

CITY OF SHEBOYGAN

REDEVELOPMENT AUTHORITY

JUNE 17, 2020

1. OPENING OF MEETING MEMBERS PRESENT: Alderperson Todd Wolf, Roberta Filicky-Peneski, David Gass, James Owen, David Sachse, Steven Harrison and Amy Horst -all members were remote STAFF/OFFICIALS PRESENT: City Administrator Darrell Hofland, City Attorney Charles Adams, and Planning & Development Director Chad Pelishek OTHERS PRESENT: Paul and Lisa Roberts, Anglers Avenue Pub and Grill

1.1 ROLL CALL -Roberta Filicky-Peneski, Alderperson Todd Wolf, David Sachse, Steven Harrison, David Gass, James Owen, and Amy Horst attended 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 April 28, 2020 meeting.

Motion by Alderperson Wolf, second by Steve Harrison to approve.

Motion carried.

3. DISCUSSION AND POSSIBLE ACTION

3.1 Discussion and possible action on request to use RDA-owned land from Anglers Avenue Pub and Grill.

Paul Roberts explained that they would like to use the property to the east of Anglers Avenue Pub and Grill for a Tiki Bar type atmosphere.

He further stated that they have reduced the number of seating within the pub due to COVID- 19 restrictions and would like to provide the option of outdoor seating with a Tiki Bar feel.

Chad Pelishek inquired about the time for the tent to be up on the Redevelopment Authority (RDA) owned land.

Paul Roberts explained that he still had things that needed to be figured out first, like porta potty, tent, etc.

Roberta Filicky-Peneski stated that she would like to know a timeframe.

Paul Roberts replied 90 days.

Steve Harrison asked about the hours of operation for the tent/tiki bar

because of the residents across the street. Paul Roberts replied that it would be open 3: 00 - 10: 00 p.m. It could be 11: 00 p.m. on Friday and Saturday if Anglers has entertainment. Roberta Filicky-Peneski inquired if they are open seven days a week now. Paul Roberts stated that they are currently closed on Tuesday due to the current situation and are hoping to be open seven days a week soon but will need to hire staff for the Tiki Bar.

David Gass stated that he feels that this should be done through a contract written up by the City Attorney's office that lays out what can and cannot be done and what the penalty is for not following the contract.

Amy Horst agreed with David Gass stating that due to the extraordinary circumstances this would be a good trial

period and a 90 -day ground lease should be written up outlining the expectations. Chad Pelishek stated that he will work with the Attorney's Office to write-up a contract with the rules and expectations.

Motion by David Sachse, second by Amy Horst to have City Attorney's Office work with staff to negotiate a 90 -day lease.

Motion carried.

David Sachse left meeting 7: 58 a.m.

3.2 Discussion and possible action on loan related to Three Twins Ice Cream.

Chad Pelishek explained that Three Twins Ice Cream has closed their Sheboygan site due to COVID- 19. They did meet their job requirements prior to the closing.

The original principal of the Three Twins loan was \$120,000. At this point, the unpaid balance is \$50,291.49, so Three Twins has paid about \$70,000 in principal payments. They ve also paid about \$16,000 in interest. In April, Three Twins, a California entity,

executed a General Assignment which is part of the California state law liquidation process. Wisconsin has a similar statutory process. The goal is an orderly liquidation of the business assets. Under the California process, claimants have until mid-October to file their claims. According to the notice that we received, Three Twins has between \$3 million and \$3.5 million in assets, and approximately \$8.5 million in unsecured claims.

The RDA is a secured creditor. The RDA holds what appears to be a first mortgage on the Sheboygan property, and are subordinate to a bank on the equipment. The RDA also has a personal guarantee.

Motion by David Gass, second by Alderperson Wolf to file a claim and, to the extent necessary, and pursue the personal guarantees. Motion carried.

3.3 Discussion and possible action on Old World Creamery meeting job creation requirements for their business development loan.

Chad Pelishek explained that Old World Creamery has two \$500,000.00 business loans. The second business loan required Old World Creamery to create 29 new FTE positions with 51 % of the jobs meeting the low-to-moderate (LMI) income

threshold.

Old World Creamery has created
30.8

jobs of which

26 of them are LMI; therefore, meeting the job requirement condition.

Motion by Alderperson Wolf, second by Steve Harrison to satisfy the job requirement condition. Motion carried.

Chad Pelishek also mentioned that conditional

of the loan was to install a new sign which has been placed at the NE corner of Erie Avenue and N. 17 th Street.

3.4 Update on Innovation District related to CARES Act funding.

Chad Pelishek provided an update.

The grant was submitted last week, and the amount requested is \$4.75 million.

The feeling for receiving a grant is pretty good considering this project will help create over 200 new jobs and retain 150 jobs. The cost is \$6.1 million for a two story, 20,000 square foot building.

The first floor with contain a 5,000 square foot lab for MilliporeSigma along with prototyping lab

managed by Lakeshore Technical College.

The second floor with have incubator space and office space for the Sheboygan County Economic Development Corporation and the Small Business Development Center.

Roberta Filicky-Peneski inquired about the timeline for hearing anything about the grant.

Chad Pelishek explained that it is a first come, first service grant that is nationwide.

James Owen asked about the outside area and is anything being done to draw the community to this.

Chad Pelishek mentioned that an architectural firm has been hired to create a plaza and community feel but this has been put on hold until the location of the building is decided.

4. ADJOURN

4.1 Motion to Adjourn.

Motion by Alderperson Wolf, second by Amy Horst to adjourn.

Motion carried.

Being no further business the meeting adjourned at 8: 14 a.m.