

Town of Bayfield
Business Park Promotion Committee Meeting Minutes
Monday, February 27th, 2017 – 5:30 PM
Bayfield Town Hall
85450 County Hwy. J

The meeting was posted in the Ashland Daily Press, on the town website, and at the Bayfield Town Hall. Members present were Robert Feyen-Committee Chairman, Ron Hauptert, Peter Kulenkamp, Jenna Galegher, David Galazen, Robert Meierotto, Craig Hoopman, Tom Gordon-Town Chairman, and Kelly Faye-Town Clerk. Meeting was called to order at 5:30 PM.

Approval of the Minutes of January 23rd, 2017 Meeting: A motion was made by Meierotto, seconded by Hauptert, to approve the minutes. Motion carried.

Chairman Gordon asked that the members introduce themselves to the guest presenters.

Presentation/discussion of finding related to the Business Park.

- a. **Representatives from Impact 7:** Nick Ertz introduced himself and explained that he can provide an overview of the relationship between Impact 7 and the Town of Bayfield as it relates to the Business Park and what they believe the future may hold. He summarized the status as follows...In 2007, Impact 7 deeded the 72-acre parcel back to the Town. Five-acres were developed for World Class. They are under a note between the Town and Impact 7 of which performance is guaranteed based on the payment World Class makes. The current balance on the note totals \$889,000 with a maturity this coming June. This was set to coincide with the original ten-year lease. There is a plan to renew on six-month increments until future plans are made. The mortgage the Town has with Impact 7 is just the land. If the payments stopped coming in, Impact 7 would take the land back and there would not be any recourse for the Town. He noted there is also a Midland propane tank that was installed. Impact 7 intends to have a long-term relationship with the Town into the future. There is an agreement that at any time a portion of the land could be deeded back to Impact 7 and any income goes to Impact 7 and that portion of the mortgage will go back to the Town. The intent was to develop the Business Park. The relationship with World Class has been affected by some challenges related to the building. Chairman Gordon explained that the town bought 40-acres south of the current Business Park.

Feyen asked whether there is a reason that World Class is not doing another 10-year lease at this point. Ertz stated that there have been a lot of issues with the building physically related to do with roof leakage, slab thickness causing cracking in the floor, parking lot problems, etc. He stated that Impact 7 is committed to working with them to keep them there long-term but partly due to these challenges, the business isn't prepared to commit to a 10-year lease at this time. About a year ago, Impact 7 offered them some repairs which were put on the note. They are not ready to leave but their long-term plans in the Business Park are not decided.

Chairman Gordon brought up the issue that World Class is competing with Bretting Manufacturing for employees. There are very few local people from Bayfield working there. Ertz confirmed that World Class has trouble finding qualified workers that will stay. It was estimated they have a little over 20 employees. Hauptert stated that he went and spoke to the manager a few days ago. The manager brought up issues of the location being too remote, the difficulty of finding committed employees, slow internet, and challenging shipping logistics. Hoopman suggested that finding committed employees is a common problem these days.

Discussion took place regarding the availability of trucking companies and tactics to make the best use of those companies. Hauptert asked if any other businesses have expressed interest recently or if the Business Park is being actively promoted. Ertz explained that Impact 7 uses their small development team for developing housing. They are not promoting the park at this time. It was explained that there have been no serious inquiries.

Hoopman suggested that an assisted living facility somewhere in the area would be a benefit for the community. This type of facility would be needed and employ local people.

- b. **Scottie Sandstrom, Bayfield County Economic Development Corporation:** Sandstrom explained that Bayfield County has a business park site across from Ashland Ford Chrysler west of Ashland. He gave an overview of the County's efforts to promote their park. He explained that Seth Hudson of Cedar Corporation was used as a consultant in this process. Sandstrom shared that his purpose is to provide information about a consulting firm that could work with towns. Bayfield County worked with Cedar Corporation to define the location, complete a survey, define the wetland delineation, as well as soil analysis, attribute studies, transportation analysis, zoning and planning requirements of potential businesses, utility service needs, storm water planning, electrical needs, and internet access availability. The cost related to all of these issues was also examined. Funding opportunities were explored. Sandstrom showed those in attendance a map of their park and expected future changes. They are planning to put out a Request for Proposals for the design of a road that will be put in place ahead of time, so when it is time to put in the road the plan is already there. They are working to do deliberate planning for the future of their park. They are currently speaking with a local business about using a space in their park.

Hauptert asked who will market their park. Sandstrom explained that it is on the County Economic Development website. Discussion took place about the fact that efforts by the State to promote business parks are most often seeking large businesses that require significant infrastructure such as nearby freeways. It was suggested that working with existing local businesses and those that show interest on their own

would be most beneficial. Sandstrom explained he has also sent letters to second home owners that have done significant improvements to their local homes that may own businesses in other locations. In this letter he notified them there are business location opportunities in Bayfield County. There has been little response as of now.

- c. **Seth Hudson, Cedar Corporation:** Hudson explained that he has been doing economic development for many years. Cedar Corporation has 85 employees and is an “integrative services” corporation. He listed several services that the corporation provides such as civil/municipal engineering, structural engineering, wastewater, planning/economic development, surveying, architecture, environmental, landscape architecture, and water resources. He also explained that he works with an organization that offers a business park certification called “gold shovel” which provides a flyer that gives basic information to potential business tenants. This is an alternative to the state certification process which is expensive. Once you are a “gold shovel” site you are listed on their website as such. Because Cedar Corporation has all the needed services in their organization they can help you through the whole process. They work with the municipality to ask the necessary questions to determine what kind of business you are likely to attract. They use a checklist to determine the attributes of the location. They do not do a full wetland delineation but do a basic assessment to determine if more needs to be done.

Once the information is gathered they put it into a document summarizing what is available to businesses. This document is then available as a marketing tool. This would detail answers to questions that businesses are likely to ask. The Cedar Corporation employees understand these issues. This document may include the site location, site size and zoning, site ownership and terms of sale, transportation infrastructure, amenities and on-site structures, municipal infrastructure, private utility infrastructure, floodplain and wetlands, topography, other site restrictions that would impact development, and available local incentives. This marketing document can then be placed on state, county, and local websites. They can also provide a cost estimate of a proposed infrastructure plan.

Copies of the completed marketing document for the Bayfield County business park were available for review. They charge \$3,000-\$4,000 per project for the marketing document depending on how much information is already available. This comes with a one-page summary in addition to the more detailed packet. Hudson explained that the services provided to develop these marketing documents are not how the corporation makes their money. They provide this service in the hopes that they may be hired for additional services after the plan has been completed.

Hauptert thanked the presenters for the information. He also asked who does the marketing a potential business site to candidate businesses when the site is unique. He suggested some of the drawbacks could be turned into benefits. Businesses that don't need what we don't have could

be targeted. Sandstrom stated that Bayfield County has worked with an organization in Duluth that attends shows to connect with businesses looking for locations.

Feyen asked about whether large trucks were able to use Highway 13 between Red Cliff and Duluth, as he had heard they could not. It was decided he would have to call the Department of Transportation.

Discussion took place about the information presented with the presenters present. Discussion continued after the presenters left. Hoopman suggested that the land on the west side of County Hwy. J might be sold. If it is not going to be used, it could be surveyed and sold. Hauptert suggested that the plan could be developed first, just in case the land on that side of the road could be rolled into the plan. Chairman Gordon suggested that they wait to decide until they go look at the property.

Set date and time for next Business Park Committee Meeting: Monday, March 27th, 2017 at 5:30 PM.

Adjourn: Meeting adjourned at approximately 7:44 PM.

Minutes respectfully presented by: Kelly Faye, Clerk.