

**MINUTES**  
**REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY**  
**Tuesday, December 8, 2015**  
**City Hall, Room 604**  
**1:30 p.m.**

**MEMBERS PRESENT:** Harry Maier, Chair; Gary Delveaux, Vice-Chair; Jim Blumreich, Ald. Joe Moore, Tom Weber

**MEMBERS EXCUSED:** Melanie Parma, Matt Schueller

**LIAISON REPRESENTATIVES PRESENT:** Jeff Mirkes, Tara Gokey, Leah Weycker

**OTHERS PRESENT:** Kevin Vonck, Cheryl Renier-Wigg, Krista Baeten, Billie Jo Horsens, Kevin King, Ken Rovinski, Tony Wachewicz, Mayor Schmitt, Dawn Foeller, Paul Belschner, Glenn Spevacek, Julia Upfal, media, and other interested parties

**APPROVAL OF AGENDA:**

Approval of the agenda for the December 8, 2015, meeting of the Redevelopment Authority.

A motion was made by Ald. J. Moore and seconded by G. Delveaux to approve the agenda for the December 8, 2015, meeting of the Redevelopment Authority. Motion carried.

**APPROVAL OF MINUTES:**

Approval of the minutes from the November 10, 2015, regular meeting of the Redevelopment Authority.

A motion was made by T. Weber and seconded by J. Blumreich to approve the minutes from the November 10, 2015, regular meeting of the Redevelopment Authority. Motion carried.

**COMMUNICATIONS:**

1. Communication from December 1, 2015, of the Common Council by Ald. Zima that the Authority consider using Neighborhood Enhancement funds to purchase and remove the 4-family property at 512 S. Ashland Avenue.

A motion was made by G. Delveaux and seconded by Ald. J. Moore to refer to staff. Motion carried.

2. Communication from December 1, 2015, of the Common Council by Ald. Moore for an added amendment to the Authenticity Plan for the Baylake Bank property that the loan guarantee by the City is considered and the City is to be made whole on any future development of the parcel.

Ald. J. Moore stated that there was a lot of discussion on the Council floor because of the loan guarantee. In the Authenticity Plan, the building isn't there and the property is shown to be something else (a plaza). It was felt that language needs to be added to the Authenticity Plan so that the City is made whole before any future development of the parcel.

A motion was made by Ald. J. Moore and seconded by G. Delveaux to amend the Authenticity Plan as requested. Motion carried.

**OLD BUSINESS:**

3. Baylake City Center Condominium: Continuing Guaranty (Limited) to the Bank of Luxemburg on behalf of HCW, LLC.

K. Vonck stated that this item was referred back at the last Council meeting. One of the concerns was what would happen in terms of the loan guarantee once the building goes away, as previously mentioned by Ald. J. Moore. Council was looking for reassurance that the City would be made whole. The approval to amend the Authenticity Plan, under Item 2, takes care of this. Staff recommendation is to approve the Continuing Guaranty.

A motion was made by Ald. J. Moore and seconded by G. Delveaux to approve the Continuing Guaranty (Limited) to the Bank of Luxemburg, subject to minor legal and technical amendments. Motion carried.

**NEW BUSINESS:**

4. Discussion and possible action on Larsen Green Property (Tax Parcels 5-1756 and 5-1757), Development Agreement and related documents.

The Authority may convene in closed session pursuant to Section 19.85(1)(e), Wis. Stats., for purposes of deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session and pursuant to Section 19.85(1)(g), Wis. Stats., for purposes of conferring with legal counsel concerning litigation in which it is or is likely to become involved. The Authority may thereafter reconvene in open session pursuant to Section 19.85(2), Wis. Stats., to report the results of the closed session and consider the balance of the agenda.

K. Vonck noted that closed session may be needed for potential discussion pertaining to negotiations and litigation. A presentation followed providing a recap of actions taken in the past, where we're at today, and the recommendation to move forward with the Larsen Green property.

In 2007, On Broadway, Inc. (OBI) had a redevelopment strategy for Larsen Green and Dean Foods, who owned the 400 block of North Broadway (22 acres of land east of North Broadway and Walnut Street). OBI acquired a loan from M&I Bank for \$3 million, with other funding also involved, and in return they were required to make interest-only payments on the \$3 million until the time that the principal came due in 2014. The City guaranteed that loan, which was authorized by a City Council resolution. OBI gave the \$3 million to Dean Foods and purchased the 22 acres in the 400 block of N. Broadway. OBI and the City worked with developers to section off part of the 400 block, which

resulted in developers purchasing some of the lots, and left OBI with 420 and 520 N. Broadway. 520 N. Broadway is the vacant cannery building and 420 N. Broadway is the 14-plus acres of land that goes around that building. The existing value that's been created in 2014 at the corner development on Dousman and Broadway has been just over \$5.3 million. This includes the Chamber of Commerce building, Smet, Vincent Urban Walker property, the Cannery, and Titledown Taproom. The value is a bit low considering the Cannery hasn't been fully assessed and there are two vacant parts of that building. In 2014, the principal came due on the interest-only loan with M&I. OBI and BMO (formerly M&I Bank) entered into a forbearance agreement that allowed time to work things out before collecting on the note. DDL Holdings had a purchase agreement with OBI for a phased purchasing of the land. They would take off chunks of land every 6 months until 2019 when they would acquire the whole parcel. OBI would use those funds to pay back the principal of the loan. Now BMO has indicated that they are done in the development business and they are seeking the principal on the loan by the end of the 2015. Options for BMO to be made whole are to foreclose on 420 and 520 N. Broadway and take the property back, go after OBI for the remaining principal balance, or look to the guarantor of the loan and seek relief from the City to fulfill that principal. BMO would reassign the loan documents to OBI and the City would be responsible for minimum aggregate payments until the payoff of approximately \$3.1 million. The first payment would come due in June 2016, with minimum payments to be made every six months until 2019, when the remaining principal needs to be paid off. Given the situation, if the City is going to be financially liable for the \$3.1 million and making the aggregate payments to BMO, the City would like to acquire title to the property. The proposal and recommendation to approve the Development Agreement includes two contingencies:

- a. On or before December 14, 2015, the On Broadway, Inc. Board of Directors and/or the Larsen Green Governing Board affirmatively votes to transfer title of 420 N. Broadway (Tax Parcel 5-1756) and 520 N. Broadway (Tax Parcel 5-1757) to the Redevelopment Authority of the City of Green Bay; and
- b. On or before December 31, 2015, On Broadway, Inc. transfers title of 420 N. Broadway (Tax Parcel 5-1756) and 520 N. Broadway (Tax Parcel 5-1757) to the Redevelopment Authority of the City of Green Bay.

K. Vonck noted that it may not be a clean title. There are outstanding taxes on the parcel, with approximately \$70,000 outstanding to date. If the City takes ownership, we are also responsible for 2015 taxes of \$60,000-\$65,000.

The workout plan includes a Development Agreement with DDL Holdings to purchase 420 and 520 N. Broadway before December 1, 2016. There would be an interim opportunity to purchase a portion of the parcel by June 2016 in an amount to equal or be greater than \$350,000. That would cover the City's payment to BMO and be credited toward the final purchase. The Development Agreement with DDL Holdings would involve eventually purchasing the entire parcel by December 2016. The City's loan with BMO would be satisfied and the City would have a development agreement with DDL for 420 and 520 N. Broadway. DDL has been involved with some of the transactions that have already occurred and staff believes they are the ones to carry us forward in terms of the right type and tone of development for the future of this parcel.

Discussion followed on the value per acre. In 2006 there was roughly \$4.5 million in value for the 22 acres or approximately \$204,000 per acre of value. The 16 acres outstanding today has roughly \$2.5 million in value or \$165,000 per acre. The 6 acres that have been developed on the corner of Dousman and Broadway has a value of \$5.3 million (with two unfinished parts of the structure and the Cannery not on line yet), which equates to \$1.1 million per acre of value. This is the type of development that the City needs on this parcel.

T. Weber questioned and clarification was provided that a payment would be required to the City by June 2016 that is equal to or greater than the payment required to BMO or the agreement is terminated. Another payment would be required by December 1, 2016 for the remainder of the portion or the agreement is terminated.

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

Paul Belschner, Smet Construction and representative of DDL Holdings LLC, stated that DDL is made up of 51% Titledown Brewing Co. and 49% Titledown Brewing District Investors LLC. He is an investor with Titledown Brewing District along with Scott Smet and Shawn McKeefry.

Ald. J. Moore questioned how many payments have been made to OBI as part of their agreement with them.

P. Belschner noted that one parcel was purchased, as required, and payment was broken up into an earnest money payment and final payment.

K. Vonck stated that the goal for both parties is to get the entire parcel transferred.

A motion was made by Ald. J. Moore and seconded by G. Delveaux to return to regular order of business. Motion carried.

J. Blumreich asked for an update on TIF 14. D. Foeller stated the district includes the entire block and currently has a negative cash balance of \$200,000. There are developments just coming on-line and others still to come. The boundary of TID 14 encompasses everything west of Donald Driver Lane between Donald Driver and Broadway and north from Dousman to south of the Homeless Shelter. The Larsen Green 22 acres made up the entire TID when it was created.

A motion was made by T. Weber and seconded by G. Delveaux to convene in closed session. The closed session notice was read from the agenda. A roll call vote was taken – H. Maier, G. Delveaux, J. Blumreich, Ald. J. Moore, T. Weber. Motion carried unanimously.

A motion was made by G. Delveaux and seconded by T. Weber to return to regular order of business. A roll call vote was taken – H. Maier, G. Delveaux, J. Blumreich, Ald. J. Moore, T. Weber. Motion carried unanimously.

H. Maier reported that during the closed session the Authority members and City staff reviewed the potential Development Agreement with DDL Holdings, LLC and had some discussion on potential developers for the site.

A motion was made by Ald. J. Moore and seconded by G. Delveaux to approve the Development Agreement for Larsen Green and DDL Holdings with the following contingencies:

- a. On or before December 14, 2015, the On Broadway, Inc. Board of Directors and/or the Larsen Green Governing Board affirmatively votes to transfer title of 420 N. Broadway (Tax Parcel 5-1756) and 520 N. Broadway (Tax Parcel 5-1757) to the Redevelopment Authority of the City of Green Bay; and
- b. On or before December 31, 2015, On Broadway, Inc. transfers title of 420 N. Broadway (Tax Parcel 5-1756) and 520 N. Broadway (Tax Parcel 5-1757) to the Redevelopment Authority of the City of Green Bay.

Motion carried.

Mayor Schmitt expressed his appreciation for the RDA's support and stated this is a great opportunity for the City.

5. Review and award the Request for Proposals for 2015 CDBG Fair Housing Services to Metropolitan Milwaukee Fair Housing Council (MMFHC) in the amount of \$10,000.00.

A motion was made by J. Blumreich and seconded by T. Weber to award the RFP to Metropolitan Milwaukee Fair Housing Council (MMFHC) in the amount of \$10,000.00. Motion carried.

6. Request for disposition of 700 11<sup>th</sup> Avenue, Parcel 2-501, for \$5,000.00.

K. Rovinski stated that staff was approached by the adjacent property owner of 704 11<sup>th</sup> Avenue with interest in purchasing 700 11<sup>th</sup> Avenue. The RDA purchased the property in September for \$3,093.63 and invested a small amount to plant grass and yard cleanup for a total investment of approximately \$3,800.00. The owner plans to build a new garage on the property when the parcels are combined.

A motion was made by G. Delveaux and seconded by Ald. J. Moore to approve the sale of 700 11th Avenue for \$5,000.00 to the adjacent property owner to combine with their parcel. Motion carried.

**BILLS:**

7. Acceptance of financial report and check register as provided.

A motion was made by G. Delveaux and seconded by T. Weber to approve the financial report and check register as provided. Motion carried.

**INFORMATIONAL:**

8. Director's Report and Project Updates.

The following update was provided:

- Northland Hotel – The signed documents between the City and HUD were received via email. A few minor items are being finalized and the target date for closing is Friday. The contractor is ready to go so work will commence very soon.

9. Disposition Report.

K. Rovinski provided the following update:

- 1103-1114 E. Walnut Street sites – Two duplex properties were donated to NeighborWorks in August. They are in negotiations with neighboring properties to reconfigure the lot lines. Work began on the two garages. Interior rehab will start in January with completion in spring.
- 1141 Chicago Street – As part of the New Homes in Your Neighborhood Program, the Longley family acquired the property in October and began construction immediately. Project completion is anticipated for February.
- 327 S. Quincy Street – As part of the New Homes in Your Neighborhood Program, Integrity Homebuilders began construction in November with completion anticipated in spring 2016.
- New signs were presented for improved marketing of the sites.
- The website has been updated for easier navigation by the public and updates by staff.
- A new sell sheet has been created for our properties and will be linked to the properties on the website.

Julia Upfal provided an update on a grant application for revolving loan federal funds, up to \$1 million, that could be used to provide loans and sub grants to Brownfield projects for cleanup.

H. Maier ruled for adjournment at 3:07 p.m.