



CITY OF REEDSBURG
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Industrial & Commercial Development Commission (RICDC) Agenda
January 4, 2023
Reedsburg City Hall Council Chambers
12:00 PM

DUE TO THE RESTRICTIONS CAUSED BY THE COVID-19 PANDEMIC, SOME VOTING MEMBERS MAY BE PRESENT VIA TELECONFERENCE OR VIDEO CONFERENCE, AS PROVIDED BY THE RECOMMENDATIONS OF THE WISCONSIN DEPARTMENT OF JUSTICE. [HTTPS://WWW.DOJ.STATE.WI.US/NEWS-RELEASES/OFFICE-OPEN-GOVERNMENT-ADVISORY-CORONAVIRUS-DISEASE-2019-COVID-19-AND-OPEN-MEETINGS](https://www.doj.state.wi.us/news-releases/office-open-government-advisory-coronavirus-disease-2019-covid-19-and-open-meetings)

NOTICE IS HEREBY GIVEN THAT A MAJORITY OF THE MEMBERS OF THE COMMON COUNCIL MAY ATTEND THIS MEETING TO GATHER INFORMATION ABOUT A SUBJECT OVER WHICH THE COMMON COUNCIL HAS DECISION-MAKING AUTHORITY. IF A QUORUM OF THE COMMON COUNCIL ATTENDS THIS MEETING, NO ACTION WILL BE TAKEN BY THE COMMON COUNCIL AT THIS MEETING.

CALL TO ORDER

APPROVAL OF MINUTES

I. APPROVE MINUTES FOR THE MEETING HELD ON NOVEMBER 2, 2022:

THE COMMITTEE WILL RECEIVE INFORMATION ON NON-AGENDA TOPICS BROUGHT BEFORE THE COMMITTEE BY MEMBERS OF THE PUBLIC. THE COMMITTEE WILL NOT DISCUSS THESE TOPICS, AND WILL NOT TAKE ACTION ON ANY OF THEM AT THIS MEETING

I. GENERAL BUSINESS:

- A. Introductions & Welcome Ann Franke as New Member
- B. Review & Approve Business Park Land Pricing & TIF Incentive Policy (Copy Attached)
- C. Review new open-sided shelter Meister Log & Lumber
- D. Ad Hoc Child Care Committee Update
- E. Reedsburg Business Breakfast Meeting @ Reedsburg High School on January 13, 2023
- F. Pink Lady Rail Transit Commission Report
- G. Update on School to Work Initiative
- H. Update on Reedsburg Business Directory
- I. Update on Riffey Transload Facility Site Plan
- J. Update on ongoing Projects

II. ADJOURN:



The City of Reedsburg does not discriminate on the basis of disability in the admissions or access to, or treatment of or employment in, its programs or activities. Disability-related aids or services, including printed information in alternate formats, to enable persons with disabilities to participate in public meetings and programs are available by calling (608) 524-6404. To be able to meet the needs of a request for a different format contact the City Clerk-Treasurer at 134 S. Locust Street, Reedsburg, WI at least 48 hours prior to the commencement of the meeting so that any necessary arrangements can be made to accommodate each request.

Reedsburg Industrial & Commercial Development Commission
Meeting Minutes
November 2, 2022

Meeting called to order by Chair Kurt Muchow at 12:00 PM in Reedsburg City Hall.

Present: Alder Mike Gargano, Dan DeBaets, Blaine Albert

Absent: Alder Dave Knudsen, Jay Brunken

Staff: Brian Duvalle

Motion by Gargano, seconded by Albert to approve the 1/19/2022 minutes.

Motion Approved

Consider site plan for new 16,561 square foot storage addition to Cellox – 1200 Industrial Dr; Parcel #2091

The elevation drawings and site plan were reviewed. There will be some shrubs in front of the building for landscaping. Discussion on Fire Dept access on west side, which will still be provided with asphalt around the building. The building addition will be to the manufacturing portion and not the office. They could add 20-25 employees in the future according to Tim Gotzian.

Motion by Gargano, DeBaets by Albert to recommend approval as presented.

Motion Approved

Discuss the Business Breakfast scheduled for Nov 11th.

Muchow stated that there will be a guest speaker and discussion of issues. The first meeting will be with RAMC at Fusch Center. The next will be tentatively late spring with school district.

Discuss the Business Retention & Expansion Survey results.

Muchow stated there were generally positive responses with expected growth and expansions but also workforce issues.

Discuss the School-to Work initiative

Discussion held on the current curriculum being worked on at RAHS and including Madison College.

Update on the Viking Drive extension & Airport Master Plan amendment

FAA wants master plan update to reflect the new street. The cross runway may be removed in the future.

Update on workforce housing activities

Discussion held on west side apartments and Pelton apartments. Pelton plans a spring groundbreaking.

Update on projects

Discussion held on possible WHEDA development with duplexes and apartments. Saputo addition is scheduled to be done in late 2023. DRM addition is enclosed. The HIE broke ground. Plans will be sent by January for the EDA grant.

Motion by Gargano, seconded by DeBaets to adjourn at 1:03 PM.

Motion Approved

Respectfully submitted,

Brian Duvalle

Planning/Building

City of Reedsburg
EDA East Side Business Park
Land Sale Price Analysis
December 8, 2022

A. Background

The City of Reedsburg created TID No. 9 on June 10, 2019 to promote industrial development. The City amended TID No. 9 on September 27, 2021 to add territory located east of Golf Course Road and south of Hwy 23/33 for the expansion of the Reedsburg Business Park. See Appendix A for a Map showing the Business Park Concept Development Plan.

In 2020 the City purchased the approximately 65 acres of land within the amended territory of TID No. 9 for the expansion of the Business Park.

In 2021 the City applied for a \$3,733,743 grant from the Economic Development Administration (EDA) for the construction of infrastructure for the Business Park development. The EDA grant was approved on June 22, 2022.

The City desires to adopt a Land Pricing and TIF Incentive Policy, which will be used to guide implementation of the development of the Business Park.

B. EDA Land Sale Requirements

The EDA requires communities who receive grant funds for the development of Business Parks to sell the parcels to businesses for "Adequate Consideration", which means the fair market value. Following are the federal guidelines related to the land sale of the Business Park land.

https://www.eda.gov/pdf/EDAs_regs-13_CFR_Chapter_III.pdf

§314.3 Authorized use of Project Property.

c) Real Property for sale or lease. Where EDA determines that the authorized purpose of the Investment Assistance is to develop Real Property to be leased or sold, such sale or lease is permitted provided it is for Adequate Consideration and the sale is consistent with the authorized purpose of the Investment Assistance and with all applicable Investment Assistance requirements, including nondiscrimination and environmental compliance.

https://www.ecfr.gov/cgi-bin/text-bidx?SID=0bf511cdb2dda61f1f1ad9b9f562709e&mc=true&node=pt13.1.314&rgn=div5#se13.1.314_11

314.1 Adequate Consideration Definition

Adequate Consideration means the fair market value at the time of sale or lease of any Property, as adjusted, in EDA's sole discretion, by any services, property exchanges, contractual commitments, acts of forbearance or other considerations that are in furtherance of the authorized purposes of the Investment Assistance, which are received by the Recipient or Owner in exchange for such Property.

The purpose behind the sale of the land for Adequate Consideration is to ensure communities who receive EDA grants will not have an unfair competitive advantage over other communities.

C. Determination of Adequate Consideration (Fair Market Value)

As stated above, EDA requires the City to sell the parcels to businesses for "Adequate Consideration" (fair market value). Since the purpose of EDA's requirement is to ensure Reedsburg will not have an unfair competitive advantage over other communities, using the actual sale prices from the other communities to establish the fair market value will ensure compliance with EDA's requirements.

Appendix B is a summary of land sale prices for municipal owned business & industrial parks within the same market area as Reedsburg. The comparable communities are located in a similar geographic area between Dane and La Crosse counties, which are similar in size or relevance in their market area.

Based on the land sale prices for the comparable municipal business & industrial parks, the fair market value for purposes of determining Adequate Consideration is as follows:

1. Highway 23/33 Frontage Lots = \$25,000 per acre
2. Parcels located behind highway frontage lot = \$18,000 per acre

D. TID No. 9 Land Sale & TIF Incentive Policy

The purpose of the Land Sale & TIF Incentive Policy is to help guide the implementation of the development of the Business Park. The policy is intended to be a tool to determine the amount of TIF assistance for individual business deals.

1. Land Sale Price

As stated above, EDA requires the City to sell the parcels to businesses for "Adequate Consideration" (fair market value), which has been determine to be \$25,000 per acre for parcels fronting on Hwy 23/33 and \$18,000 per acre for light industrial parcels.

The City can sell the parcels for more than the minimum amount required by EDA. For example, the TID No. 9 Project Plan assumes an average value increment of \$375,000 per acre for the Business Park. If a proposed project creates less than \$375,000 of value per acre, the City can increase the sale price of the land to offset the reduced amount of increment created by the project. The actual amount of the higher land sale price should be determined by a financial analysis of the individual project.

2. Development Incentives

The City may need to provide TIF assistance to be competitive and/or to make a project financially feasible. The base form of TIF assistance could be payments based on the economic benefits created by a project, i.e., equalized value per acre, job creation, etc. The amount of assistance shall be based on the commitments made by a developer in a development agreement. The TID No. 9 Project Plan assumes the base TIF assistance is equal to ten percent of the value increment created. For example, if a project creates \$375,000 of value increment per acre, the base TIF assistance is equal to \$37,500 per acre. This assistance shall generally be provided in the form of future annual PayGo payments. The base TIF

assistance can be used to offset the cost of the land purchase, site improvements or building construction.

Additional TIF incentives are sometimes necessary for projects to be feasible. Additional TIF incentives may be provided at the discretion of the Common Council. The justification for additional TIF incentives shall be based on the economic benefits created by a project and how the project fits the goals of the City.

The amount of TIF assistance that can be provided needs to coincide with the projected increment revenue the project will generate. The Common Council should prepare a financial analysis for each project, plus look at the other economic benefits created by a project when negotiating a deal.

Appendix A
Business Park Concept Development Plan

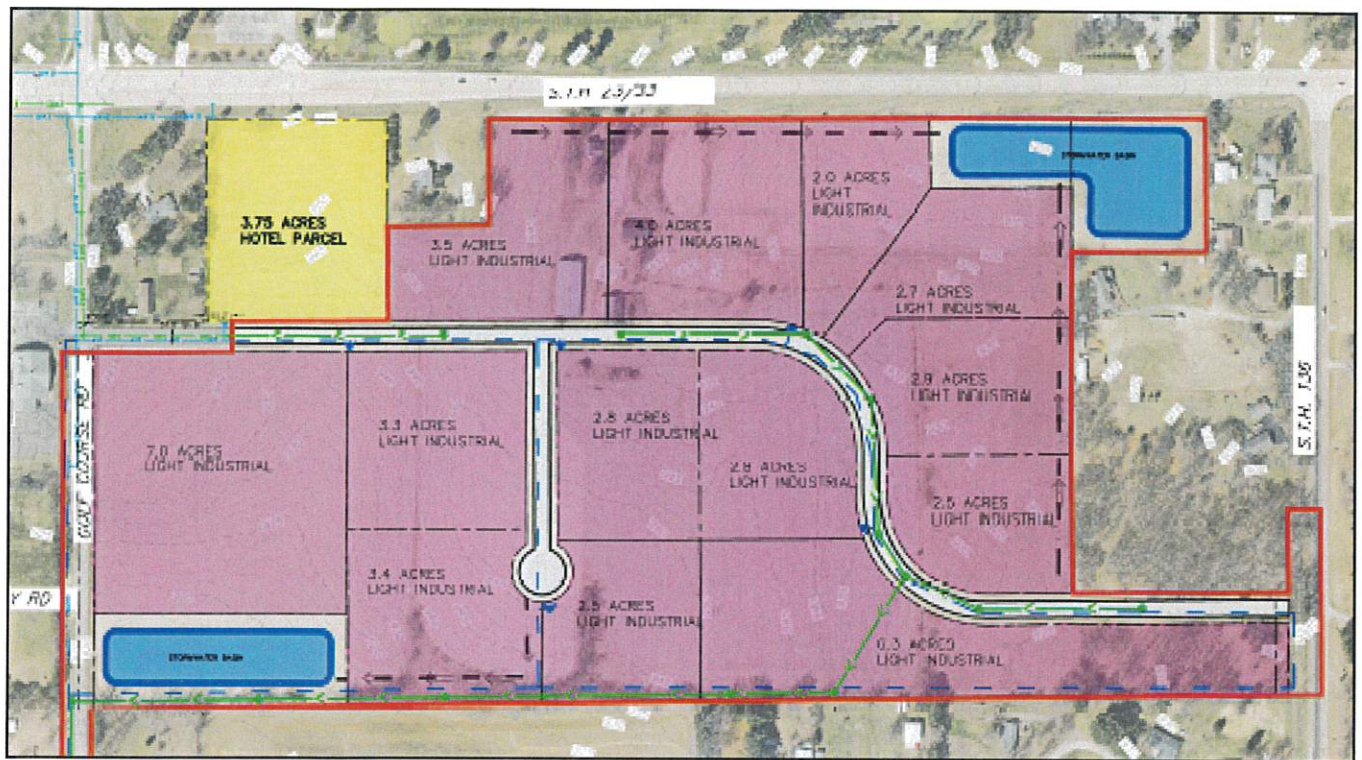


Exhibit B

Comparative Business Park Land Sale Prices

Park Name/Location	Owner	Land Area (Acres)	Zoning	Utilities	Price Price (Per Acre)	Comments
Sparta Business Park Sparta, WI	City	114	M-3 Manf.	Municipal	\$ 15,000	Land value = \$45,000 per acre. TIF incentive = \$30,000 per acre. Regional storm water basins. "Ready to Build" graded sites. Close to Interstate Highway
Portage Industrial Park Portage, WI	City	37	Light Ind.	Municipal	\$20,000	Located on STH 16. Railroad access.
Richland Center Industrial Park Richland Center, WI	City	17	Light Ind.	Municipal	\$ 30,000	Located on north side close to STH 80 "Ready to Build" sites Price reduced if value is over \$250,000/ac
Viroqua Business Park Viroqua, WI	City	7.7 21.89	Comm. Light Ind.	Municipal Municipal	\$ 25,000 \$ 12,000	USH 14 frontage lots Behind frontage lots
Viroqua Industrial Park Viroqua, WI	City	16.0	Light Ind.	Municipal	\$ 15,000	Located on Railroad Ave. "Ready to Build" sites
Mauston East Industrial Park Mauston, WI	City	15	Light Ind.	Municipal	\$ 25,000	Located on City's east side close to I 90/94 "Ready to Build" sites
Mauston West Industrial Park Mauston, WI	City	20	Light Ind.	Municipal	\$ 15,000	Located on City's west side close to STH 12 "Ready to Build" sites
Average Sale Price of Industrial Land					\$ 18,855	
Median Sale Price of Industrial Land					\$ 18,000	
Average Sale Price of Highway Frontage Commercial Land					\$ 25,000	