



DIRECTOR'S ECONOMIC DEVELOPMENT ACTIVITY REPORT

March 10, 2020 – June 22, 2020

COVID-19 IMPACT/STATEMENT

In Mid-March, I like so many others, responded to COVID-19 Health Emergency by transitioning to working from home. During this time period I was able to manage the affairs of the corporation, keep track of current projects, and even completed some critical projects; it was also a time to catch up on some back burner projects. Many meetings had to be canceled or rescheduled and meetings transitioned to ZOOM or other virtual platforms. Unfortunately, one could not escape the reality of what the pandemic was having on our economy. "Staying Safer at Home" I was unable to make formal courtesy calls to companies but did make a point to make phone calls focusing on more small non-essential business trying to understand their situation and keeping them informed on the various resources available to them. Since the beginning of the crisis we have tried to keep our website current with all the COVID-19 resources available. As this information has expanded and changed our updates have been frequent.

As we had been very fortunate to have had a great deal of construction activity underway before the pandemic struck we were able to see the activity continue to be robust. Construction even started on the Riverbend Stadium and on the ninth Hawks Ridge apartment building. However, clearly the crisis has impacted and will continue to impact our local economy. New leads and prospects are at an all-time low and I expect that trend to continue for some time. In a short period of time we have seen major industrial projects postponed, housing projects put on hold and even scraped, empty office buildings, parking lots, as people continue to work from home, empty hotel rooms, rising unemployment numbers and other development projects timelines pushed back. You will see more detail on the pandemic's impact as you read further into this report. For now GBEDC staff is back working in the office. For the foreseeable future client meetings and committee meetings will be conducted via teleconference or video conference, however, client and small committee meetings are starting to occur face-to-face but will continue to be very limited. A final decision on how we will conduct our September Board Meeting will be made in August.

As the pandemic situation continues to evolve so will the GBEDC. One of our first tasks when things return to a "new normal" will be to look at our Strategic Plan that ironically the Board approved days before the lockdown. Clearly the events of the past several months will require us to make some revisions to that plan. We will continue to track all the resources that are available and push that out as quickly and efficiently as possible. Business Retention has always been the GBEDC priority and moving forward will continue to be our priority. On a brighter note please join me in welcoming my new Administrative Assistant, Mindy Koontz, who comes to us via Portland, Oregon and is settling in well into her new assignment.

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 ahead of schedule and Amazon expects to have a full Occupancy Permit by the end of July and be operational in August.

Frito-Lay: The Beloit Frito-Lay plant is undergoing a major expansion of its wastewater pretreatment facility. When complete this \$7.9 million dollar project will provide significant operational cost savings.

HCP Spec Buildings III and IV: In January the GBEDC 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 originally planned to construct one 208,000 square foot spec building and one 186,000 square foot building on two separate lots. The COVID-19 Pandemic has had a significant impact on the economy and HCP has concerns about a possible softening in the industrial real estate market. Therefore, HCP will be formally requesting at its GBEDC July Executive Committee meeting that the GBEDC consider amending the Purchase Agreement to extend the time required to build the first building from one to two years. If, however, a prospect were to emerge construction could begin as early as 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. Along with manufacturing, research, development, and engineering, the collective NorthStar facilities will serve as a hub for processing, distribution, and recycling of radioisotopes. Most recently NorthStar announced a partnership with Chicago based Monopor Therapeutics to develop a targeted radiopharmaceutical treatment for COVID-19 patients.

Lyons TRU to Nature: In April of last year, 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 is 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 and renovation of the former Allied Games building which the company acquired.

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 this summer. Office functions that will take place in the building include administrative, accounting, finance, and credit units.

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. The project includes a turf field, a grandstand with offices and player facilities, a 360 degree concourse, entertainment zones, and tow parking lots. A new non-profit Riverbend Stadium Authority has been created to own and control the ballpark and has entered into a 20 year lease and approved a Development Agreement with the City of Beloit for the downtown site. Mobilization of construction equipment has begun on-site and formal construction is expected to begin by the end of June with an anticipated opening day of April 2021.

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 was originally planned for 2021 has been pushed back one year to 2021 due to the economic impact caused by the COVID-19 Pandemic. This Phase 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 recently had its first Steering Committee that has been established and is currently evaluating sites to be assessed in the first round.

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 having a target completion date of July 31. 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. Construction is underway.

RESIDENTIAL DEVELOPMENT

Town of Beloit Residential Projects: (Last Updated in March)

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.

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. 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. The City has approved the plat and the developer is waiting for Engineering to provide final approval for storm water detention pond. 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 78 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 78 units building, is also under consideration to complete the complex.

The Oaks II: Hendricks Commercial Development has substantially completed 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. One lot is sold with construction to begin shortly and a second lot is due to close in August with construction of the home expected to begin by fall. Other potential lot sales are pending.

Cranston Road Elderly Care: Beloit Elderly, LLC, the same developer of the Willowick living project in 2017 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. Due to the economic downturn this project has been temporarily suspended but the developer still intends, over a period of time, to construct several additional buildings that could create a total of 96 units.

COMMERCIAL DEVELOPMENT

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 seventy percent completion point and constant until the new plant is operational which is expected to occur with a partial start up in August and be fully operational in August.

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

Covid-19 had an impact on the committee as initiatives paused with students studying virtually. As businesses begin to open the work of the Business and Education Committee will be changing. Our mission has been to provide students with career exploration activities, provide developmental opportunities for students through programs such as Practice Interview and Reality Store, and to integrate businesses into building a talent pipeline for the area. While this mission is not changing, how we accomplish this will.

- We are continuing our work on building a menu of options and contacts for businesses interested in being part of the talent pipeline and we're partnering with a conglomeration of other entities in the area to create a Rock County talent pipeline overview.
- Our challenge for the next school semester will figuring out how to safely expose students to the world of work when we realize businesses may be concerned with hosting students. We are working with a few companies to develop virtual student tours with the goal of incorporating these videos within specific curriculum accompanied by virtual question and answer sessions with businesses. Once developed, our goal is to expand this model across other local businesses to increase exposure for students while allowing businesses to safely market themselves.
- The Practice Interview Program is planning to continue in the fall but the team will be developing options for ensuring student, volunteer, and school needs are met.

STRATEGIC INITIATIVES

Ho-Chunk Casino Project: In April the U.S. Department of Interior Bureau of Indian Affairs issued a Record of Decision finding that a gaming establishment would be in the best interest of the Ho-Chunk Nation at the site the Nation is proposing to develop in the City of Beloit. This is a significant step in what has been a lengthy federal approval process. The matter now is before Governor Evers for consideration. It is hoped it will be approved by him by the end of the year. At that point a final review will be conducted by the BIA. This is all very positive

news, but there are steps that yet need to be completed and the Nation is reevaluating its design concepts in lieu of COVID-19. The soonest construction could begin on the project would be summer 2021. In all, along with a Class III Gaming Facility, the Nation plans to build hotel, Water Park, and conference center. Total investment is expected to exceed \$400 million and create 1,500 jobs.

10-Mile City/Retail Report: Last year the GBEDC and Beloit 200 have agreed to collaborate to engage Belmark Associates to conduct a market analyses for the Greater Beloit area. Now complete the report is a replacement for the Retail Report and 10-Mile City Reports that the two agencies have conducted separately in the past. The report provides a retail leakage analysis and an in depth demographic profile. The geographic area covered is based on a 10 mile radius of downtown Beloit as opposed to the Census tracts that GBEDC used in the past. Both organizations have agreed to the share the cost of the study and will update future reports collaboratively on a regular basis.

NEW LEADS AND PROSPECTS

Prospects Overview: As of 6/22/20 staff has responded to 2 new prospects since last quarter.

RETENTION/EXPANSION PROJECTS

Retention Activity Overview: As of 6/22/20 staff is tracking 3 retention/expansion projects.

BUSINESS RETENTION & EXPANSION PROGRAM (BRE)

GBEDC staff recently conducted the following courtesy/COVID-19 calls:

Axium Foods, Inc.
Brunton Motor Parts
Bushel & Peck's
Commercial Property Group
Culvers
Dupont
Ecolab, Inc.
Electrol Specialties
Father and Sons Cleaning
Finley Buick GMC
Harris ACE Hardware
H.B. Specialty Foods
Hendricks Commercial Properties
Jim Athans
Kerry
Lyons TRU to Nature
PBS Hair Salon
Regal Beloit
The Villager

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

GBEDC STAFF ACTIVITY

- Attended Visit Beloit Board meetings (virtual)
- Attended Chamber Board meetings (Live/Virtual)
- Staffed GBEDC Executive Committee meetings
- Attended Janesville Innovation Center Board Meeting (Virtual)
- Attended BAC Board Meetings (Virtual)
- Participated in DBA Econ. Vitality Committee Mtgs. (Live/Virtual)
- Attended DBA Economic Vitality Committee (Live/Virtual)
- Attended Workforce Pipeline Meeting (Virtual)
- Sat in on WEDA COVID-19 Webinars
- Attended Site Plan Review Committee Meetings (virtual)
- Participated in Vision Beloit Partners meetings (Virtual)
- Attended Beloit City Council meetings (Virtual)
- Participated in Rock CO. Emergency Loan Committee Mtgs. (Virtual)
- Sat in on EDA Grant Webinar
- Coordinated ABC Supply TEA Grant application process
- Sat in on MadRep Webinar
- Sat in on WMWP Webinars
- Hired new Administrative Assistant – Mindy Koontz
- Lead EOC Community Events Planning Branch
- Participated in WEDA Legislating Committee (Virtual)
- Attended Site Plan Review Meetings (Virtual)
- Completed 2019 annual audit process
- Attended Construction Pre-Application Meetings (Virtual)
- Completed the 10-Mile City Report
- Attended Chamber Chats Webinars
- Sat in on PPP Webinar
- Observed Janesville Farmers Market
- Staffed Finance and Audit Committee (Virtual)
- Attended WISDOT TEA Grant Conference Calls

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

<u>COMPANY</u>	<u>JOBS</u>	<u>NEW SQUARE FEET</u>	<u># of UNITS</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
Powerhouse	TBD	17,200		\$38,000,000
Hawk's Ridge Apartments 9.0	NA	169,249	78	\$11,000,000
Frito-Lay Expansion 20	NA	NA		\$7,900,000
HCP Spec Bldg III	NA	100,000		\$3,000,000
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	770	1,758,982	190	\$351,091,000

^ Infrastructure Only

* 3,500 Seat Capacity

+ 2,390 Commercial