

**Community Development Authority  
of the City of Onalaska**

Monday, August 24, 2015

1

1 The meeting of the Community Development Authority of the City of Onalaska was called to  
2 order at 4:07 p.m. on Monday, August 24, 2015. It was noted that the meeting had been  
3 announced and a notice posted at City Hall.

4

5 Roll call was taken with the following members present: Ald. Barry Blomquist, Ann Brandau,  
6 Ron Johnson, John Lyche, Mark Hansen

7

8 Also Present: Mayor Joe Chilsen, Land Use and Development Director Brea Grace, Financial  
9 Services Director/Treasurer Fred Buehler, Jennifer Kuderer of the Wisconsin Economic  
10 Development Corporation

11

12 Excused Absences: Ald. Jim Olson, Mike Gargaro

13

14 **Item 2 – Approval of minutes from the previous meeting**

15

16 Motion by Ann, second by Ald. Blomquist, to approve the minutes from the previous meeting as  
17 printed and on file in the City Clerk's Office.

18

19 On voice vote, motion carried.

20

21 **Item 3 – Public Input (limited to 3 minutes/individual)**

22

23 Mark called three times for anyone wishing to provide public input and closed that portion of the  
24 meeting.

25

26 **Consideration and possible action on the following items:**

27

28 **Item 4 – Presentation by and discussion about Wisconsin Economic Development  
29 Corporation (WEDC) programs – Jennifer Kuderer and Mark Tallman**

30

31 Jennifer, WEDC's Regional Account Manager, said she joined the organization in 2012 and  
32 noted she covers 14 counties in the southwestern Wisconsin. Jennifer said her presentation will  
33 focus on the primary services and programs WEDC offers. WEDC is organized into four major  
34 divisions. Jennifer said she works inside the Division of Economic and Community  
35 Development, and her duties include meeting and working with businesses, including those  
36 involved with manufacturing. Jennifer said one of the tools WEDC promotes is the  
37 Manufacturing and Agriculture Tax Credit. Jennifer noted the Wisconsin Corporate Income Tax  
38 Rate is 7.9 percent and said the Manufacturing and Agriculture Tax Credit – which began in tax  
39 year 2013 and will be phased in through tax year 2016 – will virtually eliminate the income tax  
40 liability for most manufacturing and certain agricultural businesses in the State of Wisconsin.

41

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42 John asked how this impacts partnerships and LLCs that are taxed as partnerships.

43

44 Jennifer said it “flows down” to the individual ownership.

45

46 Jennifer noted this is a tax credit that any company can take advantage of.

47

48 John said this tax credit might encourage businesses in the State of Minnesota or the State of  
49 Iowa to relocate to Wisconsin.

50

51 Jennifer said WEDC utilizes a variety of tools when a company approaches WEDC and says it  
52 has a project gap. Jennifer said that when WEDC becomes involved in a project from a financial  
53 assistance perspective it must satisfy the “but for” clause. There are instances where the gap  
54 occurs in project financing. At times there is a return on investment gap, and there are instances  
55 where there is a gap where a company has an opportunity to do a project in any number of states  
56 or countries. Jennifer said WEDC examines ways how a company can invest in Wisconsin.  
57 Jennifer noted WEDC has a low-interest loan program that is solely gap financing. WEDC  
58 would never take the lead on a project. A company must have equity and a lead lender, and  
59 WEDC may assist in “filling a gap.” Jennifer said WEDC’s involvement revolves around the  
60 number of jobs and the quality of the jobs being created, and also the capital investment being  
61 made both in plant and equipment.

62

63 John asked if this is about \$10,000 a job.

64

65 Jennifer said it is approximately 20 percent of wages for this program.

66

67 Jennifer noted that WEDC also has tax credit programs – some of which are refundable and  
68 some of which are non-refundable. Jennifer noted the non-refundable programs are more  
69 difficult for manufacturers to utilize because their tax liabilities are decreasing. Jennifer said the  
70 Wisconsin State Legislature has authorized a revamp of the tax credit program. The Refundable  
71 Tax Credit Program will commence in January 2016. Jennifer noted that WEDC receives a  
72 federal allocation of industrial revenue bonding authority, which may be utilized by  
73 manufacturing businesses. WEDC may make an allocation to a company for a qualifying  
74 project. The company works with its local municipality to utilize the municipality’s bonding  
75 authority to issue bonds. This provides lower cost fixed-rate long-term financing for industrial  
76 projects. Jennifer noted that the savings for a significant-sized project typically is 25 percent.  
77 Jennifer said WEDC’s intention is not to replace traditional financing, noting WEDC first looks  
78 to city or county revolving loan funds. Jennifer said WEDC will not incent a job that pays less  
79 than 150 percent of federal minimum wage (\$10.80 per hour). WEDC also requires that the jobs  
80 it is incenting offer health insurance benefits.

81

82 Jennifer noted WEDC is involved with brownfield redevelopment, meaning if there is property

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83 in a community that might or might not be contaminated a Site Assessment Grant allows the  
84 property to be investigated. If there is contamination that needs to be cleaned up, the Brownfield  
85 Grant can be a part of the cleanup process. The Community Development Investment Grant and  
86 the Idle Industrial Sites Program may assist with a downtown development project that would  
87 have a significant impact. Jennifer noted these programs suffered significant budget cuts in July.  
88 There also is a Historic Preservation Tax Credit. If an individual owns a historic building or one  
89 that has contributed to a national register historic district and chooses to proceed with a  
90 renovation project, he/she could receive a federal income tax credit of 20 percent as well as a 20-  
91 percent state income tax credit.

92

93 Jennifer discussed WEDC's International Business Development, noting that WEDC works with  
94 companies that export. WEDC focuses on obtaining foreign investment for Wisconsin, but it  
95 also focuses on helping Wisconsin companies grow their exports. WEDC also has a small grant  
96 program that assists companies that are new to exporting or to a specific market. WEDC also  
97 hosts a variety of trade ventures and trade missions across the globe. Governors travel on a trade  
98 mission, and do not travel on trade ventures.

99

100 Jennifer discussed WEDC's Entrepreneur and Innovation Division, which focuses on catalyst  
101 companies and small businesses (e.g., computers, biotechnology) that are starting up. A  
102 Qualified New Business Venture Program helps spur investment to innovate early-stage  
103 Wisconsin companies by allowing investors to claim a 25-percent tax credit on the amount they  
104 invest into a qualified new business venture certified business. Jennifer referred to WEDC's  
105 Capital Catalyst Program, noting that Couleecap had received a grant to begin a co-starters  
106 program. This is a business planning/accelerator program to assist small businesses.

107

108 Jennifer discussed the Business and Industry Development Division, which not work directly  
109 with individual businesses, but rather consortium companies. This division focuses on well-  
110 established industries in the state that have high impact and significant potential for continued  
111 growth. These industries include food processing and food technology, transportation and  
112 biotechnology.

113

114 Jennifer noted Locate in Wisconsin, a database of available sites and facilities, is available for  
115 free to anyone with commercial or industrial sites or facilities that are available for sale or lease  
116 to upload their properties. Jennifer said this database is important to WEDC as it receives  
117 requests for proposals, inquiries about available sites or companies wishing to either relocate or  
118 expand in the state.

119

120 Brea asked if any local businesses had attended Export Tech.

121

122 Jennifer said WEDC struggles to get the "critical mass" of companies in this area.

123

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124 **Item 5 – Review and discussion of 2015 CDA budget and expenditures**

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126 Brea noted the CDA had discussed the 2015 budget at its July 27 meeting, and also noted that  
127 there were some components (operational expenses, Brea’s time) that were not yet present. Brea  
128 noted she logs the time she spends on CDA items and said a transfer will occur from the General  
129 Fund to the CDA. Brea noted her time totaled 141 hours and approximately \$7,000 for the first  
130 half of the year. Brea noted the CDA is coming in under budget as \$23,000 was budgeted for the  
131 entire year. Brea said other operational expenses totaled \$120.

132

133 **Item 6 – Review and consideration of 2016 CDA budget**

134

135 Fred noted that “Non Room Tax” in both the 2015 and 2016 budgets is Account No. 41211.

136 Fred also noted that the room tax dollars are not coming from Tourism.

137

138 Mayor Chilsen said the room tax dollars will have to come from Tourism starting in 2017.

139 Mayor Chilsen referred to Account No. 41211, noting that while it is derived from room tax the

140 city retains a portion of the funds. Mayor Chilsen said these funds are not directed toward

141 Tourism events and pointed out that the CDA’s budget comes out of that portion of the room tax.

142

143 Brea noted the first page of the CDA’s 2016 budget is revenues. This page shows \$58,000  
144 coming from Non Room Tax. The next page details expenditures, including other contractual  
145 services (\$53,600), transcription contractual (\$700), office supplies (\$150), postage (\$100), copy  
146 usage and paper (\$600), subscriptions and dues (\$180), general advertising (\$350), seminars,  
147 conferences and travel (\$1,300), operating supplies (\$620), and printing and forms (\$400). Brea  
148 noted she had included the Menards Area Plan Update under Other Contractual Services at a cost  
149 of \$10,000. Brea said she believes this plan needs to be updated due to Mayo Clinic’s incoming  
150 development in this area. Brea noted that in 2004 the city had prepared a master plan for this  
151 area and said a significant portion of the Menards corridor was redevelopment with highway-  
152 oriented commercial uses. Brea noted she had obtained quotes from Short Elliott Hendrickson  
153 ranging from \$12,000 to \$30,000. The \$30,000 estimate would include a design charrette. Brea  
154 said she wants to utilize as much staff time as possible and utilize SEH as needed. Doing so  
155 would lower the cost to less than \$15,000.

156

157 Mark suggested meeting with the individuals who own the land and asking them what their  
158 intentions are.

159

160 Brea said staff has been doing this and also pointed out that this area also includes land owned by  
161 Elmwood Partners as well as the strip of land located along Riders Club Road.

162

163 Mark said he does not see the value in spending \$10,000.

164

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165 Brea said the plan “includes quite a bit of distance in the area.” Brea also noted there are design  
166 standards in the current plan and said she believes some of this needs to be updated and changed.  
167 Brea said the plan mentions roadway design and buildings that require 50 percent brick and stone  
168 in some areas.

169

170 Mark asked if any construction in this area would be under the city’s auspice.

171

172 Brea said the city must follow the plan in place, and this plan no longer is current.

173

174 Ann said she believes the current plan states all parking must be behind the building. Ann said  
175 she believes developers will want to know what is expected of them.

176

177 Mark said he will support the plan update if it saves staff time and improves the process.

178

179 John said the city will pick a year’s worth of tax revenue, which will total more than \$100,000 on  
180 an annual basis for this parcel, if the Mayo Clinic project is finished more quickly.

181

182 Brea said the city will encounter conflicts with surrounding developments if the plan is not  
183 changed.

184

185 Ann, who was a CDA member in 2004, said retail development was expected along this corridor  
186 at the time. Ann said the original goal was to make this area appear more like a Main Street as  
187 opposed to a strip mall.

188

189 Brea said another proposed expenditure on the 2016 budget is \$7,500 for LADCO. The \$7,500  
190 is not in the Subscription & Dues line item. However, Brea suggested lowering the \$10,000  
191 slated for the Menards Area Plan Update to \$2,500 to cover the city’s LADCO membership.

192

193 John noted that [locateinwisconsin.com](http://locateinwisconsin.com) was touted to be a LADCO program.

194

195 Brea said she had asked LADCO to be the city’s input entity regarding uploading items in the  
196 city that are for sale. Brea noted that LADCO has been doing data entry for the city.

197

198 John asked if LADCO had provided the city with any leads.

199

200 Brea said LADCO had passed on a lead about the Phoenix Group, an assisted-living entity. Brea  
201 said the city will be a LADCO member for three consecutive years if it is approved in the 2016  
202 budget. Brea noted that Mike Gargaro had telephoned her and voiced his support for the city’s  
203 LADCO membership. Brea said Mike noted the city’s LADCO membership costs households 8  
204 cents a month.

205

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206 Mark said he does not want the City of Onalaska to be the only area community not to have a  
207 LADCO membership.

208  
209 Ald. Blomquist noted the city already has spent \$15,000 for a LADCO membership and said he  
210 does not know what it has received in return. Ald. Blomquist said, "I want value for the dollar.  
211 If anybody can show me that we got even 10 percent of that money back in any way or form ...  
212 The only thing I can see we got is a meeting at our facility [Omni Center]. Are there any other  
213 leads?"

214  
215 Fred noted that the City of Onalaska has been a LADCO member for several years.

216  
217 Mayor Chilsen noted that the Common Council removed the \$7,500 for a LADCO membership  
218 from the 2015 Executive Budget. However, Mayor Chilsen pointed out that while the Common  
219 Council may give the CDA the budget, it may not tell the CDA how to spend its funds. Mayor  
220 Chilsen said this is how the \$7,500 for a LADCO membership was put back into the budget.

221  
222 Brea said the \$7,500 for a LADCO membership should be put back into the budget if the CDA  
223 wants to renew the membership. As a result, \$7,500 will need to be removed from another line  
224 item.

225  
226 Ann asked Brea if she will be able to complete the Menards Area Plan Update for \$2,500 if  
227 \$7,500 is redirected toward a LADCO membership.

228  
229 Brea said, "We'll figure out a way."

230  
231 Ald. Blomquist referred to the \$23,700 budgeted for Brea and asked if this is a portion of her  
232 wages paid for by the CDA.

233  
234 Brea said yes.

235  
236 Ald. Blomquist asked Brea if the 2016 budget reflects the fact she would do \$10,000 more work.

237  
238 Brea said the \$10,000 was designated for other contractual services such as hiring SEH or  
239 another firm to assist with the Menards Area Plan Update. Brea explained that the \$23,700  
240 includes facilitation time for CDA meetings and preparing for downtown redevelopment and  
241 Great River Landing activities. Brea said, "Because we get our dollars through room tax, I feel  
242 like that's a legitimate expense. In 2013 there were 70,000 users of the Great River State Trail  
243 between Onalaska and Trempealeau. Anything we do for our downtown redevelopment and  
244 improving our trailhead, I think that very much has a tourism component." Brea also noted she  
245 had spent time addressing the proposed southern route of the Badger-Coulee Line.

246

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247 John noted the city's LADCO membership represents 14 percent of the CDA's total budget.

248

249 Ron asked if all of LADCO's members pay the same fee.

250

251 Brea said a municipality's membership fee is determined utilizing a formula based on population  
252 and assessed values.

253

254 Fred noted the city's \$7,500 membership fee has remained the same for several years. Fred also  
255 reminded the CDA it may decide to reallocate funds in January or February if it wishes to do so.

256

257 Motion by John, second by Ann, to approve the 2016 CDA budget as presented, with \$7,500  
258 allocated for a LADCO membership and \$2,500 allocated for the Menards Area Plan Update.  
259 The CDA will reconsider in January 2016 if this is the proper allocation.

260

261 On voice vote, motion carried.

262

263 **Item 7 – Update on 2015 Comprehensive Plan**

264

265 Brea said a draft plan will be presented at an open house on Wednesday, September 30 at City  
266 Hall. Brea also noted she will be taking the Land Use Plan to the La Crosse Area Builders  
267 Association on Wednesday, September 2. Brea invited the CDA's members to the open house.  
268 Brea said the Long Range Planning Committee will obtain feedback and make any necessary  
269 changes. The Long Range Planning Committee ultimately will make a recommendation to the  
270 Plan Commission, which is required to hold a public hearing on the plan. Brea said the public  
271 hearing will be held either in October or November, and the Common Council will adopt the  
272 plan either in December or January.

273

274 **Item 8 – Update and discussion on the Building the Great River Landing Project**

275

276 Brea said the Great River Landing Committee noted it has been a year since the charrette process  
277 began and recommended that another public meeting be held. The public meeting will include a  
278 discussion regarding Phase I, which is the upper bluff area along State Trunk Highway 35.  
279 Phase I includes the trailhead, connecting trails and plaza. Brea noted the public meeting will  
280 begin at 6 p.m. on Wednesday at Irving Pertzsch Elementary School. Brea also noted that  
281 WIZM-AM 1410 and WXOW-Ch. 19 have done stories in advance of the public hearing, and  
282 WKBT-Ch. 8 will be working on a story Tuesday. A story also ran in the Onalaska-Holmen  
283 Courier Life, and emails were sent to 550 individuals on a list compiled by the city. Brea said a  
284 financing package must be laid out within the next couple of months if the project is to begin in  
285 the spring of 2016.

286

287 John asked Brea about the feedback she has received so far.

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288  
289 Brea said some of the feedback she has received relates to Burlington Northern Santa Fe hiring a  
290 railroad police officer to keep individuals from crossing the railroad tracks to reach the spillway.  
291 Brea said citizens who fish are upset about BNSF's enforcement, and they also are expressing  
292 frustration over having to cross treacherous terrain that includes a city stormwater outfall. Brea  
293 said she and City Engineer Jarrod Holter have discussed possibly constructing a temporary  
294 bridge as part of Phase I.

295  
296 **Item 9 – Closed Session:**

297  
298 To consider a motion to convene in Closed Session under Section 19.85(1)(e) of the Wisconsin  
299 Statutes for the purpose of deliberating or negotiating the purchasing of public properties, the  
300 investing of public funds or conducting other specified public business, whenever competitive or  
301 bargaining reasons require a closed session:

- 302  
303
  - Discussion related to development and refinement of negotiating and development  
304 strategies as well as review of development proposals for TIF 4 District.

305  
306 If any action is required in Open Session, as the result of the Closed Session, the CDA Board  
307 will reconvene in Open Session to take the necessary action and/or continue on with the printed  
308 agenda.

309  
310 Motion by Ann, second by Ald. Blomquist, to convene in Closed Session.

311  
312 On roll call vote: Ann Brandau – aye, Ald. Barry Blomquist – aye, Ron Johnson – aye, John  
313 Lyche – aye, Mark Hansen – aye. In Closed Session at 5:07 p.m.

314  
315 Motion by Mark, second by John, to adjourn from Closed Session.

316  
317 On roll call vote: Ann Brandau – aye, Ald. Barry Blomquist – aye, Ron Johnson – aye, John  
318 Lyche – aye, Mark Hansen – aye. Adjourned from Closed Session at 6:05 p.m.

319  
320  
321  
322 Recorded By:

323  
324 Kirk Bey