

Highway Facility Evaluation Committee
Minutes
April 2, 2015

Committee members present: David Hintz-Chair, Robb Jensen-Vice Chair, Sonny Paszak, Scott Holewinski and Bob Mott. Jack Sorenson excused.

Staff present: Freeman Bennett, Brian Desmond, Luann Brunette and Mike Romportl.

Others present: Alex Young, Dan Gleason and Jonathan Anderson.

Call to order: Chairman Dave Hintz called the meeting to order at 9:00 a.m. noting the meeting had been properly posted.

Approve agenda: Motion to approve the agenda items at the discretion of the Chair by Bob Mott, second by Sonny Paszak. All ayes; motion carried.

Approve the minutes from the March 5, 2015 meeting: Mott noted clarification might be needed since only option 3 was reviewed and adjusted. Motion to approve the minutes of the March 5, 2015 meeting as adjusted by Vice-Chair Robb Jensen; second by Hintz. All ayes; motion carried.

Special County Board Agenda/Materials/Date: The committee discussed the requirements and possible dates for the proposed Special Meeting of the County Board noting the purpose of the meeting would be to provide direction as how to proceed. Jensen commented that there might be a need for a listening session for public input for this committee that all board members could attend.

Other considerations including TIF and Economic Development: Hintz stated the need for someone to be able to lead the discussion on TIF districts and the economic impact noting the Young volunteered to take on the role of explaining the role and the benefits to the area. Young discussed the economic benefits of a TIF district and a business such as Kwik Trip to the Kemp Street area noting that it is a better use for the land potentially encouraging development of the area as opposed to the existing highway shop possibly hindering development. Young also cited figures from employment and payroll from another Kwik Trip store in a comparable market in Fond du Lac. Young also stated the city has not held any formal meetings on a TIF District and discussed the Joint Review Board that would include representatives of all the taxing jurisdictions. Young also provided an overview of how a TIF district works including the time frame and how the revenue is generated and used whether as generated or to repay debt incurred in anticipation of revenue noting that it does not in of itself increase taxes and it would be the city that is liable for the debt service. Young added given the amount of money and work that is required to create a TIF district, the city's decision to do a feasibility study and possibly create a TIF district would come after a deal is reached between Kwik Trip and the county. Jensen commented redevelopment of the area would make it a more welcoming entrance to Rhinelander and benefit the county as a whole adding since the opening of the Kwik Trip on the east side of Rhinelander there seems to a positive economic impact to the area. Young stated the county is in the business of growing the tax base and the development of a high traffic count intersection would be beneficial to the entire county as well as the perception of visitors to the county seat. If Kwik Trip purchased and built on other property in the area it would not increase the tax base as much since it would be replacing something that was already on the tax rolls rather than building on the Highway site which is not currently adding to the tax base. Scott Holewinski question if the number cited by Young asking if the \$4.5 million included the \$2.3

million purchase price of the property. Young stated it was the city's assessor rough estimate of the improvements made to the Kwik Trip on Eisenhower not including the land. Holewinski added Wolf's Café was sold without a TIF district and development can happen without creating the TIF district adding Kwik Trip would likely purchase land in the area regardless and timing would play a factor in whether or not the \$2.3 million would be included in the TIF district. Young reminded the committee that the county would have a place at the table and a seat on the Joint Review Board. Holewinski commented that adding the \$2.3 million to the tax rolls would result in a \$0.08/\$100k reduction and a new facility built at a cost of \$10 million will raise taxes by \$12/\$100k for 10 years and eventually even with the \$4.5 million only reduce the tax by \$0.24/\$100k. Young compared the project to the city's waste water treatment plant that will last 100 years, and if you accept that the new highway facility will last 70 years it's best value to the taxpayer with the lowest net cost to the taxpayer over the long term basis. Jensen stated it is the responsibility of the Board to weigh the advantages and disadvantages over the long term and inter-generationally adding that companies are investing infrastructure and retooling because now is a good time to borrow. Young added the city's wastewater treatment facility was requiring Band-Aid fixes yearly and the city decided it was a better investment to plan for the future and build a new facility with a life of 100 years and increased capacity.

Options: Hintz presented a draft presentation for the Board to the committee that compared the options of remodeling the current facility compared to the construction of a new facility, the remodeling process, new facility process, tax and financing impact and how would the County Board like to proceed. Hintz commented to the committee need to discuss what should be presented to the Board for the remodeling options; either the 2 options or a hybrid. Same with the new facility estimate; the current \$9.6 million estimate or possibly return to the original \$13.8 million. LuAnn Brunette comment that when the Law Enforcement Center was constructed in 1999 the county's position was to reduce the square footage and the cost so they eliminated 10 stalls from the garage and less than ten years later we were looking at putting that square footage back in the form of a remodel. Had it been included at the time of the construction we may have paid less for it because the bid cost at the time of construction was so low. Jensen spoke to the needs that were identified as the result of the Barrientos study and the responsibility to address those flaws adding if environmental issues exist they should be identified and addressed rather than wait. Jensen questioned what kind of a fix and for how long; a Band-Aid approach that will last 10 years, more of option 2 that will last 40 years or a new facility questioning if the remodeling approach would address the life, safety and efficiency issues. Mott discussed the decision to choose Barrientos for the study and the trust that is placed in what they say since the committee members are not experts in building new facilities like this. Mott continued that when he and Freeman Bennett reviewed the options and what was adequate for both now and the immediate future and sent the revisions for review by Barrientos; they did not express any significant concerns. Mott suggested having Bill Devine review the plans and act as an independent guide since he will not be paid for developing the plan noting the committee need to depend on experts in the area. Holewinski questioned why the remodel included 34,000 square feet and only 24,000 square feet was allocated for parking in the new construction and why is there only parking for 20 when the estimate was for 27. Bennett stated he based his estimates on the trip to Jefferson County and their building size in proportion to the number of employees noting we have half the employees and no interstate so how could our estimate come in at \$14,000 if their facility cost \$17,000. Freeman stated 26 stalls in heating parking were required. Holewinski questioned why then would we build a new facility with only 20; noting it would require about additional 12,000 square feet. Holewinski stated the remodel of the current facility was overstated as well noted 800 square feet per truck is what is required and were drawn in smaller in the remodel. Adding option 2 should be a 115 foot addition verses 180 feet and option 3 should have an additional 115 feet on it and well as disparity in welding area square footage.

Jensen confirmed that really what was needed was an apples-to-apples comparison. Responding to questions from Mott, Bennett stated there are currently 16 in heated storage but looking down the road twenty years there will be more brine trucks and larger capacity trucks, tandem and quad axle trucks instead of single axle trucks adding at current there are 9 plow trucks, 2 brine trucks, 2 frontend loaders, 2 skid-steers, and a PolyPatcher and a tar kettle which are not everyday things. Holewinski stated when he was in the shop on an earlier day there were other vehicles that plugged up the whole center. Jensen stated that in order to compare the extensive remodel to the new facility the same standards would need to apply to each. Hintz stated that in his mind he would like to present the County Board with a cost for a remodeling option and a cost for the new facility noting that it is important the cost adequately reflects the needs while not underestimating the cost to build. Bennett stated the new facility would be sufficient at present noting he did add in space for the 2 extra trucks in anticipation of future needs but added there wasn't a need for a large welding space since there is no fabrication done at the shop. Jensen stated concern for the availability for expansion at both the current and the new facility options. Holewinski commented he would like to go back to Barrientos for clarification and an equal comparison before presenting to the County Board. Mott proposed writing down the questions of the committee members and presenting those to Barrientos. Holewinski commented that because the administrative area is less than 3,000 no elevator is required to be ADA compliant and the total cost of the truck wash was \$515,000 questioning the need for a state of the art truck wash. Holewinski continued questioning the need for locker rooms and showers noting that changes to the plan seem to be happening regularly. Jensen commented the changes were occurring in response to the committees concerns as they arose and the decisions can be defended and explained to his constituents agreeing that more apples to apples comparison is necessary questioning if a third party opinion should be sought. Bennett commented that he felt the ADA requirements need to be clarified. The committee discussed the variations in the remodel and the new facility plans relating to the requirements for welding area, heated and cold vehicle storage. Hintz stated he would like to see both a remodel and a new facility. Brian Desmond noted that the plan was a public record and anyone could do an evaluation and comment on the plan. Mike Romportl stated that options 1 and 3 would be fairly easy to justify or revise; however, the extensive remodel would be more difficult to compare. Mott stated he would like to see numbers on Kwik Trip's impact on other communities. Jensen proposed that Holewinski, Mott, Bennett and Brunette meet to develop the set of questions to be submitted to Barrientos for clarification. Holewinski, Mott, Bennett and Brunette agreed to meet on the following Monday at 1:00 pm to develop the questions. Romportl stated that the satellite facilities all work out of the main shop for the spring, summer and fall and all maintenance is performed in Rhinelander. Bennett added that all the outlying shops are there for is fuel, salt and a place to park the truck. The committee discussed the timeframe necessary to answer its questions and the need to ask for an extension of the Kwik Trip offer. Jensen suggested that the amount of time be adequate to answer questions the public may have and explain the logic of the decision to the taxpayers. Motion to recommend to the County Board to ask for an extension to respond to the Kwik Trip offer until August 1, 2015 by Jensen; second by Paszak. The committee discussed the decisions that would need to be made prior to a response. Hintz expressed his desire to have both a remodeling and a new facility plan with costs to present to the County Board. All ayes, motion carried. The committee discussed the timing of a third party opinion deciding it would be after the plans and questions were clarified and reviewed by the committee but before presenting to the County Board.

Closed Session: None

Vouchers, reports, and bills: Bill from Barrientos will be brought to next meeting.

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Future meeting dates: April 20, 2015 1:30 pm

Future Agenda topics: Jensen suggested looking at additional ways to get information to the public such as lessoning sessions.

Public comment: None

Adjournment: Motion to adjourn by Paszak; second by Mott. All ayes; motion carried.

David Hintz, Committee Chair

Dan Gleason, Recording Secretary