

CITY OF SHEBOYGAN

REDEVELOPMENT AUTHORITY

JULY 17, 2019

1. OPENING OF MEETING MEMBERS PRESENT: Amy Horst, Steven Harrison, Alderperson Todd Wolf, Matt Quasius, David Sachse, David Gass, and Roberta Filicky-Peneski STAFF/OFFICIALS PRESENT: City Administrator Darrell Hofland, Planning & Development Director Chad Pelishek, Assistant City Attorney Thomas Cameron, 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.

No committee member had a conflict of interest with any item on this agenda.

2. MINUTES

2.1 Approval of minutes from the June 19, 2019 meeting.

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

3. PRESENTATION

3.1 Presentation on Sheboygan Tourism Zone Peak Season Occupancy Study.

Amy Wilson, President/CEO of Visit Sheboygan, gave a presentation that highlighted the tourist season, room availability and what the 2 % increase would mean for the Tourism Zone. The Tourism Zone includes City of Sheboygan,

Town of Sheboygan, and Town of Wilson, meaning these are the areas that would be affected by the proposed 2 percent tax increase. Kohler and Elkhart Lake would not be part of the taxing entities because they are not part of the zone.

With that being said the room tax rate would be approximately 5 % higher than Kohler and 2 % higher than Elkhart Lake which puts the hotels within our tourism zone in danger of losing hotel stays.

Also, all three municipalities would need to approve the tax increase in order for it to be implemented.

Further she stated that the 2018 numbers with the 2 % tax increase, only \$162,000 would have been generated. The other 90 % would be from our tourist coming to enjoy what Sheboygan has to offer.

Also, there has been no market study to show that this is a good fit for our community.

Sheboygan is known for its lake activities, golf, and charter fishing.

4. DISCUSSION AND POSSIBLE ACTION

4.1 Discussion and possible action on proposals with third-party independent sports consultants to review the Butzen Sports Complex proposal.

The committee inquired with Amy Wilson about the feelings of the hoteliers and if they are in favor of the proposed sports complex.

Amy Wilson stated that the hoteliers did state that they will not lower rates and if there is a conference in town, they will turn down the sports group to accommodate the conference attendees.

Also, there has been limited correspondence between hoteliers and the Butzens Sports Complex

representatives. Chad Pelishek added that he also heard from two hoteliers representing four properties that stated they are not in favor of having sports teams at their facilities due to how hard they are on the property, current struggle to fully staff facilities, and possible loss of other/reoccurring business.

Butzen Sports Complex representatives needs to work out challenges with hoteliers.

Roberta Filicky-Peneski mentioned that she was on a conference call along with Chad Pelishek, Darrell Hofland, and Mayor Vandersteen with both CSL and Johnson Consulting.

Johnson Consulting was more detailed than CSL.

Chad Pelishek stated that he had called Janesville to get referrals since they are building a multi-sport facility.

Janesville suggested CSL and Johnson Consulting since those are the two that they worked with. City staff sent the requests to both of the consulting firms to get quotes for review of the Butzen Sports Complex proposal since Redevelopment Authority doesn't have experience with a facility like this.

Johnson Consulting stated that there is no marketing feasibility study completed.

Chad Pelishek further stated that Johnson Consulting quoted \$7,500.00 and CSL was \$15,000.00 for phase 1 and to have phase 2 and 3 completed it would be an additional \$25,000 to \$35,000.

Chad Pelishek mentioned that we should be able to find \$10,000 in the budget. The committee inquired with Chad Pelishek and Roberta Filicky-Peneski as to who they felt more comfortable with after the conference call and reading the quotes.

Chad Pelishek, Roberta Filicky-Peneski, Darrel Hofland, and Mayor Vandersteen all agreed that they got the best feeling from Johnson Consulting.

The committee asked if the Butzen Sports Complex representatives had thought about hiring a consulting firm to complete a market analysis.

The Butzen Sports Complex representatives stated that at this point they have not and would need to discuss it.

A comment was made as to if they thought about scaling down the complex or enclosing two to three fields with domes.

Assistant City Attorney Thomas Cameron stated that yes the Redevelopment Authority could send that recommendation to the

Common Council is they preferred.

Motion by Matt Quasius, second by David Gass to HOLD for further information.

Motion carried.

4.2 Discussion and possible action on debt financing for Butzen Sports Complex.

The Butzen Sports Complex representatives was asked by the committee if they had raised any of the \$7,000,000 needed for the project? They stated that they wanted to see if they could receive the funding and approval from the City prior to solicensing out donors.

The committee stated that they needed to get silent funding first, that coming to the RDA without any backing from outside sources made them question if they can fulfill their end of the financing.

Redevelopment Authority members questioned what would happen if the Butzen Sports Complex can't pay back the bond? The Mayor stated that just as the City did with Blue Harbor, the City would need to absorb this costs in the general fund.

The committee discussed if the Butzen Sports Complex should be in front of the Redevelopment Authority at this point.

The committee felt that it is premature due to the Common Council not weighting in on if they support this project.

They further stated that they didn't think they should be deciding on funding a project that doesn't have all the approves yet.

The committee also noted that they are a gap funding source, the lender of last resort, not a full project funding source and Butzen Sports Complex should have their finances in order before a funding discussion should be made.

5. ADJOURN

5.1 Motion to Adjourn.

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

Being no further business the meeting adjourned at 8: 54 a.m.