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ECONOMIC DEVELOPMENT BOARD
Thursday, February 24, 2022
8:00 AM
North Conference Room

Minutes

1) Call to Order, Roll Call

Present:
Chair Timothy Carr
Alderman Brian Parrish
Board Member Dennis Engel
Board Member Daniel Gannon
Board Member Michael Kramer
Board Member Bruce Sipiora
Board Member James Baka **-- Absent**
Board Member Tracy Johnson **-- Absent**
Board Member Jeff McLean **-- Absent**
Board Member Andrew Petzold **-- Absent**

Chairman Carr called the meeting to order at 8:00 a.m.

2) Approval of Meeting Minutes from January 18, 2022

Action
Board member Engel made a motion to approve the January 18, 2022, meeting minutes.
Board member Kramer seconded the motion.
A voice vote was taken; vote passed (6-0)

MOVED BY:	Board Member Engel
SECONDED BY:	Board Member Kramer
RESULT:	**Approved [Unanimous]**
AYES:	Carr, Parrish, Engel, Gannon, Kramer, Sipiora
ABSENT:	Baka, Johnson, McLean, Petzold

3) Revolving Loan Fund Application for Mind + Neurology

Ms. Kathleen Cady-Schilling stated that the application is from Mind+ Neurology for a new clinic for comprehensive care focusing on headaches and migraines. There are three principals; Aaron Hart, CEO currently employed by GE; Dr. Alan Bubolz, CMO who has worked in the neurology field since 2016; and Jason Hart, COO who is a healthcare worker at Aurora. This is a niche field as there are not a lot of clinics in the Midwest focused on this specialty. There is a potential lease that would start in April with the plan to open for business in October 2022. The total project cost is $2.65M with a breakdown of costs:

- $850,000 lease hold improvements
- $200,000 capital improvements
- $1.6M working capital

The applicant has requested a $100,000 loan with a 10-year loan term and an interest rate of 1.675% and a 6-month deferral, which is very common especially when construction is involved. This application was reviewed by outside counsel, per City protocols and the review concluded that the business plan is very strong and financially solid. Approval is recommended with the contingences noted in the report.

The applicants Aaron Hart and Jacob Hart were present. When questioned by the Board about why they applied for the RLF loan, Mr. Aaron Hart answered that the bank is requiring 10% owner equity and they do not have the cash to fulfill this requirement. The bank would treat the RLF from the City as owner equity and this would enable them to finance this project which they would otherwise be unable to finance.

The applicant explained that the landlord, Irgens, is also investing $500,000 towards improvements so that the total cost of improvements is $1.4M. He stated the services they offer will include diagnosis of migraine and headache pain, patient counseling (both in office and virtual) and administration of appropriate medications (Botox) related to the control of patient discomfort. Mr. Hart also stated there are very few clinics in Wisconsin offering the focused care they can provide. The use of virtual counseling will greatly expand the reach of their services. They also plan to contact the VA Hospital in Milwaukee in hopes of providing their services to this highly underserved community.

Their plan for marketing is through online advertising, targeted marketing sales and by establishing relationships with existing doctors and hospitals especially in the mental health and pain management fields. They will onboard a nurse practitioner right away who will be able to provide many services. A second neurologist is planned for in order to grow the practice.

The Board discussed the contingencies of the loan with the applicants which include key man insurance for all three principals and dedicated life insurance for all three principals.

Action
Ald. Parrish made a motion to go into closed session.
Board member Gannon seconded the motion.
A voice vote was taken; vote passed (6-0)

The Board met in closed session.

Action
Board member Kramer made a motion to return to open session.
Board member Engel seconded the motion.
A voice vote was taken; vote passed (6-0)

There was continued discussion regarding the loan and whether the project would be viable if less money than requested was approved and the applicant communicated that it would be difficult. The Board suggested that another neurologist join the business and contribute some financing. Mr. Aaron Hart explained that they do not wish to take on another investor and to give up 1/3 of their equity in the business and that there is a shortage of neurologists in general and patients are waiting up to 6 months for appointments.

Mr. Hart also stated that the business plan is built on a very conservative patient build. They believe that a large base of Dr. Bubolz's patients will follow him to this clinic from the Green Bay area. They will be building a business relationship with the VA and they hope to begin to see patients remotely before the clinic doors open. They will be doing outreach and they are planning to pre-schedule patients.

Action
Board member Engel made a motion to recommend the approval of the RLF for $100,000 to the Common Council
Board member Kramer seconded the motion.

Ald. Parrish made a friendly amendment that the loan be contingent in that key man insurance must be included and that a neurologist must always be on staff.

Board member Engel and Kramer accepted the friendly amendment.

A roll call vote was taken; vote passed (5-1) (No: Gannon)

MOVED BY:	Board Member Engel
SECONDED BY:	Board Member Kramer
RESULTS:	Approved as Amended
AYES:	Carr, Parrish, Engel, Kramer, Sipiora
DEEMED NO:	Gannon
ABSENT:	Baka, Johnson, McLean, Petzold

4) Staff Updates

- Chairman Carr asked that the Board members start to think about ideas for the Fall event.
- Tracy and Kim to coordinate a M-7 representative visit.
- A one-page information sheet listing available programs and economic tools from the City is requested from the Board.
- The Board asked Ald. Parrish about whether the Council would consider whether meetings could be attended remotely.

5) Announcements

The next meeting is Tuesday, March 15, 2022, at 8:00 a.m.

6) Adjourn

Action
Board member Kramer made a motion to adjourn the meeting.
Board member Engel seconded the motion.
A voice vote was taken; vote passed (6-0)

Respectfully Submitted,

Kim Tollefson
Director of Community Development