

CITY OF SHEBOYGAN

REDEVELOPMENT AUTHORITY

SEPTEMBER 2, 2020

1. OPENING OF MEETING MEMBERS PRESENT: Roberta Filicky-Peneski, David Sachse, Steven Harrison, David Gass, James Owen, Alderperson Trey Mitchell, and Amy Horst -all attended remotely STAFF/OFFICIALS PRESENT: City Attorney Charles Adams, Mayor Michael Vandersteen, and Planning & Development Director Chad Pelishek OTHERS PRESENT: Warren Salzbrenner (Hiawatha Bank) and Katie & Rob Hurrie (Black Pig)

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.

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.

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

2. MINUTES

2.1 Approval of minutes from the July 22, 2020 meeting.

Motion by Steven Harrison, second by David Gass to approve. Motion carried.

3. DISCUSSION AND POSSIBLE ACTION

3.1 Discussion and possible action on request from Hiawatha Bank on behalf of Catering Culinary Artists, LLC (Black Pig) to defer business development loan payments.

Warren Salzbrenner from Hiawatha Bank and Katie & Rob Hurrie from the Black Pig were present.

Katie Hurrie explained that business is down due to COVID and a majority of the reservations for the banquet facility have canceled or postponed until next year. The Black Pig is only at 60 % of sales from the same time last year.

Katie further explained that Hiawatha Bank had previously deferred their payments for six months and would like the Redevelopment Authority to defer principal and interest payments for six months.

When asked if people are rescheduling their canceled events, Katie Hurrie mentioned that the banquet hall bookings start to pick-up again in May 2021. Right now they are just trying to make it until then.

David Sachse inquired what the current loans are. The first mortgage is \$322,000.00 with Hiawatha Bank. The second mortgage is with the SBA in the amount of \$870,000.00.

The RDA business development loan

is in the amount of \$200,000.00 with a current balance of approximately \$117,000.00.

David Sachse mentioned approximately \$1.4 million in loans.

David Sachse further inquired what the sales are through August 2020 compared to last years.

Katie and Rob Hurrie replied 2019 sales through August were \$650,000

verses \$380,000

for this year.

The committee discussed how the bank has made a commitment, so the committee felt that they should as well. The RDA asked if Hiawatha would go to interest only and RDA would go interest only too.

They also inquired with Mr. Salzbrenner if Hiawatha Bank would consider lowering in their interest rates. Warren Salzbrenner stated that he would have to go back to the regulators to get approval on interest only payments or lowering the interest rate. The RDA discussed forgiving or deferring the loan for a certain period of time.

Motion by David Gass, second by David Sachse to forgive principal and interest payments until May 2021.

Motion carried.

3.2 Discussion and possible action on business development loan balance sheet.

Chad Pelishek explained that he had just received the balance sheet from the Finance Department and the person that administers the loan program was on vacation.

Therefore, he asked for the committee to hold it until the next meeting until staff can meet with the finance department and understand the delinquencies.

Motion by Steven Harrison, second by Alderperson Mitchell to HOLD until the next meeting. Motion approved.

4. CLOSED SESSION

4.1 MOTION TO CONVENE IN CLOSED SESSION under the exemption provided in Sec. 19.85 (1)(e), Wis. Stats., where competitive or bargaining reasons require a closed session related to a development opportunity in the South Pier District and at 517 / 517 R North Commerce Street, and update on Three Twins Ice Cream Business Development loan.

Motion by Amy Horst, second by David Sachse to convene into closed session. Roll Call Vote: Aye: Filicky-Peneski, Harrison, Sachse, Owen, Horst, Mitchell, and Gass Nay: none

Motion carried.

4.2 Reconvene into open session.

No action taken. Adjourned from closed session.

5. OPEN SESSION

5.1 Possible action on development opportunity in the South Pier District as discussed in closed session.

No action taken.

5.2 Possible action on 517 / 517 R North Commerce Street as discussed in closed session.

No action taken.

6. ADJOURN

6.1 Motion to Adjourn.

Motion by David Sachse, second by Amy Horst to adjourn in closed session.
Motion carried.

Being no further business the meeting was adjourned at 8: 47 a.m.