



MINUTES OF THE REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY

**THURSDAY, NOVEMBER 1, 2018, 1:30 PM
CITY HALL, ROOM 604 - THE HARRY MAIER ROOM**

A. ROLL CALL.

I. Members: Gary Delveaux, Chair; Matt Schueller, Vice-Chair; Ald. Barbara Dorff, James Blumreich, Deby Dehn, Kathy Hinkfuss, and Melanie Parma.

Liaisons: Chelsea Kocken, Jeff Mirkes, and Leah Weycker.

Present: Gary Delveaux, Deby Dehn, James Blumreich, Kathy Hinkfuss, Excused: Barbara Dorff, Matt Schueller, Melanie Parma

Liaisons Present: Chelsea Kocken

Others Present: Ald. Brian Johnson

B. APPROVAL OF THE AGENDA.

I. Approval of the agenda for the November 1, 2018, special meeting of the Redevelopment Authority.

Moved by James Blumreich, seconded by Kathy Hinkfuss to approve the agenda for the November 1, 2018, special meeting of the Redevelopment Authority. Motion carried.

Yes- Gary Delveaux, James Blumreich, Kathy Hinkfuss, Deby Dehn, No- None, Abstain- None

C. REGULAR BUSINESS.

I. Consideration with possible action on Development Agreement Amendment Number Two (2) with GBES Owner I, LLC for East Town Mall Redevelopment at 2350 E. Mason St. (Tax Parcel 21-126-7) and 2350-2390 E. Mason St. (Tax Parcel 21-126-3).

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.

Moved by Kathy Hinkfuss, seconded by James Blumreich to approve as amended the Development Agreement Amendment Number Two (2) with GBES Owner I, LLC for East Town Mall Redevelopment at 2350 E. Mason St. (Tax Parcel 21-126-7) and 2350-2390 E. Mason St. (Tax Parcel 21-126-3), subject to minor legal and technical revisions. Motion carried.

Yes- Gary Delveaux, James Blumreich, Kathy Hinkfuss, Deby Dehn, No- None, Abstain- None

2. Consideration with possible action on sale of real property at Washington St. (Tax Parcel 15-168).

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.

Moved by James Blumreich, seconded by Deby Dehn to go into closed session. Motion carried.
James Blumreich read the closed session language.

Yes- Gary Delveaux, James Blumreich, Kathy Hinkfuss, Deby Dehn, No- None, Abstain- None

Moved by James Blumreich, seconded by Deby Dehn to return to regular order of business. Motion carried.

Yes- Gary Delveaux, James Blumreich, Kathy Hinkfuss, Deby Dehn, No- None, Abstain- None

Moved by James Blumreich, seconded by Kathy Hinkfuss to continue negotiations on sale of real property at Washington St. (Tax Parcel 15-168). Motion carried.

Yes- Gary Delveaux, James Blumreich, Kathy Hinkfuss, Deby Dehn, No- None, Abstain- None

D. ADJOURNMENT.

Moved by James Blumreich, seconded by Kathy Hinkfuss to adjourn. Motion carried.

Yes- Gary Delveaux, James Blumreich, Kathy Hinkfuss, Deby Dehn, No- None, Abstain- None

VERBATIM MINUTES

- Here.

- Deby Dehn.

- Here.

- Kathy Hinkfuss.

- Here.

- Melanie Parma asked to be excused.

- Who wrote the agenda? Kathy. Okay, we're in business. First item. Consideration of possible action on the agreement amendment number two with GBES Owner I LLC for East Town Mall Redevelopment at 2350 East Mason Street. Tax parcel code 21-126-7. And 2350-2390 East Mason Street Tax parcel 21-126-3. Go ahead.

- So here is the East Town Mall parcel that we're talking about. The proposed amendment today from the developer is asking for two things: one, it's consent to sell a portion of the property which would be near the northeast corner. It's the building that contains the Petco and the Hobby Lobby. And then they would like to also push back some of their dates that they're proposing. The initial development agreement first admission and approval of plans for the redevelopment of the remainder of the site 21-126-7 parcel, the main mall parcel. So with that, talked a little bit with the developer in terms of their timing for plans if you do want to discuss in closed session I can give you a little bit about some of what we discussed in terms of negotiating where we came to this amendment. Would like to offer up one additional amendment for consideration to add to this that I think... It really kind of looks at, from the city's perspective, we haven't put money into the project yet, but we would really like to see something get moving forward here. Look, it takes time to put together tenant leases and other things like that, but we'd like to also see some progress towards that. So with that, we would recommend adapting the amendment, but also if a member so chooses to add an additional language to this, that would add a new provision: Article 3, Section 3.1, subpara which would read: "developers shall execute a long-term lease agreement with a national commercial tenant no later than December 31st, 2018." In short, what it's saying is, if you're gonna submit plans and specifications and do some other things, we'd also like to see some progress towards landing an anchor tenant out there that really could start to push that redevelopment along. We, as staff, would like to recommend adding that additional amendment into the amendment that's proposed before you today.

- You said one of the things that you'd like to sell a parcel in the northeast corner which is the Petco and Hobby Lobby?

- Correct.

- And do you got a buyer?

- I believe that they do. I can discuss a little bit more, closed session, just kinda the timing of that, but yes.

- Okay.

- And that's all attached, correct?

- Yeah. It's multiple parcels, but that whole East Town Mall structure is put together in one building. The Kohls is not part of it, but the Hobby Lobby... It's separate structures, but they share some common walls.

- So they're proposing to develop just a portion of that?

- The development agreement does not change in the fact that this whole parcel still has to attain certain values that it placed... Like I talked about it in my memo, these parcels, that's still is part of the agreement in terms of what they have to provide in terms of future assessment. By one one of next year, it's gotta be at 7.3 million. By one one of 20, it's gotta be at 15.1 million. By one one of 2022, it has to be at 18 million. So there's still the requirement that they need to provide development. Now most of it is going to probably come from the mall redevelopment piece itself. I mean Hobby Lobby, Petco are pretty set There will probably be some improvements that are made in conjunction with it, but really what's gonna accelerate the value is a mall piece going from what it is now, largely vacant, to occupied with some major tenants.

- At one point we had issues with the tax being spent--

- Correct. That has all been settled, it's just for tax year 2017. There was a settlement on that case, I believe it settled at four million dollars.

- Okay. This is the big part of it. The values as of January first thing. These three numbers, that's the key and we're solid on that.

- Correct. In terms of going back to development and our obligations this was a combination of money up front and a PAYGO We have not yet put any money into this because we haven't had the project yet move forward. That'd still be the case, that they'd be required to come up with plans and get plans approved and move forward with that redevelopment before we put any of that money in up front.

- What is the approval?

- I feel we need to go in closer. Do you want to do it Kathy?

- No.

- Any other questions?

- If somebody would like to offer up the amendment, I think that staff would recommend putting in an amendment about language: "developers shall execute a long-term lease agreement with a national commercial tenant no later than December 31st, 2018." I think that would just give the staff and also the public some comfort that there's progress being made in terms of alleviations for seeing some activity out here.

- Is the presumption that that tenant would be in the space that they're not selling off?

- Correct.

- So the stuff that they're selling off, that doesn't qualify?

- It doesn't count, no. Do these assessment numbers, do they then continue to apply only to the space that the developer owns? Meaning, if they sell this piece off, that will not contribute to the value?

- No. They both will still contribute to the value. The new owner of the Hobby Lobby/Petco piece won't be responsible for the obligations. The obligations will still fall upon the original developer, so GBES. GBES is gonna be cognizant of who they're selling to because ultimately, you can't tear that piece down or it can't get rid of that value because that's gonna help contribute to what they're guaranteeing us for that value. So both pieces together still contribute to those numbers that they're making here.

- So is there any need to bring this third party into the contract?

- No. Because... I'll give another case. There's other cases where we've done development agreements where ultimately the developer is not the long-term owner, and in some cases, they've assigned rights to subsequent buyers, and other times they've relieved people of those rights. In terms of its... The RDA and the city aren't as concerned in terms of that third-party relationship that's more upon, look, we have one contract with a developer. What the developer does after that, the developer's taking the risk in terms of selling that piece off. The case in point would be The Rail Yard where we talked about funding additional town homes. But ultimately, DDL's not going to be owning all of those town homes. So it's up to DDL to come up with contracts as they transfer those properties, that as you purchase this property, maintain your property, pay your taxes, that's a separate contract. At the end of the day, if they're not meeting it then it comes back to DDL, and then impacts our relationship with them. I think it's preferable that we just have, from RDA and the city, there's one point of contact. I think the other piece we did this with was 1901 Main. A project by GB Real Estate Investments where ultimately developed the Familia Dental, Arby's, the bank. But those were put off to. Or sold off to other entities, but the agreement is just with the first entity. The one who basically put the money in and first.

- Do you think they're looking to sell this off because they need some additional cash to make the rest of the project work?

- That's a closed session question.

- It's just more of a question--

- And I don't want to speculate--

- I don't know if it's necessary to have the answer to that.

- Good try.

- Questions, comments? Do we know what the motion they gave to us to look at?

- To approve the development agreement amendment to/with GBS owner for the East Town Mall redevelopment. Subject to minor and legal...

- Technical revisions. This would be a substantive one, so I'd want this one put into the record. So I'd move to amend the amendment before you adopt as amended.

- Do you need to have an author on this?

- No.
- Okay. I just know on others you do.
- Correct.
- I made the motion that we amended so that it has as part of the agreement a major, long-term tenant be assigned by the end of the year, December 31st, 2018.
- Yep. And they were read twice here so it's captured.
- Okay.
- I'll second.
- Proposal by Kathy and second by Jim. Any other questions or comments? Then that is so ordered.
- Passed unanimously.
- Very good. Thanks for your-hard work on--
- Sure. I appreciate consideration on this. Again, the timing, this can go to council next Monday. Our next council meeting probably won't be until December 4th, so I just think this provides the developer a little more opportunity to be able to move on this and make something--
- I appreciate that. What other is in there? Consideration of possible actions to fuel property to Washington Street. That's parcel 15-168. Are these you also?
- Yes, that is me also. For this one, because it's negotiating a sale, I'd like to go into closed session for this one, to discuss where we're at and some alternatives that we might have.
- Okay.
- We have the honor of reading the statutes.
- Okay, so I would make a motion that the authority convene in closed session pursuant sections 19.85 subof the Wisconsin statutes for the purposes of deliberating or negotiating the sale of public property and investing of public funds or conducting other specified public business as necessary for comparative or bargaining reasons. The authority may, thereafter, reconvene an open session pursuant to section 19.85 sub Wisconsin statutes, to report the results of the closed session, consider the balance of the agenda.
- Right away, due to this to the agenda, the motion is effective--
- It's like another little roll call.
- Let's make the motion to go to closed session.

- Second.
- Second by Deby.
- And then--
- Gary Delveaux?
- Yes.
- Kathy Hinkfuss?
- Yes.
- Deby Dehn?
- Yes.
-
- Jim Blumreich?
- Yes.
-
- We're gonna allow the motion to continue negotiations.
- When will we be coming back again?
- I propose the motion--
- You didn't think you'd get rid of me that easy?
- to continue negotiation of the property at parcel 15.168 on Washington Street.
- And I'll second.
- Carry the motion by Gary, second by Kathy to continue negotiations Any other questions or comments?
- Kathy seconded the motion?
- She did.
- If no other questions or comments then we shall vote.
- Yep.

- You can vote.
- Aye.
- No. There we go.
- Great. Setting?
- Thanks
- Hopefully more detail in that. Good luck.
- Alright.
- Passed Unanimously.
- Thanks.
- Is there anything else?
- I think we had some previous discussion, but I think we'll track this at our next meeting then, for November 27th. That would put us in line then to get things on the agenda for the December 4th meeting. And then to be determined on our December meeting, there's some stand-alone things whether we convene or not.
- For right now, it's December 11th.
- Correct. Then we'll just leave it on.
- But we're changing it to the 27th.
- We're changing November 13th to the 27th.
- I gotcha. Exit that. You were talking about the December one, weren't you?
- We've got December on the books, but--
- Right, but it may change.
- This meeting adjourned.
- To move.
- Second.
- Aye.

- We're adjourned. Thank you.