

PETCO STUDY COMMITTEE MINUTES
Committee Room #2, Oneida County Courthouse
April 12, 2019 • 9:00 a.m.

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

COMMITTEE MEMBERS ABSENT: Stacey Johnson (Economic Development Executive Director) and Darcy Smith (Finance Director)

ALSO PRESENT: Lindsey Kennedy (LRES); Richard Moore (Lakeland Times)

CALL TO ORDER

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

Motion by Timmons to approve the amended agenda. Second by Kelly. All Committee members present voting 'Aye'. Motion carried.

APPROVE MINUTES

Motion by Fisher to approve the minutes from the April 2, 2019 meeting. Second by Kelly. All Committee members present voting 'Aye'. Motion carried.

ANNOUNCEMENTS

Mott stated that Johnson will not be attending the meeting today due to prior obligations.

RESOLUTION FOR FUNDS FOR PETCO FACILITY EVALUATION

Mott stated a resolution for "the Oneida County Board of Supervisors accepts the proposal from the Petco Building Committee to appropriate up to \$15,000 for Barrientos Design and Consulting to conduct a facility condition assessment of the Petco Building" will be considered at the County Board meeting scheduled for next Tuesday, April 16, 2019.

Stefonek confirmed Barrientos are certified building inspectors and after further inquiries the price estimate of \$11,000 is reasonable for the facility condition assessment.

Timmons informed the committee that yesterday the Public Works committee voted 3-1 against relocating the highway facility to the Petco location after touring the facility on Wednesday. The main reasons were the facility was too large and renovations would be too costly.

DISCUSS EACH STUDY QUESTION

Mott stated that each of the questions will be reviewed and those committee member that were assigned the topic/questions will respond with the information they have attained.

- 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***
Fisher stated he was on the website Loopnet. And he stated this website showed the asking price for the Petco Facility \$4.75 million.

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*

Sorensen stated he spoke with several area appraisers but none were capable of doing an appraisal of this size. Those appraisers provided Sorensen with contact information for other appraisers that may be more qualified. Sorensen will work on getting estimates on the cost of the appraisal. When the cost of the appraisal is known the request can be submitted to County Board for consideration.

All committee members agreed that the inspection should be done prior to the appraisal. Mott stated he will have Johnson contact Petco to find out if they have completed an appraisal and if so, would they be willing to share the results? If Petco would release their appraisal then the County could hire someone to do a review if their appraisal for cost savings.

3. **Building Inspection- cost; who could do? Should cover entire structure- roof; windows; heating/cooling systems; lighting; electrical; other** *Bruce Stefonek and LuAnn Brunette*
(Refer to #3 Information Reporting Sheet Stefonek provided)

Have to wait for the outcome of the Resolution submitted to County Board on April 16th for funding of the inspection.

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*

Stefonek stated Barrientos' Stage 2 estimate is approximately \$14,000 for the development of a preliminary design and site layout.

Kelly brought up the concern of the cost for the building and remodeling are quickly adding up to almost as much as the cost of building an entirely new Highway facility. Brief discussion held. The current blueprints of the Petco Facility were reviewed and discussions regarding what areas and remodeling would have to be done to make the facility useable as the new highway department facility.

Brunette added that there would have to be an increase to her staff numbers for maintenance of this facility. Timmons stated that there was approximately 7 facility maintenance staff overseeing the facility and this included grounds keeping staff.

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*

TBD. Mott stated Johnson is looking into the tax impact if Kwik Trip would by the current highway property. Mott stated that if Kwik Trip did create a truck stop it still would not offset the \$92,000 tax revenue from Petco.

6. **Moving costs** *Bruce Stefonek and LuAnn Brunette*

TBD. Sorensen questioned Stefonek if he has an estimate for the cost of moving the highway facility to the Petco location; Stefonek stated that he does not have the expertise to come up with these numbers.

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

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**

No updated information on this topic. Mott stated that he spoke with Chairman Hintz regarding generating a letter of interest, Hintz said Kwik Trip is aware of the County's interest and feels there is no need for the letter; Mott agrees with Hintz.

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

a. Full building including any cold storage costs

(Refer to the last page of the binder provided by Johnson and #8 Information Reporting Sheet Stefonek Provided)

No updated information on this topic. The current utility expenses would be challenging to use as a comparison because the facility would be remodeled and the entire usage of the building will be different.

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**

(Refer to Information Reporting Sheet Fisher provided)

No updated information on this topic.

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

TBD until after building inspection. Brunette stated that there would need to be additional updates to the computer connectivity to from the facility to the courthouse for security. Rhodes for ITS is working on providing the cost for this upgrade. Sorensen confirmed that this would be an added cost whether the county purchased the Petco Building or built an entirely new highway facility.

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

Brunette questioned whether Petco would be willing to donate some of the cost of the building to the county. Mott stated that Petco is very open to negotiations with the county so this may be a possibility.

Mott indicated Smith offered three options to pay for the Petco facility:

1. Pay entirely from the general fund- the cost impact of this option would be the interest earnings loss and the County would have to fund the Capital Improvement Projects (CIP) through debt which would be an additional cost.
2. Borrow from the Board of Commissioners of Public Lands (BCPL) which is a trust fund loan.
3. Debt for general obligations where fees would vary depends on the amount of debt and the amount of loan.

Mott stated that he believe that a combination of these options could be used. Mott inquired if Smith had a preferred option and she stated that it depends on the 2020 CIP requests.

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**

Mott stated that the county's Corporation Counsel Office doesn't have experience with commercial leasing. Sorensen asked if the county would need to hire an additional corporation counsel office to handle leasing or rental management companies. More discussion on this topic is needed.

13. Security *LuAnn Brunette*

- a. Needs**
- b. Cost**

Brunette stated the level of security is dependent on the number of leasing entities and the level of security that they need. Brunette stated that she needs to follow up with Steve Quade (Petco maintenance) and see if Petco's current security keycard system would be compatible with the County's system.

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**

TBD

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**

TBD

16. Blueprints of building to use to outline uses of the building *Tom Kelly, Russ Fisher and Mike Timmons*

- a. Highway**
- b. Transit**
- c. Other uses**

No updated information on this topic. Committee members have been unable to contact Architect North but will continue. Fisher will contact Steve Quade (Petco maintenance) to try get a copy of the blueprints. Stefonek stated that if the County is hiring a firm to access the whole building the blueprints for the entire building are needed. Mott directed Stefonek to contact Johnson and inform her exactly what blueprints are needed from Petco to proceed.

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?**

(Refer to #17 Information Reporting Sheet Brunette provided)

Brunette received additional responses from County Clerk, Sheriff, Clerk of Courts, Register of Deeds, ADRC and Social Services departments and none of them needed additional space.

18. Cost versus return *Darcy Smith*

- a. **Need simple statement showing these**
- b. **What happens if lessee leaves – replacement- terms (how much notice etc.)**

TBD

19. Cost to operate highway building versus anticipated cost of the Petco facility *Bruce Stefonek and LuAnn Brunette*

Stefonek stated that housekeeping or snow removal costs would be the same for both facilities. The utility costs would be the major concern. Brunette stated additional maintenance staff would need to be added to her staffing numbers.

20. Snow removal and other exterior and interior maintenance costs *Bruce Stefonek and LuAnn Brunette*

TBD See #19

21. Sale *Stacey Johnson and Russ Fisher*

- 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**

(Refer to #21 Information Reporting Sheet Fisher provided) This would all come at the end with negotiations.

22. Exact square footages and plans for areas of use *Bruce Stefonek, LuAnn Brunette, Tom Kelly and Russ Fisher*

(Refer to #22 Information Reporting Sheet Stefonek provided) The blueprints are needed for this topic. See #16- Stefonek to follow up with Johnson.

23. Place to gather and display information *1st floor conference room, Oneida County Courthouse*
No new information on this topic.

24. Cost to bring in needed experts – way to pay those costs *Stacey Johnson*

Resolution for funding to conduct a facility condition assessment of the Petco Building will be considered at the County Board meeting scheduled for next Tuesday, April 16, 2019.

25. **How to pay for the building – options** *Stacey Johnson*
 - a. **Sale of highway property**
 - b. **\$750,000 CBDG funds**
 - c. **Borrow and costs**
 - d. **Use “X” amount from general fund – perhaps all)**TBD

26. **Visuals for the presentation** *ITS Department*
 - a. **Conceptual drawings**
 - i. **Who Does?**
 - ii. **Costs**No new information on this topic.

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*

TBD – OCEDC received ~ \$100,000 from the county for operating fees.

29. **Third party costs for renting and maintaining the lease** *Stacey Johnson*

TBD

30. **Insurance Costs** *Stacey Johnson*

Mott got a rough estimate from Clerk’s office based on the value of the building without contents is \$34,000 annually.

31. **Kwik Trip or other prospective buyer** *Bob Mott*
 - a. **Dollars and details**
 - b. **Who handles those negotiations?**
 - c. **Costs involved**
 - d. **How is the city involved?**Mott stated Kwik Trip is still interested in the property but added Johnson specified the county would have to hire a real estate agent to advertise to determine if there are other interested buyers. Timmons offered Land Information as they have sold property for the county in the past. Mott will follow up with Romportl.

32. **Rental costs for Transit and others?**
 - a. **How are rates set?**
 - b. **Contracts involved – who draws them up and enforces them**TBD.

33. **In the end there needs to be a pros and cons list developed** *Stacey Johnson and Bob Mott*
 - 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**
Mott requested that committee members continue to document their concerns, information obtained and ideas that can be compiled for the final presentation list.

34. **Is the final decision based on Expense versus Return? Other considerations –?**
TBD

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**

Continue with current process.

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**

Committee will continue with the 60 day goal in mind.

37. **Interest in building- *Stacey Johnson***

No new information.

TIMELINE

The future progress of the committee is dependent on the approval of the resolution for funding of the building inspection of the Petco facility.

TOURS

Sorensen, Fisher, Kelly and Brunette have not toured the Petco facility yet. Fisher will try to organize a tour for next Wednesday (04/17/19) with Johnson. The tour will be offered to any other county board supervisors that might be interested. Sorensen stated the committee might want to wait to make arrangement for tours until after Tuesday's County Board meeting.

FUTURE MEETING DATES

Monday, April 29, 2019 at 9:00 a.m.

PUBLIC COMMENT

None

ADJOURNMENT

Mott announced the adjournment of the Petco Study Committee meeting at 10:28 a.m.

Bob Mott, Chairman

Date

Lindsey Kennedy, Committee Secretary

Date