

MINUTES
REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY
Tuesday, February 9, 2016
City Hall, Room 604
1:30 p.m.

MEMBERS PRESENT: Harry Maier, Chair; Jim Blumreich, Ald. Joe Moore, Matt Schueller, Tom Weber

MEMBERS EXCUSED: Gary Delveaux, Melanie Parma

LIAISON REPRESENTATIVES PRESENT: Jeff Mirkes, Leah Weycker, Mike Hall

OTHERS PRESENT: Kevin Vonck, Tony Wachewicz, Mayor Jim Schmitt, Cheryl Renier-Wigg, Krista Cisneroz, Billie Jo Horsens, Ken Rovinski, Dawn Foeller, John Mehan, Jamie Blom, John DeLeers, Alysha Zoeller, Pat Zoeller, Tom Radenz, Larry Langohr, MarkSkogen, Jeff Knutson, James Olsen, Mark Ernst, Roy Stumpf, Ald. Dave Nennig, Joshua Schwalbe, Mike Schwantes, Rachel Miller, Jon Mueller, Scott Schoeneman, Steve Schneider, Ald. Randy Scannell, Dan Ditscheit, media and other interested parties

APPROVAL OF AGENDA:

Approval of the agenda for the February 9, 2016, meeting of the Redevelopment Authority.

A motion was made by J. Blumreich and seconded by T. Weber to approve the agenda for the February 9, 2016, meeting of the Redevelopment Authority. Motion carried.

APPROVAL OF MINUTES:

Approval of the minutes from the January 12, 2016, regular meeting of the Redevelopment Authority.

A motion was made by M. Schueller and seconded by Ald. J. Moore to approve the minutes from the January 12, 2016, regular meeting of the Redevelopment Authority. Motion carried.

COMMUNICATIONS:

None

OLD BUSINESS:

1. Review and approval of Term Sheet with Historic Restorations, LLC for the Kellogg/Chestnut site.

K. Vonck stated that Jeffrey Knutson with Historic Restorations, LLC currently has an option on this property. He also owns adjacent parcels. The project involves restoring and renovating 409 N. Broadway into 20 apartments and using the RDA-owned parcel

for parking with garages. An overview was provided of discussions and changes relating to the project. The property is located within TIF 5. To assist with the extensive costs that come with restoring a historic building, the term sheet includes PayGo TIF incentive of 50% of the incremental taxes created for a period up to 8 years. The preliminary term sheet sets the boundaries for providing public assistance to make this project work. Staff would work with Mr. Knutson to draft a development agreement. Primary importance would be with the design of the building to preserve the historic integrity as well as with the design of the garages fronting Kellogg and Chestnut. It is a prominent and visible corner.

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

Jeffrey Knutson provided an overview of the site plans and noted the removal of the rooftop gardens, due to expense, and reduction in apartment units from 22 to 20. The approximate unit size will be around 400 sq. ft. Discussion occurred regarding the timeline and K. Vonck noted that a timeline was established to have a development agreement done by May 15, 2016.

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

K. Vonck provided an overview of the terms relating to the TIF assistance.

A motion was made by J. Blumreich and seconded by T. Weber to approve the Term Sheet contingent upon staff review and approval of final design, and subject to minor technical changes. Motion carried.

NEW BUSINESS:

2. Discussion of potential issuance of Taxable Lease Revenue Refunding Bonds pertaining to the 2006 KI Convention Center financing.

John Mehan, Robert W. Baird & Co., was present to discuss the financing.

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

J. Mehan gave a presentation regarding the bonds that were issued in 1999 for the KI Convention Center construction. The 1999 issue was refinanced in 2006 for interest rate savings. The 2006 issue is proposed to be refinanced to be made taxable and for interest rate savings. His presentation included an overview of Pro Forma Debt Service, Taxable Market Update, Treasury Rates YTD 2016, Hypothetical Savings Report, and Timeline. The Timeline includes returning to the RDA at the March 8 meeting with award documentation.

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

No action was taken.

3. Review and approval of Term Sheet for University Avenue Center, LLC., on proposed redevelopment of the 2400 Block of University Avenue (Festival Foods and Kwik Trip).

K. Vonck stated that University Avenue Center, LLC is the party responsible for the brownfields redevelopment at the University Avenue triangle at the eastern end of University Avenue. The applicant went before the Plan Commission last night as an informational item. They also held a second neighborhood meeting last week. A number of requests have been raised by the neighborhood, but now we are at a place that is good for all parties. The applicant is present to give an overview of the project and answer questions. Bringing the term sheet forward today will give them a sense of where the RDA stands in terms of providing a financial package for public assistance. There are significant infrastructure costs associated with this project.

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

Larry Langohr provided an overview of the project, noting that it is a very complex project. They tried to follow the outline of the University Avenue Corridor Brownfield Plan. The project involves the relocation of a lot of infrastructure. Their cost on the improvements exceeds the TIF request by over \$250,000.

Mark Skogen, President and CEO of Festival Foods, was present. He expressed his excitement about the opportunity to build on University Avenue and for their best store in the area to be located here. M. Skogen answered a variety of questions from the Authority members regarding store size, timeline, and job creation.

Tom Radenz with REI summarized the project as an 80,000 sq. ft. Festival Foods store; a 9,000 sq. ft. small shops area; a Kwik-Trip with a 7,000 sq. ft. convenience store, five fueling islands, and a carwash; and a one-acre piece of land for future development. He discussed traffic issues and their plan to resolve those issues. They have heard positive reinforcement from the neighbors on their plan. An overview was provided on their plan regarding utilities and stop lights.

Ald. J. Moore commended the work that has been done by Larry and Tom with the neighborhood on this project. An update was provided regarding issues that needed to be resolved with Public Works.

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

K. Vonck stated that a development agreement will come to the RDA, but the preliminary term sheet presented is to give the developer a level of comfort in moving forward with the project with respect to scheduling and accounting for costs for the public infrastructure.

Mayor Schmitt noted that this is a catalyst project that will affect other areas of the district. There are two requests before the Authority with respect to City assistance. Ald. J. Moore commented that this project will bring more traffic into the area and spur additional development, in addition to the construction jobs, healthy food options, and easy access in terms of public transportation.

K. Vonck provided a detailed overview of the term sheet with the bulk of the detail provided under item 9 – TIF Assistance. The term sheet includes PayGo TIF incentive of 75% of incremental taxes, not to exceed \$3,200,000 (\$2,700,000 for project costs on the site, plus an additional \$500,000 for related infrastructure projects within TID 18), with payments not to exceed fifteen (15) years.

K. Vonck stated that regarding item 12, the client had a request to change from “removal” of Lamar Sign to “relocation” of Lamar Sign. The City would prefer that the billboard go away, but is agreeable to relocating to an agreeable location between the developer, the City, and Lamar. Ald. J. Moore requested that this language be added to the terms. Staff wants this to be a true gateway to the City.

D. Foeller provided an explanation on the increment number, which is based on assessed values. It was clarified that the value of the strip shopping center is included in the \$15,000,000, but not the one acre of land that is reserved for future development.

A motion was made by Ald. J. Moore and seconded by M. Schueller to approve the term sheet with a revision to item 9 – changing \$3,000,000.00 to \$3,200,000.00 and a revision to item 12 – changing from removal of Lamar Sign to relocation of Lamar Sign to a location that is agreeable to the City, Developer, and Lamar as well as minor technical changes. Motion carried.

4. Review and approval of Development Agreement for Pete’s Garage at 154 N. Broadway.

K. Vonck stated that the Development Agreement being presented is a reiteration of the term sheet that was approved in November of 2015. The property is one parcel with two buildings. The property was purchased this past year and has been undergoing renovations to turn the former Scanhome building into Pete’s Garage, a retail use primarily focused on sporting equipment, as well as serving as a social hub.

The Development Agreement covers improvements to the North Parcel (First Phase) as well as improvements to the South Parcel (Second Phase) which will be made later. The terms include PayGo TIF incentive of 50% of incremental taxes, not to exceed 8 years.

T. Weber questioned if there is a trigger for development of the southern parcel to ensure the building isn’t left empty.

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

Jamie Blom, Immel Construction, noted that there has been development interest in the second and third floor of the southern building, but a definitive timeline can't be given at this time.

T. Weber expressed concerns about structural issues of the building that could prevent investment.

The timeline for completion of the First Phase is mid-April.

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

A motion was made by T. Weber and seconded by M. Schueller to approve the Development Agreement for Pete's Garage, subject to minor technical changes. Motion carried.

5. Request by New Town Redevelopment, LLC for a six-month extension to the Planning Option for the Barracks at 321-325 N. Broadway.

The Authority may convene in closed session pursuant to Sections 19.85(1)(e), Wis. Stats., for purposes of deliberating or negotiating the sale of public properties, investing of public funds or conducting other specified public business as necessary for competitive or bargaining reasons. 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 stated that a Planning Option was granted last spring with New Town Redevelopment, LLC to build condos on this site. They've been doing their due diligence and trying to get the best project for the site, including talking with adjoining parcel owners about potential additions to the project. They are not at a point to move forward with a term sheet or development agreement and are requesting an extension. Staff recommends extending the option for three or up to six months.

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

John DeLeers, DeLeers Construction; Jim Olsen, CBS Global; and Mark Ernst, Enberg Anderson, were present.

J. Olsen provided a detailed overview of the work they've done on the project, constraints involved, and progress made. One of the issues is that all of the utilities for the block are in the alleyway and not in the street. They've worked with ED, Planning, and Public Works to try solving a number of constraints. They have looked at six different footprints for their building and are looking to acquire properties to the north and west to allow for covered parking, which they feel is needed to help with unit sales.

M. Ernst provided some images and details on other mixed-use and multi-family projects they have done. He then showed drawings and a site plan for the Barracks, a proposed seven-story building, with 36 condominium units, and possible retail in the front. There are various options being considered for parking.

J. DeLeers indicated they would like an extension of six months to clean up matters with the surrounding land and allow time for the architectural design.

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

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

A motion was made by T. Weber and seconded by J. Blumreich to return to open session. A roll call vote was taken – H. Maier, Ald. J. Moore, J. Blumreich, M. Schueller, T. Weber. Motion carried unanimously.

It was reported that in closed session, the Authority discussed a possible land transaction and no action was taken.

A motion was made by M. Schueller and seconded by J. Blumreich to extend the Planning Option with New Town Redevelopment, LLC for the Barracks at 321-325 N. Broadway until July 15, 2016. Motion carried.

6. Review and approval of Bellin Building Parking Agreement, subject to minor technical changes.

T. Wachewicz distributed a term sheet and noted there have been discussions between the City and Safford Building, LLC/Steven Schneider as far as the increment that has been created on the building being used to reduce the market rate parking. Discussions occurred on how to put this together and it is outlined under item 4, section 4.4 on the term sheet. A development agreement with a parking agreement incorporated will be brought to the next meeting.

A motion was made by Ald. J. Moore and seconded by M. Schueller to approve the Bellin Building parking agreement, subject to minor technical changes. Motion carried.

7. Report of the Funding Administration Subcommittee meeting on February 4, 2016.
a. Review Public Service Applications for the 2015 Public Service funding and approve a funding recommendation for the RDA.

Ald. J. Moore provided an overview of the subcommittee recommendations. The subcommittee met and recommends allocating \$12,000.00 to Literacy Green Bay Inc., \$35,000.00 to Boys and Girls Club of Greater Green Bay, and \$9,000 to Brown County Housing and Homeless Coalition.

A motion was made by Ald. J. Moore and seconded by J. Blumreich to approve the report of the Funding Administration Subcommittee meeting. Motion carried.

8. Request to execute a redevelopment contract with Integrity Builders for the disposition and rehabilitation of 1728 Carriage Court.

K. Rovinski provided an overview of the project. The RDA purchased the property in October 2015 with the goal of selling the property to a developer with the purpose of rehabilitation for sale to an owner-occupant. Approximately \$28,000 of Neighborhood Enhancement Funds has been invested. Staff released a request for proposals in December 2015 which laid out guidelines and criteria for what was expected out of the project. Upon closing the RFP, seven proposals were received. The proposals were reviewed by staff and awarded points based on various factors. Staff recommends the proposal with the highest averaged point total, which is Integrity Home Builders.

A motion was made by M. Schueller and seconded by Ald. J. Moore to execute a redevelopment contract with Integrity Home Builders for the disposition and rehabilitation of 1728 Carriage Court. Motion carried.

9. Request to purchase 809-811 Crooks Street using Neighborhood Enhancement Funds.

K. Rovinski stated that this property is located on a block that has seen a lot of improvement over the past few years. This is the last property that hasn't been rehabbed or had improvements made. It is currently a two-family unit. The goal would be to convert it to a single family and sell to an owner occupant. Staff would release a request for proposals.

A motion was made by Ald. J. Moore and seconded by T. Weber to approve the purchase of 809-811 Crooks Street for \$39,000.00 using Neighborhood Enhancement Funds. Motion carried.

10. Request to purchase 925 Howard Street using Neighborhood Enhancement Funds.

B. Horsens stated this property has been a problem property in the neighborhood and needs some repairs to become code compliant. It also needs a garage. The goal would be to send out a request for proposals and get a developer to repair and sell to a buyer.

Mayor Schmitt questioned if this is a good purchase for the City to invest in. C. Renier-Wigg stated that staff went through the property and it was staff that approached the Alderman about this property.

A motion was made by T. Weber and seconded by J. Blumreich to approve the purchase of 925 Howard Street for \$45,000.00 using Neighborhood Enhancement Funds. Motion carried.

11. Request to award Contract "CD16-01 Building Razings for St. George Street and Main Street properties" to low qualified bidder.

K. Cisneroz stated that \$120,000 of 2015 CDBG funds were requested and budgeted for the Parks Department for this project. The bids were opened this morning and a recommendation has been provided to award the contract to the low qualified bidder, Badgerland Demolition & Earthwork, Inc. for a total cost of \$135,819.00. In addition to the CDBG funds, the Park Bond Account is providing funding of \$15,819.00.

A motion was made by T. Weber and seconded by M. Schueller to award Contract "CD16-01 Building Razings for St. George Street and Main Street properties" to Badgerland Demolition & Earthwork, Inc. in the amount of \$135,819.00. Motion carried.

BILLS:

12. Request for approval of final payment to Northeast Asphalt Inc., in the amount of \$2,634.97, for Contract "CD 15-03: Part B Alley Resurfacing."

A motion was made by Ald. J. Moore and seconded by M. Schueller to approve final payment to Northeast Asphalt Inc. in the amount of \$2,634.97. Motion carried.

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

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

INFORMATIONAL:

14. Director's Report and Project Updates.

K. Vonck provided updates regarding the Staybridge and the Schauer and Schumacher building.

Chair ruled for adjournment at 3:45 p.m.