LA CROSSE COUNTY ECONOMIC DEVELOPMENT FUND, INC.
JUNE 4, 2015
Administrative Center – Room 3220

MEMBERS PRESENT: Tara Johnson, Sharon Davidson, Dirk Gasterland, Dave Holtze, Dave Lange, Debra McKenney, Matt Nikolay, Steve O’Malley, Mike Richards, Laurie Miller, Joe Veenstra (arr. 8:09 a.m.), Tina Wehrs, John Wettstein

MEMBERS EXCUSED: Sharon Hampson, Patti Balacek

OTHERS PRESENT: Brian Fukuda, Karl Green, Charlie Handy, Greg Flogstad, Jim Hill, Andrew Londre, Todd Mandel, Jenny Kuderer, Joe Katchever, Tami Plourde, Dave Morrison, Terri Pavlic

CALL TO ORDER
The meeting was called to order at 7:34 a.m.

PUBLIC COMMENT
There was no public comment.

APPROVAL OF MAY 7, 2015 ECONOMIC DEVELOPMENT FUND MINUTES
MOTION by Gasterland/Holtze to approve the La Crosse County Economic Development Fund meeting minutes of May 7, 2015. Motion carried unanimously; Hampson, Balacek & Veenstra excused.

APPROVAL OF LOT 7 CSM IN LAKEVIEW BUSINESS PARK
A Developers Agreement was approved with Tom Hanchette for Lot 7 in the Lakeview Business Park. The final Developers Agreement will be brought back to the EDF for final review and approval once negotiations are complete. This is a two acre lot adjacent to Identify Works. A Certified Survey Map (CSM) was drafted and approved by the Village of West Salem and recommended for approval by the County Surveyor. This land is owned by the La Crosse County Economic Development Fund and needs approval prior to recording. MOTION by Wehrs/O’Malley to approve the CSM for Lot 7 in Lakeview Business Park. Motion carried unanimously; Hampson, Balacek & Veenstra approved.

BORE PROGRAM UPDATE
County staff is scheduled to visit a minimum of 30 businesses within La Crosse County as part of the Business Outreach Retention and Expansion (BORE) Program. Staff visited 30 businesses last year and plan on doing 30 again this year. They have visited 12 so far and plan to be finished by the end of June. This year the focus is on food and wood. Staff also focused on the Hwy 108/C area near Mindoro due to the jurisdictional transfer with the State. Businesses they visited in this area were very positive about the project. If anyone is interested in going on any of these visits, please contact Charlie.

7 RIVERS ALLANCE GOLDEN SHOVEL PROGRAM
The Wisconsin Economic Development Corporation put together a “Certified in Wisconsin” Program where businesses could take their site to the WEDC to be certified. This is a great program, but very expensive. The Golden Shovel Program was developed as a local program that is more reasonable and could potentially lead some of these sites into the Certified in Wisconsin Program. The Golden Shovel Program is designed to get industrial development sites ready for development and to help market them to potential businesses and site selectors. 7 Rivers Alliance is piloting the program in La Crosse County before
opening it up to the rest of the region. At the last EDF meeting, the committee approved the Lakeview Business Park for applying to the Golden Shovel Program.

There are now 3 additional sites that staff would like to put through the certification program:
- Request from Village of Holmen for Assistance with Application (this is 300+ acres)
- Potential Application for International Business Park II – this is land that we own north of the landfill
- Old Webster Lumber site – they have hired a local realtor to market their site (38 acres and many buildings)

Staff feels that all of these sites have great potential for additional industrial development in the County. Staff is requesting $2,000 for each of the 3 sites to prepare them for the certification of the Golden Shovel Sites Program. This is $500 for each application fee and $1500 for additional engineering work. This would be contingent on matching funds of $2,000 each, either coming from the municipality or land owner. **MOTION** by Holtze/Nikolay to approve $2,000 for International Business Park II; 7 Bridges Industrial Site, and the former Webster Lumber site, all contingent on matching funds. **Motion carried unanimously**; Hampson, Balacek & Veenstra excused.

**UPDATE ON CO.SPACE PROPOSAL**

At a previous meeting the Economic Development Fund approved funding of up to $20,000 to support the Co.Space Proposal to create entrepreneurial co-working space in downtown La Crosse. Coulee cap, along with County staff, have been looking at spaces and trying to find the best location with the best fit for this project. They have concluded that the space in the basement of the City Square Building would be the best fit. It is a larger space; has elevator service; has some existing office space built out. The original motion from the EDF on breakdown for funding was approximately $10,000 for build out; approximately $5,000 for furnishings; and approximately $5,000 for operational assistance, and that the space was locked up for two years. The space in the basement of City Square would require less for the build out portion, but the rent would be slightly higher.

**MOTION** by O’Malley/Lange to release up to $14,000 to Coulee Cap for the new Co.Space proposal project for the first year and then report back to the EDF in a year to report on results and to request additional funds if needed for the 2nd year’s rent. This replaces the motion from last month’s meeting. **Motion carried unanimously**; Hampson & Balacek excused.

**UPDATE ON SYNERGY DISCUSSION**

Karl Green reported that the Executive Directors and Board Presidents of 7 Rivers Alliance, Chamber of Commerce, LADCO, LACVB and DMI will be meeting June 10th to present the second session of common successes for critical success factors between these 5 organizations. Karl will also be presenting his analysis of the regional economic development organizations. He will also present this to the Economic Development Fund at a later date.
STATE BUDGET UPDATE – RE: ECONOMIC DEVELOPMENT PROGRAMS
There is still uncertainty on what the State’s direction is regarding economic development. One of the Governor’s proposals was to merge the Wisconsin Housing and Economic Development Authority with the Wisconsin Economic Development Corporation. This has been taken out of the proposed budget. There was a proposed $55 million line item to fund a new regional revolving loan fund, which has also been taken out of the budget. The Governor has proposed streamlining some of the tax credit programs into more of a business development tax credit that would combine some jobs tax credits and economic development tax credits. This is still moving forward. There are some other items still being worked on including the deal for the Bucks Stadium, which will have economic development implications for the State. The Joint Finance Committee will start to realign the WEDC Board and remove the Governor from the position as Chair of this board. There was $15 million in the budget for the Eau Claire Confluence Development Project, which staff continues to monitor. Staff will keep the committee informed of any changes as they hear of them.

LOAN APPLICATION FROM PEARL STREET BREWERY
Joe Katchever and TamiPlourde from Pearl Street Brewery, along with Dave Morrison their accountant, were present to discuss their loan application. Pearl Street Brewery is proposing a major expansion project to triple production capacity from about 3,200 barrels of craft beer per year currently to about 10,000 barrels per year. This project would add approximately 18 new full-time equivalent jobs over the next 3-5 years. The first phase will upgrade the manufacturing process and facilities, and the second phase will upgrade the hospitality center and create a better tourism destination. The loan review team has met twice and reviewed this loan application. Included in the packets was a project description, Financial Analysis, Marketing Plan and New Positions & Equipment Timeline.

Mr. Katchever distributed a letter to address some of the concerns raised by the loan application workgroup. Following are the changes to their current application:

- The $150,000 in working capital would be made available in two installments of $75,000 instead of a single payment. The first installment would be upon loan approval. The second installment would be available no earlier than March 15, 2016. This will allow Pearl Street Brewery to move forward with hiring and training new personnel to expand their sales and marketing team while reducing the County’s risk.
- The second phase of funding would be contingent upon the brewery having increased its 2015 sales by $100,000 over 2014. This represents a 13% year-over increase. It will also be contingent upon their cost of sales dropping by at least two percentage points from 2014.
- They will reduce the requested deferral period (for loan repayment) from two years to one year from the anniversary date of each working capital loan.
- They continue to work with WEDC to access funds from their Special Projects Loan Fund and will work with the EDF to coordinate funding from other sources that might further reduce our overall risk.

MOTION by Wettstein/Wehrs to approve the $150,000 loan request as outlined in the application and June 3rd letter distributed at today’s meeting from Joe Katchever from Pearl
Street Brewery, the funds coming out of the CDBG Revolving Loan Fund. Motion carried unanimously; Hampson & Balacek excused.

UPDATE ON COUNTY PROPERTIES

- **International Business Park II** – The resolution regarding dedication of right of way was approved at the May County Board meeting. No additional information on the park at this time.
- **Administrative Center/Downtown Campus** – Work continues on design for the County’s new Administrative Center space. We have redesigned the downtown campus information page on the County’s website – which also includes a live webcam of the Lot C construction.
- **Lakeview Health Care Center** – The ceremonial ground breaking for the new health center took place a few weeks ago. Work continues on the Garland Street extension.
- **Meadow Park Estates** – We have now closed on another lot in Meadow Park Estates.
- **Lakeview Business Park** – nothing new to report.

AGENCY UPDATES

1. The LADCO Annual Industry Appreciation Breakfast will be held in mid July with the key note speaker from the U.S. Chamber of Commerce discussing a new model they have developed for training of workers.
2. LADCO will be moving into the building across the street; all business terms have been settled.
3. MRRPC will be holding their annual meeting at Best Western River Jacks on June 10th. They have been working on the Golden Shovel Program; Pearl Street Brewery and Grand Bluff Running.
4. Art Spire Celebration will be held June 12 and 13
5. 7 rivers Alliance Site Selection Summit is June 18th. The President of the Site Selectors Gild will be the key note speaker.
6. DMI is kicking off their Great City Growing Greater Campaign on June 24th at 3:30 and 5:30 in the Court Above Main (new space above the Wedding Tree). This event is centered around promoting all of the development in the downtown area.

FUTURE AGENDA ITEMS

- Grand Bluff Running - Loan Closing Policy
- Skipperliner

NEXT MEETING: July 9, 2015. Please note: a special meeting may be needed for the reapplication of loan from Grand Bluff Running. Please watch for a doodle poll.

ADJOURN

There being no further business, MOTION by Gasterland to adjourn the meeting at 9:11 a.m. Motion carried unanimously; Hampson & Balacek excused.

Approved August 6, 2015 - Terri Pavlic, Recorder