

**MINUTES**  
**REDEVELOPMENT AUTHORITY**

Redevelopment Authority, Thursday, May 20, 2010 at 5:00 P.M. in the City Attorney's conference room, City Hall, 828 Center Avenue. Chairperson Roberta Filicky-Peneski presided.

Present: Roberta Filicky-Peneski, Glenn Pilling, Richard Hiers and Susan Lessard

Excused: Ald. James Gischia and Dave Gass

Absent: Michael Leibham

Staff present: Chad Pelishek and Steve McLean

Others present: Tom Laiken, Julie Kath, Erik Jensen and Robert Schmitt

Chairperson Filicky-Peneski called the meeting to order and the Pledge of Allegiance was recited.

Approval of minutes of May 6, 2010.

Susan Lessard questioned the language regarding the motion to allow representatives of the Sheboygan Development Corporation in closed session. She indicated there was not a roll call vote.

Steve McLean suggested an item regarding non-members attending closed session be put on the next agenda.

Dick Hiers moved, Glenn Pilling seconded to approve the minutes with the amendment the sentence under the closed session language stating "On a roll call vote, motion failed to allow representatives of the Sheboygan Development Corporation in the closed session" be removed. The motion passed unanimously.

Discussion and possible action regarding request from Millennium Properties, Inc. to purchase Redevelopment Authority owned land south of 1301 Erie Avenue.

Tom Laiken and Julie Kath were present to discuss this matter with the Authority.

The parcel of land south of Mr. Laiken's building at 1301 Erie Avenue is landlocked and was purchased as part of the Worker's Water Street Park project several years ago. Mr. Laiken will grade and seed the property and in the future construct a parking lot per all City requirements.

Mr. Laiken is offering to purchase the property for \$10,000. The land was purchased with Block Grant money so the proceeds from the sale will be credited to a Block Grant account.

Following due consideration, Dick Hiers moved, Susan Lessard seconded to sell the property to Mr. Laiken for \$10,000 with the condition that the property be cleaned up, graded and seeded and the City will provide a survey the property. The motion passed unanimously.

Discussion and possible action regarding protective covenants on sale vs lease.

Authority reviewed Draft No.3 of the South Pier District Protective Covenants. The Covenants will be part of the selling documents when applicable. All the documents selling land will need to be submitted to the Common Council for their review and approval.

Dick Hiers moved, Glenn Pilling seconded to hold until all documents were ready to be submitted to the Common Council. The motion passed unanimously.

Discussion and possible action regarding Subordination Agreement Request form.

Staff explained the Subordination Agreement Request form was revised based on the discussion held at the last meeting.

Following due consideration, Susan Lessard moved, Glenn Pilling seconded to approve the Subordination Agreement Request form as submitted. The motion passed unanimously.

Motion by Dick Hiers, Glenn Pilling seconded to convene in closed session under the exemption provided in sec. 19.85(1)(e) and 19.85(1)(g), Wis. Stats., for the purpose of deliberating or negotiating regarding requested modifications to ground lease agreements with Sparrows Point LLC and for the purpose of deliberating for the possible acquisition of restrictive covenants on Tax Parcel 352360, where competitive and bargaining reasons require a closed session. The motion passed unanimously on a roll call vote.

Dick Hiers moved, Glenn Pilling seconded to reconvene in open session. The motion passed unanimously on a roll call vote.

Modifications to ground lease agreements with Sparrows Point LLC.

Erik Jensen was present to discuss this matter with the Commission.

Following due consideration, Glenn Pilling moved, Dick Hiers seconded to approve the following ground lease amendment terms with Sparrows Point LLC:

1. The future three (3) years of ground lease payments from the date of the executed amendment will be deferred.
2. After the three year deferral, Sparrows Point LLC shall make up payments for three (3) years which include:
  - a. All in arrears payments
  - b. The 3-year deferred payment
  - c. Current payments due
  - d. Payment of past penalties and interest
3. From the amendment execution, the RDA will waive the future interest and penalties. Sparrows Point LLC shall be responsible for prior interest and penalties that have accrued prior to the execution of the amendment.

The agreement is contingent upon the delinquent property taxes and assessments being paid in full and the taxes and assessments remain current going forward. This agreement is with Sparrows Point LLC and is not transferable or assignable to others. Upon receiving a copy of a paid receipt from the Sheboygan County Treasurer's office, the amendment to the Ground Lease agreement will be executed.

The motion passed unanimously.

Being no further business, Dick Hiers moved, Glenn Pilling seconded to adjourn at 6:23 p.m.

Carol Rudie and Chad Pelishek  
Dept. of City Development