City of Mequon

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ECONOMIC DEVELOPMENT BOARD
Tuesday, June 26, 2018
7:30 AM
North Conference Room

Minutes

1) Call to Order, Roll Call

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

2) **Approval of Meeting Minutes from May 22, 2018**

Action
Ald. Schneider made a motion to approve the May 22, 2018 minutes.
Mr. Safran seconded the motion.
A voice vote was called, vote passed 7-0

3) **Update on RLF Program**

Ms. Kathleen Cady Schilling from Ozaukee Economic Development discussed the current status of the RLF Program and the recent changes that have been made at the state level. She stated that the program has worked for several years and has been successful but that the state is recommending that all communities close all RLF programs. It is currently in the public hearing process and not completely set; but the recommendation is that every community generates a close out report. The report will state how much money has been loaned out, how much money is in the bank and how much money was ever lost from the program. She stated that loan files were not kept locally. She stated that in the past 10 years there was not a loan that went bad in Mequon.

Ms. Schilling explained that the state is still finalizing the plan of what to do with the money. There will be a two year time frame to make the decision whether to pay the full amount back to the state and then the money gets set aside in a non-competitive CDVG pool. The city can then get the money back if there is an eligible CDVG project. An eligible CDVG project must either assist low or moderate income people or it would need to be a blight elimination.

If there is not an eligible project at the end of two years, the money on hand can be paid back to the bank and reassign the current loans back to the state. There is no harm to the community but the question is can there be help. There may be a window where the money is given to the state and before it is given back (a float period)

The close out is supposed to begin October 1st or whenever HUD approves this. A loan can be made during this time as the loan is still viable although Ms. Schilling recommends that the city hold. She will be meeting with Kim Tollefson and Tom Watson, City Finance Director, to figure out the close out money.

Ms. Tollefson stated that $150,000 of the total $650,000 fund is still available and reported that Mr. Watson advised not to approve more loans. She is hopeful that there will be projects that will qualify for funding. Any projects would be brought to the EDB for recommendation for utilizing the funds for a project as well as a strategy to set up a new program or exiting out and utilizing the CDVG dollars. This will be a budgetary item for the Common Council this fall.
ro loans.

4) Planning Efforts for Homestead High School Robotics Event with Industrial Businesses

Chairman Carr explained that the EDB is planning to host an event in the fall for industrial businesses that showcases the Homestead High School robotics team.

Ms. Schilling advised that an ideal time to host the event would be late September and that MATC would be a great location to host the event as they could tie in their manufacturing school and training as work force is a big issue for companies.

Ms. Tollefson discussed also posting some of the results from the Transit Authority report; possibly a display of the current status and plans for the city. She thinks it would be great to have a county representative to speak to these issues and the proposed plan.

5) **Update on Business Visits**

It was discussed that Ms. Tollefson has personally be in touch with the targeted industrial businesses and the visits are being scheduled. The businesses have been very receptive to meeting. The focus is an open discussion to establish a relationship with city staff, to share tools and programs available and to find out about the businesses' short and long term plans. The goal is that any immediate issue can be addressed immediately and then to provide feedback to the EDB and identify if there is consistency on the feedback from the businesses. Then a short term plan can be established and presented into the budgetary process if deemed appropriate.

6) TC TIF Project Plan Financial Performance & Amendment

Ms. Tollefson stated that she had sent everyone on the Board the staff report and presentation that was presented to the Common Council ("CC") at a special meeting. This was an opportunity to give the CC a status update on the TC TIF. Ehlers has been working to assess the Foxtown

Project as they have asked for an incentive, although they understood that all the available dollars had been utilized. The majority vote (5-3) from the CC was to support some level of incentive. They qualify under the Fast Track Formula and it is Pay As You Go (basically a return of the tax payment). Ehlers also evaluated the "But For" standard which they also met in support of granting them an incentive.

Ehlers is already working to get the TIF Project Plan amended; the budget needs to be updated in that Project Plan and needs to indicate what category of expenditures the City plans to make and to what level of funding. Then Ehlers will run the financial performance to show that the TIF can still be healthy and close out before or at 2028. With both Spur 16 and the Foxtown projects, without any other projects, the City could execute the public improvement projects that were originally wanted to execute by using the increment created in the TIF district and making those improvements prior to the TIF closing (streetscaping, parking lot, on-street parking, park improvements, etc). This would be approved on a project by project basis by the city, but the city is in a financial position to do these improvements. The CC will be presented with a budget of broad category improvements as well as some specific dollar amounts.

7) Staff Updates

There was discussion about the great feedback from the public regarding the tenants that have been secured for the Public Market in Spur 16.

Lakeside Development is on the July Planning Commission agenda for the vacant piece in front of The Reserve apartments as well as the property immediately west and they are proposing two office buildings there. They have secured a tenant for one of the buildings and the project is valued at $7M. It was agreed among the Board that an office use in the Town Center is a great fit.

8) Announcements

The next meeting is July 24, 2018 at 7:30 am.

Mr. Safran asked about a meeting between the EDB and members of the Chamber as well as some of the businesses and developers to address the concerns that the Chamber has received regarding businesses and developers feeling welcomed in the community and what some of the issues are. He commented that some of the business members have already met with city staff.

Ms. Tollefson stated that before this takes place she needs a better understanding of the intent of the meeting and what the goal is. She indicated that Member Safran previously expressed concern regarding the retail market, but that is a market issue and not in the control of the city. Ms. Tollefson questioned if this is an issue/or challenge that contractors and businesses have opening business related to passing inspections and stated that is an on-going conversation between city staff, the Chamber and different sectors of the City organization. There is internal work to determine if there can be resolution to some of that but that process does not need to be duplicated. A resolution will not be to allow non-complaint code issues to pass.

Mr. Safran stated there are issues that have been going on for years.

Ms. Tollefson stated she needs to have a better understanding of the actual issue and goal. She has had conversations with the Chamber and has discussed ways in which they can be helpful with this matter. Going forward, the conversation needs to be focused on ways that the Chamber can be a positive partner in accomplishing shared goals.

9) Adjourn

Action
Ms. Rosenberg made a motion to adjourn the meeting.
Ald. Schneider seconded the motion.
A voice vote was called, vote passed 7-0.

Meeting adjourned at 8:50 am.

Respectfully Submitted,

Kim Tollefson