements intended to be placed thereon, and a timetable showing anticipated completion dates of the improvements. Site Plan approval from the CITY is required prior to start of construction. Development of the property shall match plans and specifications approved by the CITY. All site improvements shall be completed within 6 months from the time of issuance of a building occupancy permit and zoning certification of compliance.
7. The entire area between the building(s) of each site and the front property line, except for driveways, shall be landscaped with a combination of street trees, trees, ground cover and shrubbery, and properly maintained. All unimproved areas shall be maintained in a weed-free condition. Grass shall be maintained in accordance with Municipal Code. A proposed

landscape plan for the entire parcel shall be submitted and approved in accordance with the requirements in the CITY's zoning ordinance.

8. The construction of all buildings and improvements placed on the premises and any alterations or future additions done thereto shall fully comply with CITY's zoning ordinances, and any and all other laws, codes and regulations, and specifically, adequate provisions shall be made by the GRANTEE to comply with building setbacks, parking and off-street loading, roadway access, stormwater, lighting, fire protection, and hard surfacing provisions of CITY Code.
9. Before any outside area is used for storage, or storage or parking of trucks, trailers, tractors and other motor vehicles, prior approval or site plan approval for such storage parking must be received, in writing, from the CITY.
10. No land shall be developed or altered that results in flooding, erosion, or sedimentation to adjacent properties. All runoff shall be properly channeled into a storm drain, watercourse, storage area or other storm water management facility.
11. CITY shall retain possession to any and all of the black dirt and topsoil on the premises. Excess land fill material, other than black dirt and topsoil not wanted by GRANTEE, shall not be removed from the premises by the GRANTEE without first offering the same to CITY, free of charge.
12. There shall be no on-site dumping of anything contrary to CITY health and sanitation and zoning ordinances.
13. All railroad service to GRANTEE's property shall be subject to any agreements in effect between the railroad company and CITY. Railroad lead tracks may not be used for loading or unloading purposes.
14. The CITY may, unilaterally, in the future, by Resolution, exempt the land or any portion of the land from one or all of the above covenants, regulations, or restrictions, and/or encumbrances. The CITY may, unilaterally, in the future, by Resolution, require Grantee to grant the City any easement needed for public purposes without cost to the City.
15. These restrictions supersede any conflicting restrictions and/or regulations and/or covenants and/or encumbrances previously passed by the CITY, and/or recorded in the office of the Marathon County Register of Deeds, which affect the land which is subject to this deed. Any restrictions, regulations, covenants and/or encumbrances which affect the land which is subject to this deed, and which are not in conflict with these restrictions herein, are still specifically deemed to be in full force and effect.
16. These restrictions shall be considered deed restrictions and the covenants, burdens and restrictions shall run with the land in perpetuity and shall forever bind grantee, its successors and assigns.
17. These deed restrictions may be enforced by the CITY by either or both of the following methods:

- a. Action. The enforcement of the restrictions contained in these deed restrictions may be by proceeding at law or in equity against any person or persons breaching or attempting to breach any restriction, to restrain such breach or to recover damages.
- b. Notice and City's Right to Rectify. If any parcel owner has failed in any of the duties or responsibilities created by these deed restrictions, then the City may give such owner written notice of such failure and such person shall within ten (10) days after receiving such notice, rectify the failure or breach. Should any person fail to fulfill the duty or responsibility within such period, then the City shall have the right and power to enter onto the parcel and perform such duty or responsibility without any liability for damages for wrongful entry, trespass, or otherwise to any person. The owner for whom such work is performed shall promptly reimburse the City within thirty (30) days after receipt of a statement of such work.

Updated 4/12/22