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Department of Community Development

ECONOMIC DEVELOPMENT BOARD

Tuesday, October 24, 2017

7:30 AM

North Conference Room

Agenda

- 1. Call to Order, Roll Call**
- 2. Approval of Meeting Minutes from August 22, 2017**
Request: Action
- 3. Revolving Loan Fund Application for Bear Arms Indoor Shooting Range located at 9653 N. Granville Road.**
Request: Discussion & Action
- 4. 2018 Budget Recommendation: Mequon Business Park Investment Request**
Request: Discussion & Action
- 5. Website Overview**
Request: Discussion
- 6. Next Steps for Outreach**
Request: Direction
- 7. Announcements**
The next meeting is November 28, 2017 at 7:30 a.m.
- 8. Adjourn**

Dated: October 20, 2017

/s/ Timothy 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.

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.

Any questions regarding this agenda may be directed to the Department of Community Development's Office at 262-236-2903, Monday through Friday, 8:00 AM – 4:30 PM



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ECONOMIC DEVELOPMENT BOARD

Tuesday, August 22, 2017

7:30 AM

North Conference Room

Minutes

1. Call to Order, Roll Call

Present:

Chair Timothy Carr
Board Member Rick Shneyder
Board Member James Baka
Board Member Jonathan Safran
Board Member Bruce Sipiora
Board Member Matson Holbrook
Board Member Janette Braverman - arrived at 7:55 am, left at 8:40 am

Absent:

Alderman Robert Strzelczyk
Alderman Mark Gierl
Board Member Gloria Rosenberg

2. Approval of July 25, 2017 Minutes

Mr. Shneyder made a motion to approve the minutes.
Mr. Safran seconded the motion.
A voice vote was called, vote passed (6-0).

3. Website Workshop: New Economic Development Section

Justin Schoenemann presented the format of the new city website and options for economic development.

There were suggestions made for changes and edits made by the Board.

Overall the Board was very enthusiastic about the new website and the EDB pages.

The website will most likely go live before the site can be shown again to the Board. The Board would like to see it again.

4. Announcements

Ms. Tollefson stated that she met with the new leasing agent at the Pavilions and she seems very enthusiastic and she has some ideas about making some improvements to the shopping mall. Ms. Tollefson discussed that through the TIF district there may be an opportunity for a financial partnership for possible beautification or assistance in rebranding the shopping mall. The ownership has not shifted but there is a new local representative. There have been complaints about the maintenance of the building. Ms. Tollefson invited her to an EDB meeting to talk about potential improvements.

Ms. Tollefson stated the parking issue regarding the Logemann Center remains unresolved by the

Attachment: Packet (2772 : Meeting Minutes from August 22, 2017)

Common Council. The parking results are clear about the ability to handle another high parking demand user within the civil campus. This is what staff has been suggesting since last fall. Staff did not want the Council to be put in a position to have to review and absorb the parking study findings and also make a decision about the redevelopment of the Logemann Center all in the same night.

In September, specific information related to recommendations and planning efforts that the Council asked for will be supplied to them. Per Council's direction, staff will return with the Offer to Purchase for the Logemann Center with John Leszczynski with terms of the offer as well as location and number of dedicated stalls that could be just for the restaurant and where those would be located.

Foxtown Venture had a consultation for their TC project and that is continuing to move forward and to meet with staff on a regular basis. The project requires two text amendments, a TIF project plan amendment and they are still looking for an incentive.

The Spur 16 is aiming to close October 1st. They are working on the access roads and the internal road. The DNR clarification letter is yet to be achieved. The appraisal also needs to be completed. A SAG Grant was awarded for \$500,000.

The Hoff project on Green Bay Road was approved by the Council and the one issue is that the neighbor would like to only have one point of entry.

Froedert Medical Center located on Port Washington Road will open in October.

The Reserve only has 1 vacant apartment out of 81 units. They started leasing in May and the project has filled up very quickly.

TelSmith has reached out as they are affected by the new Foxtown project and offered a site tour to the Council and EDB.

There is a text amendment going to Planning Commission related to multifamily housing in the Town Center and Arrival Corridor zoning districts. Additional apartment buildings in the Arrival Corridor are not desired by the Council.

Ozaukee Economic Development is hosting their annual awards breakfast on Tuesday, September 26th.

The EDB meeting will be changed to Thursday, September 28th to accommodate the OED breakfast.

6. Adjourn

Chairman Carr made a motion to adjourn the meeting.

Mr. Sipiora seconded the motion.

A voice vote was called, vote passed (6-0).

The meeting concluded at 9:04 am.

Respectfully Submitted,

Robin Buzzell



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Department of Community Development

MEMORANDUM

To: Economic Development Board
 From: Kim Tollefson, Director of Community Development
 Date: October 24, 2017
 Re: Bear Arms Indoor Shooting Range Revolving Loan Fund Application

Background: The City of Mequon is in receipt of an application by Bear Arms Indoor Shooting Range for \$50,000 from our Revolving Loan Fund (RLF). Please find attached a memo from Ozaukee County Economic Development Director, Kathleen Cady-Schilling dated October 2, 2017, which summarizes the proposal and staff analysis.

The request for the loan is to assist with the acquisition of capital equipment for the start of the new business located at 9653 N Granville Road. The funds will be utilized to purchase a MILO system/target which costs \$436,000. The proposed use includes a year -round facility of 9,500 square feet and 8 lanes for indoor shooting practice. The facility is the first indoor range in Ozaukee County. The new business will add several new employees. For the purpose of this loan, 1.5 new full-time equivalent jobs shall be created as part of the program.

The funding request was evaluated by Ozaukee County Economic Development and by an outside financial consultant working on behalf of the City. In addition to the new job creation, the loan approval is contingent upon the use of funds for capital equipment, finalization of the loan from First Financial Centre, a 10-year term and amortization, an interest rate of 2% and collateral.

Should the Board find the job creation valuable and find that the new business creates economic benefit, then staff recommends use of the RLF dollars.

Revolving Loan Fund Balance: The balance of the city's revolving loan fund is \$355,661. These funds can't be utilized for city projects and are administered by the Department of Commerce. Action to approve the application by Bear Arms will result in a fund balance of \$305,661.

Staff Recommendation:

Planning staff and the Ozaukee County Economic Development Director recommends **approval** of the RLF application for Bear Arms subject to action by the Finance-Personnel Committee and Common Council with contingencies as recommended by OED and the city's financial consultant.



MEMORANDUM

TO: Mequon Economic Development Board

FROM: Kathleen Cady Schilling, Executive Director
Ozaukee Economic Development

DATE: October 2, 2017

SUBJECT: **REVOLVING LOAN FUND LOAN: BearArms Indoor Boutique Shooting Range**

The purpose of this memorandum is to provide a summary and staff analysis of the request from BearArms Indoor Boutique Shooting Range for a Revolving Loan Fund (RLF) loan for capital equipment. Bear Arms will be developing a 9,500 square foot indoor shooting range with 8 lanes. The funds from the RLF will be utilized for a MILO system/target which costs 436,000. The business has requested a \$50,000 loan.

Background

BearArms will be opening the first indoor shooting range in Ozaukee County. The business will receive revenue from memberships, public hourly rates, a pro shop selling shooting range basics, gun rentals, and a boutique that will sell beauty and skin care products. The facility will be open to both sexes, but its target market will be women looking to learn more about guns, gun safety and self defense. The range has received letters of recommendation from the Ozaukee County Sheriff, District Attorney, President of the American Legion, local law enforcement and both active and retired military.

A pre-sale of charter memberships for the shooting range has already sold out. BearArms has created an active social media presence with facebook, Instagram and twitter accounts. Additionally, it is marketing directly to the universities to create partnerships with MATC's Police Science and Concordia on a collegiate gun league. Additional marketing is being done in the more traditional markets of radio, TV and print.

BearArms has detailed financial projects breaking out their costs on a monthly basis. The business shows that it will be profitable within the first year, showing continuing profits through year 2 and three. BearARms shows a significant increase in membership from year one to year two, as well as in lane rentals.

The company will be hiring several employees. BearArms plans on employing one full-time manager, 2 full time Range Safety Officers and two part-time range safety officers and two additional part-time employees.

Funding Request

The Company is requesting that the \$50,000 RLF loan be provided with a term of ten years and an interest rate of 2 percent, with a three month deferral of principal to ease the original start-up costs. (2 % was half of prime when the application was received, this is the rate that other RLFs are offering in the County. Mequon has the ability to offer any rate between 0% and half of prime.) The company has received a \$806,000 loan from First Bank Financial Centre. The loan from First Bank Financial Centre is 10.3 year loan at prime plus 2.75% interest rate. The loan was reviewed by an outside financial consultant that works with the City. The company originally requested a larger loan, but upon discussion with the consultant, both the applicant and the City agreed that a \$50,000 loan would be appropriate for this new venture. The consultant felt comfortable with the City approving a loan amount of \$50,000.

The collateral available to secure the loan would be a third mortgage on their personal property at Bridewater Drive, a personal guarantee from Cheryle Rebholz and a General Business Security Agreement on the business behind First Bank Financial Centre.

The Company has agreed to create at least 1.5 new full-time equivalent jobs in exchange for the RLF loan. The jobs would be recruited through the Ozaukee County Workforce Development Center and the company would agree to submit income survey information on all applicants. The company agrees to hire 51% of its employees from low to moderate income households.

Contingencies

If the City approves the loan request, it is recommended that the following conditions accompany the approval:

1. That a \$50,000 RLF loan is provided to BearArms. LLC. The loan would be used for capital equipment.
2. That a loan of \$806,000 is provided to the Company by First Financial Centre.
3. That the RLF loan is provided with a ten-year term and amortization and an interest rate of 2 percent.
4. That the RLF loan have a three month deferral of principal payments.
5. That the loan is secured with the collateral identified above.
6. That the Company creates at least 1.5 new full-time equivalent positions within 24 months of the closing on the RLF loan and that the new jobs are made available through the Ozaukee

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County Workforce Development Center. Additionally, the company agrees to hire 51% of its employees from low to moderate income households.

7. That the Company provides to the County, or its designee, on an annual basis, semi-annual financial statements that are certified by the borrower, annual financial statements that are compiled by a certified public accountant, and signed copies of the corporate Federal income tax return.

* * *

Attachment A

**City of Mequon
Revolving Loan Fund Application**

1. Business Name: BearArms Indoor Boutique Shooting Range
 Address: 9653 N. Granville Road
Mequon, WI 53097

Contact Person: Cheryle Rebholz
 Telephone No.: 262-238-1144

2. Brief Project Description:

Ozaukee Counties first 9,500 square ft. 25 yard fully contained pistol/rifle range with 8 lanes. State of the art engineering. Includes Pro Shop, Gunsmith, Gun Rentals, Conference/Meeting Room, Boutique, and Members Lounge. Education :

3. Source and Use of Funds	RLF Financing	Bank Financing	Seller Financing	Owner's Equity	TOTAL
a) Real Estate Purchase					
b) Building Construction					
c) Building Renovation					
d) Leasehold Improvements		\$ 106,000		\$ 150,000	\$ 256,000
e) Capital Equipment	\$ 150,000	\$ 566,000			\$ 616,000
f) Working Capital		\$ 100,000			\$ 100,000
g) Closing Costs		\$ 34,000			\$ 34,000
TOTAL PROJECT COSTS	\$ 150,000	\$ 706,000		\$ 150,000	\$ 1,006,000

4. RLF Assistance Requested:

a) Loan Amount \$ 150,000
 b) Interest Rate (percent) 2.00% (1/2 of Prime)
 c) Loan Term (years) 10yrs
 d) Principal Deferral (months) 3-months

5. Source of Private Debt Financing

Name: n/a

Address: _____

Contact Person: _____

Telephone No.: _____

6. Job Creation and Retention

	New Jobs		Retained Jobs	
	Number	Pay Range	Number	Pay Range
Full-Time Jobs	1.0	\$50,000		
Part-Time Jobs	4.0	\$11.00-\$14.25		
TOTAL JOBS	5.0	FTE =		

7. Date Project Will Begin: as soon as financing is ready

I hereby certify that the information provided above and in the attached supporting documentation is to the best of my knowledge true and correct.

Cheryle Rebholz
Signature

5/31/2017
Date

For additional information about the City of Mequon RLF program, please contact Kathleen C. Schilling, Executive Director, Ozaukee Economic Development (262) 238-7730.

Please submit the RLF application and supporting documentation to:

Kathleen Schilling, Executive Director
Ozaukee Economic Development
121 W. Main Street
Port Washington, WI 53074



11333 N. Cedarburg Rd 60W
 Mequon, WI 53092-1930
 Phone (262) 236.2903
 Fax (262) 242-9655
www.ci.mequon.wi.us

Department of Community Development

MEMORANDUM

To: Economic Development Board
 From: Kim Tollefson, Director of Community Development
 Date: October 24, 2017
 Re: 2018 Budget Recommendation: Mequon Business Park Investment Request

Background: Alderman Wirth notified Economic Development Board Chairman, Tim Carr, of the interest to utilize state transportation funds in 2018 for the repaving of Donges Bay Road, from Wauwatosa Road and Cedarburg Road (see attached email dated Tuesday, October 17th). The topic was discussed at the Council's Appropriations meeting that same night.

One of the City's sources of revenue is State General Transportation Aids (GTA). When staff generated the 2018 budget to present to the Appropriations Committee, it utilized the 2017 GTA allocation, as the state had not yet released the 2018 allocation. When the State released the allocation of 2018 state funds, the City realized a surplus of \$180K as a revenue source. The City's transportation related expenditures already exceed the General Transportation Aid, therefore the surplus of \$180K is a revenue source for any City project, even non-transportation related projects.

Alderman Wirth achieved general consensus of the Council that the investment in infrastructure serving the Mequon Business Park can assist in prospective business interest and expansion of existing business. Donges Bay Road, from Cedarburg to Wauwatosa Road, is 1.6 miles is estimated to cost approximately \$565K to repave.

The Board is being asked if the investment would benefit the Mequon Business Park. Staff supports the public policy objective that continued maintenance and safe conditions of roads are factors in the quality of service provided by the City. Specifically, maintenance of all major arterials serving the City's commercial and industrial districts would be considered an important infrastructure improvement.

For the Board's benefit, there is an established process in which the City rates our roads. The Public Works Committee evaluates and prioritizes the work based on allocated funds for roads within the approved budget, along with an updated road rating completed by staff (see attached ratings map). The Council then awards the contracts to conduct the construction. For the Board's benefit, the Director of Public Works will attend the meeting, to address questions related to this process and the conditions of roads.

Staff Recommendation:

Should the Board wish to weigh in on this budget request, a motion related to the maintenance of infrastructure would be appropriate.

Kimberly Tollefson

From: Robin Buzzell
Sent: Wednesday, October 18, 2017 11:00 AM
To: Kimberly Tollefson
Subject: FW: Item for Economic Development Board Discussion

From: John Wirth
Sent: Tuesday, October 17, 2017 10:10 PM
To: Tim Carr (tim.carr@mssb.com); Tim Carr (tim_carr@msdw.com); 'Bruce Sipiora'; Gloria Rosenberg; Janette Braverman; Jim Baka; John Safran; Matson Holbrook; Rick Shneyder; Robin Buzzell
Subject: Item for Economic Development Board Discussion

Economic Development Board:

I understand that you have a meeting scheduled for Tuesday, October 24. I have an item that I ask you to consider at that meeting. Under the recent amendments to the ordinances governing boards, your chair, Tim Carr, can add anything to the agenda that he desires with or without staff's direction. Tim, I hope that this is something you find worth your board's time.

The Council is deliberating a budget for 2018. Tonight, there was a meeting of the Council sitting as the appropriations committee. The Council will take final action on the budget at its regular meeting on November 14. If you are to consider this issue it should be at your October 24 meeting; otherwise, it will come after the budget is done.

At tonight's meeting, I recommended that we use some of the City's reserves to repave Donges Bay Road from Wauwatosa Road to Cedarburg Road (along the business park). Repaving that stretch of road is an investment in the success of the business park. As it stands, the road is bumpy, cracked, unattractive and creates a very poor entrance to the park. The success of the park is important. The types of light industrial properties that might locate there pay significant taxes without adding stress to the City's operating budget.

At one point there was an expectation that the road would be repaved in 2017. That did not happen. Now, if this is not provided for in the 2018 budget, it might not get done until 2019 or later. The road will ultimately be repaved. However, if the City waits a couple of years, we might miss the current economic expansion, and we could lose existing tenants. This repaving is, in my opinion, a clear and necessary economic development investment.

There seemed to be unanimous, or almost unanimous, support, for this repaving the road in 2017, but the committee deferred the discussion to a later date. It should be added to the budget on November 14. This is where you come in.

It would be helpful to have the Economic Development Board formally determine that the repaving of this road is necessary for the City's economic development and that the EDB recommends that the Council provide for adequate funding in the 2018 budget for such repaving. A recommendation from your board, particularly a unanimous recommendation, might provide some extra push to the Council to address this issue.

Please let me know if you have questions. However, in order to comply with the Wisconsin Open Meetings law, please do not “reply all” to this email.

John

John Wirth
City of Mequon Common Council, District 4
9531 West Donges Bay Road
Mequon, Wisconsin 53097
262-242-7462
jwirth@ci.mequon.wi.us

I send updates once or twice per month letting residents know what issues will be addressed at City Hall meetings. [Click here](#) to be added to the update list.

This message and all email addresses in an elected official’s address book may be subject to an open records request.

CITY OF MEQUON

2016/2017 PAVEMENT SURFACE CONDITION RATINGS

