

**MINUTES**  
**REDEVELOPMENT AUTHORITY**

Redevelopment Authority, Thursday, January 14, 2010 at 5:15 P.M. in the City Attorney's office conference room, third floor of City Hall, 828 Center Avenue.

Present: Roberta Filicky-Peneski, Atty. Dave Gass, Glenn Pilling, Richard Hiers, Dolcye Johnson, Ald. James Gischia and Mike Leibham

Staff present: Paulette Enders, Steve McLean & Chad Pelishek

Public present: Renee Stauffacher, Joseph Haas, Tom Schafer, Paul Gottsacker, Philip Schultz, John Thode, & Craig Roush

Chairperson Filicky-Peneski called the meeting to order at 5:15 P.M.

Pledge of Allegiance was recited.

Approval of minutes of December 10, 2009.

Ald. Jim Gischia moved, Dolcye Johnson seconded to approve the minutes. Motion carried.

Application by Stauffacher Corporation for a Sign Grant for Intun ChiroCare, 641 Riverfront Drive.

Ald. Jim Gischia moved, Dick Hiers seconded to approve the grant request of 50% or \$840.00. Motion carried.

Discussion and possible action regarding delinquent Business Development Loans.

Sunnyside Mall

Joseph Haas, owner of Sunnyside Mall was present. Mr. Haas explained that a lot has changed in six years since he purchased the property for \$700,000. He stated he is currently collecting \$12,200 in rent and he about \$700 left over after he pays the expenses. Mr. Haas stated that the property is worth what he owes and wants to sell the property and assure that everyone gets paid.

The City of Sheboygan is in third position behind U.S. Bank and M&I Bank which he owes approximately \$946,000. The property is up for sale, although it is not listed on the MLS. Mr. Haas stated he has some interested parties to purchase the property and would like to see if he can secure the deal in the next six months.

Dick Hiers stated that if the Authority forced the issue of payment in full this may cause a foreclosure and recommended that the Authority consider giving Mr. Haas another six months and that he needs to make a monthly payment of \$500/month (cannot miss a month) and come back to the Authority in six months (June 2010) to review the situation.

Mike Leibham moved, Ald. Gischia seconded to approve the \$500/month without missing a payment for the next six months and then come back to the Authority in June 2010 to review the situation. Motion carried.

520, LLC

Tom Schafer and Paul Gottsacker were present. Mr. Schafer stated that with the current recession, he has had difficulty leasing the building and is requesting an extension of interest only for another year. He said it is currently costing them \$10,000 per month to carry the building.

Roberta Filicky-Peneski asked why there is no floor in the building. Mr. Schafer stated that they will not pour a floor until they know what the utility needs of the leaser are. The Authority was provided a copy of the letter from Investors Bank regarding the loan.

Paulette Enders stated another concern is the 30 jobs that were suppose to be created in the first 24 months not being met. Ms. Enders explained that this is a HUD requirement.

Chad Pelishek stated that the other issues that need to be reviewed per the agreement a minimum investment of \$2.7M will not be met once the project is completed per the City Assessors Office.

Ald. Gischia stated that he would like to make a motion to issue an amendment to the Business Development Loan Agreement to provide a one-year extension to creating the 30 LMI positions, interest only retroactive back to a date determined by Staff, the minimum investment of \$1M in private funds, providing a new amortization schedule for repayment of principal and interest and a \$10,000 principal pay down of the loan, Mike Leibham seconded. Motion carried.

Mike Leibham exited the meeting.

Discussion and possible action regarding a proposed use in an existing building located at 514 South Pier Drive.

Roberta Filicky-Peneski stated that this request is to utilize the existing Altmeyer shanty on South Pier as an attorney's office. The ground lease agreement states that the first floor shall be retail unless approved by the Redevelopment Authority.

Dolcye Johnson stated that she will not be supporting this, as Blue Harbor mentioned in order for them to be successful there needs to be more retail on South Pier.

Ald. Jim Gischia moved, Dave Gass seconded to approve the law firm to utilize space in the Altmeyer shanty only for this tenant by name on an individual basis. When the tenant vacates, the use reverts back to retail. Motion carried.

Res. No. 153-09-10 approving the 2010-2014 Consolidated Plan for Housing and Community Development utilizing Community Development Block Grant through the U.S. Dept. of Housing and Urban Development.

Chad Pelishek stated that this plan is required to be submitted every five years and states how the City intends to utilize Community Development Block Grants in the next five years. Mr. Pelishek

stated that the plan was prepared based on an internet survey, focus groups and public input. A 30-day public review period was undertaken during the month of December.

Ald. Gischia moved, Dave Gass seconded to approve the plan. Motion carried.

Motion to convene in closed session under the exemption in State Stat. Sec. 19.85(1)(e) for the purpose of deliberating or negotiating the investing of public funds where competitive or bargaining reasons require a closed session and the purpose of considering a Business Development Loan application.

Dick Hiers moved, Dolcye Johnson seconded to proceed into closed session. Motion carried on a roll call vote.

Ald. Gischia moved, Dolcye Johnson seconded to proceed into open session. Motion carried on a roll call vote.

Dick Hiers moved, Dave Gass seconded to approve a Business Development Loan for Rockline Industries in the amount of \$255,000 for land acquisition with the terms as reviewed between City Staff and Rockline Industries. Motion carried.

Ald. Gischia moved, Dolcye Johnson seconded to proceed into closed session. Motion carried on a roll call vote.

Dolcye Johnson moved, Dick Hiers seconded to proceed into open session. Motion carried on a roll call vote.

Dick Hiers moved, Ald. Gischia seconded to approve a letter of intent with Horizon Design-Build-Manage to redevelop the former Kingsbury property and direct City staff to work with Horizon to submit a WHEDA application for tax credits for the next funding cycle. Motion carried.

Being no further business, Ald. Gischia moved, Dick Hiers seconded to adjourn the meeting at 7:30 P.M. Motion carried.

Chad Pelishek  
Recording Secretary