

AMENDED MINUTES
REDEVELOPMENT AUTHORITY

Redevelopment Authority, Thursday, February 11, 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 & Chad Pelishek

Public present: Renee Stauffacher, Ryan Nauth, & Matt Williams

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

Pledge of Allegiance was recited.

Approval of minutes of January 14, 2010.

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

Request from Investors Community Bank for a subordination of loan with Intun ChiroCare Clinic.

Renee Stauffacher and Ryan Nauth were present to discuss their request. Prior to this request, the City Business Development Loan is in first place. Renee Staffacher is interested in another loan for \$175,000 with Investors Community Bank to be used for opening her new business and other items. Investors Community Bank would like to be in first position.

Ald. Jim Gischia stated that the City loan was intended to be in second position, so he would support the request.

Ald. Jim Gischia moved, Dick Hiers seconded to approve the request for a subordination agreement. Motion carried.

Request from Sheboygan GSRS, LLC for a year extension on their Business Development Loan.

Matt Williams was present to discuss his request to suspend payments on his Business Development Loan for one year. Mr. Williams stated that since GrandStay opened in August 2008, they have been continually building their business, but current economic time has hindered the progress.

Mike Leibham moved to accept suspending the principal and interest payments for one year starting February 1, 2010 through January 31, 2011.

Dave Gass asked Mr. Williams if he thought he could pay quarterly interest payments on the loan if the Authority suspended the principal payments. Mr. Williams said they would do whatever agreement was reached. Mr. Gass said because the RDA would want to treat everyone fairly, and would want to get them on some type of payment schedule.

Ald. Gischia stated it is fair since the City is giving concessions on the loan repayment schedule and times.

Dave Gass moved to amend the motion to accept suspending the principal payment only from February 1, 2010 to January 31, 2011 with the interest only being paid quarterly, with the first payment being due April 1, 2010. Mike Leibham accepted the amendment. Motion carried.

Request from Sunnyside Mall, LLC to forgive late fees for Business Development Loan.

Chad Pelishek provided the Authority with a review of the outstanding late payments which currently amount to approximately \$1,738.00 through February 2010.

Ald. Jim Gischia moved, Dick Hiers seconded to file the request, deny the request and submit a letter to Mr. Haas notifying him of the action. Motion carried.

Discussion and possible action regarding ground leases.

Chad Pelishek discussed the current list of delinquent ground leases.

Dave Gass felt that eviction notices should be sent to the businesses with delinquent ground leases.

Ald. Jim Gischia stated that if property was sold, this would solve the delinquent ground lease issue. Ald. Gischia stated that a concrete plan to review the information needs to be developed.

Ald. Gischia moved to allow Staff to contact the affected parties first to see if payment is made, and if no payment is made, authorize the City Attorney to take immediate action on sending out appropriate notice which may include termination and/or eviction on the delinquent leases based on the appropriate legal action. Dick Hiers seconded. 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, Ald. Jim Gischia seconded to proceed into closed session. Motion carried on a roll call vote.

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

Dick Hiers moved, Ald. Jim Gischia seconded to authorize Staff to proceed with developing an agreement between the City of Sheboygan and Horizon Development to develop the former Kingsbury property and that the City would only be interested in funding an additional \$65,000 towards the project. Motion carried.

Being no further business, Ald. Gischia moved, Dick Hiers seconded to adjourn the meeting at 6:23 P.M. Motion carried.

Chad Pelishek
Recording Secretary