

CITY OF SHEBOYGAN

REDEVELOPMENT AUTHORITY

SEPTEMBER 4, 2019

1. OPENING OF MEETINGMEMBERS PRESENT: Matt Quasius, David Gass, Amy Horst, Steve Harrison, and Roberta Filicky-PeneskiMEMBERS EXCUSED: David Sachse and Alderperson Todd WolfSTAFF/OFFICIALS PRESENT: Planning & Development Director Chad Pelishek, Mayor Michael Vandersteen, and City Administrator Darrell Hofland (joined 8: 00 a.m.)

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.

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

2. MINUTES

2.1 Approval of minutes from the August 21, 2019 meeting.

Motion by Steve Harrison, second by Matt Quasius to approve the minutes.

Motion carried.

3. DISCUSSION AND POSSIBLE ACTION

3.1 Discussion and possible action on business development loan request from GameOn.

Motion by Steve Harrison, second by Matt Quasius to approve the request for a \$50,000 business loan to GameOn with the following conditions: An environmental review will be completed by the Department of City Development. Two new FTE jobs are created in two years and 51 % of the new jobs must meet the LMI threshold as established by HUD.

If the two FTE are not created in two years, the applicant understands the \$50,000 loan will be due in full. A Personal Guarantee from Justin and Kelly Webb. Interest rate 3.44 % for 10 years.

Motion carried.

3.2 Discussion on sale versus lease of the RDA-owned property.

Chad Pelishek explained to the Redevelopment Authority (RDA) that this has been discussed since 2007.

No decision has ever been made by the RDA when it comes to the sale versus leasing RDA owned properties.

He further stated the timeline and the previous discussions. He also passed around a spreadsheet with the lease details.

The committee inquired about the rents on Riverfront.

Chad Pelishek informed to the committee that both the City and the RDA are the landlords on the Riverfront (north) side of the river which makes it more complicated to come up with a methodology to be used for everyone because we are not the only landlord on the Riverfront (north) side.

The committee inquired how long the leases were on the Riverfront side.

Chad informed the committee that they are 85 to 99 year leases.

Director Pelishek stated that he would have the City Attorney's office look into it the current leases to make sure the things we have control over are up to date.

Director Pelishek informed the committee that Pier 17 is closed and that there are interested parties that would like to purchase the property.

The RDA questioned where the rent goes.

Director Pelishek informed the committee that it goes into the RDA fund and/or Tax Incremental District No. 6.

The committee discussed comparables and the methodology to determine consistency.

They further stated that if there is currently leases in place they can't change the terms of lease until it comes up for renewal. Also, it was brought up that each lease on both the South Pier and the Riverfront should be reviewed to make sure that they are current with the agreement to verify the City and/or RDA did not miss something such as an opportunity to raise the rent especially on the Riverfront side.

Chad Pelishek informed the committee that original the leases were set-up because of the environmental concerns and to make sure the new development did not pierce the environmental cap. Mayor Vandersteen agreed with Chad and said that he too would be open to selling the property along South Pier.

Mayor Vandersteen inquired about controlling the type of business that would be allowed within South Pier.

David Gass replied that would be controlled by the zoning ordinance.

The RDA instructed Chad Pelishek to invite the City Assessor to the next meeting to understand how assessments are determined for leased lands and to request Statement of Qualifications from multiple appraisers so the RDA could determine an appraiser that could help develop a

methodology for determining the value of the property and then be the appraiser that complete appraisals for properties that will be sold to determine the current value.

The RDA's goal is to have a decision on this by January 1, 2020.

4. ADJOURN

4.1 Motion to Adjourn.

Motion by Matt Quasius, second by Amy Horst to adjourn. Motion carried.

Being no further business the meeting was adjourned at 8: 50 a.m.