

CITY OF SHEBOYGAN
REDEVELOPMENT AUTHORITY MINUTES

Wednesday, May 15, 2024

MEMBERS PRESENT: Deidre Martinez, Steven Harrison, Cleo Messner, and Darrell Hofland

MEMBERS EXCUSED: Jim Conway and Roberta Filicky-Peneski

STAFF/OFFICIALS PRESENT: Planning & Development Director Diane McGinnis-Casey, City Attorney Charles Adams, Community Development Planner Janet Duellman, and Alderperson Dan Peterson

OTHERS PRESENT: Attorney Brion Winters, Joel Pipkorn, Gary Gartman, Attorney David Gass, Bob Heimerl, and Paul Weaver

OPENING OF MEETING

1. Roll Call: Deidre Martinez, Steven Harrison, Cleo Messner, Darrell Hofland, Jim Conway and Roberta Filicky-Peneski

2. Call to Order

Vice-Chair Steven Harrison called the meeting to order.

3. Pledge of Allegiance

The Pledge of Alliance was recited.

4. Identify potential conflict of interest

No conflict of interest.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

5. Discussion and possible action on request made by Frank Ribich to remove pavers and boat lift off of the Redevelopment Authority owned property located on North Commerce Street.

Planning & Development Director Diane McGinnis-Casey informed the Redevelopment Authority that Frank Ribich had contacted her about some pavers and the old boat lift on the North Commerce property owned by the Redevelopment Authority. Diane McGinnis-Casey further stated that she is bringing the request forward for direction as to how to proceed. City Attorney Charles Adams advised against just giving away the boat lift. As for the pavers, they are hard to put a monetary value on. Deidre Martinez stated that she would be fine with letting someone take the pavers but as for the boat lift we should try to get something for it. Darrell Hofland agreed that we should try to figure out a monetary value for the boat lift.

Motion by Deidre Martinez, second by Cleo Messner to let Frank Ribich take the pavers and find a monetary value and sell the boat lift. Motion carried.

6. Discussion and possible action on the proposed Pipkorn Development Located on South Pier.

Joel Pipkorn and Gary Gartman were present.

Joel Pipkorn provided an update of the Performance Bond. He stated that the Performance Bond would be between him and Quasius so he was unsure why it was needed and provided a letter from a RedLeg Services that would provide financing to him.

The committee inquired why it wasn't from Oostburg Bank since he had previously stated that they were going to finance buildings II and III. Joel Pipkorn responded because he would have to have presales which he doesn't at this time.

Attorney Brion Winters and Planning & Development Director Diane McGinnis-Casey tried to explain that the Performance Bond would be with the Redevelopment Authority not Quasius. The Redevelopment Authority wants a guarantee that the project would be completed. Joel Pipkorn stated that the letter he just submitted states that funding will be available for the full project to be completed. Attorney Winters asked the Redevelopment Authority if they were comfortable with a Letter of Commitment and Performance Bond. Joel Pipkorn said that it is unheard of for a developer to be required to provide a Performance Bond. Attorney Winters stated Performance Bonds are obtainable and that it would be in Inspired Holdings best interest to put their best foot forward today. Joel Pipkorn inquired as to what that would be. Attorney Winters stated financing for the whole project. Diane McGinnis-Casey inquired with Attorney Winters if he has seen the letter from RedLeg Services and if he felt it was sufficient enough to cover the whole project. Attorney Winters stated no he hadn't and asked that it be shared with him so that he could provide a recommendation. Joel Pipkorn forward the email to Attorney Winters and the committee went on to the next item to give Attorney Winters time to review letter.

After Item #7

Planning & Development Director Diane McGinnis Casey inquired if Attorney Winters had enough time to review the letter that Joel Pipkorn submitted. Attorney Winters stated that he had and that it is not a Commitment Letter and has contingency on it. Joel Pipkorn stated that he needs the Ground Lease in order to get a Letter of Commitment. Attorney Winters stated that is not correct and that Joel Pipkorn already has a draft ground lease which should be sufficient for a Letter of Commitment and/or Performance Bond.

Motion by Darrell Hofland, second by Deidre Martinez to accept a Letter of Commitment for full project in lieu of Performance Bond. Motion carried.

Joel Pipkorn stated that the Exclusive Right expired and asked if he could have an extension. Darrell Hofland inquired if Joel felt he could have the financing figured out by August 31, 2024. Other committee members stated that they felt that was to long and that he should be able to have it secured by our next meeting.

Motion by Deidre Martinez, second by Cleo Messner to extend the Exclusive Right to Negotiate until June 5, 2024. Motion carried.

The committee explained this was the last extension and if he doesn't have his financials figured out they will start to entertain other proposals.

7. Discussion and possible action on the proposed hotel development located at 820 Indiana Avenue.

Paul Weaver and Attorney David Gass were present.

Attorney David Gass stated that the ground lease states that any future development at 820 Indiana Avenue must come back to the Redevelopment Authority for approval.

Paul Weaver stated that the proposed hotel will be on the existing parcel and will have the same owners. The hotel will consist of 27 rooms and will be two stories.

Darrell Hofland inquired if we needed to look at the ground lease and if rent would need to be adjusted. Attorney Gass stated that the ground lease stated that we can revisit the topic of rent. Planning & Development Director Diane McGinnis-Casey stated that is not on the agenda and will need to be bigger discussion at a different time. Paul Weaver started to explain how the lease is based on land value. Attorney Winters stated that the Redevelopment Authority needs to approve the concept of adding the hotel to the property as long as there is not changes to the ground lease; such as, ownership changes, parcel splits, etc.

The committee asked if there would be ownership changes or parcel splits, as previously proposed. Paul Weaver stated that the owners will remain the same and there will be no parcel splits.

Motion by Darrell Hofland, second by Deidre Martinez to authorize approval of hotel being building at 820 Indiana Avenue as presented with no change in ownership or parcel splits. Motion carried.

NEXT MEETING

June 5, 2024 at 7:45 a.m.

ADJOURN

9. Motion to Adjourn

Motion by Deidre Martinez, second by Darrell Hofland to adjourn. Motion carried.

Being no further business, the meeting was adjourned at 8:34 a.m.