



Economic Development  
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**APPROVED Minutes**  
**Fitchburg Community and Economic Development Authority**  
**Thursday, August 20, 2015**

*(Note: Full coverage of this meeting is available through FACTv and Streaming Video, accessible on the city web site at <http://www.fitchburgwi.gov/677/Government-Channel>)*

1. **Call to Order:** The meeting was called to order at 7:04 am by Chairman Brown.
2. **Roll Call:** The following members were present at roll call: Julia Arata-Fratta, Stewart Brown, Dan Hardy, Dorothy Krause, Andy Potts and Arlene Silveira. Absent without excuse: Sabrina Madison. Also present Michael Zimmerman, Economic Development Director and Joyce Frey, Economic Development Specialist.
3. **Approval of Minutes: July 23, 2015** A motion was made by Potts and seconded by Silveira to approve the July 23, 2015 minutes. The motion carried unanimously.
4. **Public Appearances: Non-Agenda Items: None**
5. **Consideration and Action on R-81-15 A Resolution: General Beverage for Parking within City Property** Mr. Zimmerman provided the background on the General Beverage Resolution. . General Beverage has been working with Economic Development and City staff since 2009 on a multi-phased expansion plan. General Beverage (GB) is currently on stage three of a seven phase expansion plan. In 2010, GB worked with the WisDOT to purchase the abandoned weigh station located south of their facility. At the time, WisDOT had agreed to sell GB the entire parcel which consisted of approximately five acres but ultimately only sold them less than an acre. The weigh station purchase would allow GB parking for their trucks to accommodate room for their warehouse expansion. At the time of the weigh station negotiations, WisDOT assured GB that it was done taking any additional land for right of way. Now as part of the Verona Road reconstruction project, WisDOT is taking additional land for an exit lane and some parking in the front of the building in addition to using GB's right of way for staging during construction. When GB originally moved to Fitchburg, it had over eight acres but are now down to less than five and a half acres due to both the City of Fitchburg and WisDOT eminent domain takings. GB is in need of additional parking and are asking for the ability to place parking on City property with a permit used by the City so they can accommodate their office expansion. The parcel of land in question is part of the Rails to Trails acquisition. The land has the Rails to Trails designation; however, due to the placement of the newly constructed bike bridge over McKee Road, the likelihood of this piece of land being converted to a bike trail is minimal. Another item to be noted is that the Rails to Trails designation ends at the end of GB's lot line so the path would end there without additional land purchases. Ms. Krause asked why GB doesn't purchase the remainder of the weigh station for parking. Mr. Joel Minkoff, President of GB, 6169 McKee Road, Fitchburg WI registered in support of R-81-15 and to speak and answer questions regarding the request answered Ms. Krause's question. He stated that WisDOT retained the weigh station for salt storage and has since decided to use the area for staging for the Verona Road project and that parcel is not for sale. Mr. Minkoff does not believe that his employees should be required to walk over one

half mile to get to the office. Ms. Krause asked why a map of the proposed area in question was not included in the packet. Ms. Frey stated that when the referral was sent to be included in the packet, no other information was provided such as a map. She also stated that she went to another committee's packet to get staff background to include in the CEDA packet. Mr. Potts provided CEDA members with an aerial view of the parcel via Google maps.

**A motion was made by Hardy and seconded by Arata-Fratta to recommend approval of R-81-15. Ms. Krause asked that a roll call vote be taken. Roll call: Arata-Fratta: yes, Brown: yes, Hardy, yes, Krause: no, Potts: yes and Silveira: yes. The motion carried 5-1.**

6. **2016 Proposed 2016 Economic Development and CEDA Budget: Michael Zimmerman** Mr. Zimmerman went through the Economic Development and CEDA budgets line by line. He noted that with the new hotel room tax legislation, next year's budget will change dramatically. The new legislation will change how the funds will be split. Currently, CEDA retains approximately fifty percent of the funds to be allocated for marketing and tourism after splitting the funds with the Fitchburg Chamber Visitor and Business Bureau (Fitchburg Chamber VBB), Greater Madison Convention and Visitor Bureau and the Madison Area Sports Commission. Of these funds, ten percent stays with the City for administration and approximately twenty five percent goes to fund the Economic Development Staff's salaries. When the new legislation is enacted in 2017, CEDA will retain thirty percent of the funds with ten percent for administration and twenty percent towards Economic Development Staff's salaries, which is not sufficient to cover the cost. Since Mr. Zimmerman and Ms. Kinderman of the Fitchburg Chamber VBB have been aware that this legislation has been proposed the last couple of years, they have positioned the Chamber VBB to take over the role of the destination marketing organization and have already constituted a "tourism committee" as required by the legislation. Ms. Silveira asked who initiated the legislation. Mr. Zimmerman stated that it was coming from the hotel industry. Mr. Potts shared that the change was to ensure that the hotel room tax dollars were being used according to the law and that some communities were misusing the funds. There were some communities such as Madison and Milwaukee which were grandfathered in but now will be subjected to using the 70 percent allocation requirement. Mr. Zimmerman stated that there will be a work group to develop a business model for collaborating with the Chamber VBB and the City on instituting the new legislation and still enabling both the City and Chamber VBB to do the same types of activities, sponsorships and memberships as we currently have. This group would also work with City Administration and City Attorney on rewriting the City's hotel room tax ordinance and the agreement would need a clear set of expectations as we currently collaborate on several projects. Mr. Hardy volunteered to be on this work group. **Mr. Potts left the meeting at 8:03 am.** CEDA members asked about the business luncheon and if the luncheon broke even, if we asked for sponsors and why the Chamber VBB does not host the luncheon. Staff responded that the luncheon is subsidized by the City and that it is difficult to ask for sponsors from our businesses when the intent of the luncheon is to show our appreciation for them. The City sponsors and organizes the luncheon because not all Fitchburg businesses are Chamber members and our list also includes organizations that we do business with or they have done business with us such as developers, real estate professionals, bankers etc. Mr. Zimmerman shared his formula as to how he estimates the hotel room tax revenues. Ms. Krause asked about promotional funds for the Fitchburg Star. Mr. Zimmerman stated that the Economic Development budget does not have an "advertising" line item and that most advertising is paid via hotel room tax dollars. Ms. Arata-Fratta asked about the acquisition of the Town of Madison and how the City is preparing for this to take place. Mr. Zimmerman shared that this is something that should be asked of the Council and Administration but believes that work is taking place on gathering information. She asked about what will be coming to Fitchburg? It was noted that the City boundaries will contain the Novation Campus and Southdale Neighborhoods, the block north at the corner of Greenway Cross and Fish Hatchery (Zimbrick Dealerships) and the Town of Madison Town Hall. A CEDA member asked Ms. Dodge when the budget will be finished. She said the budget will be on the September 25<sup>th</sup> Council agenda and final approval will take place in November.

7. **Hotel Room Tax Report and Request Considerations: Misty Dodge** Ms. Dodge was present and reviewed the new hotel room tax report that was prepared by the finance department. The report now includes information on all accounts that balance with City ledgers. Ms. Dodge reported that the hotels now have the ability to complete the hotel room tax reporting online and thanked the IT Department, Finance and Economic Development staff for working on this initiative. Ms. Arata-Fratta

asked what Madison Development Corporation is and how the loans are made. Since Mr. Hardy serves as the CEDA liaison to MDC he answered her questions stating that the fund is made up of several area banks and municipalities that provide loans to early stage bioscience and tech companies who have been through one or two rounds of fundraising. The companies are evaluated by experts in their industry. These loans are made to bioscience and technology based companies. They must show that they have a future income stream cover the repayment of the loan. CEDA members complimented Ms. Dodge on the new report format and for taking the time to come in and go through each line with them. CEDA felt the report was very organized and easy to read and understand.

a. Fitchburg Map Ad: Requested amount: \$1,000 This is not a budgeted item. **A motion was made by Hardy and seconded by Silveira to purchase the back cover of the Fitchburg Street Map produced by the Fitchburg Chamber Visitor and Business Bureau. The motion carried unanimously 5-0.**

#### 8. Economic Development Director and Committee Member Reports:

- a. City in Motion Implementation: Mr. Zimmerman received a proposal from Vandewalle to update the City in Motion document since several of the action items have been complete. The proposal is for \$10,000 with the funds possibility coming from a TID. He would like to have the update include more diversity and entrepreneurial initiatives. He would also like to bring the FNET group together to provide them with an update and input on the initiatives. Staff is finalizing the civic campus signage design, a vendor has been selected and waiting on funding approval from the City, Senior Center and Library. Once those approvals have been complete, we hope to have the vendor start in September on the project. The next proposed civic campus signage project will be two monument signs, one located on Lacy Road and one on Research Park Drive. Ms. Krause asked about civic campus directional signage. Mr. Zimmerman shared that directional signage will be in the next phase based on funding sources. In addition to City design and approval of all civic campus signage, Fitchburg Center must sign off as well.
- b. Development Updates: A site plan has been presented to the City for the Fitchburg Christian Fellowship Church development. With a site plan presented, staff can start to work on the design of the Pike/Eggiman Road intersection and extension. The developer hopes to break ground yet this year. There has been some interest in the Orchard Pointe lots.
- c. Venture Debt Program: No report.
- d. Existing Business Update: Thermo Fisher representatives met with staff regarding the Verona Road reconstruction project and access issues due to the impact of the Williamsburg Way interchange. All-Juice has expressed an interest in constructing a new plant at their present location. Staff is looking into whether or not they can still have access to their high-capacity well. Certco, Saris and General Beverage are looking into expansions. Mad Power Training in the former Dry Bean is doing extensive renovations to their building. Benjamin Investments TID request will be a discussion item at the Council meeting on Tuesday evening. Benjamin Investments have submitted their three story conceptual building designs to the City.
- e. Allied Area Task Force: No meeting scheduled as the City of Madison is determining if the committee is still needed or if they can achieve their needs via the Neighborhood Response Team.
- f. North Stoner Prairie and Northeast Neighborhood Plans: Sub-Zero received their rezoning and CSM approval at the Plan Commission Tuesday evening. The project scope has expanded to 400,000 square feet with 300 jobs over a three year period. A business neighborhood meeting was held at the Bakke Center to provide an update to the neighbors. Staff is working on a neighborhood email list for construction notifications. Northeast Neighborhood is currently in litigation.
- g. Verona Road Business Coalition: There is a meeting today with Nancy Mistele with the Office of Business Development with the Department of Administration and Craig Thompson, TDA to discuss the Verona Road funding and the economic impact study that was completed for the TDA.
- h. CEDA Subcommittee Reports: Mr. Zimmerman will discuss a revolving loan fund inquiry with Mr. Hardy and Ms. Arata-Fratta to see if it falls within the guidelines.
- i. North Fish Hatchery Road Revitalization Efforts: TIF 7 is ready to close, we are working with Mike Harrigan, with Ehlers, about capitalizing a housing redevelopment fund.

- j. Anton Drive Neighborhood Plan: An amendment through the CIP process was passed to include funding from our private sector partners, Wingra Stone. In addition to a contribution from Wingra Stone, staff is applying for a BUILD grant. The applications are due on September 4th. With these two unsecured funding sources, the starting date for the neighborhood study is on hold.
- k. Other Such Matters: None.

**9. Announcements:** None.

**10. Adjournment: A motion was made by Hardy and seconded by Silveira to adjourn at 8:57 am. The motion carried unanimously.**

- a. Next Meeting Scheduled: Thursday, September 24, 2015