

Florence County Economic Development COMMITTEE MEETING

MISSION: retain, expand and recruit a diversified business population which provides broad and varied job opportunities while safeguarding the area's natural surroundings.

Date: October 20th, 2016

Time: Thursday, 5:00 pm–2nd Floor Conference Room - Courthouse

1. Call to order and roll call

The meeting was called to order by Chair Larry Neuens. Members J. Bomberg, G. Steber, L. Neuens, L. Dzekute and F. Modschiedler were present. Director W. Gehlhoff, Highway Commissioner J. DeMuri, Florence Town Chair T. Bomberg, County Forest Administrator P. Smith, GLTPA Executive Director Henry Schienebeck and 11 loggers, truckers and a saw mill owner were present.

2. Approve agenda

The agenda was approved on a motion by G. Steber, F. Modschiedler 2nd, motion carried.

3. Approve minutes

The minutes were approved on a motion by J. Bomberg, L. Dzekute 2nd, motion carried.

4. Discussion re Forest Products Industry and Weights on County Roads

Lengthy discussion occurred regarding the 90,000lb weight limit signs posted on county roads. We are the only county in the state that has this lower weight posting on all county roads. This prevents our trucks hauling raw forest products from using the 98,000 lb on 6 axles permit system that the state of Wisconsin DOT transitioned to around 2008. The state DOT had independent engineering studies done to document that 8,000 lbs more on an extra axle puts less pressure per tire on the roads thus lengthening the life of the road and helping the Forest Products industry economically at the same time. The industry also increased fines and penalties on themselves to ensure that weight limits are followed. Pat Smith, County Forest Administrator brought data that shows we lose roughly \$58,000/year on county forest sale revenue. Several loggers stated they bid our county sales lower to compensate for extra trips which forces them to pay more fuel and driver wage costs. Discussions were that this is an enforcement issue. The State Trooper has been in our county a great deal more over the past year. Despite stopping many trucks, there were only 3 tickets issued to logging trucks from January through October of this year. Committee suggested that a highway meeting to include spokesperson from each group is the proper path forward.

5. Discussion/action re TIF Broadband Request

A TIF funding request to reimburse \$12,000 of a \$187,000 project that greatly increase broadband service speeds and reliability to the industrial park was discussed. Both Pride and Florence Hardwoods were struggling with poor speeds and service interruptions that were affecting their business operations. Florence Utility completed this infrastructure improvement project with Peninsula Fiber Network who will be the new provider for these businesses. This funding request is offset by the \$9,000+/year increase in tax revenue since Pride was sold to Medalist creating a \$561,000 assessment increase. On a motion by J. Bomberg, G. Steber 2nd, this \$12,000 TIF payment will be made to Florence Utilities pending receipt of an invoice. Motion carried.

6. Discussion/action re RLF Loan Program

- a. Loan Program Update – all loans are current except Tipler Bar & Grill. This business is still closed due to state sales tax delinquency. Discussed calling the loan due. The group felt calling in the loan adds lawyer cost plus selling a very old bar business building with a sales tax lien will be nearly impossible. On a motion by J. Bomberg, L. Dzekute 2nd the group agreed to rewrite the loan for \$100/month payments. Motion carried. The Director has permission to talk with the County attorney if need be to address this situation.
- b. RLF Loan Program 2017 financial bookkeeping – The extra position that County Treasurer J. Friberg has been paid to do for over 10 years will continue. \$1825 was approved during the budget process to continue paying for JoAnne to continue her 2 hours/week role as Revolving Loan Fund Program Financial Manager as she retires as County Treasurer at the end of 2016. On a motion by G. Steber, L. Dzekute 2nd, it was approved for J. Friberg to continue as RLF Financial Manager for the duties as listed. Motion carried.

7. Discussion/action re Administrator Travel- Director asked for clarity on when travel must be pre-approval. Out of state overnight travel must be pre-approved by committee.

8. Economic Development Project Updates- the attached update was reviewed.

9. **Board Member Concerns** - F. Modschiedler mentioned a \$350,000 trail grant that Blue Ox received. J. Bomberg mentioned that the Menominee River PUD Boat Landing is complete and turned out very well. WDNR will be issuing a press release.
10. **Adjournment** - On a motion by L Dzekute, 2nd by G. Steber, the meeting was adjourned. Motion carried.

Respectfully submitted,
Wendy Gehlhoff – FCED Director

EDC Project Update August 24th, 2016

- **RLF Loan Program**
 - 14 loans in Fence, Florence, Tipler, Long Lake. Loanable balance \$211,000. Tipler B&G in default.
 - Two loan applications requesting total of \$175,000 under review. Would leave \$36,000 balance.
- **Forest Products Industry Support**
 - Helping plan Forest Industry Day for FHS students (5th-12th grades) to get hands on exposure to the industry equipment, sustainable forestry and careers via \$1500 John Force Forestry Education grant.
 - Working with businesses to join free Supply Chain network to help grow their customer options.
 - State data shows Florence County total forestry/wood products jobs doubled between 2012 and 2014 from 131 up to 262. Payroll increased from \$5 million up to \$7.5 million and direct taxes went from \$119,000 up to \$310,000 while indirect taxes went from \$535,000 to \$1.2 million. (WDNR Economist)
- **Business Development and Entrepreneur Support**
 - Worked with 3 different day care providers, school and HSD to get an offer on the Chapin St. business.
 - Met with Crivitz pharmacist and DCH staff to initiate an agreement for a Telepharmacy business to rent space at the DCH Florence Medical Clinic. This creates 1.5 new pharmacy tech jobs and Rx for residents.
 - Assisted Living facility waiting on federal L1 investment monies – investors being vetted by feds.
 - Application to WEDC Connect Communities Downtown business growth initiative was approved – Downtown kick-off meeting is 9/21/16 with assistance from WEDC state level resource people.
 - \$3,500 Catholic Diocese Economic Development Technical Assistance grant led to consultant completed feasibility study for collective selling options for local producers. 10 people attended meeting and wish to first pursue a combined website to increase their sales followed by exploring models for retail store.
 - 2016 County Sales Tax Revenue through July down \$500 vs. 2015. Projecting \$240,000 for 2016.
- **Florence High School/Public Fab Lab**
 - Planning August 25th Industry Advisory meeting to discuss projects/plans for 2017/2018 school year.
 - Promoting public fab lab hours to encourage residents to explore “making things”.
- **TIF District (TID)**
 - Birchwood Meadows Assisted Living Developer Agreement signed by county and Zadeks.
 - 2 new TID proposals to review – one for a day care facility and one for a Telepharmacy at DCH Clinic.
 - DOR posted the 2016 TID Values – our TID increased 12% versus 2015. Up nearly \$3 million since 2014.
- **Tourism and WebsiteProjects**
 - Implementation of \$5,600 Tourism JEM grant to promote WI Wild Rivers waterfalls tour this fall included to date: Waterfall Guide content and photo revisions, 8”x11” flyer/map design, data tracking for visitor center, facebook campaign, photo contest plans, radio ads, press releases, billboard design, new sign routes and seasonal postcard mailer. Goal is facebook likes up to 9,000 and new visitors \$’s.
 - Did press releases, posters, ads & web promotion for Badwater Bass Tourney = 90 non-local fishermen.
 - Did press releases, posters, ads, web and facebook for Summerfest&Hunnies, Hot Rods & Hogs event.
- **Northwoods Rail Transit Commission (NRTC)**
 - On Michigan Rail Conference panel promoting the need for rail to improve regional economy.
 - Working with industry groups to define network of rail needed to service FP industry.
- **Other Projects**
 - Working on Florence attraction flyer to share with regional realtors, large employers and visitors.