



# REDEVELOPMENT AUTHORITY AGENDA

**December 06, 2023 at 7:45 AM**

**City Hall  
Conference Room 106  
828 Center Avenue  
Sheboygan, WI**

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Persons with disabilities who need accommodations to attend this meeting should contact the Department of City Development, (920) 459-3377. Persons other than commission, committee, and board members who wish to participate remotely shall provide notice to the City Development Department at (920) 459-3377 at least 24 hours before the meeting so that the person may be provided a remote link for that purpose.

## **OPENING OF MEETING**

1. Roll Call: Roberta Filicky-Peneski, Darrell Hofland, James Owen, Jim Conway, Deidre Martinez, Steven Harrison, and Cleo Messner
2. Call to Order
3. Pledge of Allegiance
4. Identify potential conflict of interest

## **MINUTES**

- [5.](#) Approval of minutes from the November 15, 2023 meeting.

## **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

- [6.](#) Discussion on potential apartment complex at the corner of Blue Harbor Drive and Lakeview Drive. (Parcel # 59281322016)
- [7.](#) Discussion and possible action on Earnest Money Escrow Agreement regarding 575 Riverwoods Partners LLC properties purchase.

## **NEXT MEETING**

8. TBD

## **ADJOURN**

9. Motion to Adjourn

***In compliance with Wisconsin's Open Meetings Law, this agenda was posted in the following locations more than 24 hours prior to the time of the meeting:***

*City Hall • Mead Public Library  
Sheboygan County Administration Building • City's website*

# CITY OF SHEBOYGAN

## REDEVELOPMENT AUTHORITY MINUTES

Wednesday, November 15, 2023

### OPENING OF MEETING

**MEMBERS PRESENT:** Steven Harrison, Darrell Hofland, James Owen, Jim Conway, Cleo Messner, and Roberta Filicky-Peneski

**MEMBERS EXCUSED:** Deidre Martinez

**STAFF/OFFICIALS PRESENT:** Planning & Development Director Diane McGinnis-Casey, City Attorney Charles Adams, Public Works Director David Biebel, Finance Director Kaitlyn Krueger and Community Development Planner Janet M Duellman

**OTHER PRESENT:** Gary Gartman (Quasius) and Joel Pipkorn

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

2. Call to Order

Chair Roberta Filicky-Peneski called the meeting to order.

3. Pledge of Allegiance

The Pledge of Allegiance was recited.

4. Identify potential conflict of interest.

No one had a conflict of interest with any item on the agenda.

### MINUTES

5. Approval of minutes from the October 18, 2023 meeting.

Motion by Steven Harrison, second by Jim Conway to approve the minutes.  
Motion carried.

### ITEMS FOR DISCUSSION AND POSSIBLE ACTION

6. Review proposed drawings for a potential apartment complex at the corner of Blue Harbor Drive and Lakeview Drive. (parcel # 59281322016)

Community Development Planner Janet Duellman explained that at a previous meeting the committee asked that the elevations be revised to have the front doors facing the street instead of the garage doors, try to maintain greenspace, and work with city staff to meet the landscape ordinance, parking lot to the north must remain RDAs, an easement off the parking lot will be needed to grant access to the garages and look into switching some of the siding from horizontal to vertical like the Portscape Apartments.

The committee inquired with Joel Pipkorn how many units per building, size of units, and how many bedrooms. Joel Pipkorn replied that there are four 3-bedroom units per building. The square footage of each units is 2,000 square feet. The committee

commented on that they like the new design and were wondering if the building facing the parking lot could be turned to face Lakeview Dr and they would provide an easement from the parking lot to access their garages. Joel Pipkorn and Gary Gartman (Quasius) said that they could make it work.

Committee directed staff to prepare the Ground Lease, Developer's Agreement, and Easement off of Lakeview Dr Parking Lot C.

7. Discussion and possible action on quarterly review of business loans and financial update.

Business Loans:

Planning & Development Director Diane McGinnis-Casey mentioned that Home Inc has been forgiven but it still appears on the list but will be removed for next time.

City Attorney Charles Adams stated that ePower is in the works. They are currently trying to figure out exactly how much they owe on the loan.

The committee asked if loan end dates and job creation could be added to the reports. Diane McGinnis-Casey said yes, that information can be added.

Finance Update:

Finance Director Kaitlyn Krueger went through the 2023 Year-to-Date Budget along with the payment breakdown and the 2024 Budget. She further stated that moving forward budget updates along with the Business Loan updates would be provided quarterly.

The committee asked who is Jerome Haese and why he is showing up on the payment list so many times. Community Development Planner Janet Duellman stated that he is the owner of Jerry's Lawn and Grounds Service. They cut the grass and shovel snow at the RDA properties. The committee thanked staff for showing them the financials.

8. Discussion and possible action on use of funds for Library and City Green Holiday lights displays.

Community Development Planner Janet Duellman explained that as part of being transparent with the RDA funds, we are looking for approval to pay for a portion of the Holiday lights in the downtown area. This includes 15 trees at the library, planters, and arches/ornaments/spruce trees at City Green. The RDA's portion is \$2,340.00 and the rest will be funded from Tourism and Parking Assessments #1. The committee inquired what the total bill was. Janet Duellman stated the total for all the Holiday decorations listed was \$13,640.00.

Motion by Jim Conway, second by Darrell Hofland to approve the payment of \$2,340.00 from the RDA to fund a portion of the Holiday lights display. Motion carried.

9. Review and possible action on Counter Offer from 575 Riverwood Partners LLC for the former Mayline property in the 500 and 600 block of N. Commerce Street (Parcels # 59281501540 and 59281501630).

City Attorney Charles Adams stated that LBJ Squared Properties LLC contract has been signed and everything is moving forward with closing. 575 Riverwoods Partners LLC (Phoenix Investors) has counter offer with the RDA pay the real estate taxes, change name of title company, added a clause related to the Phase II Environmental review, property to be purchase "as is", and they have a closing date by the end of December. Attorney Adams also stated that a third parcel will need to be added to the counter offer, it was caught by staff and confirmed by Phoenix Investors that it was supposed to be included in the initial offer.

Motion by Jim Conway, second by Darrell Hofland to authorize Roberta Filicky-Peneski (Chair) and Diane McGinnis-Casey (Executive Director) to sign accepted counter offer with the addition of the third parcel number. Motion carried.

10. Discussion and possible action on request to borrow funds from the City of Sheboygan to purchase the former Mayline property (parcel # 59281501560, 59281501540, and 59281501630) and 639 N Commerce Street (parcel # 59281501550).

Motion by Jim Conway, second by Steven Harrison to transfer the actual amount the purchase of the four properties and associated fees, but not to exceed \$1.5 million. Motion carried.

## **NEXT MEETING**

11. TBD

## **ADJOURN**

12. Motion to Adjourn

Motion by Steven Harrison, second by Jim Conway to adjourn. Motion carried.

Being no further business, the meeting was adjourned at 8:46 a.m.

12/1/23

Gary Gartman contacted Janet Duellman with a couple of concerns with turning the building that the RDA had request be turned to face Lakeview Drive.

1. With the turning of the building as requested, the garage access for the west end of the SW building isn't working out.
2. Also the new view from the porches would be as pictured below. They will have no view of the sunset and will be looking at a tall building. The previous drawing submitted the porches are far enough north to receive the sun until sunset.





## EARNEST MONEY ESCROW AGREEMENT

**Order No.:** CO-14629

This Earnest Money Escrow Agreement ("Escrow Agreement") is made and entered into as of November 20, 2023, among 575 Riverwoods Partners, LLC ("Seller"), Redevelopment Authority of the City of Sheboygan, Wisconsin ("Buyer"), and Chicago Title Company ("Escrow Agent"). This Escrow Agreement is executed pursuant to the terms of a certain Agreement to Purchase and Sale (the "Purchase Agreement") between Seller and Buyer pertaining to the sale and purchase of certain real property and improvements located at 605 N. Commerce Street, Sheboygan, WI 53081, (the "Property").

The parties hereto hereby agree as follows:

1. Buyer shall deposit with Escrow Agent, pursuant to the terms of the Purchase Agreement and in conjunction with the execution of this Escrow Agreement, the sum of Ten Thousand And No/100 Dollars (\$10,000.00) (together with all interest earned thereon is referred to herein as the "Earnest Money"). If and when additional funds (the "Additional Sum") are deposited with Escrow Agent pursuant to the Purchase Agreement, such Additional Sum shall become a part of the Earnest Money and be subject to all the terms and conditions of this Escrow Agreement.
2. Except as set forth in Paragraph 7 or Paragraph 8 below, the Earnest Money deposited herein shall be disbursed by Escrow Agent only pursuant to a joint written direction executed by Seller and Buyer or their respective legal representatives.
3. The Earnest Money deposited from time to time shall be invested as agreed in writing by Buyer and Seller with a copy to Escrow Agent.
4. Except for deposits of funds for which Escrow Agent has received express written direction concerning investment or other handling, the parties hereto agree that the Escrow Agent shall be under no duty to invest or reinvest any deposits at any time held by Escrow Agent pursuant to this Escrow Agreement. Such funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account.

If the parties to this Escrow Agreement do not instruct Escrow Agent to deposit the funds into an interest bearing account, then all funds received in this escrow shall be deposited with other escrow funds in Escrow Agent's general escrow account.

The parties to this escrow acknowledge that the maintenance of escrow accounts with some depository institutions may result in Escrow Agent or its affiliates being provided with bank services, accommodations or other benefits by the depository institution. Escrow Agent or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations and other benefits shall accrue to Escrow Agent or its affiliates, and Escrow Agent or its affiliates shall have no obligation to account to the parties to the escrow for the value of such services, accommodations or other benefits.

**NOTICE OF OPPORTUNITY:** You have the opportunity to earn interest on your escrowed funds by requesting Escrow Agent to set up an interest bearing account on your behalf. Escrow Agent will inform you of any fees it will charge to establish the account. Interest earned is dependent upon the amount of the deposit, the time of deposit and the prevailing interest rate at the time.

5. Buyer shall pay any investment fee.
6. Seller and Buyer shall indemnify and hold harmless Escrow Agent with respect to all costs and expenses incurred by Escrow Agent including reasonable attorneys' fees by reason of Escrow Agent being a party to this Escrow Agreement, except any such costs and expenses (a) incurred by Escrow Agent as a result of any failure by Escrow Agent to perform its obligations under this Escrow Agreement or (b) arising out of the gross negligence or willful misconduct of Escrow Agent.

## EARNEST MONEY ESCROW AGREEMENT

(continued)

7. At the closing of the transaction contemplated by the Purchase Agreement, the Earnest Money shall be paid to Seller and credited against the cash portion of the Purchase Price (as defined in the Purchase Agreement).
8. In the event of any disagreement between Seller and Buyer or among them and any other person resulting in adverse claims and demands being made in connection with, or for, any Earnest Money held pursuant to the terms of this Escrow Agreement, Escrow Agent shall refuse to comply with the claims or demands as long as such disagreement shall continue, and in so refusing, Escrow Agent shall not deliver or disburse the Earnest Money, and shall not be liable in any way to any person for its failure or refusal to comply with conflicting or adverse demands. Escrow Agent shall be entitled to continue to refrain from acting and refusing to act until it receives authorization as follows:

- A. authorization executed by all parties to the disagreement; or
- B. a certified or file-stamped copy of a court order resolving the disagreement or directing a specific distribution of all or any portion of the Earnest Money

Upon receipt of any of the above, Escrow Agent shall promptly act according to its terms, and shall be relieved from any duty, responsibility, or liability arising from the adverse claims, demands, or from the terms of this Escrow Agreement.

9. In the event of any disagreement between Seller and Buyer or among them and any other person resulting in adverse claims and demands being made in connection with the Earnest Money, Escrow Agent may commence an interpleader action and deposit the Earnest Money with a court of competent jurisdiction and in such event shall be relieved of any and all further liability to Buyer and Seller. Buyer and Seller shall jointly reimburse Escrow Agent for any and all expense, including reasonable attorneys' fees and other costs and expenses, incurred by Escrow Agent relating to the commencement of an interpleader action.
10. Upon Completion of the disbursement of the Earnest Money, Escrow Agent shall be released and discharged of its escrow obligations under this Escrow Agreement. This Agreement shall terminate 46 DAYS after the date next to the signatures (if there is more than one (1) date, then the most recent date), at which date the funds held by Escrow Agent shall be returned to Buyer.
11. In the event of any conflict between this Escrow Agreement and the Purchase Agreement, as between Seller and Buyer, the Purchase Agreement shall govern; however, Escrow Agent shall be entitled at all times to rely solely on and act in accordance with the provisions of this Escrow Agreement.
12. Any notice, demand or request, consent or approval ("Notice") that may be permitted, required, or desired to be given in connection with this Escrow Agreement shall be given in writing to Seller, Buyer and Escrow Agent as follows:

If to Seller: 575 Riverwoods Partners, LLC  
 401 E Kilbourn Ave, Suite 201  
 Milwaukee, WI 53202-3212  
 Attn: David Marks  
 Phone: 414-283-2600  
 Email: legal-team@phoenixinvestors.com

With a copy to: Phoenix Investors  
 401 E. Kilbourn Ave., Suite 201  
 Milwaukee, WI 53202  
 Phone: 414-283-2600  
 Email: tstrelka@phoenixinvestors.com

**EARNEST MONEY ESCROW AGREEMENT**

(continued)

If to Buyer: Redevelopment Authority of the City of Sheboygan, Wisconsin  
 City Hall - Room 106  
 828 Center Avenue  
 Sheboygan, WI 53081  
 Attn: Roberta Filicky-Peneski  
 Phone: 920-459-3361  
 Email: \_\_\_\_\_

With a copy to: Sheboygan City Attorney's Office  
 828 Center Avenue, Suite 210  
 Sheboygan, WI 53081  
 Phone: 920-459-3917  
 Email: Charles.Adams@sheboyganwi.gov

Escrow Agent: Chicago Title Company  
 20825 Swenson Dr., Suite 200  
 Waukesha, WI 53186  
 Attn: Brian Thut  
 Phone: 262-796-3811 Fax: 262-796-3888  
 Email: brian.thut@ctt.com

Notices shall be either (i) personally delivered (including delivery by Federal Express, or other similar courier service) to the offices set forth above, in which case they shall be deemed delivered on the date of delivery to said offices, (ii) sent by certified mail, return receipt requested, in which case they shall be deemed delivered on the date shown on the receipt unless the delivery is refused or delayed by the addressee, in which event they shall be deemed delivered on the date of deposit in the United States mail or (iii) sent by facsimile, provided the sender of such facsimile has evidence that the facsimile was received by the addressee's machine, in which case they shall be deemed delivered on the date of receipt by the addressee's machine. Any party may by written notice to the other parties given as provided in this Escrow Agreement change its address for service of Notice.

13. This Escrow Agreement may be executed in multiple counterparts, each of which shall constitute an original, and together shall constitute the Escrow Agreement.
14. In no event shall Escrowee be responsible for payment of any amounts incurred above and beyond the funds held.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first written above.

**SELLER(S):**

575 Riverwoods Partners, LLC

BY: \_\_\_\_\_ Date \_\_\_\_\_  
 David Marks  
 Manager



# EARNEST MONEY ESCROW AGREEMENT

(continued)

**BUYER(S):**

Redevelopment Authority of the City of Sheboygan,  
Wisconsin

BY: \_\_\_\_\_  
Roberta Filicky-Peneski  
Chairperson

\_\_\_\_\_ Date

BY: \_\_\_\_\_  
Steven Harrison  
Vice Chairperson

\_\_\_\_\_ Date

**ESCROW AGENT:**

Chicago Title Company

 \_\_\_\_\_  
Signature

11/20/2023  
\_\_\_\_\_ Date

By: Brian Thut  
Print Name

Its: Manager, Commercial Escrow  
Print Title