

CITY OF SHEBOYGAN

REDEVELOPMENT AUTHORITY

APRIL 4, 2018

1. OPENING OF MEETING MEMBERS PRESENT:

David Sachse, David Gass, Alderperson Todd Wolf, Roberta Filicky-Peneski, Amy Horst, Steven Harrison and Matt Quasius

STAFF/OFFICIALS: City Administrator Darrell Hofland, Mayor Michael Vandersteen, City Attorney Charles Adams, and Planning & Development Director Chad Pelishek
PUBLIC PRESENT: Representation from Old World Creamery, James Schuessler, Steve Schmitt

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.

David Gass has a conflict with Sprechers (3.1) and Matt Quasius has a conflict with Van Horn (4.1).

2. MINUTES

2.1 Approval of minutes from the March 7, 2018 meeting.

Motion by Alderperson Todd Wolf, seconded by Steven Harrison to approve.

Motion carried.

3. DISCUSSION AND POSSIBLE ACTION

3.1 Current status of Business Development Loans. Chad Pelishek review all the loans that the RDA currently have outstanding.

Sprecher and 3 Sheeps Business Loans will be need to met their job requirements within the next month and the documentation has not been provided to show that they have.

Multiple attempts have been made by both the City's consulting firm and Chad Pelishek.

The only response received was from Steve Schmitt from Sprechers.

Steve Schmitt was present for Sprechers.

He stated that their accountant is working on the documentation and will have it submitted shortly.

The committee inquired about the terms of the Sprechers Loan and what happens if they don't meet the requirement.

According to the terms of the agreement, the loan would become due in full.

As for 3 Sheeps, no one was present nor has anyone returned any phone calls or emails.

The committee inquired about the terms of the 3 Sheeps loan.

Chad Pelishek stated that he would need to work with the City Attorney's Office but it appears that \$100,000 would not be forgiven and that would be due in full along with the portion of the loan portion of the loan that was not forgivable.

Motion by Matt Quasius, seconded by Alderperson Wolf to authorize the City Attorney's office to proceed with necessary action if these loans are in non-compliance.

Motion carried. (6 - 0 - 1 abstained: Gass)

4. CLOSED SESSION

4.1 Motion to convene in closed session under the exemption contained in Sec. 19.85 (1)(e), Wis. Stats., where competitive bargaining reasons require a closed session related to a possible business loan with Old World Creamery, LLC, and Van Horn and possible development on South Pier.

Motion by Alderperson Wolf, seconded by Steven Harrison to go into closed session.

Roll Call Vote: Aye: Filicky-Peneski, Quasius, Harrision, Gass, Sachse, Wolf, and Horst Nay: none

Motion carried.

5. OPEN SESSION

5.1 Motion to reconvene into open session.

Motion by Steven Harrison, seconded by David Sachse to reconvene into open session. Roll Call Vote: Aye: Filicky-Peneski, Quasius, Harrision, Gass, Sachse, Wolf, and Horst Nay: none

Motion carried.

5.2 Possible action on item discussed in closed session. Old World Creamery:

Motion by Alderperson Wolf, seconded by Steven Harrison to approve the business loan with Old Creamery.

Conditions of the loan:

1. Loan in th amount of \$500,000 at
2. 68 % for 10 years.
2. Loan to be used for equipment purchase
3. An envirnomental review must be completed.
4. The landscape and street signage must be updated.
5. Create 29 new FTE jobs in three years with 51 % meeting the low to moderate income status.
6. Second lien on real property
7. UCC filing on the equipment
8. Corporate guarantees from Weywauga Cheese and personal guarantees.
9. Current employee listing to develop baseline.

Motion carried.

Motion by Alderperson Wolf, seconded by Steven Harrison to reconvene into closed session under the exemption provided in Sec 19.85 (1)(e), Wis. Stats., where competitive bargaining reasons require a closed session related to possible business loan with Van Horn and possible development on South Pier. Roll Call Vote: Aye: Filicky-Peneski, Quasius, Harrision, Gass, Sachse, Wolf, and Horst Nay: none

Motion carried.

6. ADJOURN

6.1 Motion to Adjourn

Motion by Alderperson Wolf, seconded by Matt Quasius to adjourn in closed session.

Motion carried.

Being no further business the meeting was adjourned.

The next RDA meeting will be April 25, 2018 at 7: 45 a.m..