



## REDEVELOPMENT AUTHORITY MINUTES

The Redevelopment Authority met on Wednesday, February 5, 2014 at 7:30 A.M. in the City Attorney's Office, 3<sup>rd</sup> Floor of City Hall, 828 Center Avenue. Chairperson Roberta Filicky-Peneski presided.

Present: Roberta Filicky-Peneski, Ald. Don Hammond, Ed Surek, Steven Harrison, David Sachse, Amy Horst, and David Gass

Staff present: Chad Pelishek, Jim Amodeo, Steve McLean, and Janet M Duellman

Others: Dave Hoffman and Derrek Reinke

The meeting was called to order at 7:30 am and the Pledge of Allegiance was recited.

### Approval of minutes January 8, 2014 meeting.

Steve Harrison moved to approve, David Sachse seconded.

Motion passed unanimously.

### Update on Kingsbury site.

After many meetings with the WEDC and DNR, it appears that they will not be able fund the amount that they had originally stated. The prospective developer would need approximately \$700,000 in cleanup monies to continue with the project. The estimated clean-up cost is \$750,000 to \$1,000,000 and the level or type of contamination is unknown. The City can't put anymore into it because TID 10 is already struggling.

Without the funding, the project won't happen so a letter to withdraw the option to purchase should be coming in the upcoming weeks.

### Discussion and action on the ground lease for Central Pier Condominiums.

Derrek Reinke, representative from Central Pier Condominiums was present.

The current lease amount was amended in 2007 to annual adjustments of 4% or CPI whichever was greater. Derrek Reinke is requesting that the lease terms go back to the original terms of 1/20 of the value with a 5-year adjustment.

Atty. Steve McLean stated that he would read through the lease agreement to verify what the other provision were as well.

David Gass motion to have the staff bring back a report reflecting the all changes from that should be considered, Steve Harrison seconded.

Motion passed unanimously.

Discussion on ground lease payments.

Jim Amodeo explained the differences between the Riverfront leases and the South Pier leases. Riverfront leases are a flat \$1,200.00 and are to be reassessed every 5 years which has never been done. South Pier lease is \$10.00 per square foot (averaging about \$3,000.00 -\$4,000.00). Both sides of the river have taxes, parking assessment, and BID assessment added to that.

Mr. Amodeo further stated that he tried to find comparables by contacting other communities and was unable to find comparables to use for the reassessment of the land. Currently the assessed values are Riverfront land is \$120,000 per acre and South Pier at \$450,000 per acre.

Roberta Filicky-Peneski suggested that we give them two years lease free and then incrementally increase by 30% over the remainder of the lease. This way the business could at least get a good start. She believes that if the RDA went this route there would be a lot of businesses down on South Pier.

David Sachse stated that he feels that we should be giving them the land and collect the taxes and other assessments.

David Gass motioned to have staff come back with a report showing fair market values, impact on current leases if adjustments were made, and numbers comparing the Riverfront (north side) to South Pier (south side of river), David Sachse seconded.

Motion passed unanimously.

Motion to convene in closed session under the exemption provided in Sec. 19.85(1)(g), Wis. Stats., for the purpose of conferring with legal counsel for the RDA who is rendering oral advice concerning strategy to be adopted with respect to litigation in which it is likely to become involved, namely, Bon-Ton parking lot claim and Yinko Designs, Inc. Business Development Loan.

Ald. Hammond moved to go into closed session, David Gass seconded.

Motion passed unanimously on roll call vote.

*David Gass excused himself from the Yinko Designs, Inc discussion.*

Ald. Hammond moved to go into open session, David Sachse seconded.

Motion passed unanimously on roll call vote.

Possible action on items discussed in closed session.

Ald. Hammond moved to show on the loan report and to HUD that Yinko Designs, Inc. is a non-performing loan and we are going after personal guarantee, David Sachse seconded.

Motion passed unanimously.

Adjournment

David Sachse moved to adjourn, Amy Horst seconded. Motion passed unanimously.

Being no further business, the meeting adjourned at 8:22 am.

Janet M Duellman  
Recording Secretary