

CITY OF SHEBOYGAN

REDEVELOPMENT AUTHORITY

OCTOBER 2, 2019

1. OPENING OF MEETINGMEMBER PRESENTS: Steven Harrison, David Sachse, David Gass, Matt Quasius, Alderperson Todd Wolf, and Roberta Filicky-PeneskiMEMBER ABSENT: Amy HorstSTAFF/OFFICIALS PRESENT: City Attorney Charles Adams, City Administrator Darrell Hofland, Planning & Development Director Chad Pelishek, and City Assessor Mike Grotz

1.1 Call to Order

Chair Roberta Filicky-Peneski called the meeting to order.

Chair has requested the minutes reflect that this is the first meeting in the newly renovated City Hall.

1.2 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.3 Identify potential conflict of interest.

There was no conflict of interest with any item on this agenda.

2. MINUTES

2.1 Approval of minutes from the September 4, 2019 meeting.

Motion by Alderperson Wolf, second by Matt Quasius to approve. Motion carried.

3. DISCUSSION AND POSSIBLE ACTION

3.1 Discussion and possible action on sale versus lease of the RDA-owned property.

Chad Pelishek started the discussion by stating that he had reached out to three appraisers; one said he had too much work and wouldn't be able to take on a project of this size, the second didn't respond at all, and the third one is Matt Gehrke from Moegenburg Research, Inc. who submitted his proposal, which Chad provided to the members.

David Sachse asked if he had stated how he would approach South Pier and the Riverfront properties? That there has to be some sort of standard way so all the properties are appraised the same.

Mike Grota joined the meeting.

Chad Pelishek explained the history of the Redevelopment Authority's discussion on sale versus lease of the South Pier and Riverfront properties. Mike Grota explained that the problem with the South Pier area is, we don't know what the market is and what they are willing to pay for river frontage since everything is leased in this area.

We would need to look at other communities to see if we are able to find similar properties to determine values. Mike Grota asked what the current lease terms were. Chad Pelishek stated that they are currently paying the lease, tax on the land, and tax on the improvements.

David Gass stated that he believes that the Redevelopment Authority is making this too complicated and there has to be a methodology that is used, that we could apply to the South Pier and Riverfront area.

Roberta Filicky-Peneski explained that she had spoken to a banker from US Bank that told her that Lino had purchased his building and that it is cheaper for Lino to continue leasing rather than purchase the land, if that had been an option.

Steve Harrison asked if there is a set number that can be used on the river or lake front property to figure out the Fair Market Value of the land; such as, so much per foot of shoreline frontage.

David Gass suggested that we hire Matt Gehrke and have him do an appraisal, once that is completed we can decide how to go from there.

Steve Harrison stated that the current leases on South Pier are unreasonable.

David Sachse asked if there is money to hire outside help? He further stated that the Redevelopment Authority doesn't know enough about how to find the information that we need nor do we have enough information to make a decision today.

Chad Pelishek inquired if the Redevelopment Authority would like to have an

appraisal done on just vacant land or land with improvements on as well.

Mike Grota suggested that the Redevelopment Authority should pick 2 or 3 properties and have Matt Gehrke do an Opinion of Value.

The lots that are pick should be different sizes and be at different locations both vacant and with improvements.

Steve Harrison mentioned that the ground should be separate from the building when the appraisal is done and that we need Fair Market Value of the land.

Matt Quasius said the first thing we need to figure out is are we willing to sell if the information comes back suggesting that is the direction we should go.

Roberta Filicky-Peneski stated that what if we have developers that purchase the property and sit on it for a long time.

Chad Pelishek suggested that a clause could be added to the sale that says it must be built on in so many years.

Motion by David Sachse, second by Matt Quasius to authorize the hire of Matt Gehrke, and have city staff choose a few parcels on both South Pier and Riverfront to have an Opinion of Value completed, and come up with buy or lease options.

David Sachse asked Darrell Hofland where the rent for the South Pier leases goes? Darrell Hofland replied it goes into the Redevelopment Authority fund.

David Sachse continued to say that once we get the data we can create a policy as to how to handle all future leases or sales.

Mike Grota said he can use the matrix that Matt Gehrke creates for the next couple of years to help Redevelopment Authority with future leases or sales.

Steve Harrison stated that he will not be voting in favor of this motion due to the fact it implies that the Redevelopment Authority has already made up its mind to sell without seeing the data.

Darrell Hofland stated that we need this data even if the Redevelopment Authority decides to continue leasing only.

Motion passed (5 - 1 Nay:Harrison).

4. ADJOURN

4.1 Motion to Adjourn.

Motion by David Sachse, second by Matt Quasius to adjourn. Motion carried.

Being no further business the meeting was adjourned at 8: 27 a.m.