

MINUTES
REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY
Tuesday, February 10, 2015
City Hall, Room 604
1:30 p.m.

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

LIAISON REPRESENTATIVES PRESENT: Jeff Mirkes, Dan Perron

OTHERS PRESENT: Kim Flom, Cheryl Renier-Wigg, Krista Baeten, Kevin King, Jim Mueller, Steve Franz, Tony Hayes, Media, and other interested parties

APPROVAL OF AGENDA:

Approval of the agenda for the February 10, 2015, meeting of the Redevelopment Authority.

A motion was made by G. Delveaux and seconded by J. Blumreich to approve the agenda for the February 10, 2015, meeting of the Redevelopment Authority. Motion carried.

APPROVAL OF MINUTES:

Approval of the minutes from the January 13, 2015, regular meeting of the Redevelopment Authority.

A motion was made by M. Schueller and seconded by T. Weber to approve the minutes from the January 13, 2015, regular meeting of the Redevelopment Authority. Motion carried.

COMMUNICATIONS:

None.

OLD BUSINESS:

1. Hotel Northland – Developer Update.

K. Flom indicated that the developer of the Hotel Northland was present to give an update on the project.

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

Steve Franz provided an update on the funding approval and design process for the Hotel Northland. It was noted that the project has increased from \$40 million to \$44 million, with the increase mostly through construction costs. Bids were anticipated to be lower than what has come in. The increase in construction costs also means an increase in federal and state tax credits. A bank and buyer has been identified for the state and federal tax credits. Approximately \$15 million in federal and state historic tax credits is going into the project, which brings the owner equity for the project to about \$18 million. They anticipated an approximate 30-day turnaround with the National Park Service in Washington D.C., which has to approve all plans before qualifying for the historic tax credits, and that process has taken longer than anticipated. The HUD loan and the tax credit approval are both in Washington D.C. for final approval. Conditional approval has been received from the National Park Service, which is sufficient for the bank's purposes. Closing on the building is anticipated in the next couple

weeks with construction startup to immediately follow. Most of the work will take place indoors. A lot of work has taken place with the design process, such as selection of furniture, plumbing fixtures, kitchen equipment, etc.

H. Maier questioned the anticipated occupancy date. S. Franz indicated it will be a phased opening with the goal to have the public spaces open in Fall 2015 (lobby, tavern, restaurant, recreation area, and ballroom) as well as a floor or two of sleeping rooms. Renderings of the public spaces will be presented to the City Council at the Council meeting on February 16. Once the closing takes place and a construction schedule is established, they will be able to determine the marketing schedule for room bookings. Further discussion followed regarding the marketing and rates. Guest room activity will provide approximately 55%-60% of their revenue and approximately 40% will be through catering and restaurant/bar.

S. Franz noted that the support received from the City has been tremendous throughout the project. The time between final HUD loan approval and closing should be approximately two to three weeks.

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

A motion was made by Ald. J. Moore and seconded by G. Delveaux to receive and place on file the Hotel Northland update. Motion carried.

2. KICC Expansion – Cineviz Contract.

K. Flom noted that the RDA approved the Cineviz Contract at the November 2014 meeting, but requested follow-up with the final contract language, which was included in the agenda packet. There were some revisions to the numbers and the total is slightly under the contracted budget amount. The bids for the hardware component came in lower than anticipated. Work on the content creation portion will be starting. The timeframe is for this system to be up and running when the convention center opens in August. Discussion followed on the management and advertising/sales component. The advertising revenue that is generated will be the first tier of funding for any maintenance costs.

A motion was made by Ald. J. Moore and seconded by M. Parma to receive and place on file the report on the Cineviz Contract. Motion carried.

3. Potential short term leasing of the Greenfield Site.

K. Flom provided an overview of the proposal from Tony Hayes to lease the site for \$2,500 per month for up to 12 months to dismantle a vessel. The City's insurance agent has provided the minimum insurance requirements and there would also be site requirements as related to leaving the site in the current, or better, condition and not disturbing the existing environmental cap that exists. If the RDA approves to enter into a lease, there are a number of ways that the lease proceeds could be used.

A motion was made by G. Delveaux and seconded by Ald. J. Moore to open the meeting for public discussion. Motion carried.

Tony Hayes indicated that he has been searching for a site and noticed this site while driving over the Mason Street bridge. He had a site in Sturgeon Bay, but due to the construction of a yacht club, he needed to find a different location.

Questions and discussion took place between Tony Hayes and members of the RDA where the following information was presented:

- 1) Approximately 30 employees are anticipated for this work. 16 would come from current staff.
- 2) A specific start date is not yet determined. The price of scrap metal, and securing a buyer for the scrap metal is an important component to a successful dismantle. April or May is a possibility depending on weather and the scrap metal market pricing.
- 3) Approximately 97 percent of the ship would be recycled. The ship proposed for dismantle is a 600' barge.
- 4) The boat would need to be pulled on to shore, which could impact the stone bed at the shoreline. The site would be required to be returned to existing, or better, condition.

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

A motion was made by T. Weber and seconded by J. Blumreich to authorize staff to proceed with leasing negotiations and bring final terms to RDA for consideration. Motion carried.

4. AHM – Hampton Inn Green Bay – Final Conceptual Drawings.

K. Flom noted that at the October 2014 meeting, the RDA approved the conceptual design for the AHM – Hampton Inn project subject to staff approval of the exterior lighting. The RDA also requested that final drawings be brought back for informational purposes. Those drawings were included in the agenda packet. Notable items include:

- 1) Exterior decorative lighting is shown along the roofline, tucked into the parapet feature. This lighting application is appropriate for the architecture and is representative of the Hampton Inn brand.
- 2) Windows have been added to the northwest side of the building in order to take advantage of views of the Fox River. These windows are listed as an add alternate and will be constructed, budget permitting. Staff encourages the developer to install the windows.
- 3) Other add alternates include new showers in some of the rooms and build-out of additional tenant space next to the restaurant.

H. Maier noted, and others agreed, that we should strongly encourage the developer to consider the addition of the windows to open up views to the Fox River.

Additional discussion took place between RDA members and K. Flom with clarification on the following points:

- 1) The proposed restaurant has increased in size from the original drawings. The restaurant would not be a formal Hampton Inn affiliate, but would instead be leased to an independent operator.
- 2) A building permit application is expected to be received within the next two weeks.
- 3) The restaurant entrance is located along the east edge of the building and is separate from the hotel entrance. The rear of the restaurant is to be built with a glassy aluminum storefront system to maximize exterior views. It is also anticipated that an outdoor patio would be proposed when a restaurant tenant is secured.

A motion was made by Ald. J. Moore and seconded by M. Schueller to receive and place on file the final design drawings for AHM – Hampton Inn Green Bay. Motion carried.

NEW BUSINESS:

5. Review and approval of Section 3 Plan for the Housing Authority and Redevelopment Authority of the City of Green Bay.

K. Baeten explained that Section 3 is a provision of the Housing and Urban Development Act of 1968. While the requirement of Section 3 is not new, HUD has placed a renewed emphasis on this provision. The Section 3 provision is intended to ensure that benefits of any employment or contracting opportunities generated because of CDBG or HOME funding, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed toward low- and very low-income persons or businesses. In order for the Redevelopment Authority to comply with Section 3, staff has drafted the enclosed Section 3 Plan.

A motion was made by G. Delveaux and seconded by J. Blumreich to approve Resolution No. 645 and adopt the Section 3 Plan as presented. Motion carried.

6. Request to purchase 417 Fifth Street using CDBG Impact funds.

C. Renier-Wigg stated that staff has been working in the Tank neighborhood since 2006 and has recently added the 400 block of Fifth Street as an Impact area for the 2015 five-year CDBG Plan that the RDA will be reviewing in March. In 2015, staff will be working to acquire parcels, as they become available, on the south side of the 400 block of Fifth Street. The RDA already owns a vacant lot at 427 Fifth. 417 Fifth has been foreclosed on by Brown County for back taxes and is now available to purchase for \$8,366.50. The property would be demolished and land banked. It is currently vacant and in the floodplain, and as staff is able to acquire other properties the sites can be modified to build out of the floodplain.

A motion was made by M. Parma and seconded by Ald. J. Moore to approve the purchase of 417 Fifth Street for \$8,366.50 using CDBG Impact funds. Motion carried.

BILLS:

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

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

INFORMATIONAL:

8. Director's Report and Project Updates.

K. Flom provided the following updates:

- An HPC meet and greet is scheduled for Thursday on the second floor of Titledown Brewery.
- The RFP has been released for 321-325 Broadway. Responses are due on March 27. Staff will be reevaluating the status of the Chicago/Monroe RFP and will reissue if needed.
- We are currently working to secure a date in March to schedule a progress walk through of the KI Convention Center.
- Also in March, we hope to bring the 2015 Annual Action plan to the RDA for review as related to CDBG and HOME Funds.

J. Mirkes mentioned the success of numerous downtown projects including the Meyer Theater and Initiative One. He also mentioned the growing momentum of the Olde Main area as an Arts District, spurred by the success of the Art Garage as an Anchor.

D. Perron mentioned that Cellcom, in the new outlot building in front of Michaels, held a successful soft opening on Friday, February 6 and will have a grand opening in March. North Shore bank will also be relocating to the new building in spring. He also noted that there has been some interest in leasing the former Michaels space at the southeast corner of Mason and Military.

Chair ruled for adjournment at approximately 2:30 p.m.