



11333 N Cedarburg Road
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Department of Community Development

**Economic Development Board
October 25, 2016
7:30 AM
North Conference Room
Mequon City Hall
11333 N Cedarburg Road**

AGENDA

1. Call to Order, Roll Call.
2. Approval of Meeting Minutes: August 23, 2016
3. Town Center Business Development Loan Program – Elements Massage, located at 11215 N. Cedarburg Road, is requesting a Town Center Business Loan of \$25,000 through First Bank Financial Centre and the City of Mequon.

Discuss & Recommend

4. Staff Updates
5. Announcements
Next Meeting is November 22, 2016
6. Adjourn

Dated: October 19, 2016

/s/ Tim Carr, Chairman

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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.

Any questions regarding this agenda may be directed to the Dept. of Community Development office at 262-236-2902, Manday through Friday, 8:00 a.m. – 4:30 p.m.

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.



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Department of Community Development

**Economic Development Board
August 23, 2016
7:30 AM
North Conference Room
Mequon City Hall
11333 N Cedarburg Minutes**

1. Call to Order, Roll Call.

Members present: Tim Carr, Gloria Rosenberg, Jon Safran, Rick Shneyder, Janette Braverman, Ald. Pam Adams

Staff and City Representatives Present:

Kim Tollefson, Director of Community Development

2. Approval of meeting minutes from July 26, 2016

Ms. Rosenberg moved to approve the minutes as written.

Ms. Braverman made an amendment to the minutes.

Mr. Safran seconded the motion.

A voice vote was called. All voted aye (6-0)

3. RFP: Logemann Center

Ms. Tollefson stated that the RFP is in final preparation and it will be ready for distribution next week. Economic Development Board (EDB) member, Mr. Holbrook, had previously offered to help get it distributed through his real estate website contacts. She feels that the RFP contains all the big picture feedback from both Common Council (CC) and EDB. Ms. Tollefson shared that she has received a few phone calls from private business owners and developers that will be direct mailed.

The RFP encompasses the necessary items:

- The overall scope of the project
- The standards in which to apply
- The evaluation criteria
- The timeline – which will be fine-tuned a bit to coordinate with CC and EDB meetings
- Distribution will be on September 1st and then submissions will be accepted over the next 6-8 weeks
- It will take about 3-4 weeks for staff and the CC and EDB to vet through the proposals
- In November the CC will take action to select a proposal

Mr. Safran asked whether there is enough time for the developers to submit proposals and if this is realistic timing. He wants to ensure that the timing is not too tight that it is discouraging.

Ms. Tollefson answered that the timing is a bit tight but she feels that there are limited solutions to the

constraints of the site. She suggested that the timing could be adjusted to allow for 8 weeks for proposals to be submitted. That will push the timing back so that the CC will make the selection in December.

Ald. Adams feels that because the developers need to work with WE regarding the access road she feels the extra time is necessary. She stated that the CC is not concerned with the demolition bids that were previously received and they acknowledge that those will expire. She feels that the extra time will give more opportunity to get the word out about the RFP.

Mr. Carr asked whether the proposals will be elaborate with the developers spending a lot of money upfront or if the proposals will be concept only. They should get more elaborate once a developer is selected and that the extra few weeks will give more adequate time to inspect the site and its constraints.

Ms. Tollefson stated that she expects that the proposals will be mostly conceptual with a varying degree of detail and effort. Staff is most interested in the use of the site along with the amount of land required for the use and the amenities included. She stated that the proposals will be due by the end of October and will then push all the other dates back two weeks.

EDB members asked how the RFP would be distributed.

Ms. Tollefson stated that it would be distributed by the following:

- Direct mailed to specific developers that have inquired about the RFP
- Mr. Holbrooke will mass distribute using his real estate website contacts
- City of Mequon website homepage
- Local newspaper
- Journal Sentinel business section
- Chamber of Commerce
- Sent to EDB members that have contacts to pass it along to

She stated that a dollar amount was not specified and that the RFP requires the developer to suggest a sale price. She explained that although the EDB discussed the price being \$1 at last month's meeting; the CC did not discuss a price.

Mayor Abendroth stated that he feels that the issue of price should be left as it is in the RFP and allow the developer to offer a price as part of their proposal.

The EDB provided feedback that the RFP is well done.

Ms. Tollefson stated that she will add and include the following in the RFP:

- Shaffer Development concept plan
- Shaffer Development proposed apartment information
- Map of civil campus park and amenities

Mr. Shneyder stated that he feels that including the proposed apartment information will be helpful to the developers submitting proposals in regards to the demographics of the area.

Mr. Carr feels that it is exciting that there may be a new building or business there that brings taxable income to the City.

Ald. Adams stated there is the possibility of public amenities proposed there that would be a public

benefit (public bathrooms for the inter urban trail users).

She also requested an update on the proposals if there is not an EDB meeting next month.

Ms. Tollefson stated that there may be a few TC incentive issues to discuss at the September meeting and she will keep the EDB updated via email if there is not a meeting.

4. Staff Updates

Ms. Tollefson stated that the Building Inspector Supervisor position is in the final stages and that she hopes to have someone in place before the end of the year.

- The Shaffer Development was before the CC in August for concept review focused on the architectural details. They will be back before the CC in September for final PUD approval.

Ms. Tollefson stated that revenue projects for development and inspection permits are on track. Due to limited staff resources, she knows that the service and turnaround times of the inspections are not being delivered timely and once the new position is filled this should help resolve some of the issues.

5. Announcements

The next meeting is scheduled for September 27, 2016.

Ms. Braverman made a motion to adjourn the meeting.

Ms. Rosenberg seconded the motion.

All voted aye, 6-0

The meeting adjourned at 8:10 a.m.



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Department of Community Development

To: Economic Development Board
From: Kim Tollefson, Director of Community Development
Date: October 25, 2016
Subject: Town Center Business Development Loan Program: Elements Massage

Background: As part of the 2013-2014 Work Program, staff pursued a loan pool program with First Bank Financial Centre. First Bank established a new branch in the city and is an organization that focuses on the community and its needs. First Bank initially created this program in 2010 with the City of Oconomowoc for their downtown and since that time has established the program in various communities. It is designed to focus on revitalization in downtown and main street areas. The City of Mequon's program was established in 2013.

City of Mequon Program: Sites within the Town Center TID are eligible for the program. Its purpose is to assist in revitalization efforts, increase capital investments and provide support to new and existing businesses. The program provides low-cost loans for start-up costs and for improving existing commercial structures and businesses. Loans are generally not less than \$10,000 or more than \$25,000 and have interest rates fixed at 1%. First Bank has committed to \$250,000 of capital to begin this venture with the City of Mequon.

The loan processing and servicing is handled by First Bank Financial Centre. The local approval process will include a recommendation by the Economic Development Board and final action by the Common Council.

Economic benefits include the following:

- business development and start-up or expansion of existing, local businesses
- business and job retention and attraction
- redevelopment efforts consistent with Town Center goals
- provides below mark interest rates
- provides longer term loans

Elements Massage: Elements Massage is a new business located in Town Center as part of the mixed-use development at Mequon and Cedarburg Road. First Bank has approved the loan for \$25,000 with 1% interest rate (please see attached memo from Rob Helm, Vice President – Commercial Lender). The use of funds will include the following:

- Massage tables with cutouts for pregnancy
- Furniture to convert a massage room to managers office
- Equipment for events

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- Replacement heated table warmers
 - Hydraulic massage table for a manual massage table

These are eligible activities within the program guidelines.

Further, the investment by Elements Massage within the Town Center fulfills the following priorities established for the program by the Mequon Common Council:

- A business that attracts people to the Town Center for personal services and therefore creates activity at varying times throughout the day and night.
- A business that provides new jobs, start-up business and business expansion.

Planning Staff Recommendation: Per the approval by First Bank related to the financial strength of the application and Planning staff's recommendation related to the established neighborhood goals for the program, staff recommends **approval**.

COMMON COUNCIL
OF THE
CITY OF MEQUON
WISCONSIN
* * * * *
RESOLUTION NO.

WHEREAS, the Economic Development Board, Finance & Personnel Committee and Common Council recommended approval of the original Town Center Business Development Loan Program in partnership with First Bank Financial Centre on July 9, 2013; and

WHEREAS, the City Economic Development Board & Finance & Personnel Committee recommended approval of the application and loan program for Elements Massage located at 11215 N Cedarburg Road, in the Town Center; and

WHEREAS, the loan is being used to assist with business operations related to further furniture and equipment improvements;

NOW THEREFORE BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MEQUON, that the \$25,000 loan application for Elements Massage is approved and that the appropriate City officials are hereby authorized to sign and close the loan agreement.



October 12th, 2016

Kim:

I wanted to share the following with you regarding the Loan Request made by Sandeep and Amita Mirani of Elements Massage.

- First Bank Financial Centre has approved a loan of \$25,000.00 under the City of Mequon Town Center Business Development Loan Pool program for Elements Massage, owned by Sandeep and Amita Mirani. The terms approved are:
 - Loan Amount: \$25,000.00
 - Amortization: 10 years
 - Interest Rate: 1.00%
 - Use of Funds: Furniture, Fixtures and Equipment Improvements
- Per the Program Description "to provide low cost loans for start-up costs for new businesses or firms and expansion costs for existing businesses located in the Town Center of the City of Mequon", we feel this project fits perfectly into the designated use of the funds committed by First Bank Financial Centre for the Program.
- Our underwriting and review included the following:
 - As with all loans requests we receive, we collected a Personal Financial Statement from the owners, as well as three years of Personal Tax Returns.
 - Since this is an existing business, we collected historical Financial Statements on the business.
 - Since we are in the middle of a Tax Year, we also collected Year-to-Date Financial Statements for the business.
 - We also collected projections from the business evidencing the ability to Cash Flow going forward.
- In each area of our Review, we were confident that this request presented low loan risk to the bank and is a sound investment under the Program; one which will positively impact the Town Center as a whole.

Hopefully this is sufficient for what you need. In you should need anything further, please let me know. We are excited to move forward with this request.

Sincerely,



ROBERT D. HELM
VP, Commercial Lender
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