

**MINUTES**  
**REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY**  
**Tuesday, September 13, 2016**  
**City Hall, Room 604**  
**1:30 p.m.**

***\*\*For more detailed information regarding the meeting, please see the meeting video on our website at <http://greenbaywi.gov/event/redevelopment-authority-meeting-53/> and follow the time stamp listed on each item.***

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

**MEMBERS EXCUSED:** Melanie Parma

**LIAISON REPRESENTATIVES PRESENT:** Jeff Mirkes, Brian Johnson

**OTHERS PRESENT:** Kevin Vonck, Cheryl Renier-Wigg, Mayor Jim Schmitt, Vanessa Chavez, Ken Rovinski, Billie Jo Horsens, Krista Cisneroz, Dawn Foeller, Dan Ditscheit, Julia Upfal, James Olsen, Mark Ernst, Mike Schwantes, Ald. David Nennig, Joe Gindt, Jon Mueller, Ald. Randy Scannell, Kristine Hall, other interested parties

**APPROVAL OF AGENDA:**

Approval of the agenda for the September 13, 2016, meeting of the Redevelopment Authority.

A motion was made by Ald. J. Moore and seconded by G. Delveaux to approve the agenda for the September 13, 2016, meeting of the Redevelopment Authority with the following changes: act on Communications Items 1 – 4 together in one vote, move Items 17 and 19 as the first items under New Business. Motion carried.

**APPROVAL OF MINUTES:**

Approval of the minutes from the August 9, 2016, regular meeting of the Redevelopment Authority.

A motion was made by T. Weber and seconded by J. Blumreich to approve the minutes from the August 9, 2016, regular meeting of the Redevelopment Authority. Motion carried.

**COMMUNICATIONS:**

1. Consideration with possible action on communication from August 16, 2016, of the Common Council by Ald. Nicholson to review the cash flow for all TIFs separately until the end of the TIFs life. Cash flows should include all projected or planned future expenses. (01:05)

2. Consideration with possible action on communication from August 16, 2016, of the Common Council by Ald. Nicholson to review the total amount of the I-43 Industrial Park TIF that has been paid out as a donor TIF since it's been in place.
3. Consideration with possible action on communication from August 16, 2016, of the Common Council by Ald. Nicholson to review the total amount of expenses and total amount of debt left in the I-43 Industrial Park TIF.
4. Consideration with possible action on communication from August 16, 2016, of the Common Council by Ald. Nicholson to review the amount of administration fees for City operational cost we are charging to TIFs yearly; an itemized list of expenses per TIF.

A motion was made by Ald. J. Moore and seconded by J. Blumreich to refer Items 1 through 4 to staff. Motion carried.

**OLD BUSINESS:**

5. Distribution of report on status of Neighborhood Enhancement funds, including status of properties recently acquired from Brown County, as per the communication by Ald. Moore (referred to staff at July 12, 2016 meeting). (02:08)

C. Renier-Wigg stated the report was provided in the meeting packet.

A motion was made by Ald. J. Moore and seconded by J. Blumreich to receive and place on file. Motion carried.

**NEW BUSINESS:**

17. Consideration with possible action on request by Ald. Tom DeWane to use up to \$2,500 of Neighborhood Enhancement funds for the Wilder Neighborhood Beautification Project. (02:41)

K. Rovinski provided an overview of the project, which is an expansion of the landscaping that has already been done for the cell phone tower for the NEW Lutheran High School in the Wilder neighborhood.

A motion was made by Ald. J. Moore and seconded by T. Weber to approve the request by Ald. Tom DeWane to use up to \$2,500 of Neighborhood Enhancement funds for the Wilder Neighborhood Beautification Project with the condition that a Hold Harmless Agreement is in place. Motion carried.

19. Consideration with possible action on a Term Sheet with New Town Redevelopment, LLC for a project at 321 and 325 N. Broadway (Tax Parcels 5-587 and 5-586). (04:00)

K. Vonck stated this pertains to the Barracks, a seven-story, twenty-seven unit residential condominium project proposed for a number of parcels on N. Broadway, two

of which are RDA-owned properties. Discussions have been in place for over a year and an overview was provided. There are significant differences between staff and the developer that prevent staff from recommending moving forward with the term sheet. The Developer is present to make their request directly to the RDA. The main difference is regarding valuation. The City Assessor's office estimates the aggregate assessed value to be \$6,500,000 to \$7,000,000, which is \$100-\$125 per square foot. The Developer feels the value is closer to \$319-\$325 per square foot. Staff is not comfortable that the units will sell at the higher price point. In addition, staff is concerned about the Developer request for \$2,900,000 in TIF assistance as cash up front. Staff has recommended a PayGo TIF incentive. TID 5 was created in 1999 and is scheduled to end in 2026. It could be extended to 2030, by Statute.

Mayor Schmitt noted the concern is with the second and third floor units selling at the price points projected by the Developer. Also, it was noted that comparables were used from condo units in Madison, Milwaukee, and Minneapolis markets. The City Assessor doesn't use those markets for making a determination.

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

Jim Olson, Creative Business Services, addressed the Authority. Information was provided on work done over the past year including assembling five properties, obtaining easements, and working with Public Works to make a determination on the alley closure. An overview of the project design was provided by Mark Ernst, the architect on the project. Reference was made to a project in Port Washington, which they would consider to be a comparable.

J. Olson provided updated information and details pertaining to their TIF request, project cost, and project valuation. Based upon the performance of the TIF, with the four year bump, they believe they have a project that can be justified for the TIF they are requesting. Financing on the project would be based upon pre-sales of the units. The TIF request for cash up front is because they are not going to move ahead with the project until they pre-sell it. The risk to the City for the up front TIF is reduced substantially because it will be pre-sold before the project is undertaken.

There was discussion on the pre-sales timeframe, percentage of pre-sales required, reduced risk for the City due to pre-sales, owner-occupied vs. investor units, condo valuation, and the condo market in general.

J. Olson expressed a desire to move forward as soon as possible due to construction costs increasing. T. Weber expressed a desire to continue discussions and not drop the project at this stage.

Discussion continued about the City's concerns with the up front TIF request, the comparables used by the City Assessor, and the significant difference between the City's and the Developer's estimated valuation. Pre-sales coming in would provide some

confidence with the price points. If the project moves forward, the language in the agreement needs to reflect a required amount to sell out at.

J. Olson questioned why the City feels there is a high risk when the project won't break ground without 75%-80% pre-sales. D. Foeller indicated that the City will issue the debt regardless of whether or not the project comes on line. The City will be required to make the debt service out of the TIF whether we have the increment or not, which is what puts the City at risk with up front money.

Discussion followed on how economic and market changes can impact the valuation during the life of the TIF, concerns with the project not starting until pre-sales are reached, the risk taken by the Developer when taking on a project in a blighted neighborhood, and the need for the City to use TIF to assist the private sector in changing a neighborhood.

H. Maier would like a motion to continue dialogue between the Developer and staff and hold a special meeting, if necessary.

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

K. Vonck noted things to work on would be the comparable values, any financing mechanisms to balance between up front cash and PayGo TIF, and getting a better sense of the Developer's budget relating to equity, etc.

Ald. J. Moore noted that if we are at an impasse with the Developer request of \$2,600,000 TIF assistance as up front cash, how much more staff time should be dedicated to this. TIF gets questioned and vetted closely at the Council level.

It was noted that the TIF assistance doesn't have to be all up front or all PayGo and if it could possibly be a combination, then it should be looked at. Each project should be considered on its own merit.

A motion was made by G. Delveaux and seconded by J. Blumreich for staff to continue to work on a Term Sheet with New Town Redevelopment, LLC for a project at 321 and 325 N. Broadway (Tax Parcels 5-587 and 5-586). Motion carried with Ald. J. Moore voting no.

6. Consideration with possible action on request to approve Development Agreement for 1901-1931 Main Street. (1:04)

K. Vonck stated a term sheet for this project was approved in July. The Developer is GB Real Estate Investments, LLC. The project includes redevelopment of three parcels on Main Street to include a banking institution, fast-food restaurant, and dental clinic. The term sheet included PayGo TIF assistance at 50% of the incremental taxes, capped at \$120,000.00, with payment terminating at the end of 2023. The Development Agreement was included in the packet and covers items agreed to in the term sheet.

G. Delveaux made a general comment that TIF requests should be made before a project is underway.

A motion was made by Ald. J. Moore and seconded by T. Weber to approve Development Agreement for 1901-1931 Main Street. Motion carried.

7. Consideration with possible action on request to authorize staff to execute a Development Agreement with NeighborWorks Green Bay, including the deeding of Parcels 14-460, 14-461, 14-462, 14-463, and 14-464, and providing a \$80,000 grant from the New Homes In Your Neighborhood Program for the construction of five (5) single family attached Navarino townhomes and \$65,000 of HOME funds to subsidize one townhome. (1:06)

B. Horsens provided an overview of the project. A planning option was granted to NeighborWorks Green Bay in June for a townhome development at the former Navarino Park site. They are proposing construction of five owner-occupied units, with four units receiving funding in the amount of \$20,000 each from the New Homes In Your Neighborhood Program and one unit receiving funding in the amount of \$65,000 from HOME funds. Staff has reviewed the plans and likes the design and would like to move forward with a Development Agreement. Four of the units will be market rate and one will be sold to an income qualified buyer. Discussion followed on the project cost and proposed sale price of the units.

A motion was made by G. Delveaux and seconded by M. Schueller to authorize staff to execute a Development Agreement with NeighborWorks Green Bay, including the deeding of Parcels 14-460, 14-461, 14-462, 14-463, and 14-464, and providing a \$80,000 grant from the New Homes In Your Neighborhood Program for the construction of five (5) single family attached Navarino townhomes and \$65,000 of HOME funds to subsidize one townhome. Motion carried.

8. Consideration with possible action on request by NeighborWorks Green Bay for a six-month extension for the planning option for the RDA-owned parcels on E. Walnut Street. (1:12)

B. Horsens provided an overview of the project. A planning option was granted to NeighborWorks Green Bay in March for the development of the eight (8) RDA-owned parcels on the corner of E. Walnut Street and Roosevelt Street. They are proposing 12 units of rental housing, which includes two buildings with six (6) townhome-style units each. Staff has reviewed the plans and likes the design. As part of the financing, they are awaiting notification on a grant applied for in June, which won't be awarded until December. A six-month extension will go to March, but staff is suggesting an extension until December 31, 2016.

A motion was made by Ald. J. Moore and seconded by J. Blumreich to extend the planning option for NeighborWorks Green Bay for the RDA-owned parcels on E. Walnut Street until December 31, 2016. Motion carried.

9. Consideration with possible action on request to purchase 535 St. George Street from the City of Green Bay Parks Department for \$43,050 using Community Development Block Grant funds for single family home rehabilitation and sale. (1:15)

B. Horsens stated the Parks Department purchased this property using a DNR grant with the purpose to expand the East River Trail. Staff would like to purchase the property, remove the back garage, and rehab the property to sell to an owner occupant. The original plan was to remove the house as part of the trail expansion, but staff feels the house should be rehabbed and kept. The garage will be reoriented and the trail will still go behind the house. The funds for the purchase of the property will be used to reimburse the DNR grant as required.

A motion was made by G. Delveaux and seconded by Ald. J. Moore to purchase 535 St. George Street from the City of Green Bay Parks Department for \$43,050 using Community Development Block Grant funds for single family home rehabilitation and sale. Motion carried.

10. Consideration with possible action on request to dispose of 313 St. George Street (Parcel 8-279) to the City of Green Bay Parks Department. (1:18)

K. Rovinski stated the property was purchased from the Brown County Treasurer's Department in June 2016 for \$500. The Parks Department expressed interest in the property for future trail expansion. The Parks Department would assume responsibility for maintenance of the property.

A motion was made by Ald. J. Moore and seconded by J. Blumreich to dispose of 313 St. George Street (Parcel 8-279) to the City of Green Bay Parks Department. Motion carried.

11. Consideration with possible action on request to purchase 1409 Elm Street, 1634 Sixth Street, and 115 S. Van Buren Street from Brown County for \$40,086.24, using Neighborhood Enhancement funds, for the New Homes In Your Neighborhood program. (1:20)

The purchase price on the properties is the cost of back taxes.

A motion was made by T. Weber and seconded by Ald. J. Moore to approve purchase of 1409 Elm Street, 1634 Sixth Street, and 115 S. Van Buren Street from Brown County for \$40,086.24, using Neighborhood Enhancement funds, for the New Homes In Your Neighborhood program. Motion carried.

12. Consideration with possible action on request to execute a redevelopment contract with WS Properties for disposition and rehabilitation of 1004 Dousman Street. (1:21)

K. Rovinski stated the RDA purchased this property for \$9,740.40 in June as a tax foreclosure from the Brown County Treasurer's Department. Staff released a request for proposals, which included a purchase price of \$5,000. Three proposals were received and have been evaluated by staff. WS Properties was awarded the staff recommendation. Their proposal includes rehabilitation and sale for owner occupancy.

A motion was made by G. Delveaux and seconded by M. Schueller to execute a redevelopment contract with WS Properties for disposition and rehabilitation of 1004 Dousman Street. Motion carried.

13. Consideration with possible action on request to grant a 60-day planning option for the development of 223 S. Buchanan Street under the New Homes In Your Neighborhood program. (1:22)

K. Rovinski stated the RDA purchased this property in June as a tax foreclosure from Brown County. It has been advertised under the New Homes In Your Neighborhood program. A \$10,000 grant is being offered. Gross & Quella Brothers Construction, LLC has proposed to use a design plan drafted by staff with a few modifications to fit the lot. Staff feels a 60-day, \$500 option on the property would allow enough time to perform their due diligence in the planning process. The \$500 would be refundable if it moves forward with a development agreement.

A motion was made by Ald. J. Moore and seconded by M. Schueller to grant a 60-day planning option for the development of 223 S. Buchanan Street under the New Homes In Your Neighborhood program. Motion carried.

14. Consideration with possible action on request to purchase 871 W. Mason Street for \$61,400 using Community Development Block Grant funds for conversion to single family and sale. (1:24)

B. Horsens stated the home is currently being utilized as a two-family. The RDA owns two vacant parcels next to this home. Staff feels the best use is to combine the parcels with adjacent lots. The intention is to acquire the home for \$61,400 with CDBG funds, convert it back to single family, combine it with the other RDA-owned parcels, and sell to an income-qualified home owner.

A motion was made by Ald. J. Moore and seconded by J. Blumreich to purchase 871 W. Mason Street for \$61,400 using Community Development Block Grant funds for conversion to single family and sale. Motion carried.

15. Consideration with possible action on request by Hyatt Regency to not allow firearms in the KI Convention Center to coincide with the existing Hyatt Regency policy. (1:26)

C. Renier-Wigg stated the request came from the Hyatt Regency to discuss and consider adopting a no firearm policy for the KI Convention Center. The Hyatt Regency

currently does not allow firearms in the structure and there are common walls with the KI Convention Center.

T. Weber felt signs could be put up stating from this point forward no weapons are permitted upon entering the Hyatt property. He questioned why we would facilitate this on the convention center property.

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

Kristine Hall, General Manager of the Hyatt Regency, explained the reason is that their security department secures both Hyatt and KICC areas. They would like to take the policy throughout the KICC so the policies aren't different. It would not prevent conventions such as Ducks Unlimited or Law Enforcement. It is a personal firearm carry policy that they have for the Hyatt.

T. Weber questioned why we would limit citizens with conceal carry permits.

K. Hall stated the reason for the request is because of the common walls between the Hyatt and the KICC and the enforcement of two different policies for staff and the inconvenience for convention center attendees that walk through the hotel. The hotel has an annual safety and security audit and signage was brought up at that time.

Ald. J. Moore did not see an issue with concealed carry.

City Attorney Chavez stated it is a policy decision. As long as the Authority has determined it will prohibit carry within the convention center, putting up signs is required. Discussion followed regarding state law.

M. Schueller questioned how other cities with convention centers are handling this. It was suggested to research other convention centers and bring back for discussion.

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

A motion was made by J. Blumreich and seconded by T. Weber to hold until the next meeting. Motion carried.

16. Consideration with possible action on request by Hyatt Regency to use KI Maintenance funds for the replacement of the east dance floor. (1:37)

C. Renier-Wigg stated a request was received to replace the existing dance floor to allow for expansion of the dance floor and to make it interchangeable. The cost is \$29,988.45.

D. Foeller requested authorization to use the remainder of the Construction fund first and then KI Maintenance funds. The remainder of the Construction funds needs to be

spent before December 15. There is approximately \$50,000 available in Construction funds.

A motion was made by G. Delveaux and seconded by J. Blumreich to use KI Maintenance funds or the balance of the Construction funds to replace the east dance floor. Motion carried.

18. Consideration with possible action on Parcel 4-61. (1:40)

J. Upfal stated that Parcel 4-61 is the red sculpture at Hubbard and Broadway. The RDA owns the property. The Broadway Business Improvement District has looked at the parcel and discussed alternative potential uses for it. Information was provided on a restrictive covenant on the parcel.

B. Johnson stated that On Broadway, Inc. would like to submit an application for use of excess sales tax funds for the removal of the sculpture, planter boxes, and sculpture foundation. In addition, the BID has funds available for artscape improvements in the district.

A motion was made by Ald. J. Moore and seconded by M. Schueller to explore the possibilities of removing the sculpture and foundation on RDA-owned Parcel 4-61. Motion carried.

19a. Consideration with possible action on request by staff to use KICC Construction or Maintenance Funds for purchase and installation of ceiling tiles on underneath KI Convention Center expansion (above Adams Street and Hampton Inn parking lot). (1:48)

J. Mueller provided an overview of the two options that went out for bid and the bid summary. The base bid is a gypsum board vinyl coated panel and the alternate 1 is to add on a metal panel. It was noted that metal panels would require less maintenance over a period of time, but the price is significantly higher. The recommendation is to go with the vinyl coated gypsum board base bid.

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

Discussion occurred regarding maintenance of the panels. The metal panels would provide better longevity.

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

A motion was made by G. Delveaux and seconded by J. Blumreich to approve the recommendation for the vinyl coated gypsum board base bid of \$130,744.00 from HJ Martin & Son. Motion carried.

**BILLS:**

20. Consideration with possible action on acceptance of financial report and check register as provided. (1:58)

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

**INFORMATIONAL:**

21. Director's Report and Project Updates. (1:59)

Updates were provided on the following:

- The Metreau has a model unit open and could have occupancy by next month.
- Northland Hotel construction will end in February with opening in April 2017.
- The Schauer & Schumacher property planning option expires the end of September and is not ready to move forward with a term sheet.
- The University/Quincy Street site is being considered as a potential site for a Police Department facility. Another potential option would be use by the Transit Department for expansion.
- The planning option on the Main/Monroe site expires at the end of October.
- Café Madrid agreement.

Chair ruled for adjournment at 3:35 p.m.