

CITY OF SHEBOYGAN

REDEVELOPMENT AUTHORITY

JANUARY 29, 2020

1. OPENING OF MEETINGMEMBER PRESENT: David Gass, Roberta Filicky-Peneski, Alderperson Todd Wolf, Amy Horst, and Steve Harrison MEMBER EXCUSED: David Sachse and Matt QuasiusSTAFF/OFFICIAL MEMBER: City Administrator Darrell Hofland and Planning & Development Director Chad PelishekOTHERS: Dr. Joseph Sheehan (SCEDC) and Nick O'Brien (SCEDC)

1.1 Call to Order

Chair Roberta Filicky-Peneski called the meeting to order.

1.2 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.3 Identify potential conflict of interest.

No committee member had a conflict of interest.

2. MINUTES

2.1 Approval of minutes from the October 23, 2019 meeting.

Motion by Alderperson Wolf, second by Amy Horst to approve. Motion carried.

3. DISCUSSION AND POSSIBLE ACTION

3.1 Discussion and possible action on sign grant request for Craft 30 located at 908 Michigan Avenue.

Chad Pelishek explained that Craft 30 is requesting a sign grant for the amount of \$1,345.00, half the cost of the sign.

The proposed sign is a projecting sign designed by SignMeUp.

A completed application has been received and city staff supports this request.

Motion by Alderperson Wolf, second by Amy Horst to approve the sign grant in the amount of \$1,345.00.

Motion carried.

3.2 Discussion and possible action on collateral assignment with South Pier Investments, LLC.

Chad Pelishek explained that we don't have the necessary paperwork to act of this item, so he recommended holding until the corrected paperwork is received.

Motion by Alderperson Wolf, second by Steve Harrison to HOLD. Motion carried.

3.3 Discussion and possible action on Commercial Lease Agreement between the Redevelopment Authority of Sheboygan and the Sheboygan County Economic Development Corporation (SCEDC).

Chad Pelishek explained that Redevelopment Authority owns the former

Craft 30 building on South 10 th Street

and the two houses to the north. The two houses are scheduled to demolished.

The SCEDC would like to

rent the former Craft 30

building as an office for the innovation district.

The SCEDC is requesting a 6 -month triple net lease with option to renew starting in March.

The request would come back in front of the committee for renewal in August. The rent will be \$1.00 per month and the SCEDC will be responsible for operation

and maintenance expenses.

Roberta Filicky-Peneski stated that she was not in favor of the idea of keeping the Craft 30 building.

She stated that she has seen it too many times before when a building that was supposed to be up only for a short period of time and it never ends up getting demolished.

Steven Harrison inquired if the building had any historical factor to it?

Chad Pelishek replied No.

Alderperson Wolf stated that at first he felt the same way as Roberta Filicky-Peneski but after talking with SCEDC and hearing their reasoning he is now in support of it.

Nick O'Brien, Director

of Innovation and Engagement with the SCEDC

explained that the building will be used as office space with an open door concept where people can come in to ask questions.

The SCEDC would like the outside of the building to be an opportunity for neighborhood artist to partner with them and paint a mural on the building.

Steven Harrison stated that the SCEDC vision seems more permanent than 6 months.

Chad Pelishek stated that the lease extensions would need to be approved by the RDA.

David Gass inquired if the outdoor signage needs to be approved by the City.

Chad Pelishek replied yes, all signage and murals would need to be reviewed and approved by city staff.

Roberta Filicky-Peneski explained that even after hearing the SCEDC plans for the Craft 30 building, she still has concerns that the building will never be demolished. She agreed with Steven Harrison that their plans for the building seem to be more permanent.

Nick O'Brien explained that the SCEDC will have less interest in the building if they are going to be required to move out of it in a few months.

David Gass stated that he feels the RDA is overthinking this. The city will have an agreement with the SCEDC and the RDA must agree to renew their lease.

Dr. Joseph Sheehan mention that the city and SCEDC have weekly meeting and nothing happens without the city approvals.

Amy Horst stated that she is proud to have the innovation district as part of the art corridor. Also, Sheboygan is the smallest community to have an innovation district.

Darrell Hofland mentioned that the innovation district is very important to the city and having SCEDC on site to promote the district and answer questions will be a benefit to the district.

Motion by Dave Gass, second by Alderperson Wolf to approve the lease as is.

Motion carried.

3.4 Discussion and possible action on fulfilled job requirements with Old World Creamery and the Sign Shop.

Chad Pelishek explained that the Old World Creamery's first loan with the city in the amount of \$300,000 required 10 LMI jobs to be created.

They have created 19 jobs of which 12 are LMI which fulfills the job requirements. He further explained that the Sign Shop's loan in the amount of \$100,000 required them to create 2 LMI jobs, and they have created 4 LMI jobs. Both

companies

have fulfilled the job creation of their loans therefore city staff recommends the Authority approve the fulfillment of the said requirements.

Motion by Alderperson Wolf, second Steven Harrison to approve fulfillment of the job creation requirements for Old World Creamery's \$300,000 loan and the Sign Shop's loan for \$100,000. Motion carried.

3.5 Discussion and possible action on subordination request with Brewhub, LLC.

Chad Pelishek stated that he had received a request from United One to

subordinate the city's loan to second place.

Brewhub LLC current loan with the city is in the amount of \$50,000.00.

The new loan with United One will also be in the amount of \$50,000.00.

City staff recommend approve of the subordination.

Motion by Alderperson Wolf, second by Amy Horst to approve. Motion carried.

4. ADJOURN

4.1 Motion to Adjourn.

Motion by Alderperson Wolf, second by Amy Horst to adjourn. Motion carried.

Being no further business the meeting adjourned at 8: 52 a.m.