

DIRECTOR'S ECONOMIC DEVELOPMENT ACTIVITY REPORT

June, 2020 – September 2, 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 we had been very fortunate to have had a great deal of construction activity underway before the pandemic struck we were able to see that activity to 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 but traffic has improved in August. In a short period of time we have seen major industrial projects postponed, housing projects put on hold and even scraped, empty office buildings, near empty parking lots, as people continue to work from home, empty hotel rooms, rising unemployment numbers and other development projects timelines pushed back. 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 December Annual Meeting will be made in November.

As the pandemic situation continues to evolve so will the GBEDC. The Strategic Planning Committee has already amended the Strategic Plan to recognize the need for the organization to continue to be nimble to adjust to our rapidly changing times. 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.

INDUSTRIAL DEVELOPMENT PROJECTS

Amazon: In early January Amazon announced that it would be the tenant of the 1 million square foot building that has been 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 is already operating a fulfillment center at this location 10 months since construction began and has already hired 500 new full-time jobs. Amazon is providing industry leading pay and a comprehensive benefits package. Capital investment exceeded \$100 million dollars.

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. The Dewatering Phase I of the project will be complete in October of this year and Bio upgrade in Phase II will be complete by June of 2021.

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 formally requested and the GBEDC Executive Committee agreed to amend 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: As a business, NorthStar seeks to provide game changing radiopharmaceuticals to patients globally. NorthStar's products will be used in the diagnosis and treatment of various illnesses such as cancer and heart disease.

In 2018, NorthStar received approval from the U.S. Food and Drug Administration (FDA) for its first product, the RadioGenix® System, and became the sole domestic supplier of molybdenum-99 (Mo-99) and its daughter isotope, technetium-99m (Tc-99m). The RadioGenix is an innovative, high tech separation platform for processing non-uranium based Mo-99 for the production of the important medical radioisotope, Tc-99m. NorthStar is the only approved producer of Mo-99/Tc-99m that does not utilize uranium as a starting material, and consequently generates a benign waste stream and enjoys a favorable long term manufacturing cost position. Mo-99/Tc-99m is utilized in more than 40,000 diagnostic imaging procedures daily in the U.S. and is a mainstay of the healthcare industry. Since the initial approval in 2018, NorthStar has continued to enhance its unique RadioGenix technology, receiving approval for two system upgrades – one in February 2020 and one in July 2020. NorthStar is committed to continuously improving and updating the features and performance of RadioGenix to meet customer needs. In addition, NorthStar has successfully expanded Mo-99/Tc-99m manufacturing capacity, including seeking approval from the FDA for new processes that will quadruple the amount of Mo-99 produced for 2021.

NorthStar has other radiopharmaceutical products under development. In February 2020, NorthStar and Australian-based Clarity Pharmaceuticals announced a collaboration to create a therapeutic agent for the treatment of various cancers utilizing NorthStar's Copper-67 radioisotope. Similarly, NorthStar is working with various pharmaceutical companies to utilize Actinium-225 for the treatment of various cancers.

In March 2020, NorthStar entered an agreement with Capella Imaging, Inc. to develop and commercialize FibroScint. FibroScint is a Tc-99m agent that has potential cardiac imaging applications because of its unique characteristics in creating images showing the locations of blood clots in the body.

In June 2020, NorthStar announced a collaboration with Monopar Therapeutics, Inc. to create a Radio-Immuno-Therapeutic (RIT) for the treatment of diseases, such as COVID-19, that create a hyper-inflammatory state in those afflicted with the disease. The RIT would have the ability to combine with, and then kill rogue immune cells causing the hyper-inflammatory condition. This hyper-inflammatory state could lead to permanent patient injury or death if not properly diagnosed and treated.

NorthStar opened its headquarters in 2016 with a 50,000 SF facility located on its 33 acre campus in Beloit WI, and is just completing construction of its 20,000 SF isotope processing facility. NorthStar also has broken ground on a 34,000 SF accelerator production facility, with the first two accelerators currently being assembled and schedules for delivery in late 2020/early 2021. 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. This \$40 million 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 220 employees by the end of this year. Along with manufacturing, research, development, and engineering, the collective NorthStar facilities will serve as a hub for processing, distribution, and recycling of radioisotopes.

Lyons Magnus North: In April of last year, Fresno, CA based 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 aseptic liquid food 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 67,000 sq./ft. 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 production and warehouse addition. The renovation of the former Allied Games building which the company acquired in the transaction is now complete and serves as corporate office space to support the growing operation.

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 foot 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 early September. 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. Construction is well underway 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. Construction on Phase I has begun and Visit Beloit plans to move in by the end of

the year. Phase II was originally planned for 2021 has been pushed back one year to 2022 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 second Steering Committee and has identified a list of priority properties 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 project's architect, Studio Gang Architects, had won top prize at the World Architectural Festival. In June of 2019, the pedestrian bridge spanning Highway 51 and connecting the Powerhouse to main campus was installed. This \$38 million dollar project is substantially complete and open to students. 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 October.

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.

Wright and Wagner Lofts: HCP has started construction on mixed-use development project at 200 West Grand Avenue. 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 underway with occupancy for the first 53 lofts expected to be complete by spring/summer of 2021. 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.

RESIDENTIAL DEVELOPMENT

Town of Beloit Residential Projects:

Willowick Assisted Living: Construction is complete and the occupancy permit has been granted for 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. They are completing their licensing now and should be opening to residents in September.

Blackhawk Run: Located just east of Turner High School and contains a mix of duplex and single-family homes. Ten units (4 single, 3 duplex) are currently under construction, with 3 more single family homes expected to break ground this yet this fall. Approximately 18 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 is progressing quickly in the Glen Hills 6 subdivision. Three single family homes have been completed this year with 4 more 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 finalizing 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 unit building, is also in the early stages of construction which 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 this fall with construction to begin shortly thereafter. Other potential lot sales are pending.

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. A full occupancy permit is expected to be obtained by the end of September.

INFRASTRUCTURE IMPROVEMENTS

Turner School District 2-5 Grade School: Construction is underway on this new \$18 million 90,000 square foot school located in the Town of Beloit.

Lincoln Academy: Recently the University of Wisconsin, Office of Educational Opportunity issued a conditional approval of a Charter School application for the Lincoln Academy that is being championed by Beloit 200's lead Kids First Beloit initiative. This new \$25 million 112,000 square foot charter school is currently under construction and will greet new students in the fall of 2021.

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 ninety percent completion point. A partial start up is expected this fall and be fully operational later in the year.

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. Although WDOT has not made any official announcement yet there is some speculation that the project may be ahead of schedule and may be completed early.

WORKFORCE INITIATIVES

Covid-19 has continued to have 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. The final menu project is expected to be completed by the end of September and will be updated twice a year.
- 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 safety needs are met. With the Beloit School district no going back to in-school instruction until the second quarter clearly the program will look different and likely will be conducted in some aspect virtually.

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 spring of 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.

NEW LEADS AND PROSPECTS

Prospects Overview: As of 9/2/20 staff has responded to 6 new prospects since last quarter.

RETENTION/EXPANSION PROJECTS

Retention Activity Overview: As of 9/2/20 staff is tracking 3 retention/expansion projects.

BUSINESS RETENTION & EXPANSION PROGRAM (BRE)

Chicago Fittings
Midwest Refrigerated Services

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

BUSINESS RETENTION & EXPANSION PROGRAM

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

GBEDC STAFF ACTIVITY

- Attended Visit Beloit Board meetings (virtual)
- Attended Chamber Board meeting (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. (Virtual)
- Attended EOC COVID-19 Briefings
- Toured Amazon
- 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)
- Staffed Strategic Plan Committee
- Coordinated ABC Supply TEA Grant application process
- Processed DDI Payments and verified job counts
- Attended Chamber Annual Dinner (virtual)
- Attended City Center Meeting (virtual)
- Lead EOC Community Events Planning Branch
- Attended Construction Pre-Application Meetings (Virtual)
- Participated Janesville Arise Exploratory Conference Call
- Staffed Finance and Audit Committee (Virtual)



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

<u>COMPANY</u>	<u>JOBS</u>	<u>NEW SQUARE FEET</u>	<u># of UNITS</u>	<u>INVESTMENT</u>
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	67,000		\$70,000,000
ABC Supply Expansion	270	132,000		\$30,500,000
NorthStar Phase III	220	34,700		\$40,000,000
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
Verizon Wireless	TBD	2,500		TBD
Total	490	666,665	154	\$251,691,000

^ Infrastructure Only

* 3,500 Seat Capacity