

CITY OF SHEBOYGAN

REDEVELOPMENT AUTHORITY

FEBRUARY 3, 2021

1. OPENING OF MEETINGMEMBERS PRESENT: David Gass, David Sachse (remote), Steve Harrison (remote), Roberta Filicky-Peneski (remote), James Owen (remote), Alderperson Trey Mitchell (remote), and Amy Horst (remote)STAFF/OFFICIALS PRESENT: City Attorney Charles Adams (remote), Accountant III Jessica Huss (remote), Mayor Michael Vandersteen and Planning & Development Director Chad PelishekOTHERS: Kurt Jensen (Sheboygan Beer Co.), John Bierberitz (TADI), and Joe Grasch (Portscape Apartments) -All remote

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

David Gass was in person all other RDA members attended remotely.

1.2 Call to Order.

Chair Roberta Filicky-Peneski called the meeting to order.

1.3 Pledge of Allegiance.

The Pledge of Allegiance was recited.

1.4 Identify potential conflict of interest.

James Owen has a conflict of interest with item

3.

3. David Gass has a conflict of interest with item

4.

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2. MINUTES

2.1 Approval of minutes from the December 16 & 22, 2020 meeting.

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

3. DISCUSSION AND POSSIBLE ACTION

3.1 Discussion and possible action on option to purchase/lease RDA owned property at 511 N. Commerce Street.

Chad Pelishek explained that this request is for 511 North Commerce Street (blue building) which Philippe Cagnant previously had a six-month exclusive right to negotiate on.

Philippe Cagnant has since withdrawn his request.

City staff reached out to Kurt Jensen who has a 6 -month right to negotiate on the property to the north (517 North Commerce -red building) to see if he was interested in 511 North Commerce as well.

Kurt Jensen explained that he is requesting a six-month right to negotiate for all three buildings. He is planning on starting with the red building and

the pole shed. The shed will be a brewery and the red building will be a tap room with an outdoor beer garden. The blue building may become a reception hall.

Motion by Amy Horst, second by Alderperson Mitchell to acknowledge and release the exclusive right to negotiate with Philippe Cagnant on 511 North Commerce (blue building).

Motion passed.

Motion by Amy Horst, second by James Owen to negotiate six-month exclusive right to negotiate with similar terms as 517 North Commerce for both properties (511 & 517 North Commerce).

Motion passed.

3.2 Discussion and possible action on status of current business

development loans.

Chad Pelishek and Jessica Huss reviewed the spreadsheet of loan statuses

with the Redevelopment Authority.

701 - 703 LLC

The committee inquired why it took so long for 701 - 703 LLC to be brought before the committee if they have been in default since 2019.

Chad Pelishek explained that due to the forbearances and interest only granted by prior Authority's

it took some time for Jessica Huss to get through all the documents to verify that our information was correct.

Motion by David Gass, second by David Sachse to commence legal action.

Motion passed.

WeGameOn

Motion by David Sachse, second by Steven Harrison to commence legal action and direct the City Attorney to issue a delinquency letter.

Motion passed.

3.3 Discussion and possible action on business loan deferral request from 3 Sheeps Brewery.

Chad Pelishek stated that not action is needed on this item. Grant Pauly has withdrawn his request.

3.4 Discussion and possible action on development opportunity related to Portscape Apartments phase 3

Chad Pelishek explained that the Redevelopment Authority had already approved the sale of property near the intersection of Blue Harbor Drive and Lakeview Road

for development of Portscape Apartment phase 3.

Joe Grascch has completed the layout and the proposed design doesn't fit in the area as previously thought, so Mr. Grascch

is coming back to the board with a new proposal.

The new proposal will expand the development into existing parking spots.

Given that parking is always a discussion, city staff

recommened that the developer update the parking study completed as part of the Phase 1 in 2016. Mr. Grascch hired TADI to compete

this study.

Joe Grascch asked John Bierberitz from TADI

to review the parking study before he went through the new design.

John Bierberitz stated that the original study was completed

August 2016 during the duration of a day. The peak hours were reflected to be between 11 a.m. and 2 p.m. The study showed to have an excess of 151 parking stalls with the updated study accounting for Joe Grascch's new development there will be an excess of 71.

The committee inquired when the parking demand data was collect because COVID could affect the numbers. John replied they used the 2016 data.

Mr. Bierberitz

replied that yes the patron may have to use street parking instead of a parking stall but the street parking is in close vicinity to the shanties as well.

The committee inquired with Chad Pelishek if he has heard anything for the business owners regarding parking. Chad Pelishek replied that he has not heard anything since before the apartments were built.

Joe Grascch and Chad Pelishek stated that they have not reached out to anyone.

They wanted to see how the RDA feels about the new proposal and that there was no reason to discuss it with them if the committee wasn't going to approve it.

Joe Grasch mentioned that he did survey his tenants about the number of vehicles that they see in the parking lot.

Joe Grasch continued to explain

that the first proposal was for three four unit buildings in the area to the north of Lakeview Road and Blue Harbor Drive.

The new proposal is for two eight unit building units, north of Lakeview and Blue Harbor Drive and 12 units to the south of Triple Play building.

The committee expressed a concern about the density and how crowded that area will look.

They also mentioned that when parking is gone it is gone and that they would like to see the parking study done for a period of time not just one day.

When asked, Joe Grasch stated that he would like to start the project in August -September 2021.

The committee inquired as to why he had to change from three four units to two eight units on the parcel to the north of Lakeview Road and Blue Harbor Drive.

Joe Grasch said that they didn't fit as he initially proposed and it isn't worth him building them if he can only build two four units.

The committee asked if it is an either or/ or both situation. Joe stated that is he can't get the whole project approved it isn't worth his time to build a portion because of the cost.

The committee inquired about Pentair property and where the negotiation are at? Chad Pelishek stated that the talks have stalled.

James Owen mentioned that he had conversations with Blue Harbor and it was an all or nothing package.

Mayor Vandersteen suggested city staff open the conversations with Blue Harbor

and the other merchants in the area to get their input on the development and see how they feel about the loss of parking spaces. Based on the discussion, Roberta Filicky-Peneski suggested that the committee members take a drive down South Pier to see for themselves what the parking situation is.

Motion by David Sachse, second by Alderperson Mitchell to conceptually approve proposal with the authorization to have staff discuss the proposal with neighboring business and report back the findings from the business interactions at a later meeting. Motion carried.

David Gass left meeting 8: 51 a.m.

4. CLOSED SESSION

4.1 MOTION TO CONVENE IN CLOSED SESSION under the exemption provided in Sec. 19.85 (1)(g), Wis. Stats., for the purpose of conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved, related to communication from Attorney Peter Mayer on behalf of the Blue Harbor Resort Condominiums, LLC regarding condominium units in the South Pier District.

Motion by Steven Harrison, seconded by Alderperson Mitchell to go into closed session. Roll Call Vote: Aye: Filicky-Peneski, Harrison, Sachse, Mitchell, Owen, and Horst Nay: none Motion carried.

5. ADJOURN

5.1 Motion to Adjourn.

Motion by David Sachse, second by Alderperson Mitchell to adjourn for closed session.

Motion carried.

Being no further business the meeting was adjourned at 9: 30 a.m.