

MINUTES
REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY
Monday, February 17, 2014
City Hall, Room 604
11:00 a.m.

MEMBERS PRESENT: Harry Maier, Chair; Gary Delveaux, Vice-Chair; Melanie Parma, Matt Schueller, Tom Weber

MEMBERS EXCUSED: Jim Blumreich, Joe Moore

LIAISON REPRESENTATIVES PRESENT: Jeff Mirkes

OTHERS PRESENT: Tony Wachewicz, Mayor Jim Schmitt, Greg Flisram, Jamie Blom, Dennis Doucette, Michael Frantz, Dawn Foeller, Krista Baeten, Kevin King, Nic Sparacio, and media

APPROVAL OF AGENDA:

Approval of the agenda for the February 17, 2014, meeting of the Redevelopment Authority.

A motion was made by G. Delveaux and seconded by T. Weber to approve the agenda for the February 17, 2014, meeting of the Redevelopment Authority. Motion carried.

NEW BUSINESS:

1. Review and approval of development agreement with Frantz Community Investors for the Hotel Northland property at 304 N. Adams Street.

G. Flisram provided an overview of the project, previous term sheet, and development agreement. The project involves redeveloping and renovating the Hotel Northland structure returning it to a luxury boutique hotel consisting of 160 luxury hotel rooms, restaurant, fitness center/spa, and other ancillary uses. Hotel parking will be in the Pine Street Ramp. The estimated project cost is \$30-\$35 million, including a \$3.1 million acquisition. The RDA agreed to donate the lot north of the hotel as part of this deal. The post-renovated assessed value is estimated to be approximately \$15 million. The property was placed on the National Register in the past year. The structure of the financing was reviewed. It is layered and consists of personal equity from the developer, a private loan for the majority, \$2.5 million in City TIF, federal and state historic tax credits, federal New Market Tax Credits, and a WEDC grant for up to \$500,000.

It was indicated that if New Market Tax Credits are not awarded, the parties may re-negotiate the terms and conditions specific to that section of the agreement. The New Market Tax Credits is a Federal program with funds that come to the State. The State can allocate approximately \$100 million in development projects and anticipates requests for \$300 million. The Mayor and staff met with the head of WHEDA to make a push to get the credits. Funds could not be guaranteed until WHEDA sees the project and is certain of their allocation of tax credits for this year. The State will receive their notification of allocation in April or May.

The agreement for parking in the Pine Street Ramp involves the City offering 150 parking spaces for \$60,000 per year for the first three years after which time re-negotiation will take place.

The original term sheet included the option of using \$500,000 of the City's Revolving Loan Fund. That has been replaced in the development agreement with the WEDC grant. As with

the New Market Tax Credits, if the WEDC grant is not awarded, the parties may re-negotiate the terms and conditions specific to that section of the agreement.

Regarding the \$2.5 million City TIF contribution, staff has agreed that if the assessed value is greater than \$15 million, the City shall annually reimburse the developer the increment created over the \$15 million as a Pay-Go TIF grant for reinvestment back into the project capital expenditures or operations.

The closing date and commencement of construction have been pushed back to coincide with the announcement of the New Market Tax Credits. There will be a project kick-off event March 21, 2014 and a soft opening scheduled for March 21, 2015. A grand opening will be between April and June 2015.

T. Weber questioned why the City wouldn't require a personal financial statement to be provided every year, rather than upon the City requesting one. D. Foeller stated that would be an option. She explained that it is a TIF guarantee and other TIF guarantees they have are strong enough that the project has been providing sufficient money to cover the debt service. There was also brief discussion regarding Item D under Section XII - Other Rights and Remedies.

D. Foeller provided an update on the status of TIF 13.

A motion was made by T. Weber and seconded by G. Delveaux to open the meeting for public discussion. Motion carried.

M. Frantz addressed some of the questions that were raised. He indicated that he would be happy to provide personal financial information for review by the Finance Director on an annual basis. He expressed his excitement for this project and noted that the Development Agreement brings it to the next level. He acknowledged that the New Market Tax Credits aren't guaranteed, but feels comfortable with them.

Regarding other uses on the lower level, D. Doucette, Hotel Manager, indicated that hasn't been determined yet.

M. Frantz stated that they want to make sure the hotel is accommodating to everyone in the community.

A motion was made by M. Schueller and seconded by M. Parma to return to regular order of business. Motion carried.

A motion was made by G. Delveaux and seconded by M. Schueller to approve the Development Agreement with Frantz Community Investors for the Hotel Northland property at 304 N. Adams Street. Motion carried.

Meeting adjourned at 11:30 a.m.