City of Mequon

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Department of Community Development

ECONOMIC DEVELOPMENT BOARD
Tuesday, May 22, 2018
7:30 AM
North Conference Room

Minutes

1. Call to Order, Roll Call

2. Minutes from January 23, 2018 and March 27, 2018

Action
Mr. Baka made a motion to approve the January 23, 2018 and March 27, 2018 minutes.
Ms. Rosenberg seconded the motion.
A voice vote was called; vote passed 8-0

RESULT:	**Approved [Unanimous]**
MOVED BY:	Board Member Baka
SECONDED BY:	Board Member Rosenberg

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

3. Election of Chairman and Vice Chairman

Chairman Carr stated that he will stay on as Chairman and nominated Jon Saffron as the Vice-Chairman.

Action
Ms. Rosenberg made a motion to elect the Chairman and Vice-Chairman as nominated.
Ald. Schneider seconded the motion.
A voice vote was taken; voice passed 8-0

Chairman Carr stated that if a board member misses 3 meetings in a calendar year they will lose their status as a member and will be replaced.

4. Business Outreach Update

Ms. Tollefson stated that letters were issued for the 6 businesses identified in the manufacturing sector. There will be two teams that do the site visits. There will be follow up of a bio of who will be attending the meetings. After the business visits there will be action steps to address any immediate needs and to send a thank you note. She feels that there will be feedback from the manufacturing businesses regarding transportation and work force.

She distributed business cards that were ordered for the EDB to use so that each board member has cards to use for outreach purposes. There is a general EDB email address that will be directed to Kim.

The goal is to complete the business outreach meetings by the end of summer and then to host a focus group event in the fall.

5. Focus Group Preliminary Planning

Chairman Carr commented that Dave Peterson, from Rockwell who is the Homestead High School Robotics coach, is interested in showcasing a team at a fall focus group. Mr. Peterson is very excited about this opportunity.

Ms. Tollefson stated that we should work on securing a date to get to Dave and she stated that she has talked to the City Administrator regarding available funds for these events. He gave permission to do a few events this year and then going forward for next year it would be appropriate to request some funds for an EDB budget from the Common Council.

She feels that this is a good timing coming off the business visits to keep the communication going and to invite businesses to an event hosted by the city.

Possible locations to hold the event were discussed.

6. Staff Updates

Ms. Tollefson stated that a contract to demo the Logemann Center was awarded and as part of that process the asbestos removal has taken place. The parking lot reconstruction is still in concept design but it will add about 50 stalls when reconfigured and completed. Angled parking or a wider stall causes a loss of 21 spaces and does not get to the threshold that staff feels is needed based on the traffic study and analysis conducted last year. Staff prefers the original concept of the 90 degree angle stalls, about 9 feet in width, which have been the standard for commercial sites for over 10 years. She explained that the drive aisles can be widened (from north to south) which would result in a drive aisle that is about 4 feet wider than a typical aisle. This would help with maneuverability in terms of backing out especially in high use times. This can be achieved without losing other elements of the project such as sidewalks at both ends of the lot, a direct and enhanced connection between the city lot and MTC 1 lot, and bike and pedestrian features. There will be a separate and distinct smaller lot within the large lot which could easily be blocked off for reserved parking if there is a special event happening, or during voting or if the legion is having a special event. The number of ADA spaces will also be enhanced through this reconstruction.

Spur 16 has announced the addition of Beans and Barley to their public market. There is a lot of good buzz in the community about the tenants that will be located with the Spur 16 development.

Foxtown is working on the brewery that will be located on the corner of Mequon Road and Buntrock Avenue. They are on the June Planning Commission agenda for their second restaurant which will be located on the second floor between Spectrum and the brewery. It is going to be like a pizza grinder and will be named Argentos.

There will be a special Common Council ("CC") meeting on June 4th and two items will be addressed:

1. Foxtown TIF Incentive.
   Foxtown is asking for a TIF incentive. There are currently no more TIF expenditures available to be made. Their request for an incentive is for $4.5M, which they are eligible for under the Fast Track Formula (based on a $50M project value). The CC will be discussing whether they want to incentivize the Foxtown project in a similar fashion as they have authorized for other Town Center projects.

   If the answer is yes, than the TIF project plan needs to be amended which is a 3-month process. It involves a Joint Review Board with representatives from all of the taxing agencies; the city, the county, MATC and the Mequon-Thiensville School District. They get taxes based on the value of this district at the time it is created. It is only the increment is paused and that they do not get the tax benefit of. They get a seat at the table to understand what the city's goals and benefits are and they get to vote. In they vote no, there is no TIF district or amendment to the TIF district. While they are temporarily delaying the benefit of the taxes for the increment that is created, they are voting that they believe that at the end of the TIF that the neighborhood is of such great value that without the city interjecting it would not be as valuable.

   Staff will show the CC the financial success of offering these incentives in Town Center and the return on the city's investment.

2. Public Projects.
   CC has many improvement projects that want to implement; infrastructure, beautification, to be more pedestrian-oriented, signage, and these improvements were deferred when it was decided to offer developer incentives. If the TIF project plan is going to be amended, if there is still interest in making expenditures to public improvement projects, now is the time to inquire if CC wants to set aside some funds to support those projects. Staff has a list of those projects and costs associated with them. It is important that the projects and an allocated dollar amount be identified in the TIF project plan. Money would not be borrowed, it would come from the proceeds from the development happening in the TIF and those dollars would be reinvested into the neighborhood.

   Ms. Tollefson stated that Ehlers submitted a draft proposal of their analysis which is positive and passes the Fast Track Pay As You Go Incentive and the "But For" tests. In this specific case, the return on the investment is so low. A specific benefit of this project is that Tom Nieman is not a typical developer as he lives in the community, believes in the Town Center and he is investing a lot of his own money and he is taking some investment risk that a typical development company would not take. Ehlers reported that their return on investment is low; their cash on cash is low. Ms. Tollefson explained that there are protection clauses in the development agreement to protect the city from the developer pulling out of a project and to minimize financial risk to the city. There are checks and balances in place.

As part of the Spur 16 development agreement, the project needed to be valued at least at $26M but the appraisal is for $47M. If this project delivers a final value of $47M, all of the public improvements projects can be covered and the TIF will be able to be closed out on time and in the black.

Ehlers was asked to evaluate whether a separate TID district should be created for the Town Center district, but it is felt that this is not necessary.

The goal of the June 4th meeting is for the CC to decide if the TIF project plan should be amended or not.

There was discussion among the board on how to get the public to better understand the TIF and its objectives. Some suggestions were to have some more information on the city website and to possibly to have an article published in the Mequon Now publication or News Graphic. It was agreed that the language needs to be understandable for the general public. The board would like the city to be completely transparent and to help get the correct information out.

Ms. Tollefson reported that Gateway Plastics has expanded their operations in Mequon and they should be on the list for an outreach visit next year.

Mr. Saffran stated that he has received feedback from the retailers that the community is not business-friendly and he feels that a listening session would be a great opportunity.

Ms. Tollefson stated that she and Ald. Schneider have been working to make an appointment to meet with the regional manager for the Pavilions but there has been turn over in that position and they have yet to set a date. They will continue to follow up on this.

7. <u>Annoucements</u>

The next meeting is Tuesday, June 26th at 7:30 am.

8. Adjourn

Respectfully Submitted,

Kim Tollefson