MINUTES OF THE COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN COMMITTEE

TUESDAY, JULY 31, 2018, 7:30 AM
CITY HALL, ROOM 207

A. ROLL CALL.

1. Mike Borlee, Jim Blumreich, Ald. Brian Johnson, Matt Schuller, Chad Van Handel

Members Present: Brian Johnson, Matt Schueller, Gary Delveaux, Michael Borlee (via phone)
Voting: Brian Johnson, Matt Schueller, Gary Delveaux, Not Voting: Michael Borlee, Excused: James Blumreich, Chad VanHandel

Wendy Townsend stated that Michael Borlee is present via phone; however, per City Attorney Vanessa Chavez, Michael Borlee will not be able to vote.

B. APPROVAL OF THE AGENDA.

1. Approval of the agenda for the 7/31/18 meeting

Gary Delveaux recommended approval of the Agenda for today's meeting with the change that a Chair and Vice-Chair need to be elected for this subcommittee.

Moved by Matt Schuller, seconded by Ald. Brian Johnson to approve the agenda for the July 31, 2018, meeting of the Community Development Block Grant Revolving Loan Committee and adding the election of a Chair and Vice Chair for the Committee. Motion carried.
Yes- Brian Johnson, Matt Schueller, Gary Delveaux, No- None, Abstain- None

Moved by Gary Delveaux, seconded by Ald. Brian Johnson to nominate Matt Schuller as Chair of the Community Development Block Grant Revolving Loan Committee. Motion carried.
Yes- Ald. Brian Johnson, Matt Schuller, Gary Delveaux, No- None, Abstain- None

Moved by Gary Delveaux, seconded by Matt Schuller to nominate Michael Borlee as Vice-Chair of

the Community Development Block Grant Revolving Loan Committee. Motion carried.
Yes- Ald. Brian Johnson, Matt Schuller, Gary Delveaux, No- None, Abstain- None

C. APPROVAL OF MINUTES.

1. Approval of the minutes from the 1/23/18 meeting

Moved by Michael Borlee, seconded by Gary Delveaux to approve the minutes from the January 23, 2018, meeting of the CDGB Revolving Loan Committee.
Yes- Brian Johnson, Matt Schueller, Gary Delveaux, No- None, Abstain- None

This item will be tabled to the next available CDGB Revolving Loan Committee meeting as Michael Borlee was not physically present to vote or make motions.

D. REGULAR BUSINESS.

1. Review the loan application for Historic West, LLC.

Moved by Michael Borlee, seconded by Gary Delveaux to open the floor for discussion. Motion carried.
Voice vote. Yes- Brian Johnson, Matt Schueller, Gary Delveaux, No- None, Abstain- None

G. Deleavux read for the record the Closed Session information from the agenda.

Moved by Gary Delveaux, seconded by Ald. Brian Johnson to go into closed session. Motion carried.
Yes- Brian Johnson, Matt Schueller, Gary Delveaux, No- None, Abstain- None

Matt Schuller reconvened the meeting.

Roll Call:
Members Present Voting: Brian Johnson, Matt Schueller, Gary Delveaux, Not Voting: Michael Borlee, Excused: James Blumreich, Chad VanHandel

Moved by Board Member Gary Delveaux, seconded by Matt Schuller to hold the approval of the loan application for Historic West LLC until the following information can be provided:
Secure working capital for the project.
Confirm the City of Green Bay's parking requirements.
Have a Health Department pre-inspection completed.
Confirmation of funds from Bank of Luxemburg.
Motion carried.
Yes- Brian Johnson, Matt Schueller, Gary Delveaux, No- None, Abstain- None

E. INFORMATIONAL.

1. Revolving Loan Status Report

Wendy Townsend presented the Revolving Loan Status Report. No action taken.

F. ADJOURNMENT.

Moved by Gary Delveaux, seconded by Matt Schueller to adjourn. Motion carried.
Yes- Brian Johnson, Matt Schueller, Gary Delveaux, No- None, Abstain- None

VERBATIM MINUTES

- Howdy.

- Mike, we're gonna begin now.

- [Mike] Okay.

- Can you hear everyone okay?

- Let's do role call. I'll do role call, Alderman Brian Johnson?

- Here.

- Matt Schueller?

- Here.

- Gary Delveaux? Here.

- Mike Borlee? Mike?

- Mike?

- You're here, you're definitely here, okay. Before we do the approval of the agenda, let me make a recommendation that we add one thing right off the bat. That's we elect a chairman. I've been chairman for, I don't know how many years, but I'm not really on this committee anymore. I'm just pitch hitting today so we have a quorum. So, in the future we need to get a, we need to have a new chairman. And whether or not we elect a vice chair, we'll see what the group says. But anyway, bottom line, I'd like to approve the agenda with the first thing being the election of the chairman. Other than that, the agenda stands. Is there a motion for that?

- I'll make that motion.

- Brian seconding?

- Second.

- Well there's a motion and second that we approve the agenda with the stipulation that the first thing we do is elect a chairman. All in favor seen by saying aye.

- [Committee] Aye.

- Mike?

- Somebody's breaking up, is that you Gary?

- Okay, so what they asked was that they elect a chair and a vice chair that at this time Gary is going to be stepping down from the Revolving Loan Committee. And also that Jim, did you talk about Jim Lovert--

- Yeah, yeah Jim Lovert.

- So Jim Lovert is added, he is unable to attend today so Gary is--

- Pitch hitter.

- Filling in today, he's pitch hitting in for us today. But we would like to entertain a motion or--

- Right.

- For a chairman and a potential vice chair from the committee.

- And I wanted to make the first motion. I nominate that Matt to be our chairman of Revolving Loan committee.

- You didn't tell me that.

- I didn't tell you that? Is there a second?

- I'll second that.

- Okay. There's a motion to second that Matt would be the chair. All in favor seen by saying aye.

- [Committee] Aye.

- Opposed? So carry. Matt, you're now the chair.

- [Mike] We got Matt as the chair. There you go.

- Yeah.

- Is that all right with you?

- Is that okay, Mike?

- It works for me. I was gonna make a motion there.

- Yes, that's fine.

- Okay.

- I thought you were talking to Mike.

- I was and I didn't hear his vote, so I just wanted to make sure. Okay, so that's a unanimous vote then.

- Yes. So you got it, buddy.

- I know it's not on the agenda, so we'll have to add that.

- Mike, I think we should probably elect a vice chair as well. You agree? I wonder if we couldn't put the phone--

- Mike?

- Is it possible to get the phone up here?

- What's that?

- I think we need to elect as well a vice chair.

- Just in case Matt can't make it sometimes.

- In case someone can't make it. I don't know I'm gonna do my very best here. How about up here?

- That's okay.

- So, I'll put the volume all the way up.

- I'll make another motion since I'm kinda in the motion mood here. I nominate Mike to be the vice chair. Mike, you here that?

- [Mike] Okay.

- Will you be the vice chair, Mike?

- [Mike] Yeah, I can do that.

- Okay.

- I would second that motion.

- [Mike] Sometimes that I'm into it by phone but this doesn't happen that often.

- No it doesn't happen that often.

- I'm wondering if we did, yeah.

- Okay.

- If anyone wants to, you know, talk clearly on the phone.

- Yeah that's great. And Mike, I'm gonna second that motion on ya.

- [Mike] Okay, Matt.

- So all in favor seen by saying aye.

- [Committee] Aye. Opposed? So carried. You got it, slugger.

- You want me to take over?

- Yes, yes.

- Well let's move into our next agenda item then, Which is the approval of the minutes from the January 23rd, 2018.

- [Mike] Motion to approve.

- Second.

- All those in favor say aye.

- [Committee] Aye. All right, motion carries. The old fashion way here, just on paper. Okay then, let's move into our next agenda item, which is to review the loan application for Historic West LLC. Which involves Tarl Knight and Mark Mariucci. And I would suggest we just open the floor to get things started so that they can tell us about their plans for Historic West Theater.

- [Mike] Motion to .

- A second.

- All those in favor say aye.

- [Committee] Aye.

- All right, Wendy do you wanna kick us off here?

- I'll kick us off. So, I've been working with the proprietors, Tarl Knight and Mark Mariucci. They have requested from the loan committee an amount of $87,000 for a property acquisition. The property is the Historic West Theater at 405 West Walnut Street, in Green Bay. So, the Historic West LLC plans to purchase the Historic Green Bay Theater and Restaurant and rename it the Tarlton Theater and Restaurant, with the Tarlton Theater LLC leasing the property. The facility is located at the corner of Walnut and Broadway amid the Broadway Historic District. The Tarlton Theater and Restaurant will be restored as an arts center with fine dining, with Historic West LLC will apply for the registry of the historic building as a historic Arts-Deco, art-modern structure. The The Tarlton Theater and Restaurant will present wholesome live art and music acts, such as touring bands, comics, motion picture shows with family friendly prices in a quaint theater. The restaurant will serve a menu of modern American flair items and will also be available to rent for businesses and for companies in the group. This staff recommendation is that the staff recommends granting the request for $87,000 CDBG Revolving Loan Funds for the purchase of the Historic West Theater property at 405 West Walnut. We also have, and I did not mention this to Mike and the others, but we also have the Bank of Luxembourg, the other co-lender in this business acquisition, is here. So, I don't know if you wanna just introduce yourself real quick?

- [Ken] Good morning, I'm Ken Rehn. I'm from the Bank of Luxembourg. Sorry I'm late, the train held me up.

- Okay, yeah.

- Apologies.

- That's okay.

- Ditto. Yeah, I think we're good.

- [Ken] Probably right behind ya.

- So thank you gentlemen all for joining us today and helping us with this. So, we can, with that if you wanna talk to them. That was the information that I had to share with you. But all of his loan papers are here. We went through a loan sketch between Bank of Luxembourg and us with this.

- Great.

- Yeah and if either of you or both, however you wanna play this, we'd love to just tell us a little bit about hey, what are your plans for the theater. I know it's been sitting, I'm gonna say vacant now, for, is it five years?

- It's a couple years. Yeah, I don't know--

- It's a couple at least.

- It's probably three for four years, yeah, yeah.

- And I know in my head when it's two, it usually means at at least four.

- Yes.

- But, would love to hear your plans on what you're planning to do with the theater and just get a better understanding of the business first.

- Absolutely.

- [Tarl] Well we'll run as a six day a week corporation. Dinner from 5 o'clock to close everyday. We wanna stay open a little bit later on to catch some bar close customers. We'll have entertain, live entertainment on Fridays and Saturdays, including bands, and songwriters and live musical acts. We'll have classic and independent much sort of film going on, the art house film. And then we'll also have the opportunity for open mics and a number of other programs that way. We'll be serving top shelf along with other collections that we're anticipating, beer and wine sections as well as maybe an 11 or 12 piece menu that we've put together. And so, that's our vision for the theater.

- And my understanding that you already started doing some of the renovations?

- Yes.

- Yep, renovations have begun in short.

- Okay.

- [Tarl] We're anticipating more as we're delving further on into the building, but I don't mind to stomach the renovation.

- Okay, great.

- [Mark] Well I think that, this is Mark talking, the outside of the theater is gonna need some immediate work. Our plan is to paint it a more acceptable color. And we're still waiting for a bid from a sign company on restoring the marquee. Our hope is to fully restore the marquee the way it was originally, with chaser lights and, you know, the metal lettering on the front. Depending on the cost of how much that's going to entail. But, we will try and bring it back to as close as how it used to look as we possibly can on the exterior. There is a little bit of work that has to be done on the inside, some water issues. But the inside is already in very good shape. And we'll do a little bit of painting and fix what needs to be fixed. Our idea is to try and be a little on higher end. We want to have the public think of this as an arts facility and not a bar restaurant. Although, we want people to understand that we want them to come there to eat and have food, the focus is going to be the entertainment. And, Tarl is also involved in a non-profit, The Artory LLC, and we will be partnering with them quite a bit to try and bring in some avant garde entertainment that I think without the help of non-profit and fundraising, would not be economically possible. So we are going to try and expand the arts using the theater, beyond what would be the normal type of entertainment Green Bay is used to seeing for live acts. Especially singer-songwriters, which means original music recorded by, I'm sorry written by the artists who are performing them. Instead of cover bands, wherever possible. So we're really trying to raise the bar.

- Great, could you tell us a little bit about the background of the two of yous? In respects of what kind of experience you're bringing to the table.

- [Tarl] Mark Mariucci owned and operated Za's Video Bar, from, what was it '90?

- [Mark] 1989 until 2000 and then, I took over Historic West Theater and rented it as an art house movie theater. And it had dancing on Friday and Saturday.

- [Tarl] That was from 2000, was the purchase of the building and the business was from 2001 to 2005.

- Okay.

- [Tarl] So Mark has that experience, as well as with the business in that building and that property. And well versed with downtown and the sort of customer and clientele that we can expect to bring in. And, my experience is helping to run a number of music festivals since 2009. I was quite bit younger then.

- [Mike] Wendy?

- Yes.

- [Mike] I'm not sure if Tarl is using a microphone. He cuts out. Parts I heard okay. Tarl, I just--

- [Tarl] I'm coming to the phone, Mike.

- [Mike] Ah, there we go.

- Can you hear me, can you hear me now?

- [Mike] Yes, okay there you are.

- [Mark] We could start over.

- Okay.

- [Mark] With that last part?

- The experience that I'll be bringing to the table is about 10 years of experience with running music and arts festivals. As well as my experience with a non-profit group in Green Bay here, helping to book acts and running a business there. I'm the executive director of a non-profit group which helps to book talent in the Green Bay area.

- [Mark] Give them a little bit of background about Sturgeon Bay and your involvement there.

- Okay, well my background specifically in Sturgeon Bay and in Appleton runs with my graduation at the Interlochen Arts Academy in Traverse City, Michigan. And then immediately moving to Sturgeon Bay on what was initially a 10 year deal to help to organize and run a number of music festivals in Door County. Which include the Steel Bridge Songfest and a number of similar events that happen in Sturgeon Bay and the surrounding areas, which includes hundreds of bands and art vendors, and the creation and solicitation and sales of original recorded music that is written during the week and then sold. So, my experience comes from booking and organizing musical acts and live performances and helping to run all the sort of festivities that go on like that year round. And it's quite an enterprise that goes on with that operation all year, with the sales and promotion of all of the bands and the acts. One of the coworkers of mine, Cory Chisel, ending up running the Mile of Music with the Willems Group with Dave Willems, and approached them in Appleton. And so I helped with that initially with the fist year. And now we've begun trying to orchestrate a music festival with similar venues here in Green Bay. So that's my experience. Mike Donald is the creator of this music festival series who's a very popular musician from 80s and an acclaimed singer-songwriter.

- [Mark] So I would like to say that I have the experience running restaurant/bar. I was involved in that industry for the majority of my life. I currently am not in that industry. I can do that in my sleep. What I cannot bring to the table is the ability to fill that theater with outstanding musical acts, and that is where Tarl Knight comes in. His involvement in the past has afforded him a roster of artists that are nationwide. And it is just amazing the opportunity that we'll be able to have that will be unique to Green Bay, and then, of course, unique to the theater, which is part of the reason we very strongly believe this is going to go over extremely well. Initially, I think we will have to build a loyal following of people that will, when they think of the Tarlton, they will think of live music set apart, maybe a little bit more in the line of the Meyer Theater or the Widener, if you want, but at price points that are far more family-friendly. And they will not think of it in the same terms of local taverns that have free entertainment. Once that patterns established, it'll just continue to grow.

- Yes, I believe that.

- And so, just a little bit, I'm just trying to make sure I understand how a night would work at the theater. So is it, do you come in and dine first, and then the acts starts? Or does that all kinda play out at the same time? Am I sitting at a table, or how's the experience work once I walk in the theater?

- So we open at 5 o'clock, that's with our projected opening time, and dinner will be available from open, we'll have our menu open, and the bar will be open. Well, there are number of bars in the location. Shows will start any time in between seven and 8 o'clock. And then we can have a second run of show afterward.

- Okay, good.

- If we're having, let's say, a film showing, it can happen later on, or we can have a smaller act setting up for a larger band later on at night. Or maybe even a DJ or something more interactive.

- Okay.

- [Mark] And it is table seating. Currently, we'll be able to seat 150 people at table.

- That was a question.

- [Mark] It's portable. Much of the room can be reconfigured if we wanted to have more people, we can use chairs. Depending on the type of entertainment that's involved.

- For those who don't wanna dine in the entertainment area we'll have another space available near the front off of the front lobby. That'll be available for dining.

- Okay.

- [Mark] And we do anticipate using the lobby as some art gallery space because it's not just going to be music that we're promoting. The visual arts, as well, which could include painting, photography, and physical art, sculpture, that kind of thing. So, there's primary space in the front area that we'll be able to dedicate some of that for that.

- I was pleasantly surprised to see that you lowered the requested amount to 140 87 which is nice. So what brought that on?

- [Mark] We're currently going to hold off on asking to repave the grass area of what used to be, I believe was West Liquor Store, and there were apartments that had burned down. So that's a grass area, and I believe we had gotten a quote for around 50,000 to be able to pave that.

- Okay, okay, gotcha.

- That property--

- [Mike] That's where there's a reduction in the request?

- Yes, yes Mike.

- [Mike] Where did you come up with your projections?

- [Mark] For the sales?

- [Mike] I mean, I'm looking at monthly revenues. We can throw August out because you're not even open yet.

- [Mark] Right.

- [Mike] Your comparison. Where did you come up with your revenue source? As far as the dollar amount.

- [Mark] Well, I used a spreadsheet and looked up cost and we were comparing how much we can charge for food with other restaurants in the area based on the type of thing that we were going to offer. And I did the same thing with ticket sales comparing to places such as the Lyric Room and how much they are charging for entertainment. There are some other places, like the Distillery, that also have ticketed shows. We plugged in the cost of taxes and all the other operating costs into this spreadsheet. And I spent quite a bit of time crunching those numbers, trying to find a very conservative estimate. And so, I would say that the numbers that I put there are pretty conservative.

- [Mike] Well, looking at 10 box here, ticket sales, you gotta be at least 200 people a week, which on one hand, doesn't sound like a lot, but on the other hand, what happens if you don't hit those numbers?

- There will be some shows that will be a higher ticket price and some shows that will be a lower ticket price. So, that's an average number. We are encouraged that the Lyric Room and Gather and a few other venues in town regularly have a ticketed show. There'll be some--

- We also, one of our clients are with a number of other business owners in the Broadway area where we checked in, especially bars and other entertainment venues. We wanted to make sure that we were comparing numbers with those in the Broadway District, although we did look out to a number of competitors in Dupier as well, and in Appleton, and so we've configured a lot of the revenue estimates through our connections in our own district, as well.

- [Mike] Mark, you show that you were at the West Theater from 2001 to '05.

- [Mark] Yes.

- [Mike] Was that under, who what the other ownership of that and there was a situation where one time, with regards to having a liquor license, where it was a challenge because the city required a percentage of food sales versus bar sales? Is that gonna be the case now?

- [Mark] Yeah, okay. First of all, yes, we will still need to be considered a restaurant and the sales from tickets and food and soft drinks will need to exceed those of alcohol sales. Previously, when I owned it, we needed to, there was a difference in the law at the time, and I had to rent a hallway so we had a door that was on Broadway, and the restaurant, the license I gave up was a liquor license. I took over a restaurant license. So we were required. Somebody had tried to create some trouble with me getting the liquor license initially and sent a letter around to the neighborhood creating some drama, which had to be addressed. The results of that was the city was a little nervous and so originally I signed an agreement that stated that I would not open my doors on any day that I did not have either a movie or live entertainment on my stage. And I was only allowed to have dancing, initially, on Friday and Saturday night. And within a year, most of those restrictions were lifted but I never asked to change the restriction that I had offered because I had felt that it was a live entertainment venue and a movie house. And we were trying to bring something that was not too unlike what we're trying to do now, but unfortunately, I think it was an earlier time when Green Bay was still in decline in the downtown. And it was economically a struggle for the movie industry, especially. And that was primarily what we did. Seven days a week, I was renting film. We didn't have the audience numbers for it.

- Right, right. Downtown has changed a lot since then. Absolutely.

- And how will you go about trying to get the public to know what shows are on and how do you create awareness and interest.

- [Mark] Oh, that is a very good thing. I would like you to talk about social media.

- Right, so we'll be reaching out with a number of social media venues in order to advertise and market, as well as a number of networking opportunities. Right now, we're in talk with a number of organizations downtown and in the Green Bay area, in order to help them market and advertise what we've got going on. We're talking with local media and entertainment kingpin, Frank Fuhrman from Let Me Be Frank Productions, and friends and colleagues with a number of different businesses in the Broadway area. But I hope that we come back closely with Brian Johnson, the executive director, and all of those at the On Broadway Incorporated. The Broadway District business organization.

- [Mark] I know that initially, we'll be able to get some really great press in television, and also in the Press Gazette. But the landscape for advertising is fundamentally changed today. I come from print and my background is graphic design and photography, and print is dead. And so, while we might do a little bit with the Press Gazette, and possibly some billboard advertising. Social media, especially Facebook, is really going to drive the customers, creating event pages, we will be using state of the art ID machines to capture the addresses of people so that we'll be able to contact them through mail, and we will assemble a mail list, but more importantly, we'll use Facebook very heavily. And I'm involved in a couple of non-profits. One just recently put on an event and they only did Facebook advertising and they doubled their attendance this year.

So we can pay for pushes through Facebook, and we will spend some advertising dollars in that direction but we'll be very smart with how we promote.

- And not just Facebook. There's an entire network of social media that's available now, especially to younger audiences, and with the decline of papers and local print advertisers like The Scene and The Entertainer, both of which are not operating in the Green Bay area anymore, we'll hopefully be pushing our advertising and marketing almost solely through social media in order to attract more properly the demographics who are coming through the area, and those who we should market and target.

- Excellent.

- What kind of food do you plan to serve--

- [Mike] I have another question. Probably Mark has this 'cause he has experience in structurally the facility. You said you had water issues. Do we have an issue outside, as far as roof conditions and such that would show up as an unexpected expense?

- [Mark] I am happy to report that the roof, which had been a problem the entire time I owned it, has been replaced very recently. And I have been up there checking over it to make sure that it's in, well and we also had an inspector run through and they said that roof is in great shape.

- [Mike] Oh, okay. Who currently owns the property.

- It's bank owned.

- [Mark] Yes.

- It's owned by a holding company of Farmers Merchants Bank in Tomah, Wisconsin.

- [Mike] Oh, goodness. All right.

- I think Brian has a question.

- When you look at the food, a substantial part of your revenue's coming from food, I see that you only plan to have one chef. So can you talk a little bit about the type of food that you're gonna sell and how it's gonna meet those revenue targets?

- [Mark] Mm-hmm, okay. Well, the menu is going to be kept fairly simple, but it's not going to be a supper club. And it'll be a combination of things because I think we need to be able to, we can't just do tapas. Small hors d'oeuvres and things like that. We have to have a broad range. Many of the food items will be able to be pre-prepared so they can rapidly be available. And I'll be able to help in the kitchen if I need it, and we certainly could hire more people if we're lucky and the food sales become to the point where almost everyone going there is eating. But by using a carefully crafted menu, we should be able to execute the food rapidly.

- Okay.

- We'll have some different specials that'll happen during the times of events and we'll have a revolving menu, so in case things need to change or at least seasonally, or what will be available during events and before and after events can be applied as to the type of volume that we'll have during those live entertainment acts.

- What kind of price point are you looking at for your food items?

- [Mark] They will range from, something small like a tapa, that would be let's say five or $7.00 to 15 and $20.00. And again, we have compared ourself. We looked at menus all around our area. We wanna keep it affordable but we want people to have some options. So they'll be items that are almost $20.00, and they'll be stuff that people that don't have a lot of money to spend will be able to get, let's say, a side item.

- Well, we have one dedicated chef, at least that's what we put down in writing right now. There are number of different models that are working with restaurants on the east side, downtown, that we're friends and colleagues with that have their servers, also in the kitchen, some amount of the time. So we could base whatever the menus we're doing off of that model, too.

- [Mark] Clearly, food prep is going to be important in how we're doing the menu, so again, many of the items are pre-prepared so that there is just heating involved. It's a cooked item. When somebody orders something, it's not necessarily from scratch. I worked in a restaurant for years. That's pretty typical to have stuff pre-prepared so it's fast execution.

- One question that I do have, and perhaps this might involve some staff feedback, too. The plan right now is to not repave the grass field that's on the corner there of Walnut and Chestnut?

- [Mark] Yeah, we're holding off.

- Okay, and the reason I ask that question is I'd hate for you guys to go this far in the process, and Wendy, for them to not meet the parking requirements. Is that going to be an issue?

- At this time, I don't think so. I know we're working on eliminating the minimal parking law requirements as a staff, and so we're looking at downtown parking requirements as a whole, just as a city. I think they wanna eventually get to that, but I think to get started--

- I understand they may want to get to it, but the rule still exists. And so, my concern, as we go through all this, they get their licenses and everything, and all of a sudden it's they're in front of council and it's you're not meeting the minimum parking requirements, we're not gonna approve this. And so, that's my fear, is that we get that far along in the process, and it's something like that that ultimately halts it. So, I'd really like to make sure that's addressed.

- [Mark] Pardon me?

- I'm sorry, were you finished?

- I was just saying I'd really like to make sure that's addressed, because if that is going to require that that lot be paved right now, for them to open their doors, I don't wanna find that out--

- Later on.

- At the end of the process. Have you been up to planning at all with--

- No.

- Nope. We just got to this part to see if you could get the property, okay.

- [Mark] There are 36 parking stalls currently, in the lot that is there. We have both parcels. The grass side, as well as the paved area.

- But the 36 stalls are just in the paved area?

- [Mark] Yes.

- And what are the parking requirements downtown, Wendy? Is it five to one? Four to one?

- I'd have to double check for you. I don't know.

- And again, I'm offering up that advice just as a word of caution, 'cause I don't want you to get that far and then be derailed because of something like that. If it was just an innocent oversight.

- We talked to them a little bit and mentioned that we do have a couple of businesses that have multiple loans with us so that they could come back and get another one. But you're right, to get the doors open, we need to have this item addressed. So, great point.

- I'll just speak from experienced time in the district is that parking is a challenge right now, and there are some venues that are experiencing some awfully sore pain points because of it. And not just because it's inconvenient because I have to walk a block or two, but because they're unable to meet these parking requirements.

- [Mark] Yeah. Well, I certainly initially wanted to have that lot paved right away. And if necessary, I will be able to come up with the additional money, if we needed to increase the loan, so that we could take care of that. I think the--

- [Mike] If that would be the case... I'm confused on that. If you're able to come up with additional monies, stupid question, why are you here?

- [Mark] It was the 10% down payment.

- [Mike] I think Brian brings a good point as far as parking. As well as applying for the liquor license. A question I have with that is that wine, champagne and beer. So you're not going to serve hard liquor?

- [Mark] We are. We are going for a complete liquor license.

- [Mike] Okay.

- And I think they're already working with them to--

- [Mark] Yes, yeah the liquor license is already applied for. It's a full liquor license.

- And I get that there's a number of dominoes you guys are gonna have to knock, and sometimes you gotta sit in front of one body before you can get in front of another.

- It's kind of a chicken and the egg.

- Exactly. So again, I just wanted to make sure that you're on top of the parking thing. And Wendy, perhaps, this is a conversation we could have with Director Grenier. And I don't know if this is something you guys would entertain, but a management agreement with public works in that lot, if it's something where you could have access to it in the evening, and maybe other district business could potentially have access to it, including in the day, in exchange for the city perhaps taking the up front cost of paving it, if it were, in fact, to relieve a parking pain point for the balance of the district. And so, I wanna toss that out there as an idea that maybe a conversation with Director Grenier along those lines might be worthwhile. Because if you guys are--

- [Mark] If we did that, would we continue to own the land?

- Yeah, you would essentially, you could enter into a management agreement with the city where the city manages the lot. And you could have access to it. The details of that would have to be worked out. And of course, the city would have to establish a need for those other things in the district. Based on my experience, I feel like that need exists, but I can't, obviously, speak for city staff. It might serve as an opportunity to kill two birds with one stone.

- It's certainly worth a dialogue.

- Mm-hmm.

- Mm-hmm, yes.

- The other option here, Wendy, and I don't know if it works in that area, but is the whole facade grant program, when I think about what you're talking about doing on the front of the building and the marquee in the sign, is there something we could also do with facade grant to help on the front of the building which would relieve capital to do other parts of the project, and I'm assuming, Brian, from the Broadway district, he'd be very interested in having get a great renovation done on the front and the marquee, I think we're all interested in it. Just trying to think about other ways to--

- We do have other resources. And we have spoken about the facade grant. I think the big thing was to make sure that they could even own the parcel first, and then start to put some of these pieces together, but absolutely, that is a complimentary funding source that would actually be in, we've brought in other staff that manage that program to talk about that. So that is in the queue, as well, so--

- And On Broadway has a small one. Up to 2,500. But again, it's, as you know, then, Mark, it's just getting that material in before the work begins.

- [Mark] Right.

- And we can all help with that. Would you like to speak about the bank involvement? Are we ready for that?

- Sure.

- That's fine, yeah.

- [Ken] Good morning, again. This is Ken from Bank of Luxemburg. There's been some changes since the last time we spoke as far as numbers here, so I have the reducted a few things. I wasn't aware of that. So we had planned on putting in, we had approval for 220,000 into the project, and I think that includes 140 from the Revolving Loan Fund. That's dropped down, I think, because of the 10% issue. I believe. So, I think that's addressing that parking lot issue. That was in the original presentation that we had. So, that's news to me this morning, but that's fine. I think we can work around that.

- I thought we discussed that. That's where I got the numbers from.

- I did not. Maybe we did, and I don't--

- I made notes from a conversation of that was what we were at. But that's okay. Because, let me just, can I grab this?

- [Ken] Not that that changes our--

- Commitment?

- [Ken] Commitment to the project in downtown Green Bay. I'm not aware of the 87.

- That's okay. When I was on the phone with you, I made notes that it was gonna be reconfigured to these amounts and I don't have the date, but it was earlier this month that we did talk about the change.

- [Ken] I don't recollect, but you took great notes. I believe you.

- That's okay. You have many things going on.

- [Ken] No, that's okay. No, and that doesn't really change what I'm doing--

- Yeah, that we revised it. And we talked about maybe holding off on the parking lot as part of the business plan in that dialogue because of the 10% make up. But that's okay. I just wanna make sure to see if anything jogs your memory on that.

- [Ken] It's not joggin' right now, but I will say that that still works for the Bank of Luxemburg. We wanna be involved in downtown Green Bay. We had a couple other projects we're working on, and we are aware of the parking issue. We ran into that in another project I'm working on down here. I was told some that could be wavered. I'm hoping that could happen. I'll be interested to see where that conversation goes, as far as the parking.

- [Mike] So the bank is still in for 220?

- [Ken] I may need to relook at that. I would say yes, but I'd like to relook at those numbers before I could totally commit.

- [Mike] I have another question.

- Go ahead, Mike.

- For Mark.

- [Mark] Yes.

- [Mike] Gettin' back to the facilities again. Have you guys gone through the process with the Health Department as far as opening up and not having to make any major changes or upgrades to the kitchen?

- [Mark] We have not had an inspection done by the Health Department yet. I don't think we'll be able to do that until we have ownership.

- Can I just ask quickly on that, do we have an extension on the purchase of that half as well with from Kirk?

- Yes, it's been extended to August 31st.

- [Ken] Okay. Thank you.

- [Tarl] We have communicated with the Health Department in order to come and have an inspection done, and we've been quoted based on the terms of our menu, and the amount of space and the volume of customers that will be able to serve. But we haven't had an inspection done yet. But we've accrued the estimate for the costs a number of times when we'll be available to meet as soon as we have ownership of the property.

- [Mark] We've been in and have viewed the kitchen. It is largely the same as it was when it was last operating. Everything that was there is still there.

- Including the dishes?

- [Mark] Including some of the dishes. I believe that it has all the required things that the Health Department requires.

- One last question. There's two LLC's set up. Historic West LLC, and Tarlton Theater LLC. So I'd love to understand a little bit of what's the purpose of each one and the loan would go to which LLC.

- [Mark] Okay. The Historic West LLC is going to purchase the building and then rent it to the Tarlton LLC, which will operate the business.

- Got it.

- Then do you wanna make mention just of your ownership share?

- [Mark] It is 10% owned by both LLC's, and 90% owned by myself. However, the Tarlton LLC will have a 50/50 vote. So the operating agreements are different.

- And so the loan for this would be with Historic West?

- Yes, sir.

- Okay. Does anybody else have any questions?

- I do have one. And I'm not sure that I saw it on the letter. My financials, the alignment's a little weird here. But I saw the income statement, but when we talk about a balance sheet, and I just wanna make sure that I've got the dots connected properly on this. So there is a down payment requirement. This revolving loan fund is to help meet that gap.

- In part.

- Okay, in part. So what type of, assuming that I assume personal investment is what will make up the balance of the gap, then?

- That's right. For the list of items that they'll be bringing, which valued at about 33,000. And then--

- I did not, where is that document? Let me see that.

- Let me bring that information up to you real quick.

- [Mike] Well, if we look at the application, it looks like personal investment of 33.

- And then, I double checked that they'd have money in their accounts, right. So that, too.

- 'Cause that's ultimately where I'm going with it is what type of capital exists to operate?

- Right so they can claim that. And then there's a list of items. Maybe it's on--

- [Mike] In the 87 request, it appears that some of that is working capital. Is that correct?

- We are in property acquisition portion of it only. The working capital, or whatever other items that they have are either coming through Bank of Luxemburg or personal means. There's a list, Brian, of items that they're bringing to the table, and it's... Can't find it and can't find that at this moment.

- [Mark] Will this help?

- You got it?

- Yeah.

- Yeah, there it is. Here's his list of items that he's, and then, along with his personal assets.

- Oh, so this is what they're bringing to the table?

- [Mark] 30,000 in cash.

- I looked at this and thought this is what they needed to . Okay, I misinterpreted the document.

- That's what they are, those personal items that they're adding to the project. So it does ask that we have, right. 10% to be making up of items that they're contributing to the project, along with personal assets.

- This is the--

- This is the gap that was missing.

- The double swing for me.

- One quick comment. You mentioned that 50% of equal voting rights. Being on the RDA, we went through a lot of movement with the Hotel Northrup. Part of the problem was the two partners had 50/50 voting rights. I'm just saying to you, you may wanna consider that to be 51/49. Think about it. I'm just saying we really went through a lot of gyrations and nothing could get down with the Hotel Northrup because the two partners had equal voting rights. Just a word of caution, that's all.

- And I would echo that. I've seen a lot of business deals, and--

- [Mike] I couldn't follow that.

- They're saying other businesses had 50/50 voting rights and it has put things in gridlock. And so to potential look at restructuring maybe some of that, just kind of reviewing that, as far as keeping business operations in operation.

- Just a thought.

- Just a thought after some of the other previous--

- Okay. Any other business?

- Mike, do you have any other questions?

- [Mike] You keep cutting out, Wendy.

- I'll come closer. Mike, do you have any other questions?

- [Mike] No, just a number of concerns. But we'll work through this.

- Would you like to go into closed session to talk about those?

- [Mike] I wouldn't mind if... It's up to the rest of the group.

- No.

- Well first, I would suggest then, we just go back to regular order of business. We close the open session.

- Can I just make one last comment? So you and I can get together to go over the numbers, right? 'Cause mine don't jive to what we have goin' on here. So I wanna make sure that we, as far as the working capital piece of it. I wasn't aware that we were doing that.

- I don't know. That was just a question that they were asking about working capital. I just know that our portion is property, and so I can't even answer that--

- [Ken] That's what ours was, as well, just going in. So we gotta make sure that his portion--

- You're working capital. How are you handling working capital, gentlemen?

- [Ken] I think that'd be the cash that they're bringing in. I believe. But the 87 from the revolving fund covers our plywood piece. So I'm fine in that. Well, there's some additional funds over the 290 that they were using for operations and for some other things. I don't have that in front of me. So Mark that's something we can look at one off, I guess, and see your funds would be used strictly for with the capital. That works for--

- So the building is priced at what amount?

- 290.

- 290. We're at 87, and you're at 220.

- [Ken] Well, we have 220 on the original 390.

- Okay.

- [Ken] And then you guys are putting 140. So again, going back to my memory not jogged, I still have to refigure my numbers. We're into this. There's no question. Just I wanna make sure, as the board mentioned, that they don't open the doors and have no money available for working capital.

- Right.

- Right.

- [Ken] So we're gonna need that for the first, I would think 90 days. So, again, we're in for the building. I have nothing set aside for working capital.

- And we did date it. So, this is--

- [Mike] Is the bank also going after all of the equipment that's been secured?

- [Ken] We are not. We are not. So we are just strictly on the building, right now. We can look at some other options if that's needed.

- These are just the numbers. That's okay. We'll have to double check.

- That's fine. That's fine.

- Yep, we're both tied into the equity of the building. And right after we find out where this committee feels with this loan, then the appraisal will be ordered. We didn't wanna put a lot of expenses into other things without having a chance to look at things. But that's the price, and then we'll be able to back that up with what room there is for that.

- [Ken] You bet.

- Working capital is critical. So many businesses, takes longer to get rolling than they think, and they run out of working capital, so we have to make sure it's covered.

- [Ken] That's gotta be ready for us, as well.

- Mark is, as well, continue to work in his own acquisition .

- Oh, okay. Oh, look, all right, that helps.

- I'd suggest we return to a regular order of business.

- Yes, motion to go back to regular order of business.

- Second that.

- All those in favor say aye.

- [Committee] Aye.

- Okay, I would suggest then, why don't we go into close session here. And can somebody make that motion?

- Yeah, you gotta read the language at the bottom.

- Yes, I can read it. The committee may convene in closed session pursuant to sections 19, 25, 1-F, Wisconsin statute, consider in action when medical, social or personal histories of specific persons which you have discussed and felt they collectively have a substantial personal reputation a person referred to as such is to raise your data. The committee may dare, after reconvening open session, pursue in section 19, 20, 85, two, must ask consider a balance of an agenda. All right, a motion to go into closed session.

- I'll second that.

- All those in favor say.

- Now we have to read--

- [Mike] Is there Matt, Gary are you gonna read that motion where we can take a vote on that, and then, by that, leave.

- Yeah, Gary's gonna read the motion, then Mike.

- [Mike] Very good, thank you.

- You need to leave at what time?

- Well. For sure nine. But probably five to is appreciated. All right.

- Do we need to do roll call again?

- Yes we do, actually.

- We're gonna open back up into regular session here. We have to start first with roll call. So, Gary Delveaux.

- Here.

- Brian Johnson.

- Here.

- Mike Borlee.

- Here.

- And Matt Schueller is here, as well. Let's convene back into regular session and Gary's gonna open us up here with a motion.

- Yeah. First of all, we really think the project's exciting. It's gonna be a big boost for On Broadway. No question about it. There's just some additional information and things that we'd like to see covered. And then, heck, you can come back to us within a week or whatever, and we will look at it again, 'cause we do wanna make the loan. Make sure you understand that. But we're concerned about the parking. We really gotta admit, there's a number of things. I actually start with working capital. 'Cause we see business all the time don't have enough working capital, and after a couple months, because it takes longer than we think, so you gotta come back and show us how are you gonna do the working capital. How are you gonna survive for three months, or whatever it's gonna take? Parking is a concern as Ray as stretched some parking on Broadway, so we're gonna have to work with Public Works and make sure that we can address the parking problem. Right, Brian?

- Mm-hmm.

- Somehow, the Health Department, if you can get somebody in there. It's just to give you an idea that there aren't any big surprises here that, I would think the Health Department, even though you don't own the building yet, I would think they'd help you make sure that there aren't some big surprises that you're not aware of.

- Okay.

- And bank confirmation. I think, too, you guys gotta make sure that we're solid with the whole banking--

- [Ken] Yes, we will take care of that.

- Okay. So those are the things that we're concerned about, and that's the motion I'm gonna make that if you can address these four concerns, 'cause we're excited about the project. I can't emphasize that enough. What a big boost it's gonna be for On Broadway. And we're very excited about the project. We just wanna make sure that you're covered before you get into it. So it's more of those concerns than it is anything else. So that's the motion I'm making that those four things need to be worked out a little bit. And I think that you could come back to us week, two weeks at the most, with that information. Because we just don't want you to fail. We have to . That's the motion. Is there a second?

- I'll second that motion. All those in favor say aye.

- [Committee] Aye.

- Mike, you okay with that?

- Yep. He said yes.

- Yep.

- Thank you.

- We'd love to see you back here, soon.

- There you go, absolutely.

- [Mark] Thank you.

- Thank you.

- All right, thank you Mike, I'm gonna sign off.

- [Mike] Thank you.

- Bye now. Well, so what we'll do is we'll get together. Probably the four of us. And let's get busy, look to--

- Motion to adjourn?

- We have to approve this.

- Whatever concerns anybody has--

- Mike actually is not counting.

- If you wanna hear what the department has to say. So thank you for--

- Thank you, gentlemen.

- Thank you.

- Thank you.

- Oh we need to, were we adjourned?

- Thank you.

- Move to adjourn.

- We didn't know if we needed to get through, there's two other items on the agenda, Wendy.

- Oh, you're right. And I'm so sorry, and I signed Mike off. But this is informational? Right?

- Okay, yeah.

- So the item is the RRLF loan status for open accounts. As you can see, I have everybody current, except for on is in default. Cinebiz has actually closed their doors and has, the bank has taken the property back. And so, are we still recording?

- Mm-hmm.

- So the Cinebiz has sold their business, the business part of it, to LO897.

- Sure.

- And I understand that he is working there, so I'm working with our attorneys to figure out what our next steps are.

- Okay.

- Okay.

- Unfortunately, the person before me did not file a lien on the property, so when Nickel-A took it back, we're kinda outta the picture. We had financed some--

- Equipment, right?

- Some equipment there, right. And so, and that was somethings into the building. It was security and anyways, some HVAC things and whatever was part of it. But we started out at 115, and we're out 33, and our legal department, we've taken that, Jenn, Glass Nickel Pizza paid off. They're paid off. And then everybody else is current. And if you see our available funds at the end, if I want to additional funds in October, I need to get those in circulation. So I'm working a month ahead.

- That's good. That's a good thing.

- So our reports, we have 16 or 15 active loans, and a couple on the hopper. A couple are in the works, I should say.

- Motion to adjourn.

- Second.

- All those in favor say aye.

- [Committee] Aye.

- Meeting is adjourned.

- Thank you.

- You're welcome.

- Thank you. I know we couldn't get these addressed, but that could be very upsetting. Especially--

- I agree.

- The biggest one, the rip and gap run--

- Coincidentally, I'm supposed to be meeting Tarl this afternoon, so--

- Okay.