

*****ATTACHMENTS*****

CITY OF SHEBOYGAN
REDEVELOPMENT AUTHORITY

OCTOBER 7, 2020

1. OPENING OF MEETING

MEMBERS PRESENT: David Gass, David Sachse, Steven Harrison, Roberta Filicky-Peneski, Alderperson Trey Mitchell, James Owen, and Amy Horst -all attended remotely.

STAFF/OFFICIALS PRESENT: Planning & Development Director Chad Pelishek, Mayor Michael Vandersteen, City Administrator Todd Wolf, and City Attorney Charles Adams (remotely)

OTHERS PRESENT: Joe Grascch (Portscape), Greg Casper (Financial Group), and David Lin (1136 Indiana Ave.) -all attended remotely.

1.1 ROLL CALL -Roberta Filicky-Peneski, David Sachse, Steven Harrison, David Gass, James Owen, 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 conflict of interest was noted.

2. MINUTES

2.1 Approval of minutes from the September 23, 2020 meeting.

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

3. DISCUSSION AND POSSIBLE ACTION

3.1 Discussion and possible action on historic preservation façade grant request for research work at 1136 Indiana Avenue.

David Lin was present remotely for this item.

Director Pelishek explained that we had an application for a historic preservation facade grant at 1136 Indiana Avenue. Jennifer L. Lehrke, Legacy Architecture, has been hired to draw plans and complete research for building located at 1136 Indiana Avenue. He also mentioned that the grant will pay 75% of the initial cost and if the project moves forward the remaining 25% will be reimbursed.

The committee inquired if there is funding available in this account. Director Pelishek confirmed there was.

Motion by Steven Harrison, second by Amy Horst to approve the \$5,000 request for Historic Preservation Facade work with 75% being paid upon completion of the project and the remaining 25% being paid when the project moves into the construction. Motion carried.

3.2 Discussion and possible action on approval of the Community Land Trust Ground Lease Rider for the South Pier Family Investments development on South Pier.

City Attorney Charles Adams explained that South Pier Family Investments is requesting some modifications to the ground lease. They were looking for more of an "All-Inclusive" type lease to protect the rights of the mortgage holders if leaser of the land didn't fulfill their mortgages. The mortgage holder could take over lease under building. Attorney Adams would like to have further discussions with Community Land Trust to get further clarification. Director Pelishek recommended that this item be held until city staff could get additional clarification on the need for these rider.

Motion by Amy Horst, Second by David Gass to HOLD. Motion carried.

3.4 Discussion and possible action on request for business loan modification from The Financial Group.

Greg Casper of the Financial Group explained that he would not be able to meet the job requirement of adding one more FTE during the allotted time. Mr. Casper proposed to pay the \$25,000 equivalent to one full-time employee now and continue paying on with the rest of the unpaid loan amount with the current principal and interest payment.

Motion by David Sachse, second by Steven Harrison to approve the payment of \$25,000.00 to satisfy the remaining job requirement. Motion carried.

3.3 Review of the South Pier Live Work Guidelines adopted in 2011.

Director Pelishek reviewed pages 6, 7 & 10 of the Sheboygan South Pier Live Work Supplemental Guidelines with the Redevelopment Authority. He explained that Portscape does fit in the guidelines that were adopted in 2011.

Todd Wolf, City Administrator, stated that the city is in support of following the guidelines that were adopted in 2011 and presented here today.

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 possible business development loan with Johnsonville, LLC.

Motion by Amy Horst, seconded by James Owen to go into closed session.

Roll Call Vote:

Aye: Filicky-Peneski, Harrison, Sachse, Mitchell, Owen, Gass and Horst

Nay: none

Motion carried.

5. OPEN SESSION

5.1 Reconvene into open session.

Motion by David Sachse, seconded by Steven Harrison to reconvene into open session.

Roll Call Vote:

Aye: Filicky-Peneski, Harrison, Sachse, Mitchell, Owen, Gass and Horst

Nay: none

Motion carried.

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

Motion by David Gass, second by David Sachse to authorize staff to work with the developer to draft a land lease agreement subject to the information provided by the developer in his September 30, 2020 email to Director Pelishek and including landscape enhancements in the final development plan. Motion carried.

5.3 Possible action on business development for Johnsonville, LLC as discussed in closed session.

Motion by David Sachse, second by Steve Harrison to approve a business development loan with Johnsonville, LLC and with the following terms: \$200,000 forgivable loan, completion of an environmental review, documentation on the current number of jobs, copy of offer to purchase, creation of eight (8) FTE jobs with 51% of the new jobs meeting the low to moderate income criteria and creating the positions within the first 3 years. Motion carried.

6. ADJOURN

6.1 Motion to Adjourn.

Motion by Steven Harrison, second by David Sachse to adjourn. Motion carried.

Being no further business the meeting adjourned at 8:34 a.m.

CITY OF SHEBOYGAN

REQUEST FOR REDEVELOPMENT AUTHORITY CONSIDERATION

ITEM DESCRIPTION: Discussion and possible action on Historic Preservation façade design study for 1402 S. 12th Street.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: November 30, 2020 **MEETING DATE:** December 2, 2020

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

Legacy Architecture has submitted a proposal for the owner Legacy Studios, LLC for a façade study of this property. This property is located on South 12th Street and is outside the target area for the historic preservation program. The target area identified in the program requirements is Indiana Avenue (14th Street to the Lake), 8th Street (Indiana to Michigan), Michigan Avenue (8th to 14th). The Authority just approved a grant study for 1136 Indiana Avenue and we are aware of possibility two more. The budget is about \$90,000 and this is for façade study's and construction grants.

STAFF COMMENTS:



ACTION REQUESTED:

Action as determined by the Authority

ATTACHMENTS:

- I. Façade Grant for Research Work
- II. Proposal from Legacy Architecture dated November 11, 2020

OFFICE USE ONLY

CDBG PROGRAM YEAR _____

APPLICATION REC'D DATE _____

OFFICE USE ONLY

DATED APP'D BY RDA _____

DOLLAR AMT APP'D _____

CITY OF SHEBOYGAN
APPLICATION FOR HISTORIC PRESERVATION GRANT PROGRAM
FAÇADE GRANT FOR RESEARCH WORK
Amended by RDA, September 25, 2008

Completed application is to be filed with the Department of City Development, 807 Center Avenue, Sheboygan, WI 53081. Applications that are not complete or legible will not be accepted.

1. GENERAL INFORMATION

APPLICANT: Trish Brunner PHONE: (920)803-8880

NAME OF FIRM: Legacy Studios LLC

APPLICANT'S ADDRESS: 1402 S. 12th Street, Sheboygan, WI 53081

ARCHITECT: Jennifer L. Lehrke PHONE: (920)783-6303

ADDRESS: Legacy Architecture, Inc., 605 Erie Avenue
Suite 101, Sheboygan, WI 53081

2. PROJECT INFORMATION (Costs must be verified with a written estimate for the research work from design professional)

PROJECT LOCATION: 1402 S. 12th Street, Sheboygan, WI 53081

RESEARCH WORK COSTS \$ 5,000

FAÇADE GRANT REQUEST \$ 3,750

3. CERTIFICATION

I hereby certify that all the above statements and attachments submitted hereto are true and correct to the best of my knowledge and belief.


APPLICANT'S SIGNATURE

11/11/20

DATE

Jennifer L. Lehrke

PRINT ABOVE NAME

4. NOTES

PURPOSE: To promote facade renovation of historic buildings, to conserve valuable architecture and to preserve the City's ethnic and cultural heritage as reflected in its historic structures.

ELIGIBILITY: To be eligible a building must be in the Harbor Centre Master Plan Phase Two area or in the South 12th Street Heritage Square area. The Historic Preservation Commission or the Architectural Review Board must designate the building as architecturally or historically significant.

GRANT REQUIREMENTS: The research work/design must be prepared by a design professional and must reflect the original design, materials and character of the building including cost estimates for the proposed work. It must be approved by designated agencies.

CITY PARTICIPATION: The City will pay 100% of the cost of preliminary architectural and historical research, if deemed acceptable by the Redevelopment Authority (RDA). 75% of the façade grant for research work will be paid upon completion of the design. The remaining 25% of the façade grant for research work will be paid to the applicant upon completion of the construction project per the Architect's architectural and historical research.

COMPLETION: Research work shall be completed within 6 months of authorization to proceed by the Redevelopment Authority. Work completed prior to approval will not be eligible for funding.

5. ACTION BY THE CITY OF SHEBOYGAN

DATE APPROVED ARCHITECTURAL REVIEW BOARD: _____

DATE APPROVED BY REDEVELOPMENT AUTHORITY: _____

SIGNATURE: _____

DATE: _____

Chairperson- RDA



605 Erie Avenue, Suite 101
Sheboygan, Wisconsin 53081
(920) 783-6303
www.legacy-architecture.com

November 11, 2020

Chad Pelishek, Director of Planning & Development
City of Sheboygan Planning & Development Department
828 Center Avenue
Sheboygan, WI 53081

Re: Historic Preservation Grant Program
Façade Grant for Research Work
1402 S. 12th Street

Dear Mr. Pelishek:

Trish Brunner of Legacy Studios LLC would like to rehabilitate the exterior of her building at 1402 S. 12th Street.

As a first step, she has asked us to prepare an Application for the Historic Preservation Grant Program for a Façade Grant for Research Work (attached). Our scope of services for the Façade Grant would include the following:

1. Visit the site to verify existing conditions and take field measurements and photographs of the building.
2. Draft existing floor plans and elevations.
3. Research archive photographs to determine the building's original appearance.
4. Meet with Trish to arrive at a preferred design concept.
5. Prepare color elevations including material notes and color selections.

Based on our past experience, we estimate the fees for the above scope of services will be approximately \$5,000, of which 75% (\$3,750) will be billed directly to and paid by the City of Sheboygan and 25% (\$1,250) will be the building owner's responsibility.

We would appreciate it if the Redevelopment Authority could review the application at their next meeting. Please contact us if there are any questions or if you require further information.

Sincerely,

Legacy Architecture, Inc.

Jennifer L. Lehrke, AIA, NCARB
Principal Architect, Interior Designer & Historic Preservation Consultant

CITY OF SHEBOYGAN

REQUEST FOR REDEVELOPMENT AUTHORITY COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Discussion and possible action on potential modification of operating costs including real estate taxes, land lease, and business development loan payments by the tenant at 820 Indiana Avenue.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: November 30, 2020 **MEETING DATE:** December 2, 2020

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

STAFF COMMENTS:

HH2 Properties, LLC owner the Pacifico Restaurant. The tenant has requested a reduction in rent payments as a result of the pandemic. Given the location of this restaurant, the City/RDA goal should be to keep this business operational. Of the operating costs, the RDA has authority over the land lease and business development loan.

ACTION REQUESTED:

Motion as determined by the Authority.

ATTACHMENTS:

- I. Letter from HH2 Properties, LLC dated November 24, 2020.

HH2 Properties, LLC

Sheboygan Redevelopment Authority
Sheboygan, WI

Attn: Mr. Chad Pelishek

November 24th , 2020

Chad, I am writing on behalf of HH2 Properties the owner of the 820 Indiana Ave. real estate.

The property presently pays the city of Sheboygan and the RDA for a number of operating costs, which are required to be paid by our user tenant.

These costs include:	annual
Real Estate taxes	\$29,812
Land Lease	\$12,955
BID district fee's	\$3,256
RDA improvement loan	\$18,645
Total	\$64,668

The costs are an expense to the operation no matter what level of sales the user generates. Having invested millions into the dormant property including our own parking lot, the area and city have benefited financially over the past 12 years since we developed this location.

With the present pandemic causing financial disruption and impact to many businesses, none has been hit harder than the hospitality industry. This is unfortunately true with the Pacifico Grill who recently signed a long term lease and invested in many improvements to this property. They have asked for a significant reduction in rent to be able to stay financially afloat during the present economic downturn in the restaurant industry.

We would like to request that the RDA consider a payment reduction for a period of one year on both the lease and the loan for this property. Ideal would be interest only on the loan, interest can be paid quarterly, and 1/2 reduction in the land lease payment for 2020/2021 years.

We appreciate your review and consideration of our request.

Thank you



HH2 Properties , LLC.