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Department of Community Development

**Economic Development Board
March 22, 2016
7:30 AM
North Conference Room
Mequon City Hall
11333 N Cedarburg Road**

Minutes

1. Call to Order, Roll Call.

Members present: Tim Carr, Jim Baka, Gloria Rosenberg, Harry Kollman, Mason Holbrook, Rick Shneyder, John Wirth, Alt. Connie Pukaite

Staff and City Representatives Present:

Kim Tollefson, Director of Community Development
Will Jones, City Administrator

2. Approval of meeting minutes

Mr. Carr stated that he was misquoted regarding the Dermond item and he meant to say \$8M return on the 1 acre property is a fantastic return to the city.

Mr. Wirth made a motion to approve the meeting minutes from February 23, 2016.

Ms. Rosenberg seconded the motion.

A voice vote was called. All voted aye (8-0)

3. Economic Development Board Purpose and Work Program

Ms. Tollefson stated that now is a good opportunity to spend some time talking about the next goals and objectives for the board. She invited Joe Nelson from Partnership Bank to join the conversation. There are a few items from the previous target list that have not been accomplished; outreach to businesses and focus groups. She stated that there are many resources in the community to help with this. Kathleen Shilling, from the Ozaukee Economic Board, has helped other communities with these items.

She included a reminder memo about the duties and responsibilities of the board.

Mr. Carr asked about the website and when it will be up and running.

Ms. Tollefson stated funds were allocated for 2016 for the website. She stated that the EDB would be more of an advisory role to the website consultant in advising how the EDB would like its section to be portrayed on the website. There will be a website committee that will work with the consultant. She also stated that the resources regarding updating the website should be discussed.

Mr. Jones, City Administrator, stated that the website committee would be intradepartmental. Mr. Wirth stated that he hopes that the EDB portion will be front and center and not buried in the website. He feels it is very important to have this information made easily available. The sales job of “why people should live or work in Mequon” should be the focal point of the website.

Mr. Jones added that he envisions the front page of the website will have 3 or 4 tabs and one of them will be “doing business in Mequon”. From that tab there will be an array of links and subpages.

Mr. Baka asked if there would be input from the EDB.

Ms. Tollefson stated that she thinks that the EDB would be advisory to the website committee.

Ald. Pukaite clarified that the website is the city website with EDB as a part of it.

Ms. Tollefson stated that some of the work regarding community strengths is already available. It may need some updating but the resource is available; it has information on everything from homes, businesses to parks and schools.

Mr. Carr agreed with Mr. Wirth that not only the technical skills are needed but the marketing side is equally important in order to sell the city.

Mr. Baka stated that he would like to meet with Kim regarding the opportunity that the Concordia students can offer. He stated that they offer a major marketing program there and it would be great to tap into those resources. He stated this would most likely be a class project that would be managed by a professor. They would be more involved with the creative side of the website project.

Ms. Pukaite questioned the timing of working with the Concordia students based on their academic year ending soon and stated that maybe they would be ready to assist in the Fall.

Ms. Tollefson stated that there is legwork that would need to be done before working with Concordia, so the fall time frame may work. The RFP is not out to find the website designer yet so the timing is a bit unknown.

Ms. Tollefson stated that the board has discussed changing the RLF process. The other items are the existing programs and potential new programs. She stated that she would work with Ehlers to evaluate the current TIFs and get an update on those as well as assess the current loan funds. This evaluation may lead to any gaps that may need to be filled from a program standpoint.

Mr. Wirth asked for a survey of peer communities of the staffing positions and responsibilities. He would like to know how other communities staff and run their EDB. He is interested in what can be learned that could be beneficial to Mequon.

Ms. Tollefson stated that she also recommends inquiring how the EDB relates and collaborates with the chambers. She feels there are some partnerships; especially with business outreach, that are not being utilized. She stated that the City has a comprehensive packet on comparable data which is available for developers that is not on the website.

Mr. Carr asked what the interest rate is on the RLF program.

Ms. Tollefson answered that it is ½ of Prime, but is allowable to 0%. No one else in the county offers 0% and Mequon is not currently offering 0%.

Mr. Baka stated that the weaknesses of the City are not on the report. He feels that it is important to focus on the negatives as well as the positive aspects of the City. He stated that he has heard the City of Mequon is difficult to work with.

Ald. Pukaite stated that she thinks the reason for this is because the lead staff people are spread thin and cannot focus on working closely with only one business at a time.

Mr. Wirth added that some of the information should be data driven. He suggested offering timelines of how long the processes take (getting from application to the Planning Commission). The perception and reputation of the City is important as well.

Ald. Pukaite stated that the community wants EDB to be cautious with development. Mequon residents do not want to be like Grafton or Brookfield (Blue Mound Road).

Ms. Tollefson stated that sometimes Mequon's processes are more burdensome but this is in order to protect against risk and the EDB tools are also low risk to the City. She stated that the City needs to promote the things that have been accomplished and the high quality of development here. It is also important to promote the tools that are available and can be executed.

Ald. Pukaite stated that she would like the City to be more responsive when businesses do have issues in a timelier manner. The City needs more flexibility to solve problems in a practical way so that the business can be successful.

Mr. Baka stated he thinks the focus also needs to be on the "how and why" to do business in Mequon.

4. Guest Joseph O. Nelson, Vice President – Business Banking, Partnership Bank
Discussion: Establishing a Community Loan Program with Partnership Bank

Mr. Tollefson stated that Mr. Nelson approached her about doing a community loan program. Through conversations it has been discussed that the City is not interested in duplicating an existing program but is looking to do something that is unique and possibly targeted to a goal that EDB has; a particular site or particular neighborhood or particular desired businesses to bring to the City. It is very broad but hopefully the EDB can help to structure the focus. She provided a few targeted sites in the board packet which she feels could have great results and great public benefit.

Mr. Nelson stated that Partnership Bank wants to provide community loan programs. Their approach is to engage in dialogue with the communities to inquire whether there are gaps in the current programs in which they can help support communities to achieve goals they may have. He stated that Ozaukee County is difficult to do business in due to lack of state support and limited resources. They are looking to provide a private source for the City to recruit a business or overcome local detriments. They are interested in feedback from EDB to help structure this program. Another benefit is that they do not need to focus on job creation as part of the incentive as is with many other loan programs.

Mr. Wirth asked what they offer that would be different than any borrower could get.

Mr. Nelson stated that there is flexibility and that the interest rate is below Prime, which is desirable. Also uncollateralized loans and soft costs as tenant and not owners could qualify.

Mr. Carr stated that other banks are willing to offer programs but Partnership Bank is offering something above and beyond the typical loan program. He feels this is an attractive offer and is a win-win for all.

Ms. Tollefson stated that the benefit of the program being offered is that the City can target a property or area that the City feels can be a public benefit. The chances of being successful are greater because the City can be proactive and the partnership is already established and tools are available to make it a reality.

Mr. Nelson stated he would like to set the bar higher, possibly a set amount of money or certain amount of deals per year. He feels that the \$50,000 cap that most lending programs have is limiting and does not allow for anything overly impact to happen.

Mr. Wirth stated that 3 out of the 4 properties listed in the packet would be great to redevelop; he wonders if the owners would be interested.

Ms. Tollefson stated she listed Stein's as a possible usage for the outlot to host another service or retail business there.

Ald. Pukaite stated that the list does not encourage entrepreneur businesses or business incubators.

Mr. Shneyder stated those are small ventures which take up a small space or office and those spaces are available. He feels that there is a lot of space available and the idea is to put something more stable there. He is supportive of revitalizing some of the larger spaces available.

Mr. Nelson stated he has a concern about Donges Bay Rd in the industrial park if a major tenant would leave, filling those spaces is not easy. He suggested that EDB might want to consider what that area's needs.

Mr. Nelson stated they would welcome the prospect of helping to facilitate a business moving into the industrial park and it is great public marketing for the bank. He also said that a blighted site that could be redeveloped is a possibility or they could help find a more active developer. They get positive PR from the community for these types of programs.

Mr. Carr stated other benefits are that the tenant would receive a below market interest loan and it is a win for the City to have a new tenant there.

Ms. Tollefson asked if the board feels with all the attention on the Town Center (TC) projects, if this program should focus its efforts elsewhere.

Ald. Pukaite stated there is a lot of attention on the TC. She feels that Donges Bay Road and Cedarburg Road could use attention. She feels that a focus on Denta Quest, as they are leaving, should be a focus as well.

Mr. Wirth stated that the entrance to the business park and going west needs attention. He thinks the Alpine Village area needs attention. He would like the industrial area to be cleaned up. He thinks the focus to clean up what already exists and not take on a new project is a better fit for now.

Discussion continued about various properties around town.

Mr. Carr thanked Mr. Nelson for coming to the meeting. He thinks the Partnership Bank loan program is great for the City.

Ms. Tollefson stated that she will take some of the discussed ideas and work through them and figure out what might be possible and what type of tools may work.

5. Staff Updates

Ms. Tollefson stated that the following items are on the agenda for Planning Commission

- The three elementary schools are coming forward for building/site plan amendment approval to add classrooms at each school
- Artis Senior Living had their approvals expire so they are coming back to be approved again
- Café Hollander for amendments to the master sign plan that was approved. They want approval for some of the walls signs to be larger in size.
- Veridian Homes Enclave at Mequon Preserve – Development Agreement for Phase II

The next meeting is scheduled for April 26th, 2016.

Ald. Pukaite made a motion to adjourn.

Mr. Wirth seconded the motion.

The meeting adjourned 8:49 am.

