

**CITY OF TWO RIVERS
AGENDA FOR THE
BUSINESS AND INDUSTRIAL DEVELOPMENT COMMITTEE
AND COMMUNITY DEVELOPMENT AUTHORITY**

**Special Meeting
Thursday, January 21, 2020
5:15 PM**

Council Chambers– Third Floor - City Hall

- 1. Call to Order**
- 2. Roll Call**
- 3. Approve Minutes of November 26, 2019 Meeting**
- 4. Approve Minutes of January 9, 2020 Meeting**
- 5. Closed Executive Session**

The Business and Industrial Development Committee and Community Development Authority reserve the right to enter into closed session per Wisc. Stats. 19.85(1)(e) deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session; and

- Discuss proposal for 606 Parkway, the former Paragon Property
- Discuss possible loan applications

Per Wisc. Stats. 19.85(1)(g), conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved
Topics for discussion in closed session:

- Confer with Legal Counsel on matters pertaining to default status of City Loan to Michael and Rebecca Schwarz, Anchors Away, LLC and Windella, LLC for Restaurant Property at 1509 Washington Street (per both legal citations above)

- 6. Reconvene in Open Session**
 - For possible action on matters discussed in closed session
- 7. Discuss Date and Time for Next Meeting**
- 8. Adjournment**

Please note, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, please contact the Office of the City Manager by calling 793-5532.

It is possible that members of and possibly a quorum of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.

CITY OF TWO RIVERS
BUSINESS AND INDUSTRIAL DEVELOPMENT COMMITTEE
AND COMMUNITY DEVELOPMENT AUTHORITY
PROCEEDINGS

Tuesday, November 26, 2019

5:15 PM

3rd Floor Committee Room

Call to Order

The BIDC and CDA meeting was called to order by President Greg Coenon at 5:15 PM.

Roll Call

BIDC and CDA members present: Greg Coenen, Richard Klinkner, Don Karman, Keith Lyons, Curt Andrews, Patrick Gagnon. Betty Bittner called in.
Dan Wettstein, Tracy Yaggie, Darla LeClaire

Absent: Betty Bittner

Also present were: City Manager Greg Buckley and Community Development/Planner Elizabeth Runge, Peter Wills, Progress Lakeshore

Approval of Minutes of BIDC/CDA and Joint Council Meeting Minutes of the August 27, 2019 BIDC and CDA Meeting

A motion was made by Curt Andrews and seconded by Richard Klinkner to approve the minutes. Motion carried.

Review Status of Current Loans

A summary of loan status was provided to the committee members. Staff reported a modified style is in progress.

Discuss Current Economic Development Activity

Riverside Foods Expansion: An investment will be made for two lines not just one employing up to 50 people. The City is working with the company.

City Acquisition of Former Uni-Mart Property at 2023 Washington Street: The city will be acquiring this property through the tax foreclosure process. The city is working with the county in this process.

Wisconsin-based Restaurant and TID #13: The restaurant property acquisition and status of the TID was explained.

Potential Loans: Summary of potential loans was identified.

Sandy Bay Highlands Subdivision Marketing:

Review and updates to the draft brochure were made. Staff will forward to Amy Townsend. She will be attending every other meeting of the BIDC/CDA.

Status of Paragon Building

RFP has been issued and is posted on the city's website. It was sent to many developers and real estate brokers. The city has met with individuals to discuss the property and walked through with the Berkshire Commercial group arm to gather feedback about the property and its marketability.

The heating is to be installed on December 2, 2019. Demolition estimates have been sought from a contractor also.

BIDC/CDA went into Closed Session at 5:50 pm.

A motion was made by Patrick Gagnon and seconded by Richard Klinkner to go into closed session. Motion carried.

Reconvened into Open Session at 6:10 pm.

A motion was made by Richard Klinkner to recommend that the City Manager and attorney meet with Manitowoc County to proceed with a settlement agreement for the Paragon property that will address both the loan and taxes. The motion seconded by Don Karman. Motion carried.

A motion was made by Curt Andrews to have the city attorney proceed with the recovery of city assets tied to the Schwarz loan. The motion was seconded by Keith Lyons.
Motion carried.

Adjournment

A motion was made by Patrick Gagnon and seconded by Keith Lyons to adjourn.
Motion carried.

CITY OF TWO RIVERS
BUSINESS AND INDUSTRIAL DEVELOPMENT COMMITTEE
AND COMMUNITY DEVELOPMENT AUTHORITY
PROCEEDINGS
Special Meeting
Thursday, January 9, 2019
5:15 PM
Council Chambers– Third Floor - City Hall

Call to Order

The BIDC and CDA meeting was called to order by Vice President Richard Klinkner at 5:15 PM.

Roll Call

BIDC and CDA members present: Richard Klinkner, Don Karman, Keith Lyons, Curt Andrews, Patrick Gagnon, Betty Bittner, Dan Wettstein, Tracy Yaggie, and Darla LeClaire
Absent: Greg Coenen,

Also present were: City Manager Greg Buckley, Community Development/Planner Elizabeth Runge, and Peter Wills, Progress Lakeshore

BIDC/CDA went into Closed Session at 5:20 pm.

A motion was made by Patrick Gagnon and seconded by Betty Bittner to go into closed session. Motion carried.

BIDC/CDA returned to Open Session at 6:35pm

A motion was made by Curt Andrews that the City asks the bank in first position on Schwarz's loan to be willing to accept less for their loan amount owed, citing \$70,000 less. The City is also to be willing to accept less of the loan amount owed, citing \$70,000 less. In addition, the City is to seek an agreement with Schwarz, for Schwarz to make installment payments over the course of 10 years for payment of the remaining loan balance owed to the City. This loan amount must be coordinated with the bank. This motion was seconded by Don Karman. Motion carried.

Staff Updates

1. Paragon Property RFP—Proposals Due January 10
RFP has been issued and is posted on the city's website. It was sent to many developers and real estate brokers. The city has met with individuals to discuss the property and walked through with Commercial real estate groups too.
The heating is to be installed on December 2, 2019.
2. New TID No. 13—Mixed Use TID for North End of Downtown; Assistance

to Proposed Culver's

First Joint Review meeting was January 9th and the Plan Commission will review the project plan on January 13, 2020.

3. Amendment 2 to Project Plan for TID No. 8, Old High School TID

First Joint Review meeting was January 9th and the Plan Commission will review the project plan on January 13, 2020.

Discuss Date and Time for Next Meeting

The next meeting is scheduled for January 21, 2020.

Adjournment

A motion was made by Don Karman and seconded by Patrick Gagnon to adjourn.

Motion carried.

606 Parkway former Paragon Property Proposal

1. Offer from:

Russel Wetenkamp
AIM Manitowoc LLC

Mobile: (920) 726-4840

Email: russelwetenkamp@icloud.com

2. Project Description:

AIM Manitowoc LLC will be the renter of the entire building and possible buyer.

AIM Manitowoc LLC has the immediate need for 110,000 square feet to be used for distribution purposes for a national customer:

CHEP Pallets

<https://www.chep.com/us/en/consumer-goods/about-us/global-chep/about-us>

CHEP Pallets is a subsidiary of Brambles which is headquartered in Sydney, Australia. The United States headquarters is in Orlando, Florida.

From the CHEP website: "Our platforms and solutions enable profitability and sustainability without having to compromise one for the other. We manage, maintain, transport and supply approximately 330 million platforms that are shared and reused by growers, manufacturers, distributors and retailers."

The Two Rivers location proposed to be 606 Parkway would be a consolidation of operations located elsewhere. It would begin with 176,000 pallets to be stored, sorted and transported in a closed loop system of distribution. The CHEP pallets are rented and distributed all over the world.

CHEP may also want to use some of the office space of 606 Parkway.

AIM Manitowoc LLC's chief goal is to provide CHEP with a sustainable location to house its pallets. This location may also become a repair and refit facility as well. The factor for CHEP is location, safety of inventory and distribution ability. AIM believes this location provides CHEP certain competitive advantages that CHEP is looking for but in order to consider this a long-term situation to present to CHEP, CHEP must determine that it suits the CHEP model. That process can take up to 20 months.

Additional users of the building:

Riverside Foods is interested in renting a portion of the building for storage. There is one more company that AIM has spoken to that is considering this location for some manufacturing, but it is very early in the discussions with them.

3. Capacity

Russel Wetenkamp would like to move in, consolidate the CHEP operation(s) he has in multiple warehouse locations into 1 site. His timeline is proposed to be as soon as an agreement can be met.

4. Experience in the Industry

AIM has been warehousing and providing offloading and pallet repair services to customers for 4 years. The market is difficult but growing in this part of the state. AIM has secured a solid reputation for of delivering what it promises.

Proposed Offer 1/10/20

Initial Lease: \$7,500 per month (\$90,000 annually)

Offer to Purchase: Anytime within the first two years: \$750,000

Lease payments made prior to offer to purchase to be deducted from offer price listed above.

Cost Share: 50/50 offered on needed repairs over the next 24 months:

Including but not limited to roofing, mechanicals, and building maintenance.

Immediate needs are:

- Sprinkler System - Ahern has been called
- Door Plates at truck docks - 3 of them: estimated to be \$6,600 each
- Lighting
- Roof

1. **Create a separate parcel (western side) for future development for the City to keep.**
TID 10 identifies this as potential location for future commercial, multi-family or senior housing. See the concept plan to get a visual representation of this idea. The area is large enough, approximately 9 acres for a development area, a stormwater pond that has been planned in this area, and a park, open space area for the existing and possible new residential development in this location.
2. **Pursue an Idle Site Grant with the Wisconsin Economic Development Corporation.**
This program targets industrial parcels that have been abandoned for at least 5 years. Approved projects can be used for demolition, and other site/building specific improvements. Up to \$500,000 can be awarded in the program.
3. **Evaluate TID 10** and investigate the possibility of an updated base valuation to better capture new increment(s) when improvements are made in the project area.
4. **Staff is preparing a Blight Determination Report.** Next a redevelopment, project plan will be prepared. Together these documents provide statutory support for blight elimination, and implementation of programs for voluntary and "compulsory" repair, rehabilitation of buildings in accordance with the redevelopment plan.



- Future Storm Water Pond
- Industrial
- Future Bicycle - Pedestrian Trail
- Residential
- Commercial
- Future Land Use to be determined
- Railroad Corridor
- ★ Plantings

