

CITY OF SHEBOYGAN
REDEVELOPMENT AUTHORITY MINUTES

Wednesday, December 14, 2022

OPENING OF MEETING

MEMBERS PRESENT: Roberta Filicky-Peneski, Steven Harrison, Jim Conway, James Owen, Deidre Martinez and Cleo Messner

MEMBERS EXCUSED: David Sachse

STAFF/OFFICIALS PRESENT: Planning & Development Director Chad Pelishek and Mayor Ryan Sorenson

OTHERS PRESENT: Josh Hafron (General Capital) and Jerry Feger (Uptown Slice)

1. Roll Call: Roberta Filicky-Peneski, Steven Harrison, David Sachse, Jim Conway, James Owen, Deidre Martinez, and Cleo Messner
2. Call to Order

Chair Filicky-Peneski called the meeting to order.

3. Pledge of Allegiance

The Pledge of Allegiance was recited.

4. Identify potential conflict of interest

James Owen has a conflict of interest with item #8.

MINUTES

5. Approval of the minutes from the November 4, 2022 meeting.

Motion by Steven Harrison, second by James Owen to approve the minutes.
Motion carried.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

6. Discussion and possible action on First Amendment to the Offer to Purchase for vacant land near N. 10th Street and Indiana Avenue.

Josh Hafron from General Capital was present via zoom.

Chad Pelishek explained that the current agreement states \$150,000.00 cash and \$150,000.00 will be put into escrow for the environmental remediation. The proposed amendment is still \$150,000.00 in cash and \$150,000.00 would be done by Letter of Credit.

Josh Hafron explained that if the \$150,000.00 is put into escrow and drawn from it will be considered taxable income and if it is done by a Letter of Credit there are no tax implications.

The committee inquired if the environmental remediation doesn't cost \$150,000.00 what happens to the funds left on the Letter of Credit and if it cost more what happens. Josh Hafron explained if the remediation didn't cost the full \$150,000.00, the excess funds would go to the Redevelopment Authority. Chad Pelishek stated that if the cost exceeds the \$150,000.00 it would be paid for by General Capital.

Motion by Steven Harrison, second by Jim Conway to accept the First Amendment to the Offer of Purchase. Motion carried.

7. Approval of the Johnsonville, LLC meeting the job creation requirements for the business development loan executed December 4, 2020.

Chad Pelishek explained that Johnsonville loan was a forgivable loan provided job creation occurred. Johnsonville, LLC needed to create 13 jobs of which 8 FTE jobs were to be LMI. Johnsonville has provided documentation that they have fulfilled the job requirement. Therefore, they have met their loan requirement and the loan can be closed and removed from the Finance balance sheet.

Motion by James Owen, second by Jim Conway to forgive and close the loan. Motion carried.

James Owen left the meeting at 8:04 p.m.

CLOSED SESSION

8. Motion to convene in closed session under the exemption provided in Sec. 19.85 (1)(e) Wis. Stats., for a potential business development loan with Uptown Slice, where bargaining reasons require a closed session.

Motion by Steven Harrison, second by Deidre Martinez to go into closed session.

Roll Call Vote:

Aye: Filicky-Peneski, Martinez, Conway, Harrison and Messner

Nay: none

Motion carried.

OPEN SESSION

9. Motion to reconvene in open session.

Motion by Steven Harrison, second by Deidre Martinez to reconvene into open session.

Roll Call Vote:

Aye: Filicky-Peneski, Martinez, Conway, Harrison and Messner

Nay: none

Motion carried.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

10. Possible action on item discussed in closed session.

Motion by Steven Harrison, second by Deidre Martinez to approve the business loan in the amount of \$75,000.00 at 5.29% APR for 10 years fixed with the following conditions three new FTE jobs need to be created with two of FTE jobs being Low-to-Moderate Income (LMI), completion of environmental review before closing, first position UCC filing on equipment, personal guarantees from Jerry Feger and James Owen and closing by end of January 2023. Motion carried.

NEXT MEETING

11. TBD

ADJOURN

12. Motion to Adjourn

Motion by Deidre Martinez, second by Steven Harrison to adjourn. Motion carried.

Being no further business, the meeting was adjourned at 8:24 am.