MINUTES OF THE REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY

FRIDAY, OCTOBER 19, 2018, 1:30 PM
CITY HALL, ROOM 604 - THE HARRY MAIER ROOM

A. ROLL CALL.

1. 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, Chair; Matt Schueller, Vice-Chair; James Blumreich, Deby Dehn, Kathy Hinkfuss, and Melanie Parma, Excused: Barbara Dorff

B. APPROVAL OF THE AGENDA.

1. Approval of the agenda for the October 19, 2018, special meeting of the Redevelopment Authority.

Moved by James Blumreich, seconded by Kathy Hinkfuss to approve the agenda for the October 19, 2018, special meeting of the Redevelopment Authority. Motion carried.
Yes- Gary Delveaux, James Blumreich, Kathy Hinkfuss, Matt Schueller, Melanie Parma, Deby Dehn, No- None, Abstain- None

C. REGULAR BUSINESS.

1. Consideration with possible action on Development Agreement 18-06 with Breakthrough Fuel, LLC for development project at the Shipyard, 239 Arndt St., 101 Bridge St., and 119 Bridge St. (Tax Parcels 3-551, 3-554-A, 3-556).

The Council 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 Council 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 Matt Schueller to approve Development Agreement 18-06 with Breakthrough Fuel, LLC for development project at the Shipyard, 239 Arndt St., 101 Bridge St., and 119 Bridge St. (Tax Parcels 3-551, 3-554-A, 3-556), subject to minor legal and technical changes. Motion carried.
Yes- Gary Delveaux, James Blumreich, Kathy Hinkfuss, Matt Schueller, Melanie Parma y Dehn, No- None, Abstain- None

D. ADJOURNMENT.

Moved by Kathy Hinkfuss, seconded by Melanie Parma to adjourn. Motion carried.
Yes- Gary Delveaux, James Blumreich, Kathy Hinkfuss, Matt Schueller, Melanie Parma, Deby Dehn, No- None, Abstain- None

VERBATIM MINUTES

- Special meeting, we have a very good turnout. A roll call, Kevin, please.

- [Kevin] Alright, so I'm gonna borrow this for a roll call. Chair Gary Delveaux here. Vice Chair Matt Schueller?

- Here.

- [Kevin] Alder person Barbara Dorff has to be excused. Jim Blumreich?

- Here.

- Deby Dehn?

- Here.

- Kathy Hinkfuss?

- Here.

- And Melanie Parma?

- Here.

- Excellent, let's approve the agenda.

- Move to approve the agenda.

- Second.

- Jim and Kathy, all in favor, somebody say aye.

- [All] Aye.

- Agenda approved. Regular business, we actually only have one thing on the agenda. Number one, consideration of possible action on Development Agreement, 18-06, of Great Fuels, LLC for development project of the shipyard, 239 Arch Street, 101 Bridge Street, and 119 Bridge Street, tax parcels 2-551, 3-554-8 and 3-556. Alright, Kevin?

- Yes.

- First of all, this is exciting.

- Yeah!

- But, give us the details.

- Yeah, for sure. You know, I think, again, appreciate the opportunity for this special meeting here today. You know, it's a tri-party agreement, so again, generally, we've run things through RDA, and then go to Council.

- Yes.

- [Kevin] You know, we're both parties to it, so in this case, in terms of us negotiating and reaching agreement and wanting to move this forward as soon as possible, we're right in the middle of budget season, so our meetings are a little bit off with Council, and also trying to get the clients here, the developer here, there were just a few dates that they were available over the next 30 days, and then trying to coordinate with this group, putting things together. So, it worked out, in a way, that we were able to get it through. They were able to make their announcement on Monday. And again, I think just the competitive nature out there.

- Yep.

- Once that announcement was made, we'd like to get things locked up as quickly as possible, so I appreciate you coming together here today to look at this development agreement. I think it was pretty exciting the Council approved this unanimously, all in all.

- That doesn't ever happen!

- [Kevin] But yeah, I mean, I think it's a big testament to the company, and it's a big testament to the future of this project. So, I'll just go through, just very quickly, just highlight a little bit about the development agreement. If you have any questions, we can talk about them, and then, a recommendation to approve this agreement. As we've been talking about with the shipyard, we would like this to be our newest addition to that area. I think the architecture is stunning. I mean, it fits in with what we're doing down there in terms of that industrial, shipping motif, and I really think it's going to make a statement first in on that side of the river. You know, coming over Mason Street, and going down Broadway, and really seeing what is going to really help define the benchmark for private investments on that side of the river. This is looking across the river from the east side, really starting to fill up the space nicely. So, briefly, what I would like to do, in Phase One, which they would anticipate opening in 2020, which would be about the same time we'd be opening the shipyard, is 4,000-square-foot office building in place. What's that?

- 40,000. Did you say four?

- 40,000.

- Yeah, 40,000.

- 40,000. I'm sorry, 40,000-square-foot office building. 80 to 100 employees. This is a company that's been growing rapidly, and doesn't see any signs of slowing down. And it's part of the reason they wanted to do this project, is consolidate multiple offices into one, and really look at a campus for growing. We anticipate about $8.3 to $12 million in assessed value of this first phase. There's also potential for future expansion of another 40,000 square feet as they start to develop and continue. If they really would like this, it can be their corporate headquarters, corporate campus for the foreseeable future. So, this is just a little bit of the layout, how it fits on the space. You can see some of the things that we're doing with the shipyard on the southern end, in terms of the amenities we're providing there, with the athletic field, standard park, and then urban beach and then those waterfront things, fitting in across some others, and really working together to tie in to get all this development kind of going in at once, and really be individual pieces, but also synergized together. So, what's proposed in front of you today, just to kind of highlight of the TIF incentive that we talked about. It's a property transfer to the developer. We will retain, the city and the RDA will retain, waterfront rights all the way around. We just feel it's really important, you know, just like the east side, that the public has access to the water and continue the shipyard components all the way through on that north side. Some of the public improvements we were contemplating in this agreement, these are bigger things we've talked about as part of the whole shipyard project. We just wanted to reflect them in this agreement, because for Breakthrough, we have a separate agreement to do some of these things, but they wanted to make sure that, what we are going to be doing some of these things. So, that's helping to improve the crossing at Arn Street, some pedestrian improvements to Pearl Street, sidewalks, landscape lighting, and then providing some additional parking. We're gonna be building some parking as part of the shipyard project. They would like to have access to some of that parking. They're gonna provide some on site. One of the pieces, the P on here, that little triangle piece? They would like to have exclusive use of that during their business hours, so kind of like the City Hall lot, a sign from seven to five or eight to five. They'd be able to use that lot exclusively, but the rest of the time, nights and weekends, that would be open to the public. Working on some site improvements, they would ask we work on getting the site ready for development. Again, I wasn't here last week, but thank you for moving ahead with Stantech. On that proposal, or their design services to get that design and turn this into the construction docks. What we're looking at, and what we'll coordinate with, is site improvements. Bringing in the site fill, areas of the flood plain, getting with some of the environmental issues there, and stormwater management. You know, doing these things, looking at the whole 13 acres, is going to be a lot more efficient than just kind of piecemealing this together. So, we're gonna be looking at working out some of those improvements there. And then, with Phase Two. If the developer, Breakthrough, decides to expand, basically we'll have a two-year period in which to acquire Ultraplating, the parcel next door, and take that building down, and then turn it into part of this development property. We've been talking about this. We've been in negotiations, but we feel comfortable that, again, in terms of the highest and best use of this area, it's going to be a forward breakthrough.

- Can I just--

- Excuse me, quickly on the numbers. We're looking at a project grant of a million dollars. That's really to help provide funding for deep pilings that need to be done in that area. As you've been familiar with the riverfront projects, it's squishy soil, so going in down to bedrock to enable that construction. With that, they'd have to guarantee six million in value by 2021. As you said, we're projecting eight to 12, so we don't feel there's going to be an issue with that. And then, a guaranteed six million on their expansion, if we were to go ahead and acquire the Ultraplating site. Once the debt service is paid off, they'd be eligible for a 60% pay go until 2036. Part of that is also structured to, again, kind of build at the higher end, and maybe do the expansion sooner than later. So, with that, some of the things that we've discussed and we were talking with Council members out in support for this project. It's a super-competitive site selection process. That's just a company that we are lucky to have, and I don't know, how many states do they do business in?

- Seven.

- Employees in seven states they do business.

- You know, and then they travel around, so you know, in terms of getting, you know, where they want to invest, it's competitive. From the numbers, we're going to be at 170, $270,000 property taxes just from the first phase. That'll add three to five million in the TID, which that money is to go back to help with the shipyard improvements. Obviously, the timing, helping efficiencies with construction, adding that activity to the district working toward a critical mass, and then the pieces that we've continued to talk about. I mean, just catalyzing the additional private investment, both in terms of, from the private side, additional businesses or clients or things that we'd like to see here, but then also, we still go back to talking about the neighborhood and neighborhood revitalization. You know, our team's been working really hard on identifying priority projects, and seeing where those opportunities are to really bring that whole neighborhood together. So, with that, we have an agreement, and if there's any questions, I'd be happy to answer. And with that, we'd recommend approval of the agreement.

- A number of questions.

- Sure.

- TID Five and TID 21 or 22? I saw both 21 and 22.

- Yes. So, it's a clerical error. It should be TID 22. This property, right now, is in TID 5. What we would do is, next year, we would ask, request, we already started the process. The City gave the RDA authorization to work on preparing a new taxing kind of district for the shipyard, so this year, we created Whitten Park and packaging, which would be one one of this year, based on the timing, since we have most of the property right now, and most of the development won't be realized until '20. We're going to work on that next year, to make TID 22 effective, one one of '19. So with that, this property, this area, will be captured under that new TID.

- So, it won't be un-orderly, then?

- Correct, we would look at creating a new TID for this area.

- What fees are we at on the environmental assessment?

- Sure. We've done Phase Two through everything, for all the properties around there, including, actually, all the properties we own, so the Geiger Sheet Metal, this site, the north side, the south side of the slip, the Ravi properties. So, we have a very good handle on the environmental contamination that is there. One of the things that we're working on, and have been working on early on with the DNR is what's the plan for environmental remediation moving forward. Most of the contamination there, you know, is, 'cause there's high groundwater levels, they are comfortable with mitigation or management through a cap in that area. We're gonna be putting in an additional fill for most of the site, so they're supportive of that, 'cause you just increase the cap. But we'll have to take some steps just to ensure appropriate measures are taken, 'cause where we drill in for the pilings, that soil that comes out of that may have to get treated. If it can get used on site, in terms of landscaping or berms, or get hauled away, but in terms of actual disposal and movement of soil, there's probably actually going to be very little of that.

- And then, stormwater?

- Sure.

- How do you handle stormwater?

-That's actually a good conversation we had with Stantech, and it's a challenge on this site, because you're dealing with a few things. You're dealing with high water levels near the Fox River, and you're dealing with environmental contamination where you can't just necessarily infiltrate everything into the ground. They've dealt with some of these sites before, so they are looking at, and it's still very early, but a combination of surface water treatment, whether it's ponds or swales, and also potentially some underground tanks to handle stormwater. We're bringing up four feet of fill, so there's room in that layer to be able to play around with stormwater management. I think there's some costs with that. On the other side, it also helps preserve land available for development, so making sure we're not taking up a big chunk of the site with ponds, but they feel very comfortable that they're gonna be able to manage what's here. On the south side of the site, same thing, as well. Basically within that layer, we're working on some of the stormwater management issues.

- Yeah, I've heard of underground before. We've worked with that.

- Excuse me, it's hardly a question, but the company's not here, so that's, but do you have any fear of success, with growing leaps and bounds. What would you contribute to their success if we didn't even dam it? So, do you have any ideas? Is it vest buttoners, or knits, or what is it?

- Niche. I mean, they found a gap in the market, in terms of being able to figure out, in terms of the whole shipping industry, when it comes to fuel, and fuel pricing and futures and really, you know, just the availability to take mega data that's out there and tailor it into insights, you know, that really helps companies save both fuel costs, but also mission, and efficiency and all those types of things. You know, it's interesting to hear that these companies that they're working with, their name's coming up more and more, and just, I think they'll continue to grow. I mean, they kind of took from our cluster here, of transportational logistics, and saw, "Alright, here's a gap in the market." Look, I'm gonna expand some bigger things that we're trying to do, is take our strengths, and figure out, alright, what's the next big thing for some of these? So, yeah, I think they'll continue to grow and book 'em in. But, the other piece, too? They recruit great talent. I mean, they have, you know, they're very selective about their process, and their employees are dedicated. But, I mean, it is top notch, what they got over there. I mean, they recruit globally for what they have at their company.

- To that, they pay very well, too, which we're excited about, and that's why we think this neighborhood redevelopment, by it, we're gonna get some higher incomes in that neighborhoods, investment in properties, and...

- It's extremely exciting.

- Yeah. This is a good company. We weren't alone in chasing them, right?

- Mm hm.

- Any mayor would want them, and everything is lined up. This is a catalyst project. It's been sitting there for 30 years. It's just been, that whole district needs new life, and we're getting there now, so we're very excited about this project, and I think this is a great move for the city.

- Kevin, I saw the assessed value. They're thinking it's around 8 million. What's the construction cost, do we know?

- [Kevin] So, they've talked around, they're probably going to be in the $12 to $16 million range. I know that's a big range, but once they finalize their numbers, I mean, it really comes up with, like, the site's probably going to need accommodations, and how deep do you have to go, and how many do you have to do, but yeah. This building, and again, based on the initial assessment, it's kind of looking at floor plans and space. We went conservatively, but I think it's gonna come out higher towards the 12 end.

- Question on schedules. We have shipyard tied in with prior to June 1, 2020.

- Yes.

- So, has there been any conversation with Stantech on schedule, and their thoughts on that?

-Yes, yep.

- Right, because June 1, right? If we got a wet, messy spring, and obviously, no one knows, but I'm just thinking. You've got this 2019 summer you're going to be doing--

- Yep.

- A lot, right.

- So, we met Wednesday. I mean, obviously, it's a very compressed schedule, so it got approval last week, it got approved by Council Tuesday, then Wednesday. And with that, so we had this discussion, and basically said, "Look. "With this agreement, we're committing ourselves "to having that shipyard piece open June 1 of 2020. "Work backwards from that." And so, they're going through and looking at, "Alright, construction, then with slack time for weather, "and then approval process. "Slack time for, you know, things get held up. "And then design time." They're tweaking that schedule right now, and then basically, we'll sit down both with us, internally, so we can talk, through Public Works and Planning to say, "Alright, realistic." And then also, then we'll meet with Breakthrough, and they'll meet with Performa, who's working on their design aspects, and figure out, "Alright, how do these time tables work together "and how do we be most efficient?" So, we had that meeting. They feel pretty confident, in terms of being able to meet those dates, so once they get that revised schedule, I'm guessing we'll probably have a meeting next week with Performa and with Breakthrough with these approvals, and get on pace so that we can be doing design through the winter, get this out to bid early in 2019 so that they can get working on this next year.

- Yeah.

- This is land that the City acquired, correct?

- 35, 40 years ago.

- Mayor Howland bought it. He was mayor at that time.

- Oh, my gosh! It's been there that long?

- Yes.

- Okay!

- No tax base.

- Yep, got that. I couldn't remember if this was any of it that we were looking at purchasing, or okay.

- This has been ours for a long time.

- Wow, that's even--

- Mm hm.

- I think it was even before environmental laws were being called upon.

- I--

- No?

- No.

- Okay.

- The early years.

- Congratulations!

- Go back, the environmental, I mean, when you talk to the DNR, and working with the DNR, it's very manageable, and there's nothing there that's, in terms of an acute threat to human health and things like that. It's, look there's a cap in place. Maintain the cap in place as you move forward, and it's just, look. I mean, the city needed to make a statement, like, "We're investing in that area," and now we're seeing the private side saying, "Okay, we will, too."

- Any other questions or comments or anything else?

- I would move to approve.

- Jim.

- Second.

- It's been seconded by Matt. Any other questions or comments? If none, we'll vote. Anything?

- Yeah, I was going to say. Press it like five times.

- Yeah.

- Yeah, it's still not showing.

- There, how 'bout that?

- There we go, passed unanimously.

- First of all, congratulations to fill their team. I mean, fantastic job. This is an extremely important project. It's a really important company, and to have them as a cornerstone of that shipyard is dynamite, so you guys did a great job! Any other comments?

- Second!

- Alright, motion to adjourn? I don't think there's anything else on the agenda there. No. A motion here?

- Second.

- All in favor of closing, say aye.

- Aye.

- We are adjourned.

- Thank you!

- Thank you!

- The ball is rolling!

- That's awesome!