



CITY OF NEW RICHMOND
THE CITY BEAUTIFUL

156 East First Street
New Richmond, Wisconsin 54017
ph 715.246.4268 fx 715.246.7129
www.newrichmondwi.gov

Economic Development Commission Meeting
City of New Richmond, Wisconsin
Thursday, May 7, 2015
7:30 a.m. at Wisconsin Lighting (155 West 3rd Street)

Please call Kari Kraft at 715-246-0407 or e-mail her at kkraft@newrichmondwi.gov if you cannot attend this meeting. Thanks!

AGENDA:

1. Call to Order
2. Roll Call
3. Adoption of Agenda
4. Approval of Minutes of the previous meeting, March 5, 2015
5. Impact Fee Update
 - Developer's Meeting
 - Set Marketing Committee Meeting
6. Regional Business Fund Update
7. Committee Updates/What's Next
 - Marketing/Site Visit Committee
 - Highway 64/65 Committee
 - Downtown Plan Implementation
 - Covenants Committee
8. Business Updates
9. Site Selectors Guild – FAM Tour
10. St. Croix EDC
11. NRAEDC
12. Chamber of Commerce
13. Announcements/Communications
 - Rob Kreibich will be appointed to the EDC by Mayor at the next Council Meeting
14. Tour of Wisconsin Lighting
15. Adjournment

cc: City Council, The News, Northwest Community Communications, City Web site

A majority of the members of the New Richmond City Council may be present at the above meeting. Pursuant to State ex rel. Badke v. Greendale Village Board., 173 Wis. 2d 553, 494 N.W. 2nd 408(1993) such attendance may be considered a meeting of the City Council and must be noticed as such, although the Council will not take action at this meeting.

If you need a sign language interpreter or other special accommodations, please contact the City Clerk at 246-4268 or Telecommunications Device for the Deaf (TDD) at 243-0453 at least 48 hours prior to the meeting so arrangements can be made.

Come Grow With Us!



MEMO

To: Economic Development Commission
From: Beth Thompson, Community Development Director
Date: April 30, 2015
RE: EDC Report and Business Updates

Please note that the meeting will be held at Wisconsin Lighting with a tour to follow!

Impact Fee Update

On April 13, 2015 the City Council approved a new Needs Assessment and Ordinance regarding Impact Fees for the City of New Richmond. The Impact Fee structure has been changed to a Residential Equivalent Unit (REU) System as was presented at the last EDC meeting. For a new home being built in New Richmond in 2015 the Impact Fees would be \$3,600.00, for 2016 \$4,000.00 and for 2017 \$4,400.00

On Friday, May 1, 2015 the City had a meeting with local developers to update them on the Impact Fee changes and to start marketing the new fees. Thirteen developers attended this meeting and we received very good feedback.

Our big, and ambitious goal, is to generate 100 new residential building permits in the next 18 months.

Next steps will be to implement a marketing campaign over the next month and a half.

Regional Business Fund Update

Levi Wagner from the Regional Business Fund, will be at the EDC meeting to talk about the changes that have taken place over the last several months. Please see the attached flyer for additional information.

Committee Updates/What’s Next

Marketing/Site Visit Committee – Members include: Scott Jones, Jim Zajkowski and members from the previous year’s committee Susan Lockwood, Summer Seidenkranz and Judy Simon.

Goal(s) – To visit 36 businesses throughout the summer of 2015
To market our new Impact Fees and structure

Plan to Accomplish Goal(s) – *Site Visit Schedule*

- Thursday, May 14 1:00 – 3:00 p.m. (4 Businesses)
 - Thursday, May 28 9:00 – 11:00 a.m. (4 Businesses)
 - Thursday, June 11 1:00 – 3:00 p.m. (4 Businesses)
 - Wednesday, June 24 1:00 – 3:00 p.m. (4 Businesses)
 - Thursday, July 9 1:00 – 3:00 p.m. (4 Businesses)
 - Thursday, July 23 1:00 – 3:00 p.m. (4 Businesses)
 - Thursday, August 13 1:00 – 3:00 p.m. (4 Businesses)
 - Thursday, August 24 1:00 – 3:00 p.m. (4 Businesses)
 - Thursday, Sept. 10 1:00 – 3:00 p.m. (4 Businesses)
- (The City will make appointments with the businesses)*

Marketing of Impact Fees

- Press releases
 - Business lunches
 - Meeting with developers
 - Talking with site selectors
- Timeframe:* Press releases within the month, lunches and meetings throughout the next several months

Highway 64/65 Committee – Members include: Karl Skoglund, John Soderberg and John Walsh.

Goal – To have the City and DOT agree on a plan by mid to late summer.

Plan to Accomplish Goal –

- City and EDC have created a Subcommittee
- City staff met with the DOT just last week to update them on our progress with the proposed plan
- Set up a meeting with land owners to go over the proposed plan
- After comments from the land owner, staff will bring the proposal back to the City Council

Downtown Plan Implementation Committee – Members include: Chris Polfus, Rob Kreibich and Jeremiah Wendt.

Goal(s) - Implement two action steps in the Downtown Plan

- 1 - Wayfinding for Parking
- 2 - Downtown Parklet

Plan to Accomplish Goal(s) – Staff has put together a proposal for new signage regarding wayfinding for parking. This proposal will be vetted through the Downtown Implementation Committee and the EDC, and then will be brought before the Council for approval. Timeframe for this goal will be fall of 2015.

The Downtown Parklet idea will need to be discussed through the committee, with downtown business owners, and the DOT. Then we will need to have an implementation plan. The goal of this plan is to have a parklet approved by Fun Fest.

Covenants Committee – Members include: Judy Simon, Summer Seidenkranz and Susan Lockwood.

Goal – Completion of Covenants Rewrite for all areas of the Business & Technical Park by June 30, 2016.

Plan to Accomplish Goal – Since much of the summer of 2015 will be spent updating the sign ordinance, we will plan on meeting with this committee in the late fall of 2015 to start this process.

Business Updates

Barley Johns Brewery

Barley Johns Brewery is moving along very quickly. As this point, the tap room is nearly complete and the brew process equipment is being installed. The target date to start brewing is early June.

45th Parallel & Distillery

45th Parallel is nearly completed – this portion of the addition should be completed and in operation by the middle of May.

Phillips Medisize

Phillips Medisize has all side walls up and the roof is nearly closed up. The mechanical work will start very soon. Their target date for completion is sometime this fall.

Croft Apartments

Croft Apartments got off to a bit of a late start, however they are moving along smoothly now. The first floor framing is wrapping up this week and all the walls are coming in as pre-assembled panels. I spoke with the Superintendent on the jobsite a week ago and he stated they would like to complete this project by January 2016.

New and upcoming projects:

WH St. Croix Building Project

There is a signed Purchase Agreement with WH St. Croix for a new office complete behind the Maurices and Dollar Tree buildings. The City is hoping to close within the next two weeks and have the official groundbreaking within a month.

City staff, in conjunction with the Chamber of Commerce, held a “State of the City” address on Friday, April 24, 2015. This was well attended by business owners and New Richmond stakeholders and the City received good comments and feedback.

Site Selectors Guild – FAM Tour

Momentum West is hosting a Site Selectors Guild FAM Tour and Advisory Forum on June 10-12, 2015. Six (6) invited Guild members will be in Eau Claire for a reception and dinner on June 10, followed by June 11 tours of three (3) industry sectors – Ag/Food, Plastics/Tooling; and Warehousing/Distribution plus designated stops at a limited number of business-industrial parks in Momentum West’s 10-county region. The site selectors will depart from Hudson on June 12 after lunch that entails an update of the impact of the St. Croix River Crossing. Many of the activities are based on sponsorships, i.e. a \$500 table at the dinner that ensures one (1) site selector at the table, or an on-site visit of a business-industrial park for \$2,500, etc. Mike Darrow and I will present more detailed information at the meeting.

**CITY OF NEW RICHMOND
ECONOMIC DEVELOPMENT COMMISSION
MINUTES OF MONTHLY MEETING
MARCH 5, 2015**

Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners of the Economic Development Commission was called to order by President Mike Darrow at 7:30 a.m. on March 5, 2015.

Roll call was taken.

Members Present: Judy Simon, Scott Jones, Karl Skoglund, Summer Seidenkranz, Chris Polfus, John Soderberg, Susan Lockwood, Jim Zajkowski, and Mike Darrow

Members Absent: John Walsh

Others Present: Beth Thompson, Marie Bannink, Bill Rubin, Rob Kreibich, and Mark Mitchell

Summer Seidenkranz moved to adopt the agenda, seconded by Jim Zajkowski, and carried.

Jim Zajkowski moved to approve the minutes of the January 15, 2015 meeting, seconded by Summer Seidenkranz, and carried.

City Capital Improvement Plan Updates:

The City is working on a five year plan with the following projects:

- Airport project – looking at other sources for financing, to eliminating borrowing
- HWY 64-65 plan
- Design build for North 4th Street, Paperjack, High Street at Lakeside, 115th, 175th, and 125th Street

Impact Fee Update:

Beth Thompson gave an update on the impact fee options. She explained how impact fees tie in with the capital improvements needs. Staff is proposing a three year plan, to have a good history to see what the final results will be. Beth reviewed three options with examples for the following:

- Option one: Use a REU (residential equivalent unit) system
- Option two: Use a percentage of construction cost
- Option three: Use what we currently have

The anticipated timeline is to have this approved by the City Council at their April meeting. We would like this to be in effect for the construction season. Jim Zajkowski asked about keeping the TIF Districts at the current rate. Judy Simon asked about staggering the Impact Fee payments. A motion was made by Chris Polfus to move forward to City Council with Option one & research TIF District options prior to the City Council meeting, seconded by Karl Skoglund, motion carried.

Business Updates:

- **Backyard Paradise** – will be starting construction in a couple of weeks
- **WH St. Croix Station** – construction of a professional building behind Maurice's and Dollar Tree
- **Power Sports** – is moving inventory into their building
- **Croft Apartments** – plumbing will be started in the next two weeks, completion by January 2016

- **Philips Medisize** – completion anticipated in October 2015
- **Barley Johns** – plans on putting in equipment in May
- **Demo of old County building**
- **Master plan for TIF 6**

John Soderberg asked about looking at rail options again.

St. Croix EDC – Bill Rubin

- Legislative Day was held on February 11th
- Business of the Year Banquet was held February 26th.
 - Those honored were Magma Flooring LLC (City of River Falls) received emerging business of the year
 - 45th Parallel Spirits, LLC (City of New Richmond) received small business of the year
 - Vital Plastics, Inc. (Village of Baldwin) is recipients of the large business of the year.
 - The EDC board of directors also named Daryl Standafer (Village of North Hudson resident) as the recipient of the 2014 EDC Directors Award.

NRAEDC – John Soderberg:

Paul has received a call about an industrial size building and referenced rail. China has agreed to \$14 million injection to EPS.

Chamber of Commerce – Rob Kreibich:

- Membership is growing
- The annual Chamber Dinner was held in late January
- Legislative Day was well attended
- Cabin Fever event was a success
- There is a on-line video in conjunction with the City and The News

Announcements /Communications:

The next meeting will be held at Wisconsin Lighting which will include a tour of the facility.

Adjournment:

Motion was made by Mike Darrow to adjourn, seconded by Karl Skoglund, and carried. The meeting adjourned at 8:40 a.m.

Minutes by Marie Bannink
Administrative Assistant

cc: Mayor Horne, Clerk and City Council



REGIONAL BUSINESS FUND, INC.

A CONSOLIDATED REGIONAL REVOLVING LOAN FUND

EST. MAY 2007

For many years, the State of Wisconsin awarded Community Development Block Grant funds to municipalities for the purposes of job creation. These funds would be lent to a business for a specific expansion or business start-up, and a portion of the repayments could be retained by the municipality to establish a revolving loan fund for future businesses in their community who were creating jobs and had a financial need. The funds were tied to federal requirements, which restricted their use and were inflexible to meet the needs of many businesses in the region.

In 2005, the WI Department of Commerce (DOC) approached West Central Wisconsin Regional Planning Commission (RPC) staff in an effort to consolidate the 32 municipal revolving loan funds in the region per section 105(a)(15) of the Housing and Community Development Act of 1974. This provision allows for the removal of federal requirements from income derived from Community Development Block Grant funded loans. This is also known as "defederalization". The consolidation of the loans and cash into a non-profit organization, and subsequent defederalization of the funds, would allow for greater use of the funds and better meet the needs of the businesses in our region.

With guidance from HUD, Regional Business Fund, Inc. (RBF, Inc.), administered by RPC, began consolidating the funds in 2007, and the defederalized funds were first put into use in January 2008. Since then, RBF, Inc. has lent out \$22.7M to 398 businesses who created/retained over 4,000 jobs in our region.

In 2012, HUD performed an audit of the state's CDBG program and numerous findings and concerns were issued, one of which was related to the consolidated and defederalized funds. RPC staff was made aware of the issue and held a conference call with Department of Administration staff to discuss the audit. RPC staff was not told during that call that the funds needed to be treated as federal funds. Further, RPC staff received correspondence from DOA in February of 2014 stating that RBF, Inc. was authorized to consolidate Pierce County into the fund, and reminded RBF that the first use of funds needed to follow federal rules and regulations, and subsequent repayments to RBF from the

loans would be considered defederalized. To RBF, Inc., this served as confirmation as a defederalized fund.

RPC staff was then contacted to participate in a conference call with DOA to discuss defederalization and program income. During the call April 1, 2015, RPC was made aware that HUD had issued their final decision, and that all cash on hand was to be considered federal dollars. Any loans made from that date forward must follow all federal rules and regulations.

This is a significant change for RBF, Inc. that will negatively affect the businesses in our region.

The federal requirements include, and are not limited to, the following:

- Any loans used for construction, or whose matching funds were used for construction, will trigger Davis Bacon wage rate requirements. Due to the relatively small proportion of RBF funding in most projects, this requirement will ultimately preclude RBF from awarding any future façade loans, or funding any future construction projects.
- Only low-moderate income individuals can apply for the Micro Loan program.
- At least 51% of the new hires must be considered low to moderate income. If the company is unable to find sufficient LMI new hires, the business then must document that they have exhausted every possible avenue to make the jobs available to low to moderate income individuals.

In addition, the level of reporting requirements for a portfolio of almost 400 loans becomes a daunting task. The federal requirements make it difficult for business owners in the region to access gap financing, of which there are little to no alternatives.

RPC feels strongly that it followed the guidance provided by both the state and the federal government when it was organized and began to defederalize the cash in 2007. We are asking for your support of our defederalized status.

LOAN PROGRAMS AND HISTORICAL ACTIVITY

REVOLVING LOAN FUND

The Revolving Loan Fund is a flexible source of loan funds for commercial and industrial projects. The purpose is to encourage the creation of quality jobs, increase the tax base, and leverage private investment.

MICRO LOAN FUND

The Micro Loan Fund provides up to \$25,000 to start-up and newly established growing businesses. The key objective is to afford an alternative source of credit to businesses who have traditionally had difficulty accessing debt financing.

DOWNTOWN FAÇADE FUND

The Downtown Façade Fund provides loans up to \$30,000 at 0% to encourage property and business owners in core downtowns to revitalize downtown commercial buildings within the cities and villages of west central Wisconsin.

TECHNOLOGY ENTERPRISE FUND

The Technology Enterprise Fund is a "quasi-equity", or patient debt, revolving loan fund that provides creative financing to new and emerging technology companies.

	\$ Awarded	# of Businesses	# of Start Up	Private \$	Job Creation &
2008	\$3,973,225	63	20	\$14,902,059	657
2009	\$4,242,555	78	33	\$19,100,909	774
2010	\$2,365,035	66	32	\$10,829,425	409
2011	\$2,747,243	49	21	\$20,391,867	519
2012	\$2,608,950	42	17	\$12,244,285	340
2013	\$4,212,435	50	19	\$48,630,193	1,067
2014	\$2,548,800	50	12	\$22,666,284	365
Total	\$22,698,243	398	154	\$148,765,022	4,131

"I hope we can still work together to make our expansion a reality. Otherwise, I'd have to say their decision to do this is quite detrimental in general to business like myself that are growing rapidly and seeking additional funding to keep up with demand." Matthew Rick, Micro Loan recipient and business owner

"It would strain the imagination to think of another single change which could so adversely impact the performance of the RBF. If it doesn't eliminate it entirely, this will create a significant drag on the development of those parts of the economy which are dependent upon the gap financing the RBF was able to provide because of its (previous) flexibility." Curt Snyder, City of Rice Lake Administrator

RBF, Inc. has become a trusted source of quality financing in the region, and has been recognized at the regional, state and national level for its accomplishments. Help us keep this incredible program alive and well in west central Wisconsin.

CONTACT US

Regional Business Fund, Inc.
715-836-2918
www.rbfinc.org

Beth Waldhart
Fund Manager
Extension 19

Levi Wagner
Lending Specialist
Extension 14

Jennifer Ludwig
Loan Processor
Extension 20

Produced by:

