

CITY OF SHEBOYGAN

REDEVELOPMENT AUTHORITY

AUGUST 4, 2021

1. OPENING OF MEETING MEMBERS PRESENT: Steven Harrison, James Conway, James Owen, Alderperson Trey Mitchell (remote) and Amy Horst MEMBERS EXCUSED: Roberta Filicky-Peneski and David Sachse STAFF PRESENT: Planning & Development Director Chad Pelishek OTHERS PRESENT: Joe Grasch (Portscape Apartments) and Kurt Jensen

1.1 ROLL CALL -Roberta Filicky-Peneski, David Sachse, Steven Harrison, James Conway, James Owen, Alderperson Trey Mitchell, and Amy Horst may attend remotely.

1.2 Call to Order.

Vice-Chair Steve Harrison called the meeting to order.

1.3 Pledge of Allegiance.

The Pledge of Allegiance was recited.

1.4 Identify potential conflict of interest.

No conflict of interest among the committee members.

2. MINUTES

2.1 Approval of minutes from the July 7, 2021 meeting.

Motion by Amy Horst, second by James Owen to approve the minutes.

Motion carried.

3. DISCUSSION AND POSSIBLE ACTION

3.1 Discussion and possible action on redevelopment of the 511 / 517 N. Commerce Street.

Kurt Jensen was present.

Kurt Jensen explained his plans for the lots at 511 / 517 N. Commerce Street. He is looking at removing the blue building (closest to Suscha's Bar) and making it a parking lot, constructing a pavilion with a stage near the river, the existing red building will become a tap room, the building (storage shed) near the river will be the brewing facility and a corridor will be built between the two buildings which will hold the office, kitchen and conference rooms.

Chad Pelishek mentioned that the reason he was at the meeting today was to provide an updated due to the fact that the six-month exclusive right to negotiate is expiring, and he is requesting an extension until the end-of-the-year.

Motion by Amy Horst, second by Jim Conway to approve the extension of the exclusive right to negotiate until December 31, 2021.

Motion carried.

3.2 Discussion and possible action on modified development plan related to the Portscape Apartments, Phase 3 in the South Pier District.

Joe Grasch was present via phone.

Joe Grasch explained that he is bringing Portscape Apartments Phase 3 back to the Redevelopment Authority with a different layout which addressed the committee's concerns. He further explained that there is a gap in the proforma, so he is looking for the Redevelopment Authority to sell the property for phase 3 at the same price as Phase 1 and 2 which was \$3,000.00 per unit.

If the cost per unit is \$3,000.00 and with a City incentive he should be about to make Phase 3 work.

Chad Pelishek informed that committee that he had a discussion with the assessor, and he stated that it should be more like \$12,000.00 per unit. Joe said that he could possibly make \$3,600.00 work, but it will require a bigger incentive from the City. Amy Horst stated that selling at \$3,000.00 per unit when the development first came forward made sense, but not for Phase 3. You should be able to make it work on your own.

Joe Grasch respond that in order to make it look as good as Phase 1 and 2 it is going to cost a lot more due to the cost of material.

Everything has gone up since the Phase 1 and 2. Steve Harrison stated that he agrees with Amy Horst that initially this project needed it to get it off the ground, but at this point Portscape Apartments should be making money. James Owen asked if there was a way to meet in to the middle, like \$9,000.00 per unit.

Joe Grasch replied that the project is upside down at \$3,000 per unit. Chad Pelishek stated that the incentive is not for this committee to decide only the price of the land.

The Common Council and City Administrator have stated that incentives are not available for Market Rate developments that their focus is Affordable Housing which according the Housing Study is what Sheboygan needs to focus on.

Joe Grasch stated that he is not able to make it work without it being \$3,000.00 per unit and an incentive, so he is withdrawn his proposal.

4. ADJOURN

4.1 Motion to Adjourn.

Motion by Amy Horst, second by James Owen to adjourn.

Motion carried.

Being no further business the meeting was adjourned at 8: 07 a.m.