City of Mequon

11333 N. Cedarburg Road
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www.ci.mequon.wi.us

ECONOMIC DEVELOPMENT BOARD
Tuesday, April 9, 2019
7:30 AM
North Conference Room

Agenda

1) **Call to Order, Roll Call**
2) **Approval of Meeting Minutes from February 26, 2019**
3) **Transportation Meeting Update & Next Steps**
4) **Review of Commercial Areas & Conditions**
5) **Staff Updates**
6) **Announcements**

   The next meeting will be Tuesday, May 28th at 7:30 a.m.

7) **Adjourn**

Dated: April 4, 2019 **/s/ Tim Carr, Chairman**

Notice is hereby given that a quorum of other governmental bodies may be present at this meeting to present, discuss and / or gather information about a subject over which they have decision making responsibility, although they will not take formal action thereto at this meeting.
Any questions regarding this agenda may be directed to the Dept. of Community Development office at 262-236-2903, Monday through Friday, 8:00 a.m. – 4:30 p.m.
Persons with disabilities requiring accommodations for attendance at this meeting should contact the City Clerk's Office at 262-236-2914, twenty-four (24) hours in advance of the meeting.

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ECONOMIC DEVELOPMENT BOARD
Tuesday, February 26, 2019
7:30 AM
North Conference Room

Minutes

I) Call to Order

Present:
Chairman Timothy Carr
Board Member James Baka
Board Member Jonathan Safran
Board Member Bruce Sipiora
Board Member Janette Braverman
Alderman Kathleen Schneider
Board Member Rick Shneyder **-- Absent**
Board Member Matson Holbrook **-- Absent**
Board Member Gloria Rosenberg **-- Absent**
Alternate Alderman Andrew Nerbun **-- Excused**

II) Approval of Meeting Minutes from January 22, 2019

Action
Mr. Safran made a motion to approve the January 22, 2019 minutes.
Ms. Braverman seconded the motion.
A voice vote was taken; vote passed (6-0)

RESULT:	**Approved [Unanimous]**
MOVED BY:	Board Member Safran
SECONDED BY:	Board Member Braverman
AYES:	Baka, Carr, Safran, Sipiora, Braverman, Schneider
ABSENT:	Shneyder, Holbrook, Rosenberg

III) Revolving Loan fund Application by Screaming Tuna

Ms. Kathleen Cady-Schilling from Ozaukee Economic Development stated that at the last EDB meeting the revised RLF program was approved which set up the new $25,000 RFL program. She stated that Screaming Tuna is a great applicant as they have a solid financial plan, collateral and have a very successful restaurant in the Fifth Ward. They will open a new location at the Spur 16 Public Market. There will be seating for 20 around the tenant location as well as additional seating on the patio and mezzanine. The restaurant will serve sushi, appetizers and a variety of drinks. They have about $200,000 of expenses to open the new restaurant; build out, new equipment, furniture, fixtures and soft costs (inventory, marketing and initial payroll). They are in the process of getting a $25,000 loan from 1st Bank Financial Center as well as a $25,000 loan from the 1st Bank Financial Center Community loan program. She stated this is a great applicant and it is recommended by OED to be approved by the EDB.

Applicants, Rob Helm from 1st Bank Financial Center and co-owner Jeff Bronstad from Screaming Tuna, stated the each of the tenants have about 15-20 seats in the Public Market. He stated they continue to grow revenue every year at their current location. Mr. Helm stated that the bank does not have any concerns in regards to this applicant.

Ms. Tollefson reminded the Board to review the contingencies of the loan request outlined in the memo from Ms. Cady-Schilling because these contingences will become part of the resolution that is passed on to the Common Council. The Common Council will take action on March 12, 2019.

Ms. Cady-Schilling stated that the final word from the State has not yet been received regarding the defederalized funds and all the loans are contingent on this approval

Action
Ald. Schneider made a motion to approve the $25,000 RLF loan to Screaming Tuna.
Mr. Baka seconded the motion.
A voice vote was taken, vote passed (6-0)

IV) Future Use of Revolving Loan Fund De-Federalization of Funds

Ms. Tollefson stated that this is an opportunity for the Board to make some decisions regarding objectives and has the ability to diversify the funds that are available for economic development tools in the community. In the staff report, she suggested some different geographic areas, rather than targeted neighborhoods where programs already exist, as well as some different types of improvements that could be incentivized. At last month's meeting staff recommended not to use the funds for one time expenditures because those dollars cannot be recouped to continue to build the program. She explained that there are suggestions that typically could be could be offered as grants, but the way in which the funds are executed could be modified and converted to more of a loan type scenario.

It was discussed that the total amount in the city loan fund is $750,000 including the outstanding loans, with $475,000 currently available. The highest loans are $150,000 each to MSI Data, Bartolotta's and Spectrum Financial. The program guidelines do not limit the amount of a loan. Any loans over $25,000 are required to provide collateral due to the program guidelines. The goal is develop a program like the RLF program; with an established purpose and objectives, guidelines and parameters of the program with some flexibility built in. If the defederalized funds are going to be used for anything other than revolving loan funds, than a short information piece explaining how the funds will be used should be created both for applicants wanting to utilize the funds as well as for the approval from the Common Council. Ms. Tollefson suggested that this be presented to the Common Council in May/June for feedback and approval. In March the Screaming Tuna RLF and the modified RLF program manual will be in front of the Common Council for approval. Ms. Tollefson would use this opportunity in front of the Finance and Personal Committee as well as the Common Council to let them know that the Board is working on this item.

There was discussion regarding the transportation funding outlined in the proposed loan program. City staff and Board members plan to meet with Riteway to start a conversation regarding shared transportation within the Business Park. Ms. Cady-Shilling stated that there may be some state grants that could be applied for if there is seed money to start a program locally to help employees with transportation to work. There was feedback from the Board that this is a worthy project and could be a great benefit. Staff would take care of the programming, logistics and loan application as part of normal job responsibilities. There is support from the Board regarding this endeavor as follow through after the feedback from the industrial outreach meetings last summer. One of the main issues the businesses voiced was transportation concerns for their employees. It will be determined by the Board whether the $10,000 budgeted is used as a one-time expenditure or as loan that gets paid back. There will be more to discuss after the meeting with Riteway.

The Board discussed redevelopment assistance for other areas not covered in a TIF district. It was suggested that a loan could function similar to the formula the TIF incentive program uses with the same objectives required (dilapidated, contamination, vacant, undervalued sites) to encourage redevelopment to occur. The Donges Bay and Cedarburg Road area is a targeted area because it is not in a TIF or TID and staff is more familiar with properties in this area after recently going through the moratorium study. This area is the gateway to the Business Park as well as the gateway to the city from the south. There is a high percentage of commuter traffic in this area which may attract different commercial uses. In the staff report additional areas were listed as well as tools that are currently available. There was strong Board support that a loan program be made city wide as opposed to only available to a specific area; although the Donges Bay/Cedarburg Road area is definitely an area the Board wants to target for program tools. The Board needs to create program guidelines and specific parameters. This is an opportunity to diversify the type of tools that are offered in the city and make new programs available. The goal is to get the proposed program in front of the Common Council in spring.

V) Market Analysis of Moratorium Study Area

The Board stated that they found the moratorium market study helpful and it encouraged the Board to want to offer some tools to this area in hopes of some redevelopment there. The study was steered towards three areas staff receives inquiries: senior housing, an indoor/outdoor recreation center and single family residential housing (like Bay Berry Fields). All of these uses are highly desired.

The Board was asked to consider the following when making decisions to restructure the program:

- To use the defederalized funds for something else or keep them in the RLF program.
- If to be used for something else, should the funds be used for major or minor developments.
- What other tools could the money be used for.
- If a specific neighborhood is targeted, which ones.

After more discussion there was consensus to develop two programs; to make some of the money available broadly throughout the city but to also target money for the specific area of Donges Bay/Cedarburg Road.

VI) Announcements

Ms. Tollefson gave a quick update about some new developments:

- The Pavilions will undergo a major redevelopment in the middle of the shopping center. The owner has $4M to invest at this location which will focus on the façade, signage and landscaping.
- The former Jewish Home Care Center, which has been vacant for several years, is currently going through the Planning Commission process for rezoning approval for a proposed development. The development would consist of 3-4 commercial buildings.
- This is major redevelopment that will be happening further north on Port Washington Road.

VII) Adjourn

Action
Ald. Kathleen Schneider made a motion to adjourn.
Mr. Baka seconded the motion.
A voice vote was taken; vote passed (6-0)

The meeting adjourned at 9:10 a.m.

Respectfully Submitted,

Kim Tollefson

City of Mequon

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www.ci.mequon.wi.us **Office of Community Development**

TO: **Economic Development Board**
FROM: **Kim Tollefson, Director of Community Development**
DATE: **April 9, 2019**
SUBJECT: **Transportation Meeting Update**

On April 4, Board members and city staff met with Go Riteway's Director of Sales, Kathi Kaestner. Ms. Kaestner provided an overview of how commercial services work with other public and private entities when providing workforce with transportation options. At the meeting, staff will provide some examples including the City of Milwaukee, Kohls, Kapco, industrial business groupings, Johnson Controls, SC Johnson and Froedtert Health. Each contract and level of service is highly customizable and evolves throughout the program.

Based on Ms. Kaestner's input a customized program with Go Riteway is feasible and dependent on the community and business owner needs. Considerations include the number of workforce, location of workforce, number and timing of shifts, other needs in the community for specialized services, infrastructure needs, among others. Go Riteway would require a contract with one entity and communication with the businesses throughout implementation is essential.

At conclusion of the meeting, staff and board members agreed on the following next steps:

1. Contact each business owner that previously expressed a need to see if a pilot program is of interest.
2. Contact MLG and Ozaukee County to discuss concept program.
3. Coordinate a meeting with GO Riteway and all stakeholders.
4. Develop Memorandum of Understanding for consideration of all entities.
5.

Chairman Carr and Director Tollefson are working closely to coordinate the next meeting with Go Riteway and potentially interested public and private entities.

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TO: **Economic Development Board**
FROM: **Kim Tollefson, Director of Community Development**
DATE: **April 9, 2019**
SUBJECT: **Commercial Nodes**

As part of the Board's recent discussion regarding the use of the de-federalized RLF program funds, staff will present imagery of the City's various commercial areas and the condition of those sites. Staff will walk Board members through a set of evaluation standards to determine properties of priority interest. This process will ultimately assist the Board in setting program objectives.