

City of Manitowoc
Manitowoc Industrial Development Corporation
Tuesday, August 1, 2017 – 3:30 PM
Planning / Engineering Conference Room
City Hall, 900 Quay Street

Meeting Summary

- I. CALL TO ORDER
The Meeting of the Industrial Development Corporation (IDC) was called to order by J. Hamann at 3:30 PM.

- II. ROLL CALL
N. Sparacio recorded the attendance and noted that Ben Harrison accepted the appointment to the Corporation but was not able to attend today's meeting.

- III. APPROVAL OF MINUTES of the November 17, 2016 Special Meeting
Motion by J. Zimmer, second by T. Giesen to approve the minutes. The motion was approved unanimously.

- IV. NEW BUSINESS
 - A. Approval of the Final Loan Amount for IREV 2016-01 (R2H Flavor Technology)

N. Sparacio explained that the final amount borrowed by R2H was 749,950.11 leaving a balance of \$49.89. R2H has confirmed that the project is complete, so no additional funds will be borrowed.

A motion was made by J. Zimmer and seconded by D. Tienor to write down to \$749,950.11 the loan amount for IREV 2016-01 to R2H Flavor Technology and to reflect this change in Industrial Development Corporation records. The motion carried unanimously.

 - B. Discussion and Possible Action on Creation of I-43 Tech Park Land Sales Realtor Commission Policy

N. Sparacio stated that the City recently received a letter of intent to purchase lands in the I-43 Tech Park. The LOI was presented by a commercial real estate broker, and it included payment of a brokerage commission at 10%. The City was not able to approve the LOI, as there is no policy in place to determine whether a 10% commission is acceptable. He explained that reviewing policies around the state, there are many communities that offer a broker commission. A commission in the range of 6 to 7% would put us in a competitive position, and the related policy protects both the interest of realtors and the City.

The members discussed the draft policy. It was noted that such policies were considered in the past but not previously adopted. It seems more necessary under today's market

conditions to consider a broker commission. The members discussed the competitive position of the I-Tech Park, and there was a consensus that this policy could be beneficial to land sales.

A motion was made by J. Brey and seconded by T. Vallis to adopt the recommended policy and MOU establishing a 6% realtor commission and to forward this recommendation to the Common Council. The motion carried unanimously.

C. Discussion and Possible Action on Letter of Interest Regarding a Portion (4 acres +/-) of Parcel 449-004-050

N. Sparacio introduced the request and explained that the property owner to the south, Bill Fessler, is interested in acquiring additional lands from the I-43 Tech Park to create a developable parcel with Calumet Avenue frontage. Mr. Fessler has indicated that he would not pay the full list price of \$20,000 per acre. He has also indicated that his plans are to use the additional lands from the Tech Park primarily as parking, green space, or stormwater management. If the IDC would proceed with such a land sale, these and related items would need to be addressed either by granting a waiver from the Restrictive Covenants or by removing the land from the boundary of the I-43 Tech Park.

P. Steinbrecher explained the map of the potential land sale along with the site contours and drainage patterns. Discussion ensued. J. Zimmer stated that he prefers to uphold the purpose of the Tech Park as providing lands for industrial development, and that he sees the set price of \$20,000 per acre is very reasonable.

D. Tienor asked for details on job creation with potential development on the parcel. B. Fessler stated that he feels the property is not sellable on its own for stormwater drainage reasons. His hope is to have a larger parcel on the corner along Calumet Avenue for potential development. J. Hamman asked whether there would be any job creation and what the potential land use is. B. Fessler stated it would probably be office, but no concept plan has been drafted.

N. Sparacio stated that the site was included in the most recent wetland delineation, and the property does not include wetlands. It is a buildable site. Staff could support a proposed development here if there was a specific proposal for development along Calumet Avenue that these lands would help. J. Zimmer also noted that lands sold in the Tech Park must be built on within two years. The lands are not for speculation.

P. Hansen asked whether staff could review the stormwater issue on this site. N. Sparacio stated he could request the assistance of Engineering. N. Sparacio then asked P. Steinbrecher whether development on the existing 11 acre parcel could utilize this 4 acres as the area for stormwater management. P. Steinbrecher responded that, yes, that would be a potential place for a stormwater feature.

T. Giesen asked whether we have had interest in this parcel in the recent past. N. Sparacio stated no, not in the recent past. Ald. Brey stated that he sees this site as a

fringe area that could be potentially removed from the I-Tech Park. He stated he is open to having the discussion of land price if a concept plan is presented.

No action was taken – discussion only. The IDC asked that Mr. Fessler come back in the future with a specific concept plan.

D. Discussion and Possible Action on Letter of Interest Regarding a Portion (3.16 acres) of Parcel 449-003-070

N. Sparacio introduced the request and explained that Color Craft is planning to expand its plant for additional production and storage space and would like to purchase the parcel adjacent to the south. He further explained the history of a past land purchase and donation back to the City for the parcel to the east. For this reason, it is proposed that the original price of the previous land purchase be given as a credit toward the new purchase. It is also recommended that the reduced purchase price of \$35,360 be set as the benchmark for achieving the land rebate and that the overall increase in assessed property value be considered toward the land rebate, regardless of which parcel the addition falls on.

A motion was made by J. Brey and seconded by J. Zimmer to approve the sale of parcel 449-003-070 subject to the following conditions.

1. The land sale price shall be reduced from \$63,200 to \$35,360 plus closing costs to reflect a credit for the previous (2013) land donation of the parcel to the east sold for \$27,840.
2. For the purposes of the Land Rebate Policy, the gross purchase price shall be \$35,360, and the assessed value of the new addition shall be considered as the project regardless of the fact that portions of it will be located on the existing parcel.
3. The use of the parcel shall comply with the Manitowoc I-43 Industrial Park Protective Covenants.
4. The parcels shall be combined as part of the site plan review process.
5. The Community Development director is authorized to negotiate and finalize the offer to purchase and terms of the sale, and to proceed to close the land sale with City officials authorized to sign all the related documents.

The motion carried unanimously. S. Mirecki explained the expansion plans for Color Craft. They need additional space to expand their operations, add equipment, and add employees.

E. Financial Report for the Industrial Revolving Loan Fund

N. Sparacio presented the financial report for the revolving loan fund. Payments on

existing loans are all current, so the balance continues to grow. Approximately \$600,000 is now available for new loans.

V. OLD BUSINESS

F. Updates and Discussion on Potential Loans, Land Sales, and Business Expansions

N. Sparacio explained that Dowco is expanding here in Manitowoc and consolidating several smaller operations from Minnesota. Manufacturing and business growth are taking place throughout the community, and building permit value is on pace to substantially exceed 2016 levels. The City has been assisting Manitowoc Company with the marketing of their properties for potential users of the manufacturing space.

VI. NEXT MEETING

The next meeting will be set as needed.

VII. ADJOURNMENT

J. Hamann adjourned the meeting at 4:30 PM.

Attendance

Members Present

Jim Hamann
Ald. Dave Soeldner (via phone)
Dennis Tienor
Ald. Jim Brey
John Zimmer
Paul Hansen
Tom Giesen
Ted Vallis
Nic Sparacio

Members Excused

Ben Harrison
Bob Kaufman

Others Present

Peter Wills
Paul Steinbrecher
Bill Fessler
Jeff Deprez
Steve Mirecki

Respectfully Submitted,

Nicolas Sparacio
Community Development Director