

CITY OF SHEBOYGAN

REDEVELOPMENT AUTHORITY

AUGUST 7, 2019

1. OPENING OF MEETINGMEMBERS PRESENT: Matt Quasius, David Sachse, Amy Horst, David Gass, Roberta Filicky-Peneski, Alderperson Todd Wolf, and Steven HarrisonSTAFF/OFFICIALS PRESENT: Planning & Development Director Chad Pelishek, City Attorney Charles Adams, and Mayor Michael Vandersteen

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.

Matt Quasius has a conflict with items

4.1 and  
5.  
1.

2. MINUTES

2.1 Approval of minutes from the July 17, 2019 meeting.

Motion by Alderperson Wolf, second by David Sachse to approve. Motion carried.

3. PRESENTATION

3.1 Update on the FreshTech Innovation District.

Chad Pelishek provided an update on the FreshTech Innovation District.

The committee inquired about the cost of the trail and how it would be pay for. Chad Pelishek stated that the trail would cost \$3 million to do the earth work and pave along with the land purchase. The trail will be pay for through the CDBG funds and TIF monies.

#### 4. DISCUSSION AND POSSIBLE ACTION

4.2 Discussion and possible action on parameters for the development of policy for the business development loan program if a company closes, leaves the city with the jobs and has an outstanding loan balance.

Roberta Filicky-Peneski inquired how the committee felt about forgiving loans if the business goes out of business but had previously fulfilled the job requirement of the business development loan.

The committee asked why we would consider this when the current business loan is still being paid on.

Motion by Steven Harrison, second by David Sachse to add language to the business development loan agreements that if the business closes the loan is due in full.

Matt Quasius excused himself from the rest of the meeting due to conflict of interest.

4.1 Discussion and possible action on ground lease agreement between South Pier Family Investments, Inc. and the Redevelopment Authority of the City of Sheboygan, Wisconsin.

Chad Pelishek explained that Toby Watson has been approved to build the condo on the property owned by the Redevelopment Authority located between Reiss Condominium and the fish cleaning station on South Pier Drive. Toby Watson had request to come in front of the Redevelopment Authority to discuss a few items in the ground lease agreement.

Toby Watson inquired about the 85 year vs 99 year ground lease and explained how hard it will be to sell these condos with the notation that the lease will need to be renewed after 85 years.

He also asked about purchasing the property like Portscape Apartments did.

The Redevelopment Authority stated that they do both 85 and 99 year leases on South Pier and would be open to do either one for this property within an

automatic one time renewal.

The committee had a discussion regarding leasing vs purchasing the land.

They also discussed the contamination and the capping of it.

Toby Watson wants it included that no commercial boats are allowed to dock in front of the condos and that the condo owners have the right of first refusal.

Chad Pelishek stated that is not a Redevelopment Authority item, it needs to be discussed with the appropriate city staff.

Toby Watson inquired about if the rent could be postponed until January 1, 2021 or lowered the rent amount until the condos have been filled. The Redevelopment Authority discussed the rent and taxes if that is double dipping. They decided that it is a policy issue that needs to be review and amend that nothing could be done at this meeting.

Motion by Amy Horst, second by Alderperson Wolf to postpone the first rent payment until January 1, 2021.

Motion carried.

Motion by David Sachse, second by Alderperson Wolf to automatically renew the 85 year lease as long as all conditions are met.

Motion carried.

Motion by David Sachse, second by Steve Harrison to authorize Redevelopment Authority Chairperson to sign the amended ground lease negotiated by staff without going back to committee. Motion carried.

## 5. CLOSED SESSION

5.1 Motion to convene in closed session under exemption provided in Sec. 19.85 (1)(e), Wis. Stats., where competitive and bargaining reasons require a closed session related to a development opportunity along Indiana Avenue in the FreshTech Innovation District.

Motion by David Gass, second by Alderperson Wolf to convene into closed session. Motion carried.

## 6. ADJOURN

6.1 Motion to Adjourn.

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

Motion carried.

Being no further business, the meeting was adjourned at 9: 02 a.m.