

# MINUTES

## Economic Development Committee Meeting

*Date / Time:* Wednesday, July 6, 2023, at 5:15 P.M. | *Meeting called to order by* Watson at 5:15 P.M.

### In Attendance

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

**Others Present:** Shannon Graff, Tammy Stratz, Liz Brodek, Alder Doug Diny, Maryanne Groat (Webex), Mayor Katie Rosenberg

*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 June 6, 2023

*Kilian motioned to approve minutes from 6/6/23, seconded by Henke **Approved Unanimously 5-0***

### Agenda Item 2 – Discussion and possible action approving First Amendment to Development Agreement and Second Amendment to Master Ground Lease between City of Wausau and Federal Building Redevelopment Limited Partnership. (Stratz)

Stratz reminded the committee the proposed amendment is to assist Federal Building Redevelopment with exterior renovations and that the committee requested she take it back to Metro Planes to discuss not forgiving the lease portion that they wouldn't be paying while they pay back the loan. Stratz said Metro Planes agreed to repaying the deferred lease payments and they planned for the amount to be added to the back of the lease payments after the rehabilitation loan is paid. Stratz noted with this plan, the city would be made whole because lease payments will only be deferred while they're making the loan payments and not forgiven, and the rent will still continue to increase 2% each year.

*Rasmussen commented that these changes are what the committee was looking for and motioned to approve the amendment based on the changes, seconded by Lukens.*

Watson questioned if the timeline limits when they repay it or if they would then be able to wait an extended period of time to repay it. Stratz responded they are requesting some leniency on repayment dependent on their cash flow. She said if they have a great year, they could pay it faster, but they want the possibility of hardships to be considered. Watson suggested to incentivize repayment as a priority verbiage should be added to the amendment that if a loan payment isn't made within the first 10 years, that interest will begin accruing on the balance. She noted if repayment doesn't occur until the end, \$132,000 wouldn't equate to the same purchasing power as it does now.

Stratz said she thought there was wording in the agreement that the interest rate would increase if payments are not made. Watson said she didn't want to penalize them but more so incentivize them for making repayment a priority.

Kilian agreed with chair that it would be nice to incentivize faster repayment. He was also pleased the city would be made whole and commented the timeline is very forgiving.

*Rasmussen motioned to amend her initial motion to add 2% interest if good faith payments are not made within the first 10 years and each year thereafter. Seconded by Lukens.*

**Approved Unanimously 5-0.**

### Agenda Item 3 – Discussion and possible action approving the request of Asch Properties, LLC (Infused) 180 E. Wausau Ave., to extend one-year occupancy deadline and modify project plan. (Fifrick)

Fifrick reminded the committee about the project Asch Properties, LLC was awarded through RFP last summer. He said the progress on the project is noted in the packet, but the developer is requesting an extension because they will not be able to complete it by August 19, 2023, to meet occupancy. Additionally, the developer is requesting a slight modification to the plan noting that as renovations progressed it was determined that the roof will need a complete overhaul and considering the solar and water runoff aspects of the project it makes sense for them to wait to tackle it until they are doing the complete project instead of piecemealing something together which will just create a bigger problem. Fifrick mentioned something that came up after the packet was released was the different parking agreements with Athletic Park and this site is designated as a parking site for them. He said the developer will attempt to have the lot striped prior to the end of the season but cannot make any promises but they will prioritize the task, so the City remains in line with other agreements.

*Rasmussen motioned to approve, seconded by Henke. **Approved Unanimously 5-0***

### Agenda Item 4 – Discussion and possible action approving transfer of 703 Fulton Street from City of Wausau to the Wausau Community Development Authority. (Stratz)

Stratz explained that we purchased a blighted property after the housing crash in 2007 and rebuilt a 6-unit apartment building. Since then, Community Development has been managing the property. After discussion occurred with Community Development Authority,

it was agreed to transfer the property to them because they have the landlord experience and have a dedicated maintenance staff. Stratz noted their Board approved the transfer.

Kilian asked if the tenants who are currently residing there will be able to continue to reside there. Stratz noted the leases will remain intact and their rent is based on 30% of their income.

*Rasmussen motioned to approve the transfer but suggested it be made clear the units will remain income controlled. Seconded by Henke.*

**Approved Unanimously 5-0**

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**Agenda Item 5** – Discussion and possible action approving subordination of loan to Abby Bank for Best Western Hotel at 201 N 17<sup>th</sup> Avenue. (Stratz)

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*Rasmussen noted the subordination appears to put them in a better position to repay their loans and motioned to approve subordination, seconded by Lukens. **Approved Unanimously 5-0***

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**Agenda Item 6** – Update on The River Concert venue (Brodek)

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Brodek reminded the committee that at the last meeting it was requested staff proceed with a feasibility study noted contractors were sought to complete a feasibility study for The River to assess whether the project would work in the community as presented. Brodek explained staff reached out to a dozen or so different consultants all over the country and had brief conversations with about ten consultants who responded within 48 hours and from that realized a list of things staff wanted the consultants to respond to was needed which Fifrck prepared and sent to the consultants on June 30, 2023 with a due date for responses of July 11<sup>th</sup>. Brodek stated once the responses come back staff will review them and make sure they will address the things that need to be addressed and then provide the top three or four proposals to Joe and Anna from The River to see which one they'd like to work with.

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**Agenda Item 7** – Adjournment

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

Meeting adjourned at 5:33 PM.