

*****ATTACHMENTS*****

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Expansion of the Sheboygan Business Center

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: November 2, 2017

MEETING DATE: November 6, 2017

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS: The City of Sheboygan Strategic Plan identifies a 2018 Action Item of constructing a new business center. In order for the city to continue to competitive in the local market, it is important for the city to have development opportunities for new and expanding businesses. Providing land options will result in increased tax base and new job opportunities as well as allowing our existing businesses opportunities to grow and expand. There are also additional opportunities for supply chain businesses to develop here based on our proximity to Milwaukee, the interstate system, and our great quality of life aspects.

Currently the existing Sheboygan Business Center has the following lot/acres left: two- two acre sites, five acre site, and an eight acre site. No business park in Sheboygan County can provide acreages over 15-20 acres. The Common Council has previously approved options to purchase with two landowners to close on approximately 90 acres of land near CTH OK and Sunset Road/Stahl Road. In September, the Council authorized a contract with Ruekert-Mielke to begin the design on infrastructure for the new park. In order to stay on track of the developing a new park in 2018, design has been completed to the point that the consultant could provide estimated construction costs. These costs were built into a Tax Incremental District (TID) pro-forma with the assistance of Ehlers to understand at the end of the district life whether it will be able to pay back the outstanding debt to construct the new business park.

STAFF COMMENTS:

The purpose of the discussion at this meeting is to allow city staff and Ruekert-Mielke to explain the current infrastructure phasing approach and the estimated costs associated with the development of Phase 1. Ehlers and development staff will review the financials and cash flows related to borrowing funds for closing on property under an option to purchase as well as a borrowing in 2018 to fund the estimated construction costs and when the debt can be paid off and the TID closure timeline. City staff thinks it is important for the Finance and Personnel Committee and other Common Council members to understand the costs associated with this project and provide a conceptual approval at this stage to allow the

necessary meetings to be scheduled with the Joint Review Board, Plan Commission and Common Council to approve creation of TID 18 by December 31, 2017 to following the deadline by the Wisconsin Department of Revenue for creating a new TID.

ACTION REQUESTED:

Motion to recommend city staff proceed with TID 18 - Expansion of Sheboygan Business Center project plan for further review and necessary approvals.

ATTACHMENTS:

None