

AMENDED MINUTES
FINANCE COMMITTEE

Tuesday, February 11, 2014
City Hall, Room 207

Immediately following Personnel which begins at 5:30 p.m.

MEMBERS: Alders Amy Kocha, Tom De Wane, Andy Nicholson, and Tom Sladek

OTHERS PRESENT: Ald. Joe Moore, Ald. Tim De Wane, Ald. Mark Steuer, Jeff Mirkes, Craig Bonter, Dawn Foeller, Diana Ellenbecker, City Atty. Tony Wachewicz, Steve Grenier, David Litton, Mayor Jim Schmitt, and others.

1. Roll Call.
2. Approval of the Agenda.

A motion to approve the agenda made by Ald. Andy Nicholas seconded by Ald. Amy Kocha, and carried to approve.

3. Approval of the minutes of the Finance Committee meeting of February, 11 2014.

A motion to approve made by Ald. Amy Kocha seconded by Ald. Tom Sladek, and carried to approve.

4. Request by Thomas DeWane to bring forward the Clarion Project to find out why we still own property.

Atty. Tony Wachewicz addressed the committee on the background on where this project stands and then and then stated that questions can be addressed from there. To back up and think about this project when the city originally bought the Clarion the city worked through the KI convention project. The original plan basically was to place the expansion on top of the Clarion with meeting space. Throughout the design process and working through that the plans changed over default, which resulted in the meeting room space being torn out. The city had to work through a variety of other issues that was related to the air rights which had to do with the reason by we bought the property. Which related to all the easements associated with it foundations, footings, and all those sorts of things. Those easements and related documents and those sorts of things are not finalizing till the beginning of December. Once we finalize and recorded all those related easements to the property closed on the buying, the KI and then shipped and able to finalize the first agreement, development agreement, and temporary easement that was related to the Clarion Property, which was finalized throughout December. Throughout the course of January we began to get started on the nuts and bolts of the mechanics of this real estate transaction and the longer shorter of it it's a complicated transaction with a lot of moving parts that that involve the KI Convention Center, construction schedule and projects going on and how that interplays with project at AHM is going to be doing. Discussions with Atty. Tony Wachewicz and representatives with AHM regarding details of going through the purchasing agreement that needs to be done which includes a survey regarding what was located on the property, so that they

can have understanding of what exactly they are getting and we understand what we are giving. So, that everything is property associated and wrapped up for the KI Convention Center as well as transferring the property with Clarion to AHM. So that being said a lot of moving parts that are going on with survey, environment things, standard things, title work when doing a real estate transaction that are all required. We got through all those steps in December and into January. We have been working on that the last month or two and will continue to move that that forward the survey will be completed in a couple of weeks. We are targeting a date a closing date 60 days. Once we are able to get all these things wrapped up. Craig Bonter a representative of AHM to speak to the committee regarding their commitment to the project.

Representative from AHM, Craig Bonter stated that they reconfirm our commitment 100% to the project and to echo that Atty. Tony Wachewicz regarding the surveys drawings the architecture components, it's an incredibly complicated project. We are working through it, we are at the mercy of a lot other parties involved there timelines and the work they need to get done. All that data needs to get property transferred into the purchasing agreement so they know what they are getting and that moving target and city knows exactly what they are selling. The city would not be able to do the purchasing agreement until all these other things are finalized with the survey, and the environment and those different things.

Ald. Tom DeWane asked Representative of AHM Craig Bonter if they are unsure what they are getting, because city knows what they are giving.

Representative of AHM Craig Bonter stated that everything needs to be documented.

Ald. Tom DeWane stated that takes five, six months, seven months, eight months.

Atty. Tony Wachewicz stated that the starting point was really late December once everything else finalized the KI Convention Center. Atty. Tony Wachewicz reconfirmed what Craig Bonter stated that it was a little bit of a moving target because the original plans was to simply go right on top of meeting room space. That changed throughout all of last fall. Based on all those changes that is why it took so long with all those related easements that are recorded so all specific legal distributions that are involved that what is located where and what exactly property they will be getting. That will be underneath the construction expansion because they are going to have that parking lot there. We needed that spot and space to put our columns that support the expansion that went over and in doing that a whole lot of process of recording documents with the register of deeds are, where exactly the columns and footings are located. That was not all completed because of this moving target.

Ald. Tom DeWane asked if that was all completed.

Atty. Tom Wachewicz stated that it was completed in December and that was the starting point. That is how it got shifted over to move to this part of the process.

Ald. Tom DeWane asked how long it will take to get this done.

Atty. Tom Wachewicz they are shooting for a target closing date in 60 days.

Ald. Tom Sladek asked as long as the city owns it, is the city covering the taxes.

Atty. Tom Wachewicz responded that at this point it is non-taxable.

Ald. Tom Sladek asked how is doing so far profit wise, non-profit wise, moving business non-moving business.

Finance Director Dawn Foeller -

Represented AHM Craig Bonter stated that they are taking their parking lot away but it is not a good time of year.

A motion to approve made by Ald. Tom Sladek, seconded by Ald. Andy Nicholson, and carried to approve.

5. Report of the Claims Committee.

A motion to approve made by Ald. Amy Kocha, and seconded by Ald. Tom Sladek, and carried to approve.

6. Discussion and possible action on City participation on in Meyer Theater expansion.

Mayor Jim Schmitt stated he wanted to talk to the Finance Committee and the City Council about the expanded Meyer Theatre and handed out a package. It is much better then what they had been looking at in the year 2000 when the theater closed the Finance Committee and then City Council approved half a million dollar into this project. \$200,000 came off the general levy, \$200,000 TIF that was cash flowing and \$100,000 that was cash flowing as well. The city, back in 2000 put \$500,000 into the Meyer Theatre and they built this bonafide million dollars project and back at again with this expansion to go from this corner to this corner. They had looked at other things in between with a railing and one with a deck, and with the direction of this city we only have one opportunity that's do it right. This project from a building stand point went a little over \$300,000 dollars. Mayor Jim Schmitt had been approached by The Meyer to talk with the Finance committee about participating in this capital campaign. When he looks at the TIF that it is in, it is a healthy TIF. This does some fundraising and the Mayor Jim Schmitt would like to look at \$500,000 to clean up this corner. Would be coming out of the TIF, could do \$100,000 a year per year over the next five years. Mayor Jim Schmitt the city participation is warranted. It will help the retail on the Dermond Side as well as the across the street. It is something Mayor Jim Schmitt and would like the consideration to participle. Finance Director Dawn Foeller has the financials on the TIF and what we can afford and what are expenses are coming up on the TIF.

Ald. Tom DeWane asked why he participated in this discussion; Mayor was this in discussion involved from the beginning.

Mayor Jim Schmitt stated about a month ago.

Ald. Tom DeWane asked so before they announced it, because they have just announced it.

Mayor Jim Schmitt stated that they talked coming to the city council was not contingent on this design but would like in the ground and get going. It was something that was committed to talking to the Finance Committee about.

Finance Director Dawn Foeller stated at the end of 2013 the approximate fund balance would be about \$717,000 it will dip just a little without this 4.4 and start climbing back up. So this TIF would be able to afford a \$100,000 a year.

Ald. Tom DeWane asked if we are going to support why would you do this \$100,000 a year, you are putting this onto the next council and the council after that instead of packaging all at once and what your mind set is on that.

Mayor Jim Schmitt stated it worked with the TIF, with a three to five year TIF.

Ald. Tom Sladek asked what is the full cost of the project 3 million.

Meyer Theatre Jeff Mirkes stated that The Meyer estimated to completely develop the corner it would be about 3 million. The first floor, banquet, catering and kitchen area and office place. So we are anticipated about 3 million for the entire corner.

Ald. Tom Sladek stated that he will really like to see this happen with the Dermond Property, LLC going up on that corner, this is going to be a signature corner and compared to the other pictures with the deck, railing, and open patio and doing the whole thing would really benefit the city and that corner. Having said that the number is too high. \$500,000 on a \$300M profit, that level that we put TIF money into projects that brings in on the Stuff on tax roll, this being non-profit this will not bring stuff onto the tax roll. Would like to look at something half that range 250M dollars, if that could be worked out.

Mayor Schmitt stated that some tax base that would be coming in on that second floor but would not be significant. Believes it will bring tax base across the street. Will help the Dermin retail. Would like to move this forward as well. Mayor Schmitt state that people involved with the capital campaign and feel the city should participate. With the tune of what was contributed in 2000.

Representative of Meyer Theatre Jeff Mirkes stated though the 3 million being invested in this corner is important The Meyer Theatre board feels that it is equally important the care and maintance in the existing building. The existing building is 84 years old, as part of this campaign we are investing 3.5 million dollars also raising 3.5 million dollars in caring for this building, which that article was in the newspaper this past weekend. Who are really looking at a 3.5 investment. This property all works together. We all this building as a revenue stream. The additional activity corporate events and revenue stream from the second floor. Important people know this building really know this building really is an economic catalyst. Recalls when St. Brendan's decided to open in Green Bay Market, the Meyer Threate was one of the key catalysts that is just one example. An entrepreneur was looking at property nearby, before meeting the entrepreneur had saw this Innovations Newsletter and saw what the Meyer Theatre had planned on this corner, it helped influence to invest property nearby. This really is an economic engine.

The Meyer Theatre has 170 events per year here; brining 70,000 plus people downtown the restaurants really significantly benefit buying property in the downtown area. We see as a public/private partnership.

Ald. Tom Sladek stated that he supports doing the public/private partnership and completely agree with everything said it's a wonderful additional to downtown, it brings in a lot of people. Simply think establishing a contribution at half a million cause some people are anchoring that to what the city did some years ago, is not a strong enough rash anal for that number. That number is for projects that bring on significant amount of tax base. Would be happened to support \$250,000.

Mayor Jim Schmitt stated you are taking half of what was suggested without a lot of ranshal how about 10%.

Ald. Joe Moore asked on the second floor office space if the cost includes the remodel include the actual build out to the second floor or tenant responsibility.

Representative of Meyer Theatre Jeff Mirkes Would include the build out but that is determined on the tenant and what their needs are, but we are anticipating that would include the building out.

Ald. Joe Moore with trying sum this out over five years, over \$100,000 per year you asking for 10% would be more comfortable with throwing number out there. Would be comfortable with \$250,000 the first year and then \$100,000 towards build out. With would be 10%. On what comes back from that office. Maybe some more

Tom DeWane asked if the Meyer Theatre was non-profit.

Representative of Meyer Theatre Jeff Mirkes stated that it was non-profit and has been hope for 12 years.

Ald. Amy Kocha asked who is benefiting from this if not the community. Benefiting because brining additional business and life downtown in additional to seeing more activity and seeing more people. When we talk about what is a business and governmental partnership it means the community is making an investment in its downtown a continued ongoing investment. Believe in that necessity very strongly, and I don't think what the Mayor asking especially when it's been outlined very afford for our tax payers at this juncture that is the way to go. That do what is afford able now and make a strong commitment to the future of our downtown we like the project, it's absolutely gorgeous if they can make it look like that lets do it. Could we negotiate like we are talking about, we supposedly can but why. Why would we do that, who saying we can afford it, who's saying it's not a good project, who's saying it's not going to bring people downtown. Don't understand the necessity with that. Supports what the Mayor is proposing.

A motion to approve \$100,000 TIF Loan over 5 years made by Ald. Amy Kocha, seconded for discussion made by Ald. Tom Sladek.

Ald. Tom DeWane asked Finance Director Dawn Foeller what would be the benefit to do the loan all at once.

Finance Director Dawn Foeller responded that would feel to decline this on a cash flow bases. Hold 100,000 Benefit over doing the 100,000 over 5 years similar on how it was done in 2000.

Ald. Tom DeWane asked the Representative of Meyer Theatre Jeff Mirkes how does it hold up the project doing it that way, or does it not.

Representative of Meyer Theatre Jeff Mirkes \$100,000 for five years would be very acceptable and very pleasing to the board. We are in the midst of a capital campaign, volunteer lead Bob Atwell from Nicolet National Bank is leading this campaign and over the next 60 to 90 days meeting with local foundations, local corporations. 50 key major prospects. The city stepping up to this level will be a big motivator to this project. In a few weeks 4,000 people who follow the Meyer Theatre are going to be asked to do their part in a small way.

Ald. Tom DeWane stated that the board has brought some energy to Green Bay. We don't. Project that we want to see through, it is TIF money. After hearing from Finance Director Dawn Foeller this is something we can easily do.

Ald. Tom Sladek responded that private/public and non-profit, and that the non-profits benefit each and every year from not being taxed. That is a tax payer cost, tax payer subsidy economic non-profit that goes on all the time. We start talking about engaging capital partnerships is being quit generous. In this case cannot see supporting a level of contribution for a project that is not going to be adding to our tax rolls at the same level we are supporting apartment buildings that will add to our tax rolls. Advocates half of the \$250M but does not support the \$500M.

Ald. Amy Kocha responded that there is some irony there, were we are being asked to support something at the same level as private projects which people are benefiting from financially, privately, and profiting from in extraordinarily ways in many projects but we do that because the city also benefited. Irony in a non-profit that is there to benefit the city at large. That's even more reason this community should be stepping up and supporting it to that level.

Representative of Meyer Theatre Jeff Mikes we have been talking about Schreiber National and Associated Bank being a catalyst for development in the downtown. Other businesses are showing up and investments are being made and businesses are being located here. We often talk about Schreiber and Associated and just what has been witnessed over the past month in announcing this plan very confident that nearby property tax assessments will be positively influenced by this development. Across the street at The Schaurer and Shemocker Building has potential tax growth on that property and the Adam Street Garage right behind this property tendency and investment in that building will be enhanced in the near term because of this corner. Consider the nearby growth and tax base given a catalyst tax base with a project like this.

Finance Director Dawn Foeller stated that looking at cash flow would not recommend a \$500,000 outright for this project. This would put us into a negative status.

Ald. Tom DeWane stated that the tax base isn't that significant but the project is significant. We are on a roll right now and don't want to see us stop. After listening and looked at it all day the whole project as a whole and it's out of a TIF and we have to keep going. Knowing that it is a high number big project only going to help us in the long run. A lot of empty buildings downtown. Was asked are we will keep putting this money out there this TIF so many projects and to me there can't be enough projects

getting done in green bay. Smaller businesses will be coming in now. Green Bay will only get bigger and brighter.

Ald. Andy Nicholson asked this project some time ago closing at that point without post money involved. Would this project not go forward without post money.

Representative of Meyer Theatre Jeff Mirkes responded campaign is off to a good start. This will happen, construction should begin this spring. Final finishes on meeting with the contractor and hoping to have this building completed by the end of this year. Hope to partner with the city and part of this and to the level of suggest in the funding.

Ald. Andy Nicholson training received that when thinking about TIF contributions, supposed to apply this question if it wasn't for the TIF contributions would this project would not go forward. This is project that will go forward with or without TIF. Why the need to rush forward with a half million dollars of TIF money for this, when the project will go forward in respective of that.

Ald. Andy Nicholson asked why the Meyer Theatre approached the city.

Representative of Meyer Theatre Jeff Mirkes responded that The Meyer Theatre Board knows this is a public/private indicative and that it brings in 70,000 people. This is something the city of Green Bay and its leaders will be proud of and will continue to be a magnet for residential and commercial.

Andy Nicholson asked if they go someplace else for financial help.

Representative of Meyer Theatre Jeff Mirkes stated we are going to local foundations and local corporations. We feel our campaign is stronger when the City of Green Bay also yes we want to do our part too. We have corporate entities want the City of Green Bay to do their part. If this campaign is successful we will be raising 4 or more million dollars for the future of this property. When the city invests this money will go into this corner. But the future of this property dependent the maintenance and development in this corner. We are raising 4 million for this corner we are asking the city to be a participate in it.

Ald. Tom DeWane asked if the Meyer Theatre owns this corner.

Representative of Meyer Theatre Jeff Mirkes responded that the Meyer Theatre owns this corner. They will benefit by this as a performance venue, a banquet space and a future office tenants.

Ald. Tom DeWane asked what Ald. Tom Sladek stated if it wasn't for the TIF the project would still move forward.

Representative of Meyer Theatre Jeff Mirkes responded that is our hope but it makes it more difficult.

Ald. Tom Dewane asked regarding the cash flow 70,000 people passed thru the Meyer Theatre last year.

Representative of Meyer Theatre Jeff Mirkes responded that is an estimate. When this built there will be more on the venue, there will be more activities.

Ald. Tom DeWane asked roughly how much money was brought in last year.

Representative of Meyer Theatre Jeff Mirkes 80,000-100,000 people per year will visit the Meyer Theatre.

Ald. Tom DeWane what type of money are we looking at.

Representative of Meyer Theatre Jeff Mirkes stated it is very hard to say. It is difficult how much money it brings in. Did not have that information, a management company that manages the theatre, this is culture venue.

Ald. Tom DeWane asked for a ball park figure on how much money is brought in.

Representative of Meyer Theatre Jeff Mirkes stated he doesn't have the exact revenue what the Meyer brings in.

Ald. Tom DeWane asked if it is more than \$100,000.

Representative of Meyer Theatre Jeff Mirkes responded in gross revenue

Ald. Tom DeWane responded in net revenues.

Representative of Meyer Theatre Jeff Mirkes Responded that he doesn't have that information.

Ald. Tom Sladek responded he needs to make one statement. I don't care what type of project we are talking about. A government project a wall project, Northern Hotel project. The first thing a bank asked is the city backing you up on this project. When that happens banks are more willing, it's not just the bank it's the people you are asking to help fundraise to get help people to participate it's a lot easier. When they see backing from the city it's a lot easier does not matter what municipality you are in, easier get things done. We got these things done because the council has proven to be a supporter of our economic development in the last couple years. That is important to the people that want to invest and City of Green Bay will continue to do that. Depending at what level.

Ald. Andy Nicholas asked if the city moves forwards applies the 500,000 how long will that take to pay back that to TIF.

Dawn Foeller responded

717,000

Motion resumes to the second made by Ald. Tom DeWane, and motion failed 2:2. Ald. Amy Kocha and Ald. Tom DeWane aye, Ald. Andy Nicholson and Ald. Amy Kocha voted nay.

This item is being forwarded on to Common Council with no recommendation.

A motion to approve a \$250,000 contribution to the renovation of the Meyer Theatre.

A motion to approve by Ald. Tom Sladek, seconded for discussion by Tom DeWane for

Ald. Joe Moore responded that he likes the 250,000 number the Mayor had asked for 10% which I think is a fair evaluation cap it at \$350,000. I like idea having TIF money specifically to the buildup. Will attract people knowing that money is there.

Tom Sladek stated that a \$250,000 contribution and 50,000 to the build out.

A motion to amend \$500,000 contribution over 5 years \$100,000 per year to \$250,000 up front with \$50,000 contribution for the build out.

Amy Kocha asked if the Meyer Theatre would see a benefit to seeing that money up front.

Representative of Meyer Theatre Jeff Mirkes stated Very difficult to speak on behave of the board. We have a campaign goal and we are going to continue to work on that goal.

Amy Kocha believes that the council should determine.

This item is being forwarded on to the Common Council with no recommendation.

7. Request by the Finance Director to review 2013 year end results of the general fund, approve the request for carryover funds and to transfer \$431,710 to the sick pay escrow fund to cover costs of retirements in 2013.

Finance Director Dawn Foeller stated that audited, we did have some unexpected retirement at the end of the year an additional 431,000 and also are quest to carry over some money for 15,000, 210,000 park and rec however, 30 surplus Department and revenue

Ald. Tom Sladek the police line \$15,000 then \$30,000 to the right of that.

Finance Director Dawn Foeller that should be \$15,000.

Ald. Tom Sladek stated that the total carryover is not 247,000 but changed to 247,232,500.

A motion to approve made by Ald. Tom Sladek seconded by Ald. Amy Kocha, and carried to approve.

Finance Director Dawn Foeller stated that the Police Department has been over budget.

A motion to reconsider by Tom DeWane, seconded by

A motion Adjustment to the carry of 237, to 237 and transfer funds to the contingency of the budget to. That exceeded their budget

8. Request by the Mayor to approve the 2013 borrowing request for capital improvements in the amount of \$7,485,000.

Finance Director Dawn Foeller request 120,000 commercial upgrade systems in the Assessor's office, 25,000 to 165,000 ways below value. To add \$45,000 to request upgrades systems.

A motion to approve by Amy Kocha and seconded by

Software has been in place for 10-12 years this software will be around for a long time. We are a request for a proposal mode. Can get the full RP and what this project entails. Those not have

Ald. Tom Sladek asked bonding request, and bonding policy

Finance Director Dawn Foeller

A motion to approve to approve

9. Report by the Finance Director

2014 Contingency Fund
\$110,000

- 1) **THIS MEETING IS AUDIO TAPED:** THE AUDIO OF THIS MEETING & MINUTES ARE AVAILABLE ON LINE AT WWW.CI.GREEN-BAY.WI.US.
- 2). **ACCESSIBILITY:** Any person wishing to attend who, because of a disability, requires special accommodation should contact the City Safety Manager at 448-3125 at least 48 hours before the scheduled meeting time so that arrangements can be made.
- 3). **QUORUM:** Please take notice that it is possible that additional members of the Council may attend this committee meeting resulting in a majority or quorum of the Common Council. This may constitute a meeting of the Common Council for purposes of discussion and information gathering relative to this agenda.
- 4). **REPRESENTATION:** The party requesting the communication, or their representative, should be present at this meeting.