



# REDEVELOPMENT AUTHORITY AGENDA

February 05, 2025 at 7:45 AM

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

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, Cleo Messner, Jim Conway, Deidre Martinez, Alderperson Robert LaFave, Steven Harrison, and Darrell Hofland
2. Call to Order
3. Pledge of Allegiance
4. Identify potential conflict of interest

## MINUTES

5. Motion to approve the minutes from the December 4, 2024.

## ITEMS FOR DISCUSSION AND POSSIBLE ACTION

6. RDA 2024 & 2025 Budget Review
7. Quarterly RDA Loan Update
8. Discussion and possible action on a potential business development loan for Old World Creamery located at 1606 Erie Avenue.

Potential Closed Session: Motion to convene into closed session under the exemption provided in Sec. 19.85(1)(e) Wis. Stats. for the purpose of negotiating the purchasing of public properties or conducting other specified public business, to-wit: Discussion of a potential business loan where competitive and bargaining reason require a closed session.

Open Session: Motion to reconvene into open session.

Discussion and possible action on the business loan application.

## NEXT MEETING

9. To be determined.

## ADJOURN

10. 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, December 04, 2024

**MEMBERS PRESENT:** Deidre Martinez, Steven Harrison, Jim Conway, Cleo Messner, Alderperson Robert LaFave, and Roberta Filicky-Peneski

**MEMBERS EXCUSED:** Darrell Hofland

**STAFF/OFFICIALS PRESENT:** City Administrator Casey Bradley, City Attorney Charles Adams, and Community Development Planner Janet Duellman

**OTHERS:** Paul Weaver, James Owen, and Jerry Feger

### OPENING OF MEETING

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

2. Call to Order

Chair Roberta Filicky-Peneski called meeting to order 7:45 a.m.

3. Pledge of Allegiance

The Pledge of Allegiance was recited.

4. Identify potential conflict of interest

No committee member had a conflict of interest.

### MINUTES

5. Motion to approve the minutes from the November 6, 2024 meeting.

Motion by Alderperson LaFave, second by Deidre Martinez to approve. Motion carried.

### ITEMS FOR DISCUSSION AND POSSIBLE ACTION

6. Discussion on possible business loan application for Uptown Slice.

The committee took no action on this item.

7. Discussion and possible action on an Exclusive Right to Negotiate for parcel # 59281322060 on South Pier.

Potential Closed Session: Motion to convene into closed session under the exemption provided in Sec. 19.85(1)(e) Wis. Stats. for the purpose of negotiating the purchasing of public properties or conducting other specified public business, to-wit: Discussion regarding an Exclusive Right to Negotiate for potential development on South Pier where competitive and bargaining reasons require a closed session.

The committee did not go into closed session.

Open Session: Motion to reconvene into open session.

Discussion and possible action on Exclusive Right to Negotiate.

Motion by Steven Harrison, second by Jim Conway to grant an Exclusive Right to Negotiate until June 1, 2025. Motion carried.

### **NEXT MEETING**

8. To Be Determined

### **ADJOURN**

9. Motion to Adjourn

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

Being no further business, the meeting was adjourned at 8:20 a.m.

**Redevelopment Authority Financial Summary (Year End as of 2-3-25)**
**2024 Year-to-Date Budget (Unaudited)**

Org	Object	Description	2024 Original Budget	2024 Actual (Unaudited)
Revenues:				
264	413200	PAYMENT IN LIEU OF TAX	118,290.00	0.00
264	481100	INTEREST INCOME	800.00	20,227.84
264	482200	LEASE REVENUE	0.00	0.00
264	483090	SALE OF EQUIPMENT/PROPERTY	0.00	0.00
264	489000	MISCELLANEOUS REVENUE	0.00	200.00
264	492000	INTERFUND TRANSFER IN	0.00	0.00
Expenses:				
264660	510110	FULL TIME SALARIES*	0.00	-5,838.45
264660	520310	FICA*	0.00	-345.82
264660	520311	MEDICARE*	0.00	-80.87
264660	520320	WI RETIREMENT FUND*	0.00	-402.96
264660	520340	HEALTH INSURANCE*	0.00	-642.97
264660	520350	DENTAL INSURANCE*	0.00	-31.20
264660	520360	LIFE INSURANCE*	0.00	-8.20
264660	531100	CONTRACTED SERVICES**	-19,950.00	-61,341.63
264660	531200	LEGAL SERVICES	0.00	0.00
264660	537100	VEHICLE & PARKING EXPENSES	-10,276.00	-14,510.19
264660	564200	LANDSCAPING SERVICES	-30,000.00	-24,162.00
264660	621100	LAND	0.00	-8,428.75
264660	621200	LAND IMPROVEMENTS	0.00	0.00
264660	641100	IMPROVEMENTS OTHER THAN BUILDI	0.00	0.00
264660	811100	INTERFUND TRANSFERS OUT	0.00	0.00
<b>Fund Balance Increase (Decrease)</b>			<b>58,864.00</b>	<b>-95,365.20</b>

\*Planning Department staff began allocating time towards RDA in 2024

\*\*2024 Contracted Services - Overbudget amount is due to demolition and asbestos removal of RDA owned buildings

**2025 Budget (Adopted 11-5-24)**

Org	Object	Description	2025 Adopted Budget	2025 Actual
Revenues:				
264	413200	PAYMENT IN LIEU OF TAX	0.00	0.00
264	481100	INTEREST INCOME	800.00	0.00
264	482200	LEASE REVENUE	68,473.00	0.00
264	483090	SALE OF EQUIPMENT/PROPERTY	0.00	0.00
264	489000	MISCELLANEOUS REVENUE	0.00	0.00
264	492000	INTERFUND TRANSFER IN	0.00	0.00
Expenses:				
264660	510110	FULL TIME SALARIES	-22,341.00	-2.92
264660	520310	FICA	-1,301.00	-0.17
264660	520311	MEDICARE	-304.00	-0.04
264660	520320	WI RETIREMENT FUND	-1,553.00	-0.20
264660	520340	HEALTH INSURANCE	-3,082.00	-27.69
264660	520350	DENTAL INSURANCE	-146.00	-1.34
264660	520360	LIFE INSURANCE	-36.00	-0.36
264660	531100	CONTRACTED SERVICES	-15,000.00	0.00
264660	531200	LEGAL SERVICES	0.00	0.00
264660	537100	VEHICLE & PARKING EXPENSES	-10,276.00	0.00
264660	564200	LANDSCAPING SERVICES	-30,000.00	0.00
264660	621100	LAND	0.00	0.00
264660	621200	LAND IMPROVEMENTS	0.00	0.00
264660	641100	IMPROVEMENTS OTHER THAN BUILDI	0.00	0.00
264660	811100	INTERFUND TRANSFERS OUT	0.00	0.00
<b>Fund Balance Increase (Decrease)</b>			<b>-14,766.00</b>	<b>-32.72</b>

**Fund Balance Analysis**

12/31/2023 Fund Balance (Audited)	495,209.00
2024 Estimated Fund Balance Decrease	-95,365.20
Amount to be reimbursed through TID	60,471.63
<b>Estimated 12/31/2024 Fund Balance</b>	<b>399,843.80</b>
2025 Planned Fund Balance Use	-14,766.00
Estimated 12/31/2025 Fund Balance	385,077.80



**Business Loans**

As of: 12/31/2024

Business Name	Loan Orig Date	Loan Maturity Date	Original Loan Amount	Loan Balance 1/1/2024	Principal Paid 2024	Interest Paid 2024	Loan Balance 12/31/24		Current Status	Comments
Doll House Factory	5/1/2015	6/1/2025	\$ 75,000.00	\$ 12,527.68	\$ 8,563.36	\$ 244.62	\$ 3,964.32		Current	
Catering with Culinary Artists	7/31/2015	8/1/2025	\$ 200,000.00	\$ 30,205.15	\$ 30,205.15	\$ 449.45	\$ -		Paid in Full	
3 Sheeps Brewery	4/6/2016	4/1/2026	\$ 275,000.00	\$ 167,930.73	\$ 29,561.09	\$ 4,091.10	\$ 138,369.64		Current	
ePower Manufacturing	4/29/2016	5/1/2026	\$ 300,000.00	\$ 131,634.73	\$ 20,541.13	\$ 1,041.03	\$ 111,093.60		LATE - Loan revised May 2024 after no payments made since 2022. To date has not made a payment since August 9- attorney's office has been updated.	
Paper Box & Specialty	5/18/2016	6/1/2026	\$ 100,000.00	\$ 27,380.70	\$ 10,768.18	\$ 458.42	\$ 16,612.52		Current	
Maya's Place LLC	4/6/2023	5/1/2033	\$ 50,000.00	\$ 48,672.39	\$ 2,094.94	\$ 2,907.10	\$ 46,577.45		Current	
Old World Creamery	8/30/2016	9/1/2026	\$ 300,000.00	\$ 94,263.81	\$ 31,958.41	\$ 1,897.67	\$ 62,305.40		Current	
Old World Creamery II	5/9/2018	6/1/2028	\$ 500,000.00	\$ 243,137.59	\$ 51,204.90	\$ 5,848.38	\$ 191,932.69		Current	
Old World Creamery III	9/1/2022	9/1/2032	\$ 500,000.00	\$ 447,673.35	\$ 42,647.19	\$ 20,086.89	\$ 405,026.16		Current	
Lifepoint Counseling LLC	4/30/2021	5/1/2031	\$ 75,000.00	\$ 58,041.46	\$ 7,665.43	\$ 1,683.31	\$ 50,376.03		Current	
HH2 Properties (FKA Sprechers)	3/26/2016	04/1/20206	\$ 150,000.00	\$ 72,287.88	\$ 16,686.67	\$ 1,802.19	\$ 55,601.21		Current	
Uptown Slice	1/19/2023	3/1/2033	\$ 75,000.00	\$ 70,149.07	\$ 6,633.77	\$ 3,846.44	\$ 63,515.30		Current	
Union Asian Market	12/15/2021	2/1/2032	\$ 75,000.00	\$ 62,065.83	\$ 7,595.30	\$ 1,618.19	\$ 54,470.53		Current	
<b>Totals</b>			\$ 2,675,000.00	\$ 1,465,970.37	\$ 266,125.52	\$ 45,974.79	\$ 1,199,844.85			

Forgivable Loans

Forgiveness Date

BrewHub dba Craft30			\$ 75,000.00	N/A	\$ -	\$ -	\$ 75,000.00	No payments	N/A
Good Building Co LLC			\$ 75,000.00	N/A			\$ 75,000.00	No payments	N/A
NS Retail Holdings LLC			\$ 375,000.00	N/A			\$ 375,000.00	No payments	N/A
Home Inc			\$ 100,000.00	N/A	\$ -	\$ -	\$ 100,000.00	No payments	N/A

Loan in default - On Hold



January 21, 2025

## Commercial Loan Application

**Borrower:** Old World Creamery

**Project:** Expand building and install equipment to facilitate Cream Cheese line of products

**Total Project:** \$2,500,000 including equipment and building addition/renovation  
 \$1,500,000 for equipment (\$750,000 funded by bank, \$750,000 funded by City RLF) and \$1,000,000 for building renovation

**Request:** City of Sheboygan revolving loan fund:

- \$750,000 for equipment
- 10-year term
- 4.25% interest rate
- 10-year amortization

**Expected Payments:** \$7,416.44 per month

**Collateral:**

- 3<sup>rd</sup> position lien on real property
- 2<sup>nd</sup> position lien on new equipment
- Owner's personal guarantee

### Project Information:

Old World Creamery is planning an expansion of their facility, and extension of a line to produce and store cream cheese. Cream cheese is unique in that during its production, it needs to be stored for several days before shipping, to set into the proper consistency. This on-site storage creates the need for additional refrigeration equipment and square footage to accommodate the products as they are made ready for shipping to the customer.

The company has tested the market for their new product line and believes there is demand for this new product from Old World Creamery.

**Private Funds Leveraged:** *(The applicant must leverage a minimum of one dollar (\$1.00) of private funds for every one dollar (\$1) of loan funds requested.)*

Old World Creamery LLC is applying for \$750,000 through the City of Sheboygan RLF. The total project is in excess of \$1.5 million; funding through RLF would result in a 1:1 match with private funds.

**Cost per Job Created:** *(At least one (1) full-time permanent position or full-time equivalent must be created for every \$25,000 of program funds requested.)*

**Casey Bradley**  
**City Administrator**

CITY HALL  
 828 CENTER AVE.  
 SHEBOYGAN, WI 53081

920-459-3317  
[www.sheboyganwi.gov](http://www.sheboyganwi.gov)



Old World Creamery is projecting to create 30 full-time jobs over the first two years of the operation of the cream cheese line, with wages between \$20-\$30/hour.

	Management/Supervisory Total	Professional/Technical Total	Skilled Labor Total	Unskilled Labor Total
End of First Year	1		4	5
End of Second Year	1		9	10

**Low and Moderate Income (LMI) Benefits:** *(The project shall provide increased permanent employment or will retain existing jobs, which would have been lost locally. Of the jobs created or retained by the project, at least 51 percent of these jobs must be made available to low to moderate income persons (as defined by household incomes published by the U.S. Department of Housing and Urban Development.)*

Old World Creamery currently has loans through the City of Sheboygan’s RLF and is fully in compliance. The jobs created through this application are new/ separate from the jobs that were created with previous loans.

**Financial Feasibility and Business Viability:**

Verified: Old World Creamery LLC is registered in good standing through the Wisconsin Department of Financial Institutions since 07/18/2016.

A UCC Filing search reveals no tax liens.

A review of the company’s financial records and projections including this project has been conducted and has been found to be acceptable.

**Strengths:**

- The company has done exactly as they said they would do to date; they are current with their existing loans, and all are in good standing.
- Their butter business continues to grow and gain recognition as a high-quality product.
- The owner is vested in the business.
- There is room to expand on site and the company wishes to remain at their current location, minimizing business interruptions to implement their next expansion.
- Old World Creamery is continuing to invest in Sheboygan.
- The company is operated by Steve Knaus, Managing Member. Steve represents the third generation of the family business.
- Entry level wages start at \$20/hour for unskilled workers; skilled workers will earn \$25/hour and management/supervisory level employees will earn \$30/hour.
- This company makes a high-quality product and continues to add jobs and investment to the facility.

**Noteworthy:**

- There is nothing in the loan guidelines preventing a borrower from having multiple loans with the City of Sheboygan. This application meets all the requirements and parameters of the current loan guidelines.
- The City of Sheboygan has available funding and continues to receive program income, as repayments from other loans, which it also needs to keep revolving into local projects.
- Current pipeline demand for loan funds does not exceed supply.