

CITY OF SHEBOYGAN

REDEVELOPMENT AUTHORITY

MARCH 27, 2020

1. OPENING OF MEETING

1.1 ROLL CALL MEMBERS PRESENT: David Sachse, David Gass, Amy Horst, James Owen, Alderperson Todd Wolf, Steve Harrison, and Roberta Filicky-Peneski
STAFF/OFFICIALS PRESENT: Planning & Development Director Chad Pelishek

and City Attorney Charles Adams

1.2 Call to Order

Chair Roberta Filicky-Peneski called the meeting to order.

1.3 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.4 Identify potential conflict of interest.

James Owen has a conflict with item 3.3 and will be excusing himself.

2. MINUTES

2.1 Approval of minutes from the March 4, 2020 meeting.

Motion by Alderperson Wolf, second by David Sachse.

Motion carried (6 - 0) by roll call vote.

3. DISCUSSION AND POSSIBLE ACTION

3.1 Discussion and possible action on Economic Development Loan Program subordination policy and request form.

City Attorney Adams explained that he had made some changes to the policy since it was sent out to the committee.

Attorney Adams explained that he added the word "only" in number 2 after the word "request" and before "if".

Also in the paragraph prior to criterion # 1 he changed the paragraph to read "Assuming the subordination request complies with each of the criteria below, the Director of Planning and Development shall be authorized to sign off on requests to subordinate the Redevelopment Authority's interest to that of another lender."

City Attorney Adams also noted that it is not necessary for the Redevelopment Authority to approve the subordination form. Also, when the motion is made it will need to include the authorization of Director of Planning and Development to sign off on the subordination requests per the policy.

Steve Harrison joined the meeting.

Roberta Filicky-Peneski inquired about paragraph # 2 and if it included the default of taxes. City Attorney Adams stated that taxes does not

play a part in this policy. He further clarified that Chad Pelishek can choose not to subordinate the loan if it doesn't meet the criteria listed.

Motion by Amy Horst, second by David Sachse to approve as amended. Motion carried (7 - 0) by roll call vote.

3.2 Discussion and possible action Exhibit A, Assignment of Ground Lease and Termination of Operating Lease between the Redevelopment Authority of the City of Sheboygan, Wisconsin and the Blue Harbor.

Chad Pelishek explained that the city and Blue Harbor have been working on a transfer agreement, that will still need to be approved by the Common Council once all the details are worked out. Exhibit A to the transfer agreement would terminate the operating lease of which the Redevelopment Authority was a party to the agreement and therefore needs to consent to the termination.

Exhibit A will also assign the ground lease agreement from the city to the Blue Harbor for the conference center.

Roberta Filicky-Peneski inquired if the Redevelopment Authority would see the new ground lease between Blue Harbor and Redevelopment Authority.

Attorney Adams stated that it would be an assignment of the existing ground lease to the Blue Harbor versus the City of Sheboygan.

Motion by David Gass, second by Alderperson Wolf.

Motion carried (7 - 0) by roll call vote.

3.3 Discussion and possible action from 3 Sheeps Brewing requesting a six-month deferral of their business development loan due to the COVID- 19 virus shuttering their operations.

James Owen excused himself from the rest of the meeting due to a conflict of interest with item

3.

3.

Roberta Filicky-Peneski stated that the staff recommends approval of the six month (May through September) deferral than resume regular principal and interest

payments. Chad Pelishek stated that the real question is if the committee would like a balloon payment or re-amortization

of the deferred principal payments. Alderperson Wolf mentioned that he would be fine with extending the loan by six months.

City Attorney Adams question if the extension would be principal with interest or just a balloon payment. David Sachse inquired if anyone talked with Grant Pauly.

Chad Pelishek stated that he had a conversation about the interest only payment, but they didn't talk about principal and Grant was good with the interest only payments.

Motion by David Gass, second by Alderperson Wolf to approve the six-month deferral with interest only payments with city staff working with the loan applicant to determine how to handle the principal payment deferral.

Motion carried (6 - 0) by roll call vote.

4. ADJOURN

4.1 Motion to Adjourn.

Motion by Alderperson Wolf, second by David Gass to adjourn.

Motion carried (6 - 0) by roll call vote.

Being no further business the meeting was adjourned at 10: 35 a.m.