



REDEVELOPMENT AUTHORITY AGENDA

January 04, 2023 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, Steven Harrison, Jim Conway, James Owen, Deidre Martinez, and Cleo Messner
2. Call to Order
3. Pledge of Allegiance
4. Identify potential conflict of interest

MINUTES

- [5.](#) Approval of the December 14, 2022 minutes.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

- [6.](#) Discussion and possible action on First Amendment to Ground Lease, storm water easement and detention easement related to SP Riverfront Condominium, located on parcel number 59281322038.

CLOSED SESSION

7. Motion to convene in closed session under the exemption provided in Sec. 19.85 (1)(e) Wis. Stats., to discuss a potential development at 820 Indiana Avenue and possible purchase of real estate located at 1134 Pennsylvania Avenue, where bargaining reasons require a closed session.

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, 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.

BEARINGS HEREON ARE REFERENCED TO THE
SHEBOYGAN COUNTY COORDINATE GRID

SCALE: 1"=30'

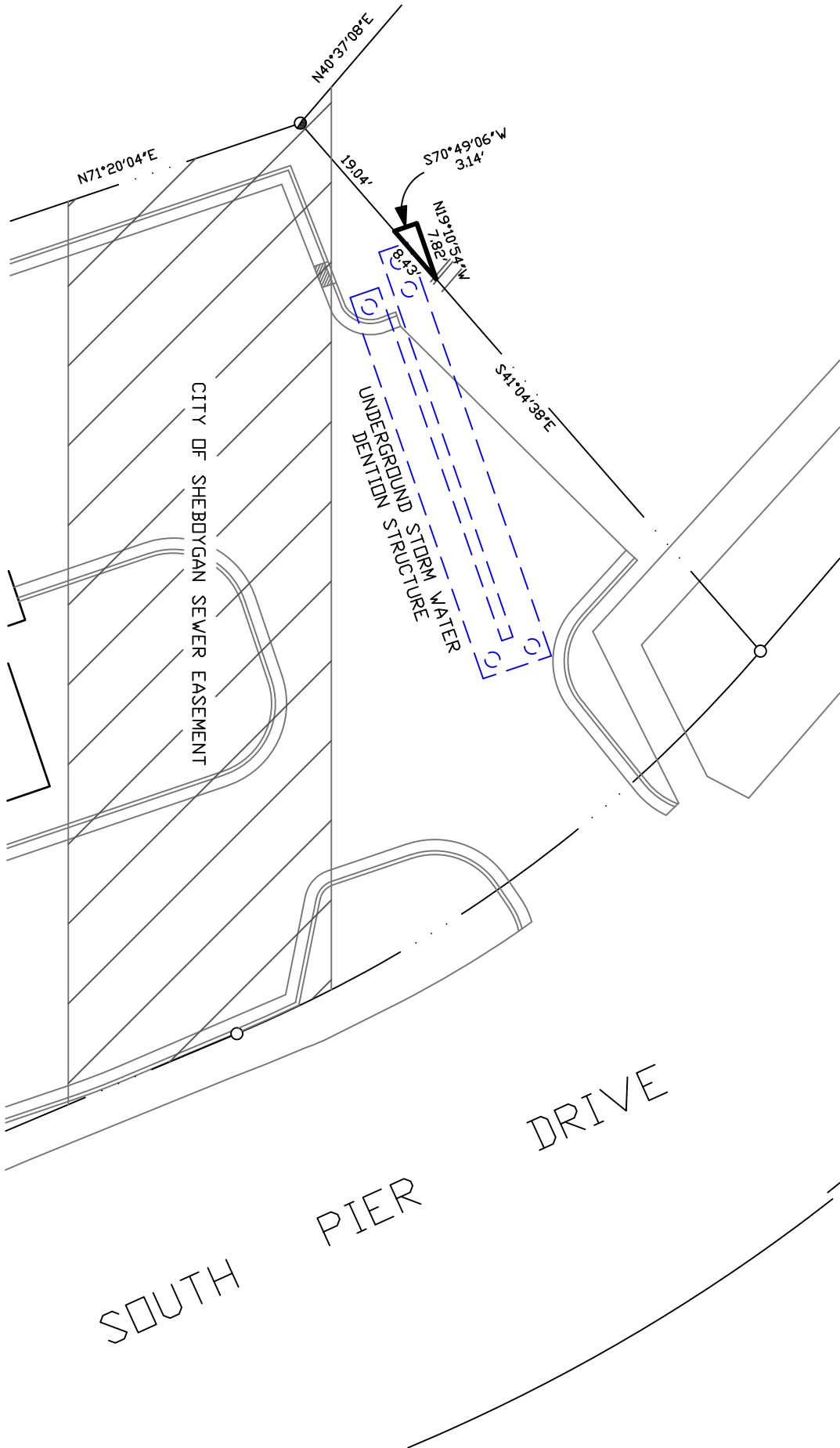
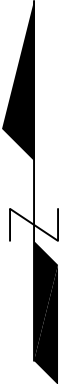


EXHIBIT
EASEMENT FOR STORM WATER PURPOSES,
SOUTH PIER CONDOMINIUM PHASE 2 TO SOUTH
PIER CONDOMINIUM PHASE 1

Storm Water Easement

This Storm Water Easement (this "easement") is entered into by the Redevelopment Authority of the City of Sheboygan, Wisconsin, a public body corporate of the State of Wisconsin (the "Redevelopment Authority") and South Pier Family Investments Inc. ("South Pier") as of the ____ day of December, 2022.

Whereas, South Pier has rented the following described real estate ("Parcel 1") from the Redevelopment Authority pursuant to a Ground Lease dated October 2, 2019 and amended December ____, 2022:

Part of lot 2, South Pier (a subdivision) and part of the vacated portion of South Pier Drive, located in Government lot 1, Section 26, T15N, R23E, City of Sheboygan, Sheboygan County, Wisconsin.

Commencing at the NW corner Lot 2, South Pier; thence N71°20'04"E, along the north line of Lot 2, 189.21 feet to the point of beginning;

Thence, continuing N71°20'04"E 233.88 feet; thence S41°04'38"E 93.17 feet; thence southwesterly along the arc of a curve to the right, said curve having a radius of 187.00 feet and a main chord which bears S53°51'18"W 86.28 feet; thence S67°11'33"W 187.57 feet; thence N18°39'59"W 125.60 feet to the point of beginning, and containing 29145 square feet (0.6691 acres) of land, subject to any easements of record, easements acquired by use, or any rights continued to utilities within the rights of way of the discontinued or vacated portions of South Pier Drive and South 7th Street.

Whereas, the Redevelopment Authority is the owner of the following described real estate ("Parcel 2") which was subject to the Ground Lease, but will be removed from the Ground Lease as of January 1, 2022:

Part of lot 2, South Pier (a subdivision) and part of the vacated portion of South Pier Drive, located in Government lot 1, Section 26, T15N, R23E, City of Sheboygan, Sheboygan County, Wisconsin.

Commencing at the NW corner Lot 2, South Pier; thence N71°20'04"E, along the north line of Lot 2, 423.09 feet to the point of beginning;

Thence N40°37'08"E 149.15 feet; thence S49°24'36"E 73.18 feet; thence S40°35'24"W 5.00 feet; thence S49°24'36"E 18.72 feet; thence S40°31'02"W 157.67 feet; thence N41°04'38"W 93.17 feet to the point of beginning, and containing 14256 square feet (0.3273 acres) of land, subject to any easements of record, easements acquired by use, or any rights continued to utilities within the rights of way of the discontinued or vacated portions of South Pier Drive and South 7th Street.

Whereas, South Pier constructed certain improvements for underground storm water retention.

Whereas, the improvements for underground storm water retention are primarily located on Parcel 1, but also extend into the following described portion of Parcel 2 (the "Easement Area"):

Part of lot 2, South Pier (a subdivision) and part of the vacated portion of South Pier Drive, located in Government lot 1, Section 26, T15N, R23E, City of Sheboygan, Sheboygan County, Wisconsin.

Commencing at the NW corner Lot 2, South Pier; thence N71°20'04"E, along the north line of Lot 2, 423.09 feet; thence S41°04'38"E 19.04 feet to the point of beginning;

Thence, continuing S41°04'38"E 8.43 feet; thence N19°10'54"W 7.82 feet; thence S70°49'06"W 3.14 feet; to the point of beginning, and containing 12 square feet (0.0003 acres) of land, subject to any easements of record, or easements acquired by use.

Whereas, the Easement Area is depicted on Exhibit A attached hereto.

Whereas, the parties hereto wish to establish an easement for underground storm water retention as set forth in this Easement.

Now, therefore, in exchange for mutual consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Easement.** Redevelopment Authority hereby grants South Pier an easement to design, construct, maintain, repair and replace improvements for underground storm water retention within the Easement Area, including any portions thereof which currently or in the future may extend above the surface.
2. **Access & Restoration.** South Pier shall have the non-exclusive right to enter the Easement Area for the purposes set forth above. Redevelopment Authority shall not construct any structures or plant any trees or large plants in the Easement Area that materially interfere with South Pier's access or use of the Easement Area for the stated purposes. South Pier shall restore the Easement Area, including planting grass as appropriate, upon completing any work in the Easement Area.
3. **Costs.** South Pier shall be responsible for its costs to design, construct, maintain, repair and replace improvements in the Easement Area.
4. **Insurance.** South Pier may purchase such insurance for the improvements located on the Easement Area as it sees fit and shall be solely responsible for the cost thereof. Redevelopment Authority may purchase such insurance for the Easement Area as it sees fit and shall be solely responsible for the costs thereof.
5. **Recording.** This Easement may be recorded with the Sheboygan County Register of Deeds and it shall be a covenant running with the land and shall inure to the benefit of the parties herein and be binding upon their heirs, successors and assigns.
6. **Amendment.** This Easement may be amended with a written instrument executed by all of the parties hereto, or their successors in interest.

7. **Governing Law.** This Agreement shall be governed by Wisconsin law without respect to conflict of laws principals.

[Signature Lines]

This Instrument Was Drafted By:
OLSEN, KLOET, GUNDERSON & CONWAY
By: Joshua D. McKinley
602 North Sixth Street
Sheboygan, WI 53081
Telephone: 920-458-3701

Exhibit A

First Amendment to Ground Lease

This First Amendment to Ground Lease (this "Amendment") is entered into by the Redevelopment Authority of the City of Sheboygan, Wisconsin, a public body corporate of the State of Wisconsin ("Landlord") and South Pier Family Investments Inc. ("Tenant") as of the ____ day of December, 2022.

Whereas, Landlord and Tenant entered into a Ground Lease dated October 2, 2019 (the "Ground Lease");

Whereas, Landlord and Tenant wish to modify the premises to reduce the area that is subject to the Ground Lease; and

Whereas, Landlord and Tenant wish to modify the rent payments under the Ground Lease to reflect the new description of the premises that is subject to the Ground Lease.

Now, therefore, in exchange for mutual consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby amend the Ground Lease as follows:

1. Section 1.01 and Exhibit "A" of the Ground Lease are hereby amended by replacing Exhibit "A" of the Ground Lease with the new Exhibit "A" attached hereto. From and after January 1, 2023, all references to Exhibit "A" in the Ground Lease shall be deemed a reference to Exhibit "A" attached hereto.
2. Section 2.01 of the Ground Lease is hereby amended to provide that the rental for the land area shall be the sum of _____ (\$_____) dollars per year from January 1, 2023 through the fifth anniversary of the Ground Lease. All future determinations of "market value" shall be based upon the reduced area of the Premises as set forth in Exhibit "A" attached hereto. It is estimated that the land at the signing of this Amendment has a "market value" of \$_____.
3. All terms and provisions of the Ground Lease shall remain in full force and effect except as modified above.

[Signature Lines]

This Instrument Was Drafted By:
 OLSEN, KLOET, GUNDERSON & CONWAY
 By: Joshua D. McKinley
 602 North Sixth Street
 Sheboygan, WI 53081
 Telephone: 920-458-3701

Exhibit "A"

Part of lot 2, South Pier (a subdivision) and part of the vacated portion of South Pier Drive, located in Government lot 1, Section 26, T15N, R23E, City of Sheboygan, Sheboygan County, Wisconsin.

Commencing at the NW corner Lot 2, South Pier; thence $N71^{\circ}20'04''E$, along the north line of Lot 2, 189.21 feet to the point of beginning;

Thence, continuing $N71^{\circ}20'04''E$ 233.88 feet; thence $S41^{\circ}04'38''E$ 93.17 feet; thence southwesterly along the arc of a curve to the right, said curve having a radius of 187.00 feet and a main chord which bears $S53^{\circ}51'18''W$ 86.28 feet; thence $S67^{\circ}11'33''W$ 187.57 feet; thence $N18^{\circ}39'59''W$ 125.60 feet to the point of beginning, and containing 29145 square feet (0.6691 acres) of land, subject to any easements of record, easements acquired by use, or any rights continued to utilities within the rights of way of the discontinued or vacated portions of South Pier Drive and South 7th Street.