

**MINUTES**  
**REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY**  
**Tuesday, June 9, 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

**OTHERS PRESENT:** Kim Flom, Cheryl Renier-Wigg, Krista Baeten, Billie Jo Horsens, Kevin King, Mayor Schmitt, Noel Halvorsen, Scott Schoeneman, Dawn Foeller, Kevin Vonck, Wendy Townsend, Stephanie Schmutzer, Ald. Dave Nennig, Jim Sanderson, Andy Rosendahl, Jim Olsen, John DeLeers, Steve Seidl, Tom Olejniczak, Media, and other interested parties

**APPROVAL OF AGENDA:**

Approval of the agenda for the June 9, 2015, meeting of the Redevelopment Authority.

A motion was made by J. Blumreich and seconded by Ald. J. Moore to approve the agenda for the June 9, 2015, meeting of the Redevelopment Authority. Motion carried.

**APPROVAL OF MINUTES:**

Approval of the minutes from the April 8, 2015, special meeting and April 14, 2015, regular meeting of the Redevelopment Authority.

A motion was made by G. Delveaux and seconded by T. Weber to approve the minutes from the April 8, 2015, special meeting and April 14, 2015, regular meeting of the Redevelopment Authority. Motion carried.

**COMMUNICATIONS:**

1. Request by Jim Sanderson to consider the idea of a covered pedestrian skywalk connection between the KI Convention Center and the Hotel Northland along with the downtown entertainment district.

K. Flom indicated that a communication was received via City Council for a covered pedestrian skywalk. Mr. Sanderson was present to provide additional information.

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

J. Sanderson provided details on the location he was recommending for the skywalk. It would be a skywalk continued from the Main Street Parking Ramp skywalk over to the currently abandoned former JC Penney store entrance on the third level of the Pine Street Parking Ramp. He came up with the idea when he watched the demolition of the

JC Penney building. Now that the convention center is completing construction and the Hotel Northland project is finalized, the idea of having the Hotel Northland connected to the convention center through a pedestrian connection has a lot of importance. It would not just service the hotel; anyone could use it. He feels the area is not real pedestrian friendly and it would make sense to have a skywalk connection. One obstacle would be the need for Schreiber Foods to allow a variance for the skywalk over their property. The skywalk would offer a view of Schreiber's landscaped area. He felt the skywalk could be constructed as inexpensive as possible with the idea that if Schreiber needed the area in the future, it could be taken down.

G. Delveaux questioned the height of the recommended skywalk and J. Sanderson indicated it would be the same height as the Main Street connection.

T. Weber questioned if there would be one point of entry and one point of exit and J. Sanderson responded yes.

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

Ald. J. Moore felt that the idea should be looked into and it was the consensus of the Authority to refer to staff for further study, including discussion with Schreiber Foods, and to report back in a month.

A motion was made by G. Delveaux and seconded by Ald. J. Moore to refer to staff and report back in a month. Motion carried.

#### **OLD BUSINESS:**

2. Review and approval of First Amendment to the Management Agreement for the KI Convention Center.

K. Flom stated that this information was presented last Fall, but the primary difference is the entity the agreement is assigned to. There was a group looking to purchase the Hyatt last Fall, and that purchase did not go through. We still need to amend the Management Agreement to include the new space at the same prices that were discussed in the Fall. The previous agreement has two five-year terms and one ten-year term is now being proposed. It was clarified that with the two five-year terms in the past, the second one was automatic, so this is really the same. Also, it is felt that a longer term contract would be more attractive if another group wanted to come in and purchase the Hyatt.

A motion was made by J. Blumreich and seconded by T. Weber to approve the First Amendment to the Management Agreement for the KI Convention Center with Hyatt Corporation, a Delaware Limited Liability Company, as agent of Hyatt Equities, L.L.C., subject to minor legal and technical amendments. Motion carried.

#### **NEW BUSINESS:**

3. Report of the Real Estate Subcommittee meeting on May 12, 2015.

- a. Review and action on two proposals received for development of 321-325 North Broadway.

T. Weber indicated that the subcommittee heard presentations on the two proposals. The key elements for selecting DeLeers included: condo units instead of rentals, the streetscape, and the amount of TIF assistance requested.

K. Flom stated that staff has prepared a brief presentation on the two proposals received through the RFP. It was clarified that we are not approving the exact design of the project at this time. We are requesting to approve the developer. We will then work with that developer to bring a finalized project back for review.

B. Horsens presented information on the development location and details of each proposal. DeLeers, who is partnering with Creative Business Services, is proposing a six-story building with retail in the front and underground parking as well as first floor parking. Their proposal includes high-end condos with layout flexibility for one, two, or three-bedroom units based on pre-sales and offering options for those interested in purchasing. The purchase offer for the site is \$35,000 with an estimated project cost of \$5.9 million.

B. Horsens stated that the Smet proposal includes a four-story building with approximately nine high-end rental units and 17 stalls of parking on the first floor with retail space at the front. The purchase offer for the site is \$10,000 and would require City financial assistance. The subcommittee went through a scoring process for each proposal and overall the DeLeers proposal scored highest. Both developers are in attendance to answer questions. The estimated square footage for the DeLeers proposal is 3,000 and Smet's proposal was smaller.

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

Ald. J. Moore asked the developer if there were any potential leases for the space, such as a potential health food store, and if a study was done on the need for condos in that area. J. DeLeers indicated that they have had inquiries about the retail component and stated they have also had inquiries over the past year or so from past clients about condos in the downtown area. J. DeLeers feels confident that they would be ready to get started in spring, but it would be dependent on pre-sales.

K. Flom indicated that the request for today is approval of the developer and staff would then work with the developer on an option and development agreement, which are things that would come back to the Authority.

J. DeLeers noted that the project has been referenced as DeLeers, but the developer is accurately named New Town Redevelopment LLC.

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

Mayor Schmitt commented on the condo situation in the downtown area and he feels there is a market for this.

A motion was made by G. Delveaux and seconded by T. Weber to approve New Town Redevelopment LLC as the selected developer for 321-325 North Broadway. Motion carried.

4. Review of Tax Increment District Reports for year ended December 31, 2014.

D. Foeller provided an overview of the following TIF District annual reports for year ended December 31, 2014:

- TIF 4 – Washington Street Apartments along the Fox River and also covers the Cherry Street Ramp.
- TIF 5 – Overlay of TIF 4 and spans the east and west river. Projects include the Metreau Project and Meyer Theater.
- TIF 6 – Near East Side and is a Pay-Go TIF.
- TIF 7 – Lombardi Ave/Tundra Project. Primarily Tundra Lodge, but other developments include Cambria Suites and Champions Sports Bar.
- TIF 8 – Berger/Morrow Street. Projects includes movement of tenants from Hotel Northland to new property within the TIF.
- TIF 9 – 54/57 Industrial Park. Expansion to the Town of Scott. This TIF has been struggling due to lack of development in that area. This area includes Aurora and WS Packaging as well as a new project.
- TIF 10 – Main and Mason. Some developments include Planet Fitness, Copps, and a new credit union.
- TIF 11 – Olde Main Street. This TIF has been struggling and there have been efforts to expand.
- TIF 12 – I-43 Business Park. The Strategic Behavioral Health project will be in this TIF and will provide additional increment.
- TIF 13 – Downtown Redevelopment. This TIF is struggling although there is a lot of development happening in the district. The KICC expansion, Hampton, and Hotel Northland will all impact this TIF.
- TIF 14 – North Broadway Redevelopment (primarily Larsen Green). Infrastructure improvements have been done and there are developments that have come on line with Titledown Brewery expansion and the sale of the remaining property.
- TIF 15 – Olde North Redevelopment. Not much activity as far as development.
- TIF 16 – Military Avenue. New projects include Broadway Automotive, Michael's, and the outlot with Cellcom.
- TIF 17 – One Broadway Parcel. This TIF was primarily to take down a warehouse building.

Jim Blumerich requested that Finance conduct a forecasted cash flow analysis of TIF 13 so that we have an understanding of how to manage it in the future.

A motion was made by Ald. J. Moore and seconded by J. Blumreich to receive and place on file the Tax Increment District Reports for year ended December 31, 2014. Motion carried.

5. Request for use of TIF 7 funds for Shorewest Realty project at 839 Lombardi Avenue.

T. Weber stated that he will participate in the conversation, but as a Shorewest Agent he will abstain from voting.

K. Flom stated that representatives from Shorewest were present, Steve Seidl and Tom Olejniczak.

A motion was made by G. Delveaux and seconded by M. Schueller to open the floor for public discussion. Motion carried.

S. Seidl provided a history of the project starting when the site was purchased in the summer of 2013. In early meetings with staff, they were discouraged from seeking TIF funds and to make the project stand on its own. They moved forward with that understanding. The project has incurred significant circumstances and incurred significant costs associated with redevelopment of the site, therefore, requiring a request for assistance. Because it was a redevelopment site, there were substantial buried footings. Excavation discovered the sanitary sewer line was above the lower level of the building and AT&T and WPS cables were hit. It was discovered that the foundation was being built within a 50-foot easement of the DOT, so the foundation had to be buried. Damages are estimated at \$120,000 in additional expenses. It was determined that the maximum increment from TIF could be \$85,000 Pay-Go. The biggest issue they are facing is that next month when the final draw comes due, they will not have had enough money to pay the balance of the job. They are at a critical spot and feel that with the backing and security of the Pay-Go TIF, their bank will allow them to borrow the money. The request is for the Authority to consider \$85,000 Pay-Go TIF assistance.

T. Olejniczak provided further history on this site and project.

M. Parma questioned why these issues were not known ahead of time going into the project. T. Olejniczak stated that surveys were done in the last 90s, which did not show everything, and a CSM that was done when the waterpark was created didn't show the WPS or AT&T easement. S. Seidl stated that the easements for AT&T and WPS were part of original documentation drafted in 2002 that said they could lay their lines wherever they wanted to as long as it didn't interfere with the entire parcel. Further discussion followed regarding the issues with the DOT and the utilities. The incremental value of the building will be \$1,269,000. It is costing more due to all the extra expenses, but for financing is appraised at \$1.2 million.

Ald. J. Moore asked if this is a relocation of an existing office or if they are expanding and planning to add staff. S. Seidl stated it is mostly the same staff occupying their current building in Ashwaubenon.

K. Flom indicated that staff does not have a recommendation other than the information provided. Per our estimates, the TIF and Mr. Seidl's project could support \$85,000 Pay-Go assistance.

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

Ald. J. Moore expressed his support for the TIF assistance to make the project happen, dependent on an amount that the Finance Director is comfortable with based on the assessment.

A motion was made by Ald. J. Moore and seconded by J. Blumreich to authorize staff to award Pay-Go TIF assistance from TIF 7 for the Shorewest Realty project at 839 Lombardi Avenue, after completion of the assessment, with a maximum amount of \$85,000. Motion carried with T. Weber abstaining.

6. Authorization to award demolition of 1145 Chicago Street to lowest bidder at a cost of \$10,715 using CDBG funds.

K. King explained that six RDA-owned properties are being demolished. One of the bids came in over \$10,000 and RDA authorization is required for expenditures over \$10,000.

A motion was made by G. Delveaux and seconded by M. Parma to approve demolition of 1145 Chicago Street to lowest bidder at a cost of \$10,715 using CDBG funds. Motion carried.

7. Review and approval of request by NeighborWorks Green Bay for \$76,500 of CHDO HOME funds to rehabilitate 321 Harvard Street.

K. Baeten stated that NeighborWorks approached staff with a proposal for 321 Harvard Street. There are 2014 CHDO HOME funds that are unused. The property is vacant and Neighborworks is working to acquire it, renovate the single family home, and resell to a HOME qualified buyer. The proposed total development cost is \$176,000. The anticipated sale price is \$106,700. For the gap they would like to use \$69,000 of CHDO HOME funds and \$7,500 of Down Payment Closing Cost assistance.

T. Weber questioned why the Down Payment Closing Cost assistance is tagged with this project when NeighborWorks already has that funding available. K. Baeten stated that all of their HOME Down Payment Closing Cost funds have been obligated.

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

N. Halvorsen indicated they have limited resources available for Down Payment Closing Cost Assistance. They have not drawn all of their HOME funds, but they are all spoken for. Their funds from other sources are obligated to clients as well.

H. Maier questioned if the proposed sale price for this property is in line with the neighborhood. S. Schoeneman stated yes, that comparisons were done with similar properties nearby.

Discussion followed regarding the balance of the CHDO funds and the 2015 funds. K. Baeten indicated that the submittal of the Consolidated Plan and Annual Action were held up because of the Section 108 loan process, so allocations for 2015 have not been received yet. The plans are going to Council for final approval on Tuesday, June 16. Upon approval, the plans will be submitted and 2015 allocations will be received.

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

A motion was made by Ald. J. Moore and seconded by M. Parma to approve allocation of CHDO HOME funds not to exceed \$76,500 for the rehabilitation and resale of 321 Harvard Street contingent upon the acquisition of the property by NeighborWorks Green Bay. Motion carried.

8. Authorization to award contract "CD 15-01 Part A – Dousman Street Improvements to low qualified bidder, Martell Construction Inc., in the amount of \$162,148.30 and Part B – Navarino Park Improvements to low qualified bidder, Advance Construction Inc., in the amount of \$104,311.00.

There were questions on why the two contractors that submitted bids each bid on one part of the contract only and not on both parts. K. Flom stated that bids on other City projects also came in higher than expected with very few contractors bidding. This speaks to the strength of the current construction market.

Discussion followed on the bidding process and how the information is provided to contractors.

A motion was made by Ald. J. Moore and seconded by M. Schueller to award contract "CD 15-01 Part A - Dousman Street Improvements to low qualified bidder, Martell Construction Inc., in the amount of \$162,148.30 and Part B – Navarino Park Improvements to low qualified bidder, Advance Construction Inc, in the amount of \$104,311.00. Motion carried.

9. Review of Community Development Revolving Loan Program Policies and Procedures Manual.

K. Flom indicated that the Loan Program Policies and Procedures Manual does not address loan forgiveness, which happens from time to time. Loan forgiveness is currently handled by the Revolving Loan Fund Committee and does not come before the RDA. There have been inconsistencies noticed in past projects, where in some cases it came before the RDA. Guidance is being requested as to whether the Authority is comfortable with the Revolving Loan Fund Committee handling loan

forgiveness or if the Authority would like these requests to come before them for final approval.

Discussion occurred on the frequency of loan forgiveness requests and the option of placing a cap on the amount that would be handled by the Revolving Loan Committee or go to the RDA. It was suggested that wording could be put in the policy that the Revolving Loan Committee could seek guidance or final approval of the RDA if desired, at their discretion.

K. Flom indicated that based on the discussion, she is hearing that there is comfort with having the Revolving Loan Fund Committee handle forgiveness of loans as long as they have the option to send such projects to the RDA, at their discretion.

C. Renier-Wigg questioned if this would apply to the Home Improvement Loan Program as well. The HILP does require requests to come before the RDA. The consensus was to continue bringing the HILP requests to the RDA.

G. Delveaux stated that he has stressed the importance of follow-up on job creation requirements with Economic Development staff, as all of the loans are based on job creation.

A motion was made by T. Weber and seconded by M. Parma to refer to staff for revision of the Community Development Revolving Loan Program Policies and Procedures Manual to add language permitting the Revolving Loan Fund Committee the authority to grant loan forgiveness with discretion to send to the Redevelopment Authority. Motion carried.

**BILLS:**

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

A motion was made by J. Blumreich and seconded by M. Schueller to approve the financial report and check register as provided. Motion carried.

**INFORMATIONAL:**

11. Director's Report and Project Updates.

K. Flom provided the following updates:

- The Dousman Street project will be administered by the Public Works Department because it is greater than \$25,000, and it is possible there will be small additional costs that will come back to the Authority for approval.
- There has been interest in the purchase and potential development of the Kellogg/Chestnut lot.
- Conceptual elevations and plans for Metreau will come for formal approval in July.
- An update on the Disposition Plan will be provided in July.
- The KI project is on schedule for an opening in mid-September. Jon Mueller will be asked to provide an update at the July meeting.

- The Watermark project closed and will be moving forward.
- Strategic Behavioral Health has a ceremonial groundbreaking scheduled for July 9 at 1:30 p.m.
- Broadway Automotive Ribbon Cutting is on June 11 at 3:00 p.m.
- Save the Date – The KI Grand Opening/Gala is planned for September 16.

J. Mirkes provided the following updates:

- Back Stage at the Meyer should be complete by mid-July.
- In the Main Street District – Jakes Pizza property and the former Centerfold property have been sold for redevelopment.
- Two new businesses have been recruited for the Main Street Commons.
- Café Espresso is under extensive rehab.

Chair ruled for adjournment at 3:05 p.m.