



CITY OF MANITOWOC
WISCONSIN, USA
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MINUTES
Industrial Development Corporation

City Hall, 900 Quay Street
3 PM | Wednesday, April 15

This meeting was conducted via remote conferencing software due to a state of emergency and the Wisconsin Governor's Executive Order.

I. CALL TO ORDER

Board Chairman James Hamman called to order the annual meeting of the Industrial Development Corporation at 3:00 PM on April 15, 2020 via remote conferencing software, Zoom.

II. ROLL CALL

Present: James Hamman, Ald. Jim Brey, Chris Herzog, Dennis Tienor, Adam Tegen

Absent: J. Brunner, Ald. M. Williams

Others Present Paul Braun, Jen Bartz, Mike Molepske, Bank First National; Kelly Dvorak, Bank First National; Kelly Fischer, Bank First National; Joe Kleiman, Mid-America; Dan Cohen, Mid-America Real Estate; Peter Wills, Progress Lakeshore

III. APPROVAL OF MINUTES of the December 16, 2019 Regular Meeting.

Motion by J. Brey, Second by A. Tegen, to approve the Minutes.
Motion carried (5-0)

IV. NEW BUSINESS

A. Discussion and Possible Action on a request from Mid-America Real Estate-Wisconsin for a Letter of Intent to Purchase Lots 1, 2 and 3, Block 3, 1-43 Industrial Park No. 1, encompassing 6.28 acres (Parcel ID's 447003030, 447003020, and 447003010).

P. Braun reviewed request from Mid-America Real Estate on behalf of Bank First National, as well as the location of properties of interest. He indicated that some of the lots are split by wetlands and that a wetland delineation will likely be performed as part of project. P. Braun indicated that there are utility lines that run through the properties and he spoke with project architect, Don Snow, to alert them of the utilities.

He further reviewed the request and indicated that there would be an ALTA survey and CSM, and those costs are to be paid by the seller, the City. The wetland delineation would be completed by the buyer, but those costs would be reimbursed by the City.

P. Braun stated that currently the use is not allowed in the Industrial Park, but per the Park's covenants the IDC has authority to grant a variance for the use.

P. Braun deferred to buyer representatives for additional information.

M. Molepske extended appreciation to the IDC and the City of Manitowoc. He explained that their goal is to consolidate loan operations and that this location is off the Interstate and allows them to draw from other counties. The building will originally have 50 jobs with the ability to expand to additional 50.

J. Hamann asked the planned timing.

M. Molepske deferred to architect as having the projects in process by June to late summer. He indicated their desire to develop a functional building with a lot of light and friendly for staff to work in. He went on to share that Bank First National prides themselves on the quality of their facilities.

J. Brey asked for P. Braun recommendation and clarified variance.

P. Braun stated that he does recommend the land sale and variance or waiver for the proposed operations use. He went on to provide his three recommendations: approve sale of the three lots totaling 6.2 acres at \$10,000 per acre; deduct the cost of the ALTA survey, wetland delineation, and certified survey from the sale price; and grant the variance allowing the proposed operations center.

J. Hamman asked if P. Braun and A. Tegen think this is a good use of the property. P. Braun reviewed and stated that the City believes this will be a good complement to the Industrial Park and will be a good fit for the purchased properties.

Motion by J. Brey, Second by C. Herzog, to accept the recommendation and proceed with sale.

Motion carried. (4-0)

D. Tienor abstained.

B. Discussion and Possible Action on a request from Pekarske Builders for an Option & Right of First Refusal for Lot 1,Block 9, I-43 Industrial Park No. 3, encompassing .94 acres (Parcel ID 449009010).

P. Braun reviewed the location of the property on I-Tech Drive and Calumet Avenue and lot specifications of .93 acres at a cost of \$500 per acre for the Option of Right of First Refusal. He stated that Mark Pekarske has expressed interest in the property in the past and has decided to proceed with Right of First Refusal. P. Braun indicated that the City has received a conceptual site plan showing the lot being used for a showroom and office. He continued to say that the City may have interest in sharing a portion of the property for storm water retention and Mark Pekarske has been open to this as an option.

J. Hamman asked P. Braun if Mark Pekarske company trucks would also be stored at the location. P. Braun reiterated that the plan is for a showroom and office space and he is not entirely sure if there will be trucks at the site. He went on to state that the City has not gone into great details with him at this point about design and finishing of building, as this is a high-traffic location.

J. Hamman asked if P. Braun and A. Tegen feel this is a good use of the property.

P. Braun indicated he recommends this use and stated that the site is constrictive and based on Mark Pekarske's proposed use of the showroom

and office, it would be appropriate. P. Braun went on to state that future conversation may need to occur if his original intent is modified to include a company shop as this use would require a variance.

Motion by J. Brey, Second by A. Tegen to approve the right of first refusal.

Motion carried. (5-0)

C. Discussion and Possible Action: Redline Plastics Waiver Request of Protective Covenants for Building Sign

Tegen reviewed Redline Plastics original building sign request that would allow construction above the roofline. He went on to indicate that previous informal conversations discussed the roofline and architectural enhancement of the building sign.

Motion by J. Hamman, Second by C. Herzog to accept the waiver request.

Motion carried. (5-0)

D. Discussion and Possible Action: Nominations/Recommendations for New Members

A. Tegen reviewed the need for new members. He shared that the IDC received a number of recommendations and based on informal discussion, he recommends acceptance of the four individuals who provided professional background information. John Fillingim, Investors Community Bank; Jeff Grunewald, Lakeshore Technical College; Jeffrey Dvorachek, Hawkins Ash CPAs; and Sam Grage, Allstates Rigging

Motion by A. Tegen, Second by J. Brey, to recommend individuals for nomination.

Motion carried. (5-0)

E. Discussion: Collateral Release Policies

A. Tegen indicated that this item is the result of ongoing discussions with R2H Flavor Technology. He asked the IDC if they would consider releasing a certain level of collateral based on the remaining loan balance, if there should be a policy, if the request should be addressed on a case-by-case basis, or if collateral is held on loan until it is paid in full.

D. Tienor stated that these are typically a case-by-case basis and it is a common loan request. J. Hamman agreed and indicated that it would be based on strength of company so it would be case-by-case.

Conversation ensued and group agreed to involve new members in discussion and decision in May or June.

P. Wills indicated that as part of RLF management there may be a collateral request change coming in the near future. He stated that Jagemann Stamping may request to swap equipment used as collateral on a loan because a part of their associated business has sold and the machine, used as collateral is now tied to the new business. The City loan should now have a different source of collateral.

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

A. Tegen stated there are no new loans, since it has been sunsetted. He went on to indicate that the City is working with Progress Lakeshore on COVID-19 loan deferrals. The City has extended a 90-day deferral on the RLF loans and currently three of five open RLFs requested deferrals. P. Wills will reach out to the two RLFs to ask if they will also be seeking loan deferral.

A. Tegen indicated that the two land sales that came forward today are the only two at this time. He stated that the City is currently working with Metal Ware, but discussions have halted and that Dramm Corporation has submitted their check for a First Right of Refusal. He indicated that there is no timeframe on either.

A. Tegen shared that the City closed on the purchase of 95 acres for future expansion. P. Braun working to annex the property into the City.

J. Hamman asked if the City paid anything for the property.

A. Tegen shared that City utilities paid up front costs and we will reimburse when property developed.

A. Tegen shared that discussions are ongoing on the Heresite property located off of Orchard Lane, south of the former Manitowoc Crane location. He shared that discussions are about a possible propane terminal which is an appropriate use at the location.

V. NEW BUSINESS

P. Wills also shared that there is a Developers Tour tentatively scheduled for May 28 with the City of Manitowoc and City of Two Rivers where potential development opportunities will be showcased.

VI. NEXT MEETING

P. Wills recommended that it may be beneficial to have a regular meeting schedule established, even bi-monthly. Future members may find it useful to have standing time reserved.

IDC members agreed that this can be an agenda items for the first meeting with new members.

VII. ADJOURNMENT

Motion by D. Tienor to adjourn the meeting at 3:30 PM, Second by J. Hamman.
Motion carried. (5-0)