

PETCO STUDY COMMITTEE MINUTES
Committee Room #2, Oneida County Courthouse
March 25, 2019 • 9:00 a.m.

COMMITTEE MEMBERS PRESENT: Bob Mott/Chairman, Russ Fisher, Tom Kelly, Jack Sorensen, Mike Timmons, Bruce Stefonek (Highway Commissioner), LuAnn Brunette (Facilities Director), Stacey Johnson (Economic Development Executive Director)

ALSO PRESENT: Lindsey Kennedy (LRES); Matt Persike (Star Journal); Richard Moore (Lakeland Times)

CALL TO ORDER AND CHAIRMAN'S ANNOUNCEMENTS

Chairman Mott called the Petco Study Committee to order at 9:00 a.m. in Committee Room #2 of the Oneida County Courthouse. The meeting has been properly posted in accordance with the Wisconsin Open Meeting Law and complies with the Americans with Disabilities Act.

APPROVAL OF AGENDA (ORDER OF AGENDA ITEMS AT CHAIRPERSON'S DISCRETION)

Motion by Sorensen to approve today's agenda. Second by Timmons. All Committee members present voting 'Aye'. Motion carried.

INTRODUCTIONS

Mott welcomed and thanked the committee members for their participation in the Petco Building Study Committee. Mott stated that the job of the committee is to formulate a report to offer the County Board on the advantages and disadvantages of purchasing the Petco building and the initial time frame was within 60 days. Mott stated that after further consideration the 60 day timeframe may not be feasible but that the committee will do their best to get the ball moving and be as efficient and expedient as possible.

All committee members introduced themselves, provided their background and reasons for being on the committee.

During his introduction, Sorensen stated that he voted against the formation of this committee but volunteered to be a member to ensure the committee did its due diligence as he felt that previous committees have not. Sorensen also stated that he felt it was very important for the committee to remain in open session and felt there was no reason for this committee to ever go into closed session. He also stated that it is important to make sure that none of the other committee try to circumvent the open meetings laws by having County supervisor tour Petco 1 or 2 at a time. Sorensen stated that if the committee can't work out something with Petco to meet the open meetings law this whole thing is dead on arrival. He added that he strongly opposes the idea of Oneida County going into the leasing business.

Johnson interjected that all of Sorensen's concerns are valid and part of the reason this committee was formed. Johnson stated the members of this committee understand the needs of the community so it makes sense to get their input on the future of this property.

GOALS OF COMMITTEE

Mott stated that the goal of this committee is to investigate the advantages and disadvantages of Oneida County purchasing the Petco building and property and report the finding to the Administrative Committee.

Sorensen stated that Highway (Public Works) Committee Chairman Jensen said he would like his committee to tour the building and that if it is determined that it is not an ideal space to relocate the Highway Department that there would be no reason to continue with this committee. Johnson indicated that although the Highway

Department is a one very important portion of the building, it's a small portion in terms of square footage of the full potential of the project.

Timmons stated that he is a member of the Highway (Public Works) Committee and would like these three questions answered: what is for sale; what is the cost; and what is the cost to update/renovate? He also would like to see the actual blueprints of the building that is for sale.

Johnson wanted to discuss the issue of closed session further with the committee and stated that any contractual discussions with leasing partners, prices and negotiations would need to be discussed in closed session. Richard Moore, Lakeland Times, questioned if the propose of this committee was to negotiate. The committee confirmed that it is not. Moore stated then the issue of having to go into closed session should not be an issue.

Johnson wanted to clarify a comment that was made in the media regarding Petco not allowing media to accompany committee members during a tour of the facility. Johnson indicated that Petco has not been contacted regarding this statement. Johnson stated that Petco wasn't going to allow media in their facility while employees were present at the request of their existing employees. It was to protect the interest of the employees still working at the Petco facility who would like to maintain their privacy and do not wish to be videotaped. At this time Petco has honored the employees' wishes. Johnson stated that she can reach out to her Petco contacts to arrange a tour of the facility outside normal operating hours to allow media to attend but also protect the privacy of their employees.

AREAS OF STUDY/QUESTIONS

The committee members were provided handouts prepared by Mott regarding the list of areas of study and questions that need to be answered. Each item on the list was reviewed and assigned to a committee member(s) to complete or obtain additional information and report back to the committee.

1. **What is the asking price of the building including a listing of all materials and land that will be included in the sale? Include associated costs of buying.** *Stacey Johnson, Darcy Smith (Finance Director) and Jack Sorensen*
Johnson clarified that the live aquaria building and the retail center are not included in the potential sale. The sale would include: 28 acres in total, one building and one cold storage outbuilding.
2. **Appraisal – cost; timeline; what firm could do this? How accurate would it be w/o comparables in the area?** *Jack Sorensen and Stacey Johnson*
No appraisal has been done by Petco. Sorensen stated Petco should have the appraisal done and we would need to find out if Petco will share the results of the appraisal to the County. Sorensen stated he has never done commercial appraisal work but there are area appraisers that he can reach out to see if they have the ability to do the appraisal or if a national appraisal company needs to do it. Another issue brought up would be the cost of the appraisal, what is the budget for the committee? Mott clarified that Chairman Hintz advised him to bring the committee's requested budget to the Administrative Committee for consideration.
3. **Building Inspection- cost; who could do? Should cover entire structure- roof; windows; heating/cooling systems; lighting; electrical; other** *Bruce Stefonek and LuAnn Brunette*
Sorensen stated Stefonek and Brunette may not have the expertise to do the building inspections. Mott clarified that he understand that Stefonek and Brunette may not be capable of performing the actual inspections but have gained contacts due to their current positions within the County that can perform the actual inspections.
4. **Remodeling costs to accommodate highway and transit. Interior walls; air exchange system; drains; wash bay; lifts; overhead cranes; lighting** *Bruce Stefonek and LuAnn Brunette*

Mott stated that Stefonek should be included on this as he knows what is needed for the highway shop and can see what areas can be used as is or needs to be remodeled. Mott stated that items #3 and #4 can possibly be done together by the same vendor. Brunette wanted to clarify with the committee on whether they are looking only into moving the Highway Department to this location, not other departments. Mott directed Brunette to contact the County's Department Heads to see if they have any interest in moving or need for storage space at the Petco building.

5. Tax impact and ways to offset for city and county (new business at highway property; rental and its impact; etc.) *Bob Mott and Stacey Johnson*

Johnson stated that she does have some information on comparables and will bring to the next meeting.

6. Moving costs *Bruce Stefonek and LuAnn Brunette*

7. Sale of highway property *Tom Kelly, Stacey Johnson (obtaining original information), Jack Sorensen*

Johnson stated that Kwik Trip is still interested in the purchasing the current highway building before moving forward with the Petco purchase. Johnson confirmed that Kwik Trip is still interested in purchasing the land that Oneida County Highway Department is currently housed on but would like a letter of interest or intent from the county in regards to the sale of the land.

- a. Advertise
- b. Does KT get first choice?
- c. Who contacts
- d. Offer details
- e. Who handles sale
- f. Timeline of sale/move - dovetail with possible Petco purchase

8. Utility costs *Bruce Stefonek, LuAnn Brunette, Stacey Johnson and Russ Fisher*

Johnson stated currently utilities are \$25,000/month.

- a. Full building including any cold storage costs

9. Utility Systems *Bruce Stefonek, LuAnn Brunette, Stacey Johnson and Russ Fisher*

- a. Heating and cooling
 - i. Age
 - ii. Condition
 - iii. Ability to heat and cool areas within building differently
 - iv. Effects of doors opening and closing on costs winter and summer

10. List and costs of needed upgrades/ replacements *Bruce Stefonek, LuAnn Brunette (related to #3) Russ Fisher*

Also projected costs for future upgrades and repairs (roof, heating, windows, etc.)

11. Purchase – options of how to pay *Darcy Smith*

12. Rental *Brian Desmond (Corporation Counsel) and Stacey Johnson*

- a. Level of interest
- b. Amount of space that would be rented
- c. Return on those rentals
- d. Details of rental-
 - i. Are utilities included?
 - ii. Who does the details of a rental?
 - iii. Length of lease/s
 - iv. Payment terms
 - v. What is included in the lease?
 - vi. Who does the month to month details needed in the lease?
 - vii. Renegotiation of terms

- viii. Space available and how to market that
 - ix. Equipment needs for storage
 - x. Insurance – amounts; who provides; other terms; who oversees
13. Security *LuAnn Brunette*
- a. Needs
 - b. Cost
14. Rental charges for the office area/call center #12, #14 and #15 go together; *Brian Desmond and Stacey Johnson*
- a. Included?
 - i. Internet
 - ii. Utilities
 - iii. Insurance
 - iv. Fire protection
 - v. Security
15. Needs to offset costs of being a landlord #12, #14 and #15 go together; *Brian Desmond and Stacey Johnson*
- a. Office cleaning
 - b. Garbage disposal
 - c. Key/lock systems
 - d. Enforcement and problems arising from leases
16. Blueprints of building to use to outline uses of the building *Tom Kelly and Russ Fisher*
- a. Highway
 - b. Transit
 - c. Other uses
17. Uses *LuAnn Brunette and Stacey Johnson*
- a. What county departments and their needs
 - b. Local, area, regional groups that may be interested in rentals
 - i. Specific needs for each and who handles accommodating these needs
 - c. Who recruits lessees?
18. Cost versus return *Darcy Smith with considerable input of facts discovered*
- a. Need simple statement showing these
 - b. What happens if lessee leaves – replacement- terms (how much notice etc.)
19. Cost to operate highway building versus anticipated cost of the Petco facility *Bruce Stefonek and LuAnn Brunette*
20. Snow removal and other exterior and interior maintenance costs *Bruce Stefonek and LuAnn Brunette*
21. Sale *Stacey Johnson*
- a. What equipment is left?
 - b. Is there a cost for that material versus its value (computers; storage racks; etc)
 - c. Who negotiates; who writes terms of the sale; who decides if it is a “good” deal
22. Exact square footages and plans for areas of use *Bruce Stefonek, LuAnn Brunette, Tom Kelly and Russ Fisher*
23. Place to gather and display information *1st floor conference room, Oneida County Courthouse*
24. Cost to bring in needed experts – way to pay those costs *Stacey Johnson*
Mott stated County Board Chairman Hintz advised him to bring the committee’s requested budget to the Administrative Committee for consideration.
25. How to pay for the building – options *Stacey Johnson*
- a. Sale of highway property

- b. **\$750,000 CBDG funds** Johnson explained CBDG funds are a revolving loan fund and can apply for the development of a community building.
- c. **Borrow and costs**
- d. **Use “X” amount from general fund – perhaps all)**
- 26. **Visuals for the presentation *ITS Department***
 - a. **Conceptual drawings**
 - i. **Who Does?**
 - ii. **Costs**
- 27. **Secretarial help *Lindsey Kennedy, LRES***
 - a. **Printing costs**
 - b. **Duplicating**
- 28. **OCEDC arrangement for costs for administering some of the areas of rental and search and being possible contact *Stacey Johnson***
- 29. **Third party costs for renting and maintaining the lease *Stacey Johnson***
- 30. **Insurance Costs *Stacey Johnson***

Insurance cost throughout the state of Wisconsin varies so greatly that it is hard to come up with a solid number. Johnson will bring the comparisons that she has.
- 31. **Kwik Trip or other prospective buyer *Bob Mott***

Mott will reach out to Corporation Counsel for more information on this topic.

 - a. **Dollars and details**
 - b. **Who handles those negotiations?**
 - c. **Costs involved**
 - d. **How is the city involved?**
- 32. **Rental costs for Transit and others? This topic will be shelved at this time.**
 - a. **How are rates set?**
 - b. **Contracts involved – who draws them up and enforces them**
- 33. **In the end there needs to be a pros and cons list developed *Stacey Johnson and Bob Mott***

Johnson would like to make an informational binder that would be kept in the 1st floor conference room at the Oneida County Courthouse to allow the information of the committee to be available.

 - a. **The Committee needs a clear way of determining what needs to be considered and what needs to be presented**
 - b. **Shall the Committee offer a recommendation and if so based on what information?**
 - c. **It’s been suggested that the Highway Committee and the Administration Committee needs the details – are there other groups who need this material?**
 - d. **Does there need to be public information sessions to discuss the idea**
- 34. **Is the final decision based on Expense versus Return? Other considerations –? The answer to this question cannot be answered at this time but Mott stated it is something that the committee needs to be thinking about.**
- 35. **How should the committee work? *Stacey Johnson and Bob Mott***
 - a. **Set dates for meetings?**
 - b. **Have reports at each meeting?**
 - c. **Duties of committee**
 - i. **Investigative**
 - ii. **Formulate questions**
 - iii. **Decide when enough information on each topic is gathered**
 - iv. **Decide how to put together final report**
 - v. **Other**

36. Possible tasks

- a. Formulate questions that need to be answered to arrive at a sound recommendation
- b. Find the proper people to answer those questions
- c. Put together information in usable form
- d. Make a decision based on facts
- e. Decide if more than 60 day goal is needed
- f. Decide on meeting times and dates
- g. Assign duties/responsibilities
- h. Decide on ask for funding for “experts” – county board ask
- i. Other

37. Interest in building- *Stacey Johnson*

ADDITIONAL QUESTIONS

Mott asked the committee to give permission to draft a letter to Petco in regards to the purpose of this committee. Committee members in agreement.

Stacy Johnson wanted to get the input from the committee members on how the media will be updated on the progress of findings from the committee. She would like to make sure that the information that is provided to the media accurately represents the committee’s views. It was determined that Mott and Johnson will be the points of contact regarding meeting information, press release type of information and that all questions should be directed to them.

ASSIGNMENTS

Refer to Areas of Study topic from above.

TIMELINE

To be determined.

PUBLIC COMMENTS

None

FUTURE MEETING DATES

April 2, 2019 at 9:00 a.m.

April 12, 2019 at 9:00 a.m.

FUTURE AGENDA TOPICS

Update on collected information from committee members

ADJOURNMENT

Mott announced the adjournment of the Petco Study Committee meeting at 11:19 a.m.

/s/ Bob Mott
Bob Mott, Chairman

04/02/2019
Date

/s/ Lindsey Kennedy
Lindsey Kennedy, Committee Secretary

04/02/2019
Date