

Council OKs mall proposal

Mayor Donald Penza has new ammunition today for attracting a developer for a downtown shopping mall.

"I'm going to go to work early in the morning," Penza said Tuesday after the Wisconsin Rapids Common Council approved his suggested guidelines for city purchase of 16 acres of mall land for subsequent lease to a developer.

The land is now owned by the Wisconsin Rapids Redevelopment Authority and is appraised at \$217,896. Federal regulations say the Authority cannot sell the land for less than that price and the Authority has not been able to get a developer to pay that price.

Penza suggested in a letter to council members Friday that the city buy the land from the Authority at the appraisal price, fulfilling the federal requirement.

The city would then proceed to lease the land to a developer for 50 years with an option to buy or renew the lease for another 50 years.

Money for city purchase of the land would come from existing municipal parking funds and sale of the city-owned A & P building property on 4th Ave. S.

Johnson St. would be closed from 3rd to 4th Aves. and 4th Ave. would be closed from Johnson to Hale St.

The purchase would be designed to fall within federally approved guidelines for a \$3.5 to \$4.5 million mall, on which the developer would pay improvements, maintenance, taxes and utilities.

The council defeated a motion to send Penza's proposal to a committee 15-6; after some council members said three days was not enough time to study the matter.

The mayor rejected a suggestion from William McMahon, 2nd Ward, that a developer be required to make a \$200,000 downpayment for the mall project.

"That's the reason I'm coming to you," Penza said. "They're just not buying that type of thing."

The mayor said the plan is similar in concept to past industrial revenue bond actions and industrial park land sales.

McMahon proposed an amendment to stipulate that the developer be someone who has built a mall before. It was defeated by voice vote.

Jayne Deering, 18th Ward, moved for adoption of Penza's suggestions as guidelines. She noted that any agreement on the mall would have to come before the council again for approval.

The voices against her motion included those of McMahon, Michael Hittner, 4th Ward, and Dennis Polach, 12th Ward.

Dane Dahl, former mayoral candidate and alderman, urged delaying action on the proposal. He said he worried about the city

possibly holding the second mortgage on the land.

Penza said he anticipated no problem with a second mortgage, since a bank would hold the first mortgage on the land. He said the city now holds the second mortgage on land sold to Warehouse Specialists Inc. in the industrial park.

McMahon had proposed referring the matter to committee on grounds that the council had earlier delayed action on approval of a site for a new city hall.

He had suggested part of the 16 acres could be used for an addition to the existing city hall, which stands on part of the mall land. Penza said he needed all 16 acres to negotiate with developers.

Penza has said he has been talking to prospective developers, but has declined to be more specific about who they are and how interested they are in the project.