

CITY OF RICHLAND CENTER

AGENDA ITEM DATA SHEET

Agenda Item: Community Development Investment Grant Program Update and Future Selection

Requested & Presented by: Jasen Glasbrenner

Meeting Date: Finance Committee on 03-04-2025 and Common Council on 03-04-2025

Background: Richland Center has previously benefited from the WEDC CDI grant program, employing a "first-come, first-served" strategy that resulted in successful funding for Los Amigos and Wild Honey Collective. However, a recent policy shift by WEDC has significantly altered the landscape, limiting the city to a single remaining CDI grant opportunity before a 3–5-year period of ineligibility. This necessitates a strategic reevaluation of our approach. Currently, there are two projects of active interest: the AD German Warehouse Conservancy's ongoing building renovation, and the city's strategic goal of attracting a downtown hotel developer, both of which are potential candidates for this final grant.

Strategic Considerations

- Limited Resource: This single remaining grant is a critical resource. We must maximize its impact on our long-term economic vision.
- Hotel Development Priority: Hotel development is a key strategic goal for downtown revitalization. Securing CDI funding for this project would be a significant catalyst.
- AD German Warehouse Conservancy: The AD German Warehouse Conservancy's project is also a valuable community asset and ready to move forward.
- Timing and Certainty: The hotel development timeline is currently uncertain. We need to assess the level of commitment from potential developers.

Proposed Action

The City faces a critical decision: allocate the final WEDC CDI grant to the AD German Warehouse, a project with immediate readiness, or strategically reserve it for the potential, though uncertain, downtown hotel development, in order to optimize the grant's long-term impact.

OPTION 1 – AD German Warehouse Conservancy

- Process AD German Warehouse Conservancy application as the final CDI grant recipient for 3-5 years.

OPTION 2 – Temporary Moratorium on Application Processing

- Temporary Pause: Temporarily pause the processing of CDI grant applications to allow the City to secure commitment from a hotel developer.
- Reassessment Timeline: Establish a clear timeline for reassessing the situation, with a target of resuming grant application processing by July 1, 2025, if the hotel project is not deemed viable in the short term. This aligns with the WEDC fiscal year.
- Transparency: Clearly communicate with the AD German Warehouse Conservancy regarding the program changes and our strategic approach.

Requested Action: It is recommended that the City impose a moratorium on CDI grant application processing until either a firm commitment is secured from a hotel developer or until July 1, 2025, whichever occurs first.

Finance Committee: Motion to recommend to the Common Council to impose a moratorium on CDI grant application processing until a firm commitment is secured from a hotel developer or until July 1, 2025, whichever occurs first.

Council: Motion to approve the imposition of a moratorium on CDI grant application processing until a firm commitment is secured from a hotel developer or until July 1, 2025, whichever occurs first.