



DIRECTOR'S REPORT

December 2, 2019 – March 9, 2019

INDUSTRIAL DEVELOPMENT PROJECTS

Amazon: In early January Amazon announced that it would be the tenant of the 1 million square foot building currently being constructed on an 80 acre site in the Gateway Business Park. The land was sold by the GBEDC to Peyton Paisley WI LLC, a division of USAA. Amazon will operate a fulfillment center at this location that will create 500 new full-time jobs with industry leading pay and a comprehensive benefits package. Capital investment is expected to exceed \$100 million dollars. This project will be one of the largest capital investment and job creation projects ever in the Greater Beloit area. The project is on schedule for the developer to deliver the completed building to Amazon by the end of September 2020.

HCP Spec Buildings III and IV: The GBEDC has approved an offer from HCP to purchase a 40 acre GBEDC owned site in the Gateway Business Park located south of the Staples Order Fulfillment Center. HCP intends to construct two 208,000 square foot spec buildings on-site. The developer's goal is to begin construction on the first building in the spring/summer of this year.

NorthStar Medical Radioisotopes LLC: In 2018, NorthStar announced that it received approval from the U.S Food and Drug Administration (FDA) for its RadioGenix® System (technetium Tc 99m generator). An innovative, high tech separation platform for processing non-uranium molybdenum-99 (Mo-99) for the production of the important medical radioisotope, technetium-99m (Tc-99m). Earlier this month, the company announced a landmark for its RadioGenix System and success in its efforts to provide the U.S. with dependable radioisotope supply. In the 12 months since becoming commercially available, NorthStar's RadioGenix Systems have provided customers and patients with reliable, uninterrupted supply of Tc-99m through U.S. production of the medical radioisotope molybdenum 99 (Mo-99). This is a significant milestone in the company's ultimate plans to create dual manufacturing operations to further secure reliable, non-uranium based Mo-99 radioisotope supply for U.S. customers and patients.

NorthStar opened its 50,000 SF facility headquarters in 2016 in Beloit and in September of this year, completed construction of its 20,000 SF isotope processing facility. During the same month, the company also broke ground and began construction of its 34,000 SF electron accelerator facility, with the first two accelerators currently being assembled and on schedule for delivery next year. NorthStar will use the accelerators to convert Mo-100 to the medically useful Mo-99, which will be processed in the adjacent isotope processing facility on its Beloit campus. This \$35 million dollar project will enhance production efficiencies and complete the creation of dual manufacturing operations to further secure reliable, non-uranium based Mo-99 radioisotope supply for U.S. customers and patients. The company expects to approach 200 employees by the end of the year with more jobs being added as the company grows. Along with manufacturing, research, development, and engineering, the collective NorthStar facilities will serve as a hub for processing, distribution, and recycling of radioisotopes.

Lyons TRU to Nature: This past April, Lyons Magnus, a leading developer and manufacturer of fruit and flavor solutions for the foodservice, healthcare, and dairy industries, announced that it acquired TRU Aseptics, LLC. In connection with the acquisition, Lyons Magnus will be making significant investments into the Beloit facility that will bring state-of-the-art technologies for blending, processing, and filling products. This portfolio will be marketed as Lyons TRU to NATURE products.

The GBEDC assisted in the financing to TRU Aseptics with their initial startup by providing a \$100,000 loan that was paid off with the acquisition. Along with a 62,000 building addition the company expects it will employ up to 200 people when fully operational. Total capital investment being made into the Beloit facility is estimated at \$70 million dollars. Work is complete on a new parking lot across the street from the main facility to accommodate the growing workforce and construction is well underway on the large addition.

ABC Supply Expansion: At the 2018 GBEDC Annual Investors Meeting, ABC Supply's Director of Real Estate, Mark Singer, announced the Company's plans to construct a new 4-story office building to be located at the corner of White Avenue and Prince Hall Drive. This new 132,000 square floor building will be home to 270 to 300 employees initially and could house up to 600 employees when completely built out and fully occupied. This \$30.5 million dollar project is under construction and is expected to be complete in the spring of 2020. Office functions that will take place in the building include administrative, accounting, finance, and credit units.

West Riverside Energy Center: As of early March, Alliant Energy's West Riverside Energy Center is more than 99% complete. About 3 million work hours have been spent on the construction project with roughly 125 workers continuing to be on site. The facility is going through the process to be ready for startup. This includes performance, functional and reliability testing. Paving and landscaping work still needs to be completed. The generating station is expected to be in operation this spring.

Pratt Industries: Pratt has leased 142,000 square feet of space in building #10 in the former Alcoa Building. Pratt intends to use the space for warehousing material. With his addition the site is fully occupied.

REDEVELOPMENT PROJECTS

Beloit Snappers: After playing Class A affiliate professional baseball at Pohlman Field for the past 38 years the Beloit Snappers is moving closer to having a new stadium downtown to be located at the 7 acre City of Beloit owned Riverbend site. In late September conceptual plans for the new site were announced along with the team's future acquisition by Pensacola-based Quint Studer who co- owns the Pensacola Blue Wahoos. The proposed 3,500 seat facility is currently being designed by architects Jones Petrie Rafinske and will be developed by HCP. The river site location at 217 Shirland Avenue has an estimated cost of \$34 million and will be funded completely with private funds. A new non-profit Riverbend Stadium Authority has been created to own and control the ballpark and will enter into a 20 year lease with the team's owner Studer. Capital commitments, along with a variety of approvals from the City of Beloit, City of South Beloit, WDNR, and the Major and Minor Leagues will be required before an anticipated opening day of April 2021. Construction is expected to begin this spring.

Visit Beloit Project: Last year the City of Beloit issued an RFP to solicit proposals from interested parties to redevelop the former Angel Museum building known as St. Paul's on the RiverFront located at 656 Pleasant Street. The City was seeking a developer to transform the site into a new use that is compatible with the surrounding land uses, complement the existing business mix, and will be economically viable long-term. Several proposals were submitted and reviewed by staff. Ultimately, the City chose to focus on the proposal from Visit Beloit. In Phase I of Visit Beloit's proposal the existing building will house Visit Beloit's office temporary on the Garden Level and the main floor will be converted into an event venue at a cost of \$434,000. Phase I will take place in 2020. Phase II will, planned for 2021, will include a

7,980 square foot office suite addition that could possibly house the Vision Beloit Partners including the GBEDC. Total cost for Phase II is estimated at \$2,185,000.

South Beloit Brownfield Assessment Grant: The City of South Beloit is just one of only five communities to be awarded a U.S. EPA Brownfields Assessment Grant from the State of Illinois. The grant will provide funding for the City to develop and prioritize an inventory of brownfield sites, perform Phase I and Phase II Environmental Site Assessments, and develop site-specific cleanup and redevelopment strategies. Although the funds for this grant cannot be used for actual cleanup projects, sites identified and evaluated may be eligible for future cleanup grants. The grant is community wide and the funds will be available for three years. The City plans on having its first meeting of the Steering Committee has been established and will conduct its first meeting at the End of March.

The Powerhouse: On February 7th Beloit College dedicated the first section of the Powerhouse. This adaptive reuse of the former Alliant Blackhawk Generating Station into a student union and resource center includes flexible meeting spaces, a complete fitness/wellness center, food service, indoor field house, and a lecture hall/movie theater. The project is taking advantage of state and federal New Market Tax Credits and Historic Tax Credits to support the project. In 2018 Beloit College announced that the projects architect, Studio Gang Architects, had won top prize at the World Architectural Festival. In June, the pedestrian bridge spanning Highway 51 and connecting the Powerhouse to main campus was installed. This \$38 million dollar project is expected to open in two phases with the new field house addition to be completed by May. Construction on the Riverwalk that will be built on a bridge structure on the east bank of the Rock River and will be immediately adjacent to the building will be starting soon. Construction is expected to be completed by the end of November.

80/100 East Grand Avenue: Hendricks Commercial Properties (HCP) owns this former office building. The company continues to explore potential reuse options for the property but is planning on removing all the existing structures and in-filing with a multi-story mixed-use development with a focus on office uses. Demolition of the existing structures is planned for 2020.

Wright and Wagner Lofts: HCP is in the process of removing the former industrial structures at 200 West Grand Avenue to prepare the site for a mixed-use redevelopment project. HCP plans to construct up to three new buildings that will include market rate housing, retail, office and parking uses. Construction on the first building is expected to begin in the near future with occupancy for the first 53 lofts expected to be complete by the end of the year scheduled for 2020. Long term plans are for the second and third buildings to follow approximately one year apart each. Each building will be 58,396 square feet and capital investment is estimated at \$13,000,000 for each.

South Beloit Redevelopment Partnership: After many years of working to address more than 40 vacant abandoned or tax delinquent properties, the City is developing a new partnership to streamline and expedite the process to acquire these properties. By doing so, the City hopes to either demolish the functionally obsolete structures and position them for redevelopment. Recently a drone survey of target properties was conducted.

RESIDENTIAL DEVELOPMENT

Town of Beloit Residential Projects:

Willowick Assisted Living: Framing is complete and mechanical systems work is under way on this 29,817 square foot project being built by Goldridge Companies out of Eau Claire, WI. The first phase of this project at 3020 Bartells Drive will include 12 RCAC units, 24 CBRF units, for a total of 36 units. Capital investment is estimated at \$4.4 million and a second building is under consideration in the future.

Blackhawk Run: Located just east of Turner High School and contains a mix of duplex and single-family homes. Two units (1 single, 1 duplex) are currently under construction, with 3 more single family homes expected to break ground this spring. Approximately 24 single family and 21 duplex units are remaining.

Courtney Condos: A duplex condominium development located just east of Turner High School. Two buildings, containing a total of four units, are currently under construction.

Glen Hills Plats 6 & 7: Home construction has begun in the Glen Hills 6 subdivision. Three single family homes are currently under construction.

511 Public Avenue: HCP is finalizing plans to develop 14 high-end row houses at 511 Public Avenue downtown at the former First Methodist Church site. The project will also involve 2,300 square feet of commercial space on Public Avenue across from the Hotel Goodwin. The City of Beloit has approved a Planned Unit Development and Rezoning for the project. Ground breaking is anticipated in this spring.

Eagles Ridge Subdivision: New Leaf Homes continues to build single-family homes in the Gateway Eagles Ridge subdivision. New Leaf's third subdivision includes up to 22 new lots for residential development. Two homes have been sold, three homes are under construction, and seven have been completed and are on the market for sale. New Leaf is also working to have its final plat approved for the 33 lot fourth subdivision and is in process of planning for the fifth 37 lot subdivision. Combined these will add an additional 70 lots.

Hawk's Ridge: Hawk's Ridge Apartments, LLC is in the process of constructing a new 4 story 196,000 square foot building that will add 75 additional multi-family units at their apartment complex in The Gateway Business Park. The estimated Assessed Value of this eighth building project is \$11.4 million. A ninth, and final 75 units building, is also under consideration to complete the complex.

The Oaks II: Hendricks Commercial Development has started construction on the public infrastructure that will support the development high quality, professional level, homes on this recently plotted 22 lot sub division. At its September 2019 Board Meeting the GBEDC approved to provide the developer with a \$25,000 Discretionary Grant to close a financing gap for the \$1.1 million of the public infrastructure costs. The first homes are expected to be under construction this spring.

Cranston Road Elderly Care: Beloit Elderly, LLC, the same developer of the Willowick living project in 2017 has just completed construction on Phase I of their new assisted living project at 2410 Cranston Road. This first 14,000 square foot building contains 24 units and cost

approximately \$2,000,000. Over the next two years several additional buildings will be added to create a total of 96 units.

COMMERCIAL DEVELOPMENT

OfficePro: OfficePro plans to relocate its operations based in Janesville and Elkhorn to the former Staples retail space at 1810 Sutler Roan in the Morgan Square plaza. The facility will be the company's headquarters, distribution center, and document shredding facility. It will also offer a public office furniture and janitorial equipment. The public will also be able to purchase business products, facility products, and drop off shredding. The company will employ 30 individuals at its new 24,000 square foot facility that it hopes to fully occupy by June.

Allied Games: Allied Games has had a long presence in Beloit at 2951 Kennedy Drive but earlier this year Allied Games sold their property to their neighbor Lyons TRU to Nature, to allow the company to expand its operations. Fortunately, Allied Games owns property across the street at 2155 Wyetta Drive where it is presently constructing 18,120 square foot replacement facility that will leverage \$2.5 million in private investment.

Sunnyside: This new retailer will be one of the first legal recreational marijuana dispensaries to operate in the State of Illinois at its approved location at the corner of Willowbrook Road and Gardener Street (directly south of the Road Ranger truck stop) in the City of South Beloit. Cresco Labs will be the owner operator of the 7,000 square foot facility that is currently under construction by DYN Commercial Holdings. The City of South Beloit approved a special use permit and a Municipal Cannabis Retailers Occupation Tax to pave the way for the facility to begin operations as early as April 1, 2020.

INFRASTRUCTURE IMPROVEMENTS

South Beloit Public Wastewater Treatment Plant: The City of South Beloit broke ground June 2018 on its new \$34.7 million wastewater treatment plant. Construction has reached the sixty-five percent completion point and constant until the new plant is operational which is expected to occur by July 1st.

I-39/90 Expansion: In 2018 WDOT announced that it was accelerating its construction schedule for the widening of 45 miles of I-39/90 from 4 to 6 lanes from the Stateline to Madison. The project will include the reconfiguration and reconstruction of the I-39/90 and I-43 interchange into a diverging diamond interchange configuration. Construction activity is expected to be continuous now through the projects scheduled completion in 2021. The reconstruction of the interchange will take place 2020 through 2021. The GBEDC and fellow Vision Beloit Partners will continue to provide staff resources to aid the business owners in the Milwaukee Road Corridor and Gateway Business Park that will be impacted by the disruption caused by the project. Recently the Partners worked with WDOT to stage two signs in the temporary I-39/90 and I-43/WIS 81 interchange locations to allow motorist to know that access was open to Beloit business during construction.

WORKFORCE INITIATIVES

Building our talent pipeline is essential for the future growth of the state line area. The Business and Education Committee is committed to building our talent pipeline and engaging our business partners in this important initiative.

- In the fall of 2019 the committee, in partnership with Hendricks CareerTek, worked with a Beloit College Duffy Student interviewing local businesses and non-profits regarding our talent pipeline. We received a 30% response rate from employers willing to be interviewed. The questions pertained to workforce concerns in the next 3-5 years, current programming for building their pipeline, skills gaps they are seeing, and what level of engagement they would like to participate with the committee. The respondents were a mix of manufacturing, food, finance, and hospitality sectors. The largest area of concern is a skills gap, specifically soft skills. The committee will be working on several areas to address the themes of the interviews but the good news is the amount of companies that want to be involved in building a talent pipeline for all. Areas we're focusing on will be curriculum involvement, internships, mentorships, and career exploration such as job shadows and career panels.
- 23 companies participated in the **Rock Internship Program** in 2019. The purpose of the 2020 summer Rock Internship Program is to accelerate personal, as well as professional, skills development and career-related exposure for rising High School Seniors. This structured, earn-and-learn (paid internship) model will provide students with a meaningful, career pathway experience that will serve as a foundational element of their ACADEMIC & CAREER PLAN (ACP); thereby, positioning students for future academic and workplace success. As such, students will gain: valuable interviewing, job searching and resume building experience; direct, career exposure at a worksite; opportunities to develop or improve communication, critical thinking, leadership and teamwork skills; and important networking connections. These internship placements are competitive, and determined by a combination of factors, including but not limited to: match-making / compatibility with student ACP's and the types of available internships. If you're interested in hosting a Rock Intern for this summer, please contact Kerry Osmond, (608) 757-7728, or kosmond1@blackhawk.edu THIS WEEK as interviews start March 23, 2020.
- The **Craftspeople with Character** program, a partnership with Hendricks Career Tech and Blackhawk Tech, will be starting its third summer of job exposure for local high school students. South Beloit is continuing the program through the 2019/2020 school year.
- The spring **Practice Interview Program** at Beloit Memorial High School has started this week. This is a three part program consisting of classroom interview training, resume building, and the actual practice interview with a local professional. If are interested in being this local professional for a few students you can sign up at: <https://www.signupgenius.com/go/8050445a8a829abf58-bmhs2>. This link contains a volunteer application that must be completed if you have not volunteered for the Beloit School District in the past.

STRATEGIC INITIATIVES

STRATEGIC PLANNING: Last year the GBEDC's Strategic Planning Committee issued an RFP to solicit proposals from consulting firms to assist the GBEDC to prepare its next three to five year Strategic Plan. In March the committee selected Redevelopment Resources to fulfill this role. The process to develop the plan began in April and a planning retreat took place in June. The consultant has submitted a draft set of Priorities and Opportunities that was reviewed at a joint Strategic Plan Executive Committee meeting in September. The goal is to have the GBEDC Board approve the final plan at its March Board Meeting.

10-Mile City/Retail Report: The GBEDC and Beloit 200 have agreed to collaborate to engage Belmark Associates to conduct a market analyses for the Greater Beloit area. This will be a replacement for the Retail Report and 10-Mile City Reports that the two agencies have conducted separately in the past. This report will provide the retail leakage analysis that past GBEDC reports have and will include a more robust analysis of the housing market. The geographic area will be based on a 10 mile radius of downtown Beloit as opposed to the Census tracts that GBEDC used in the past. Both organizations will share the cost of the study and will update future reports collaboratively on a regular basis.

NEW LEADS AND PROSPECTS

Prospects Overview: As of 3/9/20 staff has responded to 1 new prospect since last quarter.

RETENTION/EXPANSION PROJECTS

Retention Activity Overview: As of 3/9/20 staff is tracking 4 retention/expansion projects.

BUSINESS RETENTION & EXPANSION PROGRAM (BRE)

GBEDC staff recently conducted the following courtesy calls:

Beloit Health Systems
BRP

To date 293 formal BRE interviews have taken place in Rock County.

GBEDC STAFF ACTIVITY

- Attended Visit Beloit Board meetings
- Attended Chamber Board meetings
- Staffed GBEDC Executive Committee meetings
- Attended Business/Education Partnership Committee meetings
- Staffed Business Development Committee meetings
- Assisted on Visit Beloit St. Paul's on the RiverFront Project
- Attended DBA Economic Vitality Committee
- Moved office back to City Hall
- Presented the Beloit Ambassadors
- Attended Site Plan Review Committee Meetings
- Participated in Vision Beloit Partners meeting
- Attended Beloit City Council meetings
- Attended Active Threat Training
- Participated in Amazon Media Event
- Coordinated ABC Supply TEA Grant application process
- Conducted WKOW interview
- Attended City Center Meeting
- Started process to hire new Administrative Assistant
- Participated in WEDA Legislating Committee
- Attended WEDA Governor's Conference
- Began 2019 annual audit process

- Staffed Strategic Plan Committee
- Continued the process to update the 10-Mile City Report

**SUMMARY OF
ANNOUNCED ECONOMIC DEVELOPMENT ACTIVITY
MARCH 2020**

<u>COMPANY</u>	<u>JOB S</u>	<u>NEW SQUARE FEET</u>	<u># of UNIT S</u>	<u>INVESTMENT</u>
Amazon	500	1,070,000		\$100,000,000
80/100 East Grand Avenue	TBD	TBD		TBD
Wright and Wagner Lofts	NA	58,396	54	\$13,000,000
West Riverside Energy Center	20	NA		\$700,000,000
511 Public Rowhouse Project ⁺	NA	40,900	14	TBD
Powerhouse	TBD	17,200		\$38,000,000
Hawk's Ridge Apartments 8.0	NA	169,249	75	TBD
HCP Spec Bldg III	NA	208,000		\$6,000,000
Lyons TRU to Nature	TBD	62,000		\$70,000,000
ABC Supply Expansion	270	132,000		\$30,500,000
NorthStar Phase III	TBD	34,700		\$35,000,000
Willowick (TOB)	TBD	29,817	36	\$4,400,000
Allied Games	NA	18,120		\$2,500,000
Oaks II [^]	NA	TBD	22	\$1,157,000
Riverbend Stadium*	TBD	67,500		\$34,200,000
Visit Beloit Project	TBD	Renovation		\$434,000
Sunnyside/Cresco	TBD	7,000		TBD
Total	790	1,907,882	201	\$1,035,191,000

[^] Infrastructure Only
^{*} 3,500 Seat Capacity
⁺ 2,390 Commercial