

ECONOMIC DEVELOPMENT COMMITTEE MINUTES

West Square Building, Rm 213

505 Broadway Street, Baraboo, Wisconsin

Wednesday, July 25, 2016

Economic Development Committee members present Marty Krueger, Dennis Polivka, Andy Andrews, Peter Vedro, Brian Peper, and Nate Johnson.

Others present Renae Fry, William Wenzel, Keri Olson, Cheryl Giese, Mark Higgs, Steve Zibell, David Landsverk, Alan Anderson, Andrew Strathman, James Falco, Jim Bowers, Mark Graupman, Pat Cannon, Wayne Maffei, Donna Neuworth, Sarah Pittz

At 4:04 p.m. Chair Krueger called the Economic Development Committee meeting to order and certified to be in compliance with the open meetings law.

Adopt Agenda Motion by Polivka/Johnson to adopt the agenda. Motion carried, all in favor.

Adopt minutes of previous meeting – June 22, 2016 Motion by Polivka/Johnson. Motion carried, all in favor.

Public comment None

Communications None

Outside Funding Requests

1. Baraboo Dells Airport - \$4,100.00 is requested for the 2017 budget year. This airport is owned and maintained by four communities and is a publicly managed operation. This amount is the same amount requested in past years. Crack filling is a priority in 2017 with reconstruction anticipated in 2018. There are four FBO's on site. Motion by Vedro/Polivka to recommend inclusion of the requested amount in the Sauk County 2017 budget. Motion carried, all in favor.
2. Reedsburg Airport - \$4,100.00 is requested for the 2017 budget year. This airport is owned by Reedsburg and is a publicly managed operation. This amount is the same amount requested in past years. There is one FBO on site. Motion by Vedro/Peper to recommend inclusion of the requested amount in the Sauk County 2017 budget. Motion carried, all in favor.
3. Sauk Prairie Airport - \$4,100.00 is requested for the 2017 budget year. This amount is the same amount requested in past years. The land is privately owned and leased to Village of Prairie Du Sac. The airport is publicly supported through contributions of services and money (Township of Prairie Du Sac plows and the Village of Prairie Du Sac contributes \$2,500). This airport undertakes fundraising for any other financial needs. Motion by Polivka/Andrews to recommend inclusion of the requested amount in the Sauk County 2017 budget. Motion carried, all in favor.
4. Tri County Airport - \$15,665.00 is requested for the 2017 budget year. Various repairs are planned for 2017 and it is expected that the airport will be receiving additional hangar rents and proceeds from increased jet fuel sales. There is a proposed wetland banking project in the vicinity of the airport. The airport and surrounding community members do not support the project and the airport is working with the FAA to find a way to stop the project. Motion by Vedro/Polivka to recommend inclusion of the requested amount in the Sauk County 2017 budget. Motion carried, all in favor.
5. SCDC - \$75,000.00 is requested for the 2017 budget year. Olson updated the committee on SCDC planning efforts and presented a new brochure that is being used as a fundraising tool. SCDC raised almost \$45,000 in the past month. Efforts to secure additional donations, including contributions from local communities are underway. Several members from the transition board attended the meeting. SCDC Chair, Andrew Strathman, spoke in support of the request.
 - a. Vedro honors the work of the transition board but would like to see more private investment, including investment from area big box stores. Vedro supports the request as an investment in the future of economic development in the community. He also supported the idea of Sauk County approving an initial contribution with additional dollars (up to the max of \$75,000) being available on a matching basis.

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- b. Polivka is concerned that the reformed SCDC is now a private enterprise and county funding of this organization may open the county to other requests from private organizations. Polivka believes that it is time for SCDC to move on without county funding.
- c. Johnson is generally concerned about the request.
- d. Peper is also concerned and wonders where the additional funding will come from. Olson responded that there is confidence in business and city support because SCDC now has metrics in place upon through which the organization can calculate its ROI. Peper would like to see more of an agribusiness presence on the board in light of the fact that agriculture remains the largest business enterprise in the county.
- e. Krueger is concerned that SCDC had the use of a significant fund balance which had been largely funded through county contributions to SCDC in the past. That amount should be a sufficient indicator of county support. If any additional money is to be included in the 2017 county budget. Krueger would prefer to match what the cities contribute.
- f. Andrews indicated that SCDC is asking for a grant with only a promise of improved performance.
- g. Wenzel indicated that the county should be at the table by offering financial support.
- h. Bowers reported that Baraboo and West Baraboo are considering contributions in excess of past years. SCDC is also expecting revenue collected from fees from services.

Motion by Johnson/Vedro to recommend inclusion of \$50,000.00 in the Sauk County 2017 budget.

Vedro, Krueger, Johnson and Peper voted in favor. Andrews and Polivka voted against. Motion carried.

- 6. Pink Lady Rail - \$1,200.00 is requested for the 2017 budget year. Their focus is to promote efforts to support rail service in the area. Recent calculations estimate that that rail supports 3,000 jobs and \$160 mil. in payroll for the area. Motion by Vedro/Polivka to recommend inclusion of the requested amount in the Sauk County 2017 budget. Motion carried, all in favor.
- 7. WRRTC - \$28,000.00 is requested for the 2017 budget year. Efforts to secure the approvals for the Great Sauk Trail included a commitment by the WDOT to spend \$17.0 mil in upgrades to the Merrimac Bridge, which should result in an improved load rating and many more years useful life. The assurance of repairs to the Merrimac Bridge was a condition of WSOR abandoning their rights to the rail bed that will become the Great Sauk Trail. The request is needed as WRRTC's contribution to repairs, maintenance and general support of rail travel in the county. Motion by Polivka/Andrews to recommend inclusion of the requested amount in the Sauk County 2017 budget. Motion carried, all in favor.

Vedro left the meeting for another commitment at 5:50 pm

Sarah Pittz Meet and Greet

Sarah Pittz is a local business owner who worked for Vierbicher for 10+ years in their Madison and Reedsburg offices. She has ties to the community that could be leveraged as part of the Sauk County's placemaking efforts. Sarah also serves on the placemaking team for Reedsburg. She is a millennial with urban planning experience and it is the opinion of the interview team that she would be valuable in developing and launching Sauk County's placemaking efforts. She is willing to assist Sauk on a part-time, contract basis. Members of EDC expressed their confidence in Pittz' ability to expand her network of community contacts and leverage her business, entrepreneurial and planning experiences to undertake the complicated task of identifying the county's key assets and develop initiatives to entice millennials to the area. Motion by Polivka/Peper to ratify the interview team's decision to offer the placemaking position to Sarah Pittz and to authorize the Administrative Coordinator and County Board Chair to enter into negotiations for a contract with her. Motion carried, all in favor.

Economic Development Committee budget and goals

The EDC does not have a budget, but \$125,000 was reportedly set aside from fund balance in 2015 for development and placemaking purposes. Those funds are not currently in the CPZ budget. The funds in the CPZ budget for placemaking were carry forward dollars that were moved from "planning" and used to fund a new cost

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center for the placemaking position. According to the CPZ budget worksheet for 2017, \$76,292 was set aside for placemaking expenses in 2016 and 2017. More research is needed to determine what happened to the \$125,000 presumably identified for placemaking. Apart from these funds, there is no money set aside for expenses associated with economic development activity. Fry is asking that some money be budgeted for placemaking and economic development related expenses.

Andrews presented a proposal whereby Sauk County would expand its community lending practices to support new or expanding businesses for the purpose of achieving economic development in the area. The loan program would be modeled loosely after the existing CDBG RLF program but without the conditions placed on the use of CDBG funds. See attached for Andrew's notes. Fry indicated that the CDBG RLF committee has begun discussions about ways to support broader economic growth and the committee is in the beginning stages of revitalizing the CDBG RLF program while looking for other options for the county. Putting money in the 2017 budget for a new program may be premature, but Fry indicated that some money is needed for marketing Sauk County, promoting placemaking efforts and supporting other economic development efforts. Krueger reported that the Millennial task force had recommended \$20,000 be committed to placemaking efforts, but it would be appropriate to consult with Sarah Pittz about her recommendations for possible placemaking and economic development activity in 2017. Motion by Andrews/Polivka to recommend including \$20,000.00 in the Administrative Coordinator's budget for 2017, subject to possible upward adjustment by the committee following consultation with Pittz. Motion carried, all in favor.

Due to the lateness of the meeting, any further discussion of mission, vision and goals will be carried over to the next regular EDC meeting.

Great Sauk Trail Update

Sauk County is building a trail. Friends of the Trail are looking for a commitment to extend the trail into Badger as a way of securing broader, more regional support. WRTC should be approving moving forward with construction at its Aug. 5 meeting. Sauk County (Highway Department) will be coordinating the removal of rails and ties and the goal is to have the trail graded before winter to allow for paving in the spring of 2017. Krueger is working with the DOT Secretary to set the date to begin work.

Next Meeting Date

August 29, 2016 at 4:00

Motion by Polivka/Johnson to adjourn at 6:50 p.m. Motion carried, all in favor.

Respectfully submitted,

Andy Andrews
Economic Development Committee Secretary

Economic Development Loan Fund

Loan Amounts-

- Loans amounts will match the cost of the specified real estate in the loan agreement.

Interest rate-

- We will maintain 3-6% interest rates; rates set in negotiations between borrowers and the Economic Development Committee.

Terms for Loans-

- This committee will only loan capital to borrowers looking to expand to commercial real estate within Sauk County.
- Real estate loans will start at 20 year loans and not exceed 25 years.
- Terms of the type, and number of jobs to be created, will be set in negotiations between the borrower and the Economic Development Committee.
 - Loan Covenant-
 - Additional agreement, provide me with accounts receivable report within certain amount of time.

Period of Payment-

- Payments shall be paid monthly

Repayment-

- Payment of interest and or principal may be deferred for up to one (1) year if merited in the loan application. Interest shall accrue during the deferment period and may be paid in full or added to the principal amount of the loan. Following the deferral period, interest and principal shall be paid for the remaining term of the loan.

Prepayment-

- There shall be no prepayment penalties.

Collateral-

- The real estate specified in the loan agreement will be the only collateral until the loan is completely paid.

Penalties-

- If the requirement of the number, and types, of jobs that are specified in the loan agreement are not met; the Economic Development Committee may impose a penalty upon the borrower. It may take form of a cash payment, increased interest rates, or immediate repayment of the entire amount of the loan as specified in the loan agreement.

Perks for Sauk County-

~~- Potential for Tax Breaks?~~

- Sauk County can sell itself to the business
- We have an angle from placemaking and creating jobs

Criteria of Buyer-

- 1-2 owners
- 1-10 locations and looking to expand
- Profitable business
- Looking to Expand not Relocate

Keeping Tabs-

- Add Citizen Member to the committee (former banker)

Loan Fund starting budget-

- ???????