



*** 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, October 3, 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 August 1, 2023
- 2 Discussion and possible action on Second Amendment to Bantr Development Agreement at 1520 Elm St. (formerly 201 N 17th Ave) (Brodek, Loy)
- 3 Low Income Housing Tax Credit (LIHTC) presentation (Kaitlyn Konyn, Baker Tilly)
- 4 Development Project Updates:
 - North Riverfront planning
 - Trail developments
 - Swiderski Riverfront/Sterling
 - Affordable housing infill projects
 - West Side Battery/Gorman affordable housing multifamily
- 5 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 9/29/23

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 or kody.hart@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 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

Join Economic Development Committee and Finance Committee Meeting

Date / Time: Wednesday, August 1, 2023, at 5:15 P.M. | *Meeting called to order by* Watson at 5:15 P.M.
Meeting called to order by Rasmussen at 5:15 P.M.

In Attendance

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

FIN Member Present: Lisa Rasmussen (C), Doug Diny, Carol Lukens, Michael Martens, Sarah Watson

Others Present: Kody Hart, Liz Brodek, Randy Fifrlick, Atty. Jacobson, Mayor Katie Rosenberg, Chuck Ghidorzi (WOZ), Nick Patterson (T Wall), Alder Gary Gisselman, Alder Doug Diny (attending ED meeting)

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 – Presentation on current state of economic factors in development

Brodek provided a presentation on the current state of economic factors which impact a building development.

Kilian questioned the rationale and strategy on providing public funds for development within the city in context of the presentation. Brodek stated that the properties currently in development have been in a long-term strategy for a number of years and decades and a strategy for redevelopment is geared towards the long term. Kilian stated that long term benefits should not outweigh the short-term risks to city residents and asked for more clear return on investment estimates for development projects. Kilian stated that issues with development exist beyond national and international economic factors.

Agenda Item 2 – Discussion and possible action approving Offer to Purchase of MBX Property at 901 & 1021 Cherry Street and related budget modification.

Fifrlick outlined where city staff stand in the process of potentially purchasing this property. It was stated that based on previous committee discussion a preliminary environmental assessment was requested and has since been conducted by environmental surveyor REI. The subsequent report recommended that based on historical use of the site additional soil and groundwater testing be conducted and provided an estimate for the cost of that environmental testing. At a previous meeting of the Bike and Pedestrian Advisory Committee, the committee supported the purchase of the property at 1021 Cherry Street for extension of a trail.

Agenda Item 3 – Discussion and possible action approving Offer to Purchase of property at 1514 N 2nd Street and related budget modification.

Fifrlick outlined where city staff stand in the process of potentially purchasing this property. It was stated that this property is adjacent to other city-owned properties which are slated for redevelopment. The property is located within TID #3 and funds have been designated for the purchase of the property in a recent TID amendment.

Diny recommended prioritization of these projects that align with the city's strategic plan and are contingent on clear return on investment estimates and a clear funding source.

CLOSED SESSION pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session: relating to the approval or purchasing property at 901 & 1021 Cherry Street, and approval of purchasing property at 1514 N 2nd Street.

Motion by Henke to convene the Economic Development Committee into Closed Session, second by Lukens.

Roll Call Vote – Ayes: Henke, Kilian, Lukens, Rasmussen, and Watson. Motion carried unanimously.

Motion by Martens to convene the Finance Committee into Closed Session, second by Diny.

Roll Call Vote – Ayes: Diny, Martens, Lukens, Watson, Rasmussen. Motion carried unanimously.

Finance & ED convened in Closed Session in the Maple Room.

Economic Development Committee reconvened into Open Session at 6:45 pm.

Finance Committee adjourned in closed session with no action taken at 6:45 pm.

Economic Development Committee continued with remaining agenda items.

Agenda Item 4 – Approval of minutes from July 5, 2023

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

Agenda Item 5 – Discussion and possible action approving Wausau Poet Laureate (Brodek)

Brodek presented item and noted everything is outlined in the packet.

Henke asked if this was a replacement of the previous Poet Laureate. Brodek responded saying it's a two-year appointment and the current poet laureate's term is expiring this fall. Henke then asked if the current Poet Laureate came through the Economic Development Committee. Brodek responded that because it went through the Arts Commission, which is a subcommittee, so the official decision needs to be made through a standing committee which is the ED Committee for the Arts Commission.

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

Agenda Item 6 – Discussion and possible action approving First Amendment to Foundry on 3rd LLC Development Agreement (Brodek)

Brodek reminded the committee that the Foundry's groundbreaking was delayed until spring and therefore an amendment to the development agreement is needed to commemorate that. Brodek noted the original development agreement had a commencement date of 9/1/23 and the First Amendment proposed moving that date to 6/1/24 which then amends the completion deadline from 12/31/24 to 11/21/25 and the minimum assessed value will be determined 2026 instead of 2025 due to the project not being complete until the end of 2025. Lastly, she mentioned the amendment notes the reverse payments may be impacted by the late start date. She said a financing modification is not being requested but they are aware that they may miss a year of reverse TIF payments because of the delayed start.

Rasmussen commented that it was already known there will be a groundbreaking delay but also mentioned there is other noticeable progress occurring on the site with HOM Furniture, Children's Imaginarium and the infrastructure itself. She said seeing that progress and knowing the developer is aware of the loss of reverse TIF payments that the timeline still adheres to what's been expected.

Kilian asked Atty. Jacobson what the original date of commencement was. Atty. Jacobson said the initial commencement date was 9/1/23. Kilian then asked her what would happen if the committee did not approve the amendment. Atty. Jacobson responded it would mean they'd miss the commencement date. He questioned if the commitment was made on a prior date and who agreed to it. Atty. Jacobson responded it was the date established and approved in the original development agreement that Foundry on 3rd, LLC agreed to. Lastly, he asked if the City has kept up their end of the deal in the agreement thus far based on her knowledge; she responded, yes. Kilian asked if the amendment was not approved, would that be a breach to the agreement. Atty. Jacobson clarified it would be an event of default.

Kilian mentioned it does not appear the City of Wausau was at fault for what has transpired. He asked staff if it is accurate that without consulting the City, the board of Wausau Opportunity Zone (WOZ) voted to allow an extension on this development. Brodek responded that is her understanding but there is no firsthand knowledge of it and directed Kilian to the managing director of WOZ, Chuck Ghidorzi, who replied that the board has approved the extension but is unsure of the date that occurred. Kilian asked if the board knew that an extension could result in a default on an agreement. Ghidorzi responded the board was aware an Amendment would be needed to approve an extension.

Kilian continued with questions of Brodek. He noted he reviewed DNR documents and asked if his understanding was correct that the cement was to be left in place to provide a sort of default cap over contaminated soil. Brodek responded that was her understanding, but that DPW and Engineering have been in weekly meetings regarding this site, but ED staff has not been. No representatives were available from DPW or Engineering to answer Kilian's questions. Kilian asked if anyone knew what happened when that soil was to be removed. Brodek replied DPW staff would be helpful to provide a timeline. She noted there have been internal meetings trying to piece everything together but does not have all the dates of those meetings and who was responsible for what and when. She offered for Kilian to provide her a list of his questions for her to present to DPW and she would work on getting answers on what has transpired. He agreed to providing a list of questions for her to obtain answers however, referred his question about what happened to the soil to Atty. Jacobson who replied she did not have any firsthand knowledge of anything with the soil and referred the question to Ghidorzi saying he'd likely have the most accurate information.

Kilian asked Ghidorzi if the soil was to be removed and provide the sequence of events on what occurred with the soil removal. Ghidorzi said the cap was removed on Block 4 for the purpose of utility work as well as if there was not a delay in the development of the Foundry on 3rd that the development could move forward. He clarified the site will be capped if construction does not start after the utility work is completed. Kilian asked who made the decision to not have soil removed; Ghidorzi responded that he did. Kilian follow up asking that there was someone who was going to remove the soil, but a decision was made to not remove it. Ghidorzi responded yes, a company was under contract with the city and per the city's obligation, to remove the soil. Kilian asked who was responsible for paying cost of removing the soil; Ghidorzi responded per the development agreement, it is the city's responsibility. Kilian asked what happens when a company shows up to remove the soil per their contract with the city and the work is rejected. Ghidorzi responded saying he contacted Eric Lindman at the City to explain they were not ready to move the soil. Lindman asked Ghidorzi what a good

timeframe would be for this to occur, so WOZ met with T-Wall to determine a timeline to present to the city. Kilian asked if there would be additional costs for that service since the timeline was moved; Ghidorzi responded there could be because there are consequences for breaking contracts but that is unknown at this time.

Watson paused and asked Atty. Jacobson if what is being discussed is within the realm of what is agendaized. Atty. Jacobson responded that it's really up to the committee to decide that but because they are looking at amending a development agreement, anything related to that amendment can rightfully be discussed.

Kilian continued and asked Ghidorzi if he knows what the DNR's perspective on what will need to happen with the uncapped soil; if they'll allow it to remain uncapped when a large percentage was said to be contaminated. Ghidorzi responded that there are two parts to removing the cap. He noted the cap is removed from 2nd Street, the green forum that extends across the Children's Imaginarium and down Jackson Street and down 3rd Street to install necessary utilities per the plan. Once utilities are completed it will have to be re-capped with 3 inches of road base which is an approved system with the DNR with whom they've been in contact. Ghidorzi noted if Block 4 is not started, the same process will occur there to re-cap it.

Discussion continued for an additional 22 minutes. This portion of the meeting can be viewed from minute 2:16 through 39:01 at this link: <https://youtu.be/lAno806yJWI>

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

Agenda Item 7 – Discussion and possible action on termination of lease agreement with Marathon County UW-Extension (Brodek)

Atty. Jacobson noted this item is housekeeping due to oversight. Marathon County UW-Extension previously leased the lot at 700 Grand Ave for a healing garden. Atty. Jacobson noted the trees have been relocated and formally terminating the lease is needed to document and officially close out their file.

*Lukens motioned to approve the motion, seconded by Henke. **Approved Unanimously 5-0***

Agenda Item 8 – Discussion and possible action of termination of recorded deed restrictions and recording set of revised deed restrictions for 145 S. 84th Avenue (Rib Mountain Glass, Inc.) (Atty. Jacobson)

Atty. Jacobson noted this item was an action taken with another business earlier. She explained this request is taking one step out of a two-step process and rather than present a waiver of right of first refusal and a consent to transfer and then a termination of the old deed restrictions and record new ones going this route goes right to the second piece of the process once the revised deed restrictions are recorded ED's consent will not be needed. She did note there are safeguards built into the new deed restrictions to prevent certain unwanted scenarios from occurring without city knowledge. Alternatively, Atty. Jacobson asked to provide an option to waive the right of first refusal.

*Lukes motioned to approve termination of recorded deed restrictions and record revised deed restrictions. Seconded by Kilian. **Approved Unanimously 5-0***

Agenda Item 9 – Update on The River concert venue (Brodek)

Brodek explained that staff contacted at least a dozen companies regarding a feasibility study for The River concert venue and narrowed those responses to three. Staff then contacted the developers to provide the proposals for their review. In a July 18th meeting between staff and the developers, the developers said they did not want to pay for the study and felt the city should pay for it because they wanted it. Brodek reminded the developers of the direction given by the committee on June 6, 2023, and confirmed on July 5, 2023, was that the developers would be responsible to pay for a study. Brodek stated staff understanding of that direction was confirmed via phone call with the committee Chair on July 19, 2023. Brodek said she emailed the developers on July 21, 2023, to explain staff understanding of direction was correct and that the city would not move forward if the developers did not complete and pay for a feasibility study and to contact her if they changed their mind or have any questions.

Watson commented about the meeting where the feasibility study was discussed and noted that initially an Ehlers financial analysis was considered but at that time City Finance Director indicated that would not be a good first step because there isn't a lot of market information for that analysis, so gears were switched to a market study instead.

Rasmussen commented that two of the items of concern from The River proposal was the location and the objectivity of the numbers presented and she noted hesitation on the reliability of those numbers. Rasmussen explained after discussing the proposal with other sources, to generate the type of ticket volume as outlined in the revenue impact portion of their presentation, would make the venue, in "little Wausau", one of the top 10 in the country. She questioned if Wausau would be able to sustain those kinds of numbers if (a) they come or (b) will ever come. Rasmussen noted comments from others in the industry who have said getting them to come is already a struggle which is why an independent study was necessary and that the finance director made it clear it is not the taxpayer's responsibility to pay for a study to determine whether that project will work here or not.

Lukens and Kilian agreed with Rasmussen's statements.

Motion to adjourn by Rasmussen, seconded by Lukens. Meeting adjourned at 7:32 PM.

CITY OF WAUSAU, MEETING LINKS

ALL City of Wausau Meetings can be viewed at:

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

The Joint ED and Finance portion of the meeting from 8/1/23 can be viewed at:

- <https://www.youtube.com/live/jJ7Jje6OS8c?feature=share>

The ED only portion of the meeting from 8/1/23 can be viewed at:

- <https://youtu.be/IAno806yJWI>

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

THIS SECOND AMENDMENT TO DEVELOPMENT AGREEMENT (this “Amendment”) is made as of the ____ day of October, 2023 (the “Effective 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, as amended by that certain First Amendment to Development Agreement with an Execution Date of March 14, 2023 (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, to better serve Developer’s target market by offering more extensive short-term housing solutions to businesses and individuals travelling or transitioning within the community, Developer desires to revise the permitted uses of the 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. The Project. The definition of “Project” in the Development Agreement is hereby further amended such that the newly constructed building on the Property may, at the option of Developer, be used for multi-family residential apartments, short term rentals, or hotel rooms in any combination as determined by Developer; provided, however, that (i) any such use(s) shall comply with all applicable laws, rules, regulations, codes and ordinances in the use of the Property (“Applicable Law”), (ii) Developer shall make any modifications or additions to the improvements as may be required to so comply with Applicable Law, and (iii) Developer shall obtain all necessary, customary and usual approvals from the City, as may be required by the City, for any such short term rental or hotel use through the normal City process for obtaining such approvals. Without limiting the generality of the foregoing, Developer acknowledges that, among other things, such short term rental or hotel use may require: (a) modification of the Specific Implementation Plan with respect to the Property; or (b) a change of use analysis with respect to the building code done by an architect to determine if any changes are required with respect to fire alarms, accessibility requirements, or other items included in the building code. The execution of this Amendment by the City, or the approval or authorization of this Amendment by the City Council, in no way functions as approval of or a guarantee of approval of, any other necessary,

customary and usual approvals from the City, as required by the City, for any such short term rental or hotel use.

2. 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.

3. 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.

4. 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) one mortgage on the Property securing a loan for \$20,703,032.00; and (b) another mortgage on the Property securing a loan for \$1,300,000).
- ii. None other.

5. 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 Second Amendment to Development Agreement as of the Effective Date.

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 Second 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

ROLAND LOKRE

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 Second Amendment to Development Agreement (this "Amendment").

Lender 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.

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

Section D: Winton to Gilbert Park

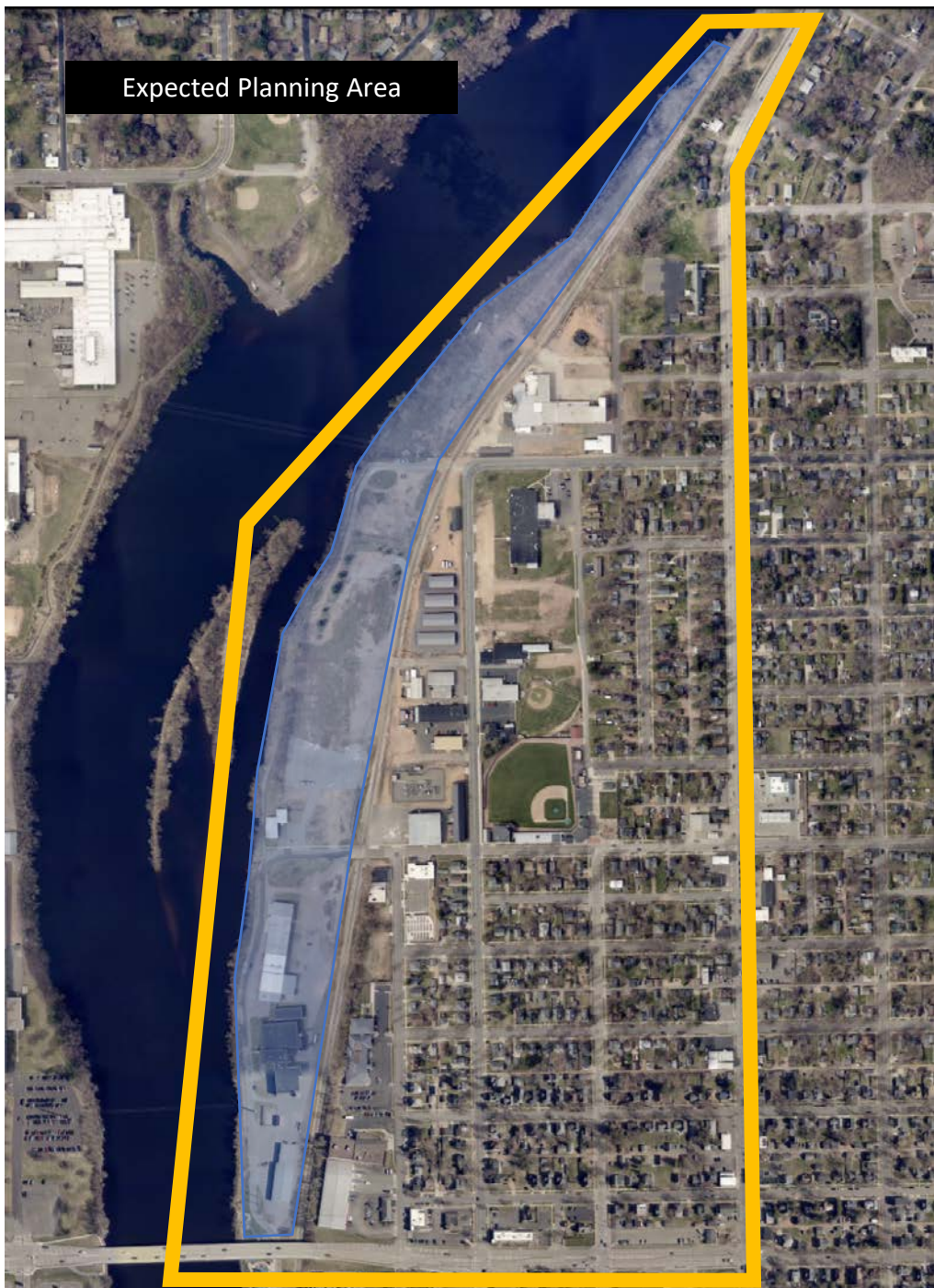


Length = .6 miles

Section A: Thomas St to Adolph St and DC Everest Park



Easement	800'	.15 miles
City Property	2400'	.45 miles
On Street	3700'	.71 miles
Total	6900'	1.31 miles



Development Goals – N. Riverfront

- Lower intensity residential
- Commercial corridors and opportunities
- Extending River Drive along river
- Environmental Remediation
- Improving access to the riverfront
- Reducing traffic impacts on neighborhood
- Multiple opportunities for neighborhood input