City of Mequon

11333 N. Cedarburg Road
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www.ci.mequon.wi.us
Department of Community Development

ECONOMIC DEVELOPMENT BOARD
Tuesday, November 28, 2017
7:30 AM
North Conference Room

Agenda

1. **Call to Order, Roll Call**

2. **Approval of Meeting Minutes from October 24, 2017**

3. **Website Review**

4. **Outreach Program**

5. **Staff Updates**

6. **Announcements**
   The next meeting is January 23rd, 2018

7. **Adjourn**

Dated: November 22, 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, October 24, 2017
7:30 AM
North Conference Room

Minutes

1. Call to Order, Roll Call

Present:
Alderman Robert Strzelczyk
Board Member Rick Shneyder
Board Member James Baka
Chair Timothy Carr
Board Member Matson Holbrook
Board Member Gloria Rosenberg
Board Member Jonathan Safran
Board Member Bruce Sipiora

Absent:
Board Member Janette Braverman

2. Approval of Meeting Minutes from August 22, 2017

Action
Mr. Shneyder made a motion to approve the meetings from August 22, 2017
Mr. Safran seconded the motion.
A voice vote was taken, vote passed (8-0)

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

3. Revolving Loan Fund Application for Bear Arms Indoor Shooting Range located at 9653 N. Granville Road.

Ms. Kathleen Cady Schilling, Executive Director from Ozaukee Economic Development (OED) stated that the RLF request was originally submitted from Bear Arms Indoor Shooting Range for $150,000. The process of the program is that Ms. Schilling does an analysis of the loan for the program element and an independent financial consultant conducts a review of the loan for financial issues. Community Development Director, Kim Tollefson, meet with Ms. Schilling and the consultant several times and the group felt that $150,000 was too high an amount for the current business and the fact that there was limited collateral to offer. After reviewing the financials, the consultant recommended a $50,000 loan. The applicant was receptive to this amount. The loan is to be used for a MILO system/target which costs $436,000. The additional $100,000 will be met by a loan from First Bank Financial Center.

The term of the loan is ten years, which is a typical loan for equipment loans. The interest rate will be at 2%, which is half of Prime at the time the application was submitted. The applicant requested a 3-month deferral and up to 6-months can be offered. The loan that will be received from First Bank Financial will be for $806,000 for a 10.3 year loan at Prime + 2.75 % interest rate. The collateral used would be a 3rd mortgage on their home, a personal guarantee and a GBSA. A requirement of the loan program is that 1.5 job positions must be created. After final review, it is recommended that a $50,000 loan be approved.

Mr. Shneyder asked if it is a hands-on operation and asked Ms. Schilling about her feelings regarding the personal balance sheet.

Ms. Schilling answered that it is a hands-on operation and that it is not collaterally a strong loan, which is the reason the amount of the loan was decreased from $150,000 to $50,000. There are not any red flags but there is not a lot of personal collateral either.

The applicant, Ms. Cheryle Rebholz, stated that the charter memberships were sold out in the first 90 days. Annual memberships are currently being sold for a 30-day trial membership which is helping to fund and support some of the ongoing construction and start up.

Ms. Schilling stated this would be the 5th loan given out from this program in 6 years and that there is $300,000 left.

Ms. Rebholz stated that they will employ a full-time range safety officer and 2 part-time supportive range officers. She stated that many of the applicants are retired veterans. They will be open 7 days a week for about 6 ½ hours a day.

She stated that she is a perfect candidate for this loan as she has been in business for 30 years. She has had 3 business loans in her life and she has no debt. She feels that the loan with the low interest rate is ideal for new businesses as it helps the bottom line by paying off debt quickly and to start to operate at a profit. She has received a lot of support from the local community, law enforcement and the local DA. This shooting range will be the only one in our city and in the county of this caliber. The main users will be for personal safety defense but the facility will also be used by law enforcement that must get recertification and the site will also be a training tool. She has been contacted by MATC and Concordia University for use of the range for their police programs. They are targeting the beginning of the New Year to open the business.

Ms. Schilling stated that this loan will be approved at the same time that the First Financial loan is given.

Action
Mr. Shneyder made a motion to approve the RLF loan request for $50,000.
Ms. Rosenberg seconded the motion.
A voice vote was taken, vote passed (8-0)

4. 2018 Budget Recommendation: Mequon Business Park Investment Request

Ald. Wirth stated that he sent an email to the EDB with the details of his proposal for funds to be allocated for road repairs on Donges Bay Road between Wauwatosa and Cedarburg Roads. He referenced a map included in the packet regarding the different ratings for various roads in the city. He stated that the Donges Bay Road in that area is rated a 3. He feels that businesses that may want to relocate to the Business Park may find the road a deterrent. He feels that waiting a few years to do these repairs may result in a downturn of building times and that a lot of building is currently happening. He stated he has received complaints from businesses in the Business Park. Development here is crucial to the city as it has a low impact on the services and a high return on the investment.

She explained that they city made the distinct decision not to complete a road program in 2018. There is not funding allocated under the typical process in which the roads would be rated and a proposal package would be put together. When the additional funding became available, there was an indication that the city should reconstruction this specific road in the absent of a road program. This is a distinct difference between this year and other years.

Ald. Wirth stated that he would have raised this issue regardless of the $180,000 being made available. He stated there are funds available through the city to provide sufficient dollars to cover this stretch of road.

Chairman Carr asked about how the rating system works.

Ms. Lundeen explained that the rating scale goes all the way down to a 0 and that roads deteriorate at different rates. Donges Bay Road has not been deteriorating at a fast rate so it has been rated a 3 for a number of years.

Ald. Strzelczyk stated that he and Ald. Wirth were the most vocal about this issue at Common Council. He feels that this Board should look at this item from an economic viewpoint and whether there is a need for this improvement at this time. He supports the Business Park and would like to see bike lanes there as well. He would like this Board to recommend bike lane connections as well as it feeds into the inner urban trail. He struggles with that fact that this is before this Board before it is before the governing body that makes decisions about roads. He stated that this road in the Business Park is crucial to the city and that the TIF is in negative spending and business is needed there.

When asked what staff's recommendation is; Ms. Lundeen answered that staff's original recommendation was to make the budget decision and allocate the funding and allow staff to take the normal course of action to put together a program for recommendation. This would apply to additional funding as well.

Mr. Safran stated that he does feel there are logical reasons to pave the proposed road, but he does not feel that he has enough information to compare the proposed road to other roads in the city. He does not feel comfortable making a decision.

Chairman Carr asked Ms. Lundeen if she feels that this road a top priority road to fix.

Ms. Lundeen answered that it is not a top priority. The ratings will be done again in the spring to determine how the road conditions after the winter. The funding limitations are looked at and they modeling of the program is used to determine what the city can afford to do and what are the priorities and make a recommendation based on that information.

Ms. Rosenberg stated that agrees with Ald. Wirth that if the city is trying to attract businesses to the Business Park and to help with the TIF, this roadway is the entrance to that area and important to be considered. She feels that this would be important area to repair.

Ms. Lundeen stated that she bases all recommendations solely on the condition of the roads, not based on location, property taxes or economic benefits.

Mr. Holbrook asked if anyone had complained about the road in the Business Park.

Ald. Wirth answered that he has had complaints from businesses in the Business Park but he doesn't know about businesses looking to locate there. St. John's Properties have contacted him about complaints from tenants that they rent to regarding the poor road conditions. He stated that he has heard from two other businesses. He stated that typically businesses are not heard from so the fact that he has heard from 3 is important to pay attention to.

Mr. Zader stated that there are currently two businesses moving into the Business Park. There have been other recent inquiries as well. He has no idea if the road condition is a factor there. He feels that having the road done would be one less obstacle to attracting businesses.

Ald. Wirth suggested that this Board take a position that repairing this road would be an economical benefit to the Business Park and the industrial properties located there. The decision is not to be based on the merits of engineering or budget factors.

Chairman Carr stated that they could make a recommendation to the Council that the EDB considers this to be an improvement that would be beneficial to the Business Park and then it is the Council's decision to decide.

Mr. Baka stated that he does not know what all the priorities are to be done. He does not feel they have enough information to make a decision.

Mr. Shneyder stated it is not good decision making to wait until it is too late, especially if there are complaints. Once businesses start complaining that spreads. These businesses are the biggest tax payers in the city and they are employing people and it is crucial that they feel that they are important to the city. He feels this Board should be supporting anything that sustains the economy or builds the economy.

Ald. Wirth stated that the budget process only comes along once a year and to continue to delay this improvement does not make sense. He would like to get it into the budget.

Ald. Strzelczyk stated that he would like to see the road done all at one time. He sees the value in this and supports Ald. Wirth but he is weary if this really will make a difference to the Business Park.

Action

Chairman Carr made a motion that the Economic Development Board supports any infrastructure improvement that serves to benefit the City's commercial and industrial districts. An improvement or maintenance to primary arterials or access roads to the Business Park are considered a positive investment towards business retention and growth.
Ald. Strzelczyk seconded the motion.
A voice vote was taken, vote passed (8-0)

5. Website Overview

Mr. Zader stated that he and Ms.Tollefson still need to review the EDB section of the new city website to make changes.

The Board had a few suggestions:

- Tools/Incentives highlighted on the front page - use the word incentives
- Have the tools and incentives separated out from each other
- Tools and Incentives should be at the top of the list
- Business Climate and Incentives should be separate
- TIF information should be separate and easy to find and understand (currently 40 pages)
- Segregate out some of the documents from the property search
- Should be very easy to read and to find what one is searching for

This will continue to be reviewed and changes made. This will be brought back before the EDB over the next few months.

6. Next Steps for Outreach

Chairman Tim Carr, Bruce Sipiora, Jon Safran, Jim Baka and Gloria Rosenberg will be outreach ambassadors.

The Board would like to have some business cards made up that can be taken on outreach visits.

TelSmith has invited the Board to visit and tour their facility. They have been vocal as the Foxtown project as come forward.

Chairman Carr stated that it has not been neared down yet as to whom all will attend the outreach meetings: the Mayor, Kim Tollefson, the Alderman from the district the business is located in. He suggested possibly 1 or 2 visits each month and the meeting should not last more than one hour each. Staff will be responsible for scheduling the outreach meetings. A schedule will be created for outreach dates.

The Board would like for Ms. Tollefson to get in touch with the new representative from the Mequon Pavilion to set a time to meet with the EDB.

7. Announcements

Mr. Zader stated that Go RiteWay received their occupancy for their new location on Donges Bay Road and will be moving all the buses there. Froedert Medical College also received their occupancy and they are open to the public. AV Waterjet was approved in the Business Park. They distribute CNC machines all across the world. Splash! Swim and Wellness is coming forward for an expansion to their building to accommodate people with special needs.

Spur 16 is on schedule to close at the end of the month. There are some issues still being worked out regarding the utilities and easements on site and a few other technical details to finalize before the closing. The stormwater issues are still being discussed but there has been resolution. Ms. Schaffer may seek a text amendment regarding the stormwater requirements on redevelopment sites to be more in line with the MMSD requirements.

Ald. Strzelczyk stated that the city needs to ensure that this stays on track and moving forward and that Ms. Schaffer is not waiting on anything from the city. She has the Foxtown project getting through the approval process and he wants to make sure that the Spur 16 apartments come on line before the apartments at Foxtown do. He feels that the timing of the apartments should be staggered.

Mr. Zader stated that the city shares the same perspective and is working to keep the Spur 16 project moving forward. Some of the issues were not related to closing the deal and staff tried to convey this message. He commented that Ms. Schaffer has all her approvals needed to close and then she can break ground.

He also explained that Foxtown is going to want a TIF incentive which will require a project plan amendment to that incentive program which will take months. The apartments will not go to Council until the traffic analysis impact is done and then they are not allowed to get occupancy on the apartments until the restaurant is completed. Spur 16 should have 6 months to a year lead of the Foxtown apartment construction.

8. Adjourn

Respectfully Submitted,

Kim Tollefson