MINUTES OF THE REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY

TUESDAY, MAY 11, 2021, 1:30 PM
Virtual Meeting. Public may join via Zoom.

A. ZOOM MEETING INFORMATION.

1. This item contains documents which provide call in information and instructions for the Zoom meeting.

B. ROLL CALL.

1. Members: Gary Delveaux, Chair; Matt Schueller, Vice-Chair; Ald. Barbara Dorff, Deby Dehn, Kathy Hinkfuss, and Melanie Parma.
Liaisons: Jeff Mirkes and Leah Weycker.

Members Present: Ald. Barbara Dorff, Gary J. Delveaux, Melanie Parma, and Matt Schueller, Excused: Kathy Hinkfuss and Deby Dehn
Liaisons Present: Jeff Mirkes and Leah Weycker
Others Present: Mayor Eric Genrich, Ald. Brian Johnson, Ald. Lynn Gerlach, Ald. Mark Steuer

C. APPROVAL OF THE AGENDA.

1. Approval of the agenda for the May 11, 2021, meeting of the Redevelopment Authority.

Moved by Ald. Barbara Dorff, seconded by Melanie Parma to approve the agenda for the May 11, 2021, meeting of the Redevelopment Authority. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Matt Schueller, Melanie Parma, Abstain- None.

D. APPROVAL OF MINUTES.

1. Approval of the minutes from the April 13, 2021, meeting of the Redevelopment Authority.

Moved by Ald. Barbara Dorff, seconded by Melanie Parma to approve the minutes from the April 13,

2021, meeting of the Redevelopment Authority. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Matt Schueller, Melanie Parma, Abstain- None.

E. REGULAR BUSINESS.

1. Consideration with possible action regarding a Development Agreement with Merge, LLC for a project at 239 Arndt St. (Parcel 3-551), 101 Bridge St. (Parcel 3-554-A), and 119 Bridge St. (Parcel 3-556).

Moved by Matt Schueller, seconded by Melanie Parma to open the floor. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Matt Schueller, Melanie Parma, No- None, Abstain- None.

Moved by Gary J. Delveaux, seconded by Ald. Barbara Dorff to close the floor. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Matt Schueller, Melanie Parma, No- None, Abstain- None.

Moved by Ald. Barbara Dorff, seconded by Matt Schueller to approve the development agreement with Merge, LLC, with the updated language as presented, and forward the agreement on to the City Council with recommendation for final approval. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Matt Schueller, Melanie Parma, No- None, Abstain- None.

2. Consideration with possible action on requests for planning options for properties located at 420 S. Broadway (Parcel 3-569), 402 S. Broadway (Parcel 3-572), and 419 S. Maple (Parcel 2-947).

Moved by Ald. Barbara Dorff, seconded by Melanie Parma to open the floor. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Matt Schueller, Melanie Parma, No- None, Abstain- None.

Moved by Ald. Barbara Dorff, seconded by Melanie Parma to close the floor. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Matt Schueller, Melanie Parma, No- None, Abstain- None.

Moved by Gary J. Delveaux, seconded by Ald. Barbara Dorff to approve a three (3)-month planning option with Impact Seven, Inc. for 420 S. Broadway (Parcel 3-569), 402 S. Broadway (Parcel 3-572), and 419 S. Maple (Parcel 2-947). Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Matt Schueller, Melanie Parma, No- None, Abstain- None.

3. Consideration with possible action on a potential development agreement with Toonen Properties for a project at 2840 University Ave. (Parcel 21-301).

Moved by Ald. Barbara Dorff, seconded by Matt Schueller to direct staff to proceed with a formal development agreement with Toonen Properties based on the general terms presented, subject to review by the City's Finance and Legal Departments, and being brought back to the RDA for formal review and recommendation. This will need to include either transferring the current development agreement to Toonen Properties or otherwise terminating the development agreement with TMD Properties. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Matt Schueller, Melanie Parma, Abstain- None.

4. Consideration with possible recommendation to the City Council on continuing a financing guaranty with HCW, LLC for a project at 301 N. Adams Street.

Moved by Matt Schueller, seconded by Melanie Parma to recommend that the City formally acknowledge the continuance of the guaranty, that RDA recommend its approval to the City Council, and direct staff to continue to pursue an updated memorandum of understanding with the Developer for adoption by July 1, 2021. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Matt Schueller, Melanie Parma, Abstain- None.

5. Consideration with possible action on a substantial amendment to the 2020 Annual Action Plan for the reallocation of $200,000.00 in CDBG funding from Affordable Housing Reconstruction Project to Infrastructure & Park Improvements in CDBG Eligible Areas.

Moved by Ald. Barbara Dorff, seconded by Melanie Parma to approve the substantial amendment to the 2020 Annual Action Plan for the reallocation of $200,000.00 in CDBG funding from Affordable Housing Reconstruction Project to Infrastructure & Park Improvements in CDBG Eligible Areas. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Matt Schueller, Melanie Parma, Abstain- None.

6. Consideration with possible action to approve a one year lease with On Broadway to utilize 325 N. Broadway (Parcels 5-586 and 5-587) as a pocket park for the purpose of promoting outdoor activity and community gathering.

Moved by Melanie Parma, seconded by Ald. Barbara Dorff to approve a one year lease with On Broadway to utilize 325 N. Broadway (Parcels 5-586 and 5-587) as a pocket park for the purpose of promoting outdoor activity and community gathering. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Matt Schueller, Melanie Parma, Abstain- None.

F. INFORMATIONAL.

1. Update on Housing Study.

Cheryl Renier-Wigg provided an update. No action needed.

2. Financial report and check register.

No action needed.

3. Director's report and project updates.

Neil Stechschulte provided the Director's report and project updates. No action needed.

4. Next meeting: June 8, 2021 at 1:30 PM. (Unless a special meeting is needed.)

G. ADJOURNMENT.

Moved by Matt Schueller, seconded by Ald. Barbara Dorff to adjourn. Motion Passed.
Yes- Barbara Dorff, Gary J. Delveaux, Matt Schueller, Melanie Parma, Abstain- None.

VERBATIM MINUTES

- Let me just shut some things down here. All right. We will start with roll call, officially here, Delveaux?

- Yes, here.

- Schueller?

- Here.

- Alder Dorff?

- Here.

- Dehn? Hinkfuss? Parma?

- Here.

- So, we have four members here and a quorum present, Mr. Chairman.

- Good. Thank God for that. All right. Approval of the agenda.

- Move to approve.

- Alder Dorff.

- Second.

- And Melanie. All in favor signify by saying aye.

- [All] Aye.

- Opposed? Motion carried, agenda approved. Minutes from April 13th. It was a little bit different. We had to kind of look for them. And I found them and I had no problem with the minutes. But did anybody else have a question or a comment in regard to last meeting's minutes?

- No, I'll just move to approve.

- Alder Dorff. Matt?

- You guys, there's only three of us, so you gotta be on the ball here.

- All those in favor signify by saying aye.

- [All] Aye.

- The minutes of April 13th are approved. Regular business, number one. Consideration with possible action regarding a Developer Agreement with Merge, LLC, for a project at 239 Arndt Street, Parcel 3-551, 101 Bridge Street, Parcel 3-554-A, and 119 Bridge Street, Parcel 3-556.

- All right. Thank you, Mr. Chair. Staff will provide a brief overview here. I've actually got, let me see if I can share my slide. Obviously all information is included in your packet. We've been working with

Merge on this for quite some time. I see Joy is here. Thank you for being here, Joy. We'll turn it over to her here after I give some opening comments. So excited to have this one, bring this one forward to the RDA for consideration. Let me see if I can get my slides up here. Let me try to do, let's see here. All right, my share screen, there we go. It's going to be this one. We'll go from here.

- There we go.

- All right, making progress here. Let's see, let's go here. That's the display, swap out. All right, all right, here we go. So hopefully everybody has the RDA screen up here at this point. So we'll stop here. The first item up for businesses is just consideration as was read by the Chairman, a development agreement with Merge regarding a project at Arndt Street here, also known as the Shipyard. Here is a quick demonstration of the site plan that Steph is working on with Merge for the project. You'll see four buildings, several green space areas, and some parking, obviously, are the key areas of the project. We'll talk about multiple areas of some of the public improvements that the city will also be installing as part of this project going forward. So we're excited to be again at this point. So a couple of renderings. These are all, again, all included in your packet for more detailed information. But again, this is a very unique style here of what we're looking at for these. And I'll have Joy maybe just discuss that a little bit more in terms of the ability to kind of generate some views of the waterfront. Some unique architecture that they're doing with the sides of the building's interior to provide that view front. So again, very unique architectural style for the buildings. And I think it's gonna make it an enhanced project. And again, obviously being a very excellent project here, right on the waterfront. So I just wanna very briefly go over some of the basic terms and conditions before turning it over to Joy for some comments, if that would be acceptable. The project is two four-story mixed use buildings, approximately 225 units, with about 4,000 square feet of commercial space. Building one is due to be completed by 12/31/23. Building two is scheduled to be completed by 12/31/2025. Estimated project value is $21 million. Requirements in the agreement as currently stated include at least a $25 million hard construction cost. There is a minimum valuation that is required in order for the project to qualify for the full percentage of TIF assistance, that's 18.75 million. In order to qualify qualify for a prorated amount of money less than that, if it comes in less than 18.75, it must still be at least $15 million 1/1/26 to qualify for a portion of the TIF assistance that would be generated by the project. So there are some flexibility built in there as part of the project, but there's also some guarantees and some protections built in for the city to ensure the value is generated as required to help pay for other aspects of the project. These specifically funded improvements are for the Arndt Street and Bridge Street installation that will be kind of coming in to help serve the project. A lot of the Shipyard recreation improvements are gonna be phased in throughout the project. Specifically, I believe it's the trail along the waterfront, the floating dock, and the kayak launch are all part of phase one, will be going in actually this year if the project proceeds. Other improvements listed there will be kind of built in in conjunction with the development project as it continues. So, the TIF assistance itself is a pay as you go, as we have tried to do on most of these, as you've seen some other projects that have come forward to the RDA. It is up to 70% of the annual increment. The cap on the the assistance is up to seven and a half million dollars or qualified expenses, whichever is less. The qualified expenses are identified in the agreement in terms of a variety of infrastructure improvements, brownfield related items, and other site preparation work as well. So we did want to make a note. There was one additional bit of language that we wanted that, after we submitted to the packet, there was an addition of language, this additional language on Section III, sub paragraph B, item 4i. It was a PAYGo reimbursement shall be available to the developer unless and until the developer challenges any of its real property taxes for the project below $22 million. So they just wanted to make sure that there was some ability to still control that, but also that it was, the city had a protection to, again, once again ensure that there would be adequate revenues to pay for improvements as defined. So, at this point, staff is recommending approval of the development agreement and that RDA recommends approval and forwards the agreement onto the city council for final approval.

- Neil, you said the developer's here?

- Yes, they are.

- Okay.

- And I think if, certainly if there's any questions, staff is available to answer them right now. Otherwise, the RDA certainly has the ability to open the floor to hear from the developer.

- Yeah, I personally like to hear a high-level recap from their perspective. I'll entertain a motion to open the meeting.

- So moved.

- Matt. Melanie? No?

- Oh, she's, still muted.

- You're muted. Melanie, you're still muted.

- Oh, I'm sorry. Yep, second.

- There you go.

- All those in favor signify by saying aye.

- [All] Aye.

- Opposed? The meeting is open to public comment. Please.

- Let's start off. Yeah, Mr. Chairman, if it's okay, we'll ask Ms. Hannemann to provide some opening comments from the developer.

- All right.

- Sure. Thanks, everybody, for having me today. And thanks to the city staff for all the hard work and commitment to getting the project at this point. We've been working with the City of Green Bay for quite some time and things certainly went on pause for a while because of the challenges we faced with COVID-19. But we are really pleased to bring this back to your attention. And the project hasn't evolved, it hasn't changed. I wanted to make one clarification to Neil's introductory comments. The site plan can be a little misleading with the two connections that are in between the wings of the buildings. There are only two buildings in this development plan and they are connected with, connected at the base of these two wings. And the purpose behind that design is really to orient every unit to have a view of the city of Green Bay's natural resource assets, being the waterfront there, and the future Shipyard development. So around 225 units. With the approval of this development agreement we would be able to go full speed ahead with our construction documents and continue to communicate with the RDA, city staff, and city council, as those become more and more developed. And we would be prepared for construction in 2022. With some of the development that we have, that was a little bit more developed when COVID hit us in the region, include the BRIO Building in the city of Oshkosh. And we've seen great success with that project. We're gonna be opening in August. And it has really solidified, not only Merge's commitment to the region, but also our investor network's commitment to the region. So we're very excited about this project. And thanks again.

- Very good. Alderman Johnson, you must have some questions, I would guess, it's in your area. Brian? Maybe not.

- There, how's that. Can you hear me now?

- Very good. Yeah, please, go ahead.

- All right. The slogan of 2020-2021. Can you hear me now?

- You're right.

- Yeah, just a couple of questions. A couple of things, and real quickly, Joy, Appreciate your commitment, and Merge Urban Development's commitment, to find a home in Green Bay. Obviously this is an exciting thing for us to consider and to see that site redeveloped, and having experienced developers like yourself step up and want to have a crack at this opportunity, it's really exciting, so thank you. And just a couple of questions maybe directed at staff. One of the things that we talk a lot about I guess, is that Shipyard area. And I noticed that in the contract, there are requirements for us to complete construction of the Shipyard in phases. And all the way through the end, in terms of the way that that rendering has come before us, city council has authorized $10 million for that. I know that we've spent some. Is there going to be sufficient enough funding for us to complete that project?

- Yes, certainly, Alder. And I'll certainly defer to Mr. Buchanan in terms of some of the sources we have or I think Finance Director Ellenbecker is also on the call.

- Just a followup, Neil, and what if there isn't enough?

- Yes. Fair question. At this point, I believe there were, I agree, Alder Johnson, there was $10 million that has been allocated. I think we've only borrowed and kind of committed to approximately $2 million of that at this point, is my understanding. I think we are looking at a significant amount of the funding that has already been committed in terms of looking at some of the EPA grants and other things in terms of for the site prep. But specifically related to the improvements, I think Mr. Buchanan actually has a detailed breakdown of how we're planning on paying for the phase one of the improvements, and I think Director Ellenbecker can actually explain some of the overall funding strategy related to that $10 million request. So, I guess start with Matt. Could you just provide a thorough breakdown of the phase one improvements, how we plan on paying those?

- I'm sorry, give me a quick moment here.

- I'm assuming we have a share screen coming up, here it comes, okay, there we are.

- All right. Let's see. Costs, just in case this question came up. So far we have spent roughly 1.2 million on grading and remediation for this site. A million dollars of that is actually reimbursable through WEDC grants. 200 would come out of the TID. We have spent a little bit over $500,000.00 for engineering consulting. A lot of that did go toward engineering for the mass grading, which occurred this past summer. And then we also did spend some money on acquiring properties along Broadway to help support the Shipyard Project, in case we wanted to provide some additional parking. Moving forward, now you have to keep in mind a lot of these costs are projected. Costs are pretty wild right now. And some of the later phases, we know those are gonna shift. So phase one, we anticipate $4.5 million invested in the waterfront. That would pay for the riverfront promenade, the kayak launch, the boat slips. And a lot of that would come out of the TID, but we are also actively applying for more grants. We've secured some funding through the U.S. Fish and Wildlife Service for habitat enhancement. $500,000.00 through EPA for environmental for that phase one. And we hope to secure some additional grants here yet this year that we've submitted application for. So we hope that number will come down as we start to secure more and more grant funds. The Arndt and Bridge Street improvements would happen during and after the Merge project. Currently we're looking at about 600 cost for that, for those investments. Phase two and three, those are bigger ticket items, but they will come with time. We know that we'll generate some additional increment as private investment continues, beyond just Merge, but other projects in the area. So that is some funds we anticipate receiving in this TID district to help cover some of those future costs. Diana Ellenbecker might be able to weigh in a little bit more than I am with her expertise on finance, more so than me.

- Sure. Hello, all. I can just give you an overview to date. In 2018, we borrowed $2 million, 2019, we borrowed 1.5 million, and in 2020 we borrowed $2 million. So in total we borrowed about 5.5 million for this area. One of the million was used for Badger Sheet Metal. So, we don't call that really necessarily the Shipyard Project budget because that's really not on the waterfront. That's kind of on the other side of the road on Broadway. So that would say we really borrowed $4.5 million for the Shipyard so far. Again, any estimates going forward are just, as Matt was just saying, is estimates. Obviously costs are very high right now. We are actually discussing our CIP at Finance Committee tonight. And right now, as of, at this moment, we have about 6.5 additional borrowing in there, which would be a total of $11 million. As Alder Johnson said, at some point we did get approval for a $10 million project. We know that costs have been coming in higher. We do have slightly elevated requests in, but we have it as a phased approach. Again, in the CIP, we're looking at potentially about $2 million again this year, maybe $2 million in 2022, and then about two and a half for 2023. But again, that is going to vary base on how, one, Merge agreement, and on the timeline of the different phases in which we put the project in. So that is still up for discussion every year as we get to the borrowing phases. So again, total, we have about four and a half million borrowed so far for the Shipyard. As Matt. All that money. So we still have money sitting in the fund balance in that TIF yet to be spent towards some of these projects for some of these phases yet.

- So I guess I would add to that, thank you, Diana, and thank you, Matt, is obviously the importance of adding additional value increment to the district here in this area and this project is obviously critical, I think, to funding those later phases and ensuring there's adequate cashflow to fully fund those, Alder Johnson. So, if that doesn't happen, we may need to revisit some of those different aspects of it. I think I'm feeling comfortable, certainly, with the, I think the middle phases that were described there. I think the container park is kind of maybe the X factor in terms of how that comes forward and what sort of costs might associated with that particular aspect of that. If we don't see additional increment come in at that point, we may need to revisit that particular aspect of the project to ensure that there's adequate revenue streams being created in the TIF districts to fund those improvements.

- And I think that's where my concern comes in, a little bit, is if we are contractually obligated in this development agreement to those things, what happens when the city, or if the city, I should say, defaults?

- On that last point, if I could, the phase three container park development piece, as I've said to, I think to Alder Johnson privately and to the RDA publicly in the past, I really think that that is going to be. Development. I don't see the container park being a totally publicly funded development. I really see that evolving in that direction. So, I think that is gonna, as Neil said, kind of be the X factor there. But, of course we have seen a lot of interest in the neighborhood, in the Shipyard neighborhood of late. We have a couple of planning options to entertain later on in the agenda. So to Neil's point, future private development is gonna be key to generating that increment. But I personally am not wedded to the container park or however that concept evolves to being a publicly funded development. 'Cause I think that is a significant cost that I'm not sure the city should necessarily be bearing.

- Yeah, and I would echo that sentiment, Mayor. You and I, to reiterate that point, have talked about that publicly and have both agreed that in an ideal scenario, you find a private developer who will come in and do that. And in fact though I think, it's just, my concern is only the fact that it's included in the development agreement. And again, if you don't find a private developer to come along and do that, that's where my concern comes in. I just, I want to make sure that we're properly contemplating that. Matt, one other, are you able to throw those numbers up there again, Matt? Because it goes back again, the issue of city council has authorized again the $10 million for Shipyard. Of course if it's going to take more, we have to go back to city council and there's no guarantees with that outcome. So what I really want to do is understand, when you had those numbers up there, Matt, like the Arndt Bridge Streets, for example, and I'll just pull that one out as an example, 600,000.00. Does that have to be part of the Shipyard budget? Or can it just be part of the capital improvement plan, part of our annual bonding request to say, hey, if development to happen, this is an obligation that the city needs to meet, but it doesn't necessarily need to come out of a Shipyard funding. And I think that you could say that about some of these other things as well. When we passed Shipyard, it was my understanding that it was related specifically to the southern end of that slip. And again, this is just my understanding, please correct me if I'm wrong, but I think we're using Shipyard dollars to make investments on the northern end of that slip to help accommodate development. So I'm just curious if we can separate that, so that you can continue to leave Shipyard money with Shipyard and look at annual bonding requests to make those other accommodations. Is that a possibility?

- I believe so. I think probably Neil and Diana would be able to answer that better than I could, but we've had conversations about finding other ways to fund all of these improvements, whether they're grant funded or other pots of money that we've got.

- Yeah, I think that's absolutely, at the end of the day, Alder, it's certainly a council prerogative to do that. I think obviously with, we think the the district is certainly the, I think an appropriate funding source, at least at this point in the venture, that we're anticipating that adequate funds will be generated through the projects, for this project and future projects to fund these items as we're going through and approaching this. But as we go down and if for some reason the development doesn't occur as quickly as we would like it to see, we may need to revisit that and do something on that. Whether we want to do that upfront and try to build some cushion in right away and work something in like the street improvements and do just a general borrowing or do something on the back end later on to build some flexibility. I think certainly staff is willing to certainly go with whatever direction council's prerogative is on that

- Neil?

- Yes.

- Real quick question, or real quick solution. Within our general ledger, we did have special projects, project numbers set up for what we called the Shipyard Project for the south slip, and then for on the north of the slip, and then we also have the Badger Sheet. So even though we all are kind of calling it the whole Shipyard area project, we did separate it within our general ledger. So that is a good point. I'd probably go back and look at what the council did approve when we talked about the Shipyard Project, and it probably is very easy for us to separate what is Shipyard expenses and what are maybe what we call the north side and what is also the Badger Sheet. Of course that enhances the whole area. But if, you're right, Alder Johnson, if we specifically said the Shipyard, we should be able to separate that. And then we could, maybe that 15 million comes in a little closer to 10 or something less than that, or less than the 15 that we're showing as if we're specifically talking just the Shipyard Project.

- Yeah, I think it would be more appropriate if you could do that, because I think otherwise we're starting to include maybe infrastructure improvements that were out of the intended scope of the Shipyard and are really contributing to obviously development proposals such as this one. Okay, and then one of the things that I think about of course is the need that, when we pass it again, and I know we're talking more about Shipyard, but this is all interconnected so tightly, but when we passed the funding for the Shipyard, it was with the intent that we would keep that off of the levy. And to do that, and I'm going to use round numbers. And if you know the exact ones and can correct me, please do. But, if I recall, it was around 30 to 35 million of new increment that we needed to create over the space of maybe eight to 10 years in order for us to achieve that. When I look at this particular development agreement, we're looking at an incentive that, depending on the numbers that you use, could be anywhere from 35 to 50%, and that wouldn't contribute to that increment then. Is there any concern on the part of staff that there's enough buildable land and enough value that can come to the table over that period of time to ensure that we can pay off this TID appropriately?

- That's a great question, Alder. I think in terms of right now, it does not appear to be an immediate concern. Certainly it's, we can say that, but until we actually have projects plugged into the pipeline and people breaking ground and moving forward, that's always going to be a question. At this point, certainly the pandemic didn't help us any in terms of losing a year or two, in terms of the ability to generate increment. But I think at this point, I would say that I'm confident that between the projects being discussed today and other ones that have not yet been identified within this district, I think there should be, right now I would say I am reasonably confident that there should be enough increment generated to primarily fund the majority of these projects. I think in just glancing at the agreement, to the language, for the phase three, in terms of the container park, the city's obligation is basically generating the commercial plaza, it says with permanent or seasonal structures. I think the plaza is kind of probably gonna be the key element of that. And I think that necessarily the private development aspect of that is not necessarily included. So I think that five million is, probably includes both of those aspects of it. So I think there's a little bit of extra cushion built on on that. So it's pretty much preparing the area for whatever that development's going to happen in that plaza area, not necessarily having it up and fully ready to go. And obviously, certainly working with Merge as we go forward and as they're going down their schedule, certainly there may be ideas or other aspects that come up for that phase three that will allow us to either, we value engineer it a little bit, or to come up with another aspect of project that will actually generate additional revenue to help fund the project itself.

- Okay, and so when I'm looking at, I think the incentive is offered up to 70%, correct?

- Correct.

- And so of course that leaves 30% in terms of project valuation. So on a 21, $22 million project, you're looking at six, six and a half million dollars, evaluation that would contribute to that overall amount, new amount that we need to reach.

- Correct.

- And so I'm just trying to, I'm talking through this out loud to make sure everybody's on board, everybody understands the actual numbers behind this and what we need to achieve beyond obviously the the scope of this agreement.

- Actually, I think the easiest way to say it, Alder Johnson is you can't have too much increment. That's never a problem.

- Yeah.

- We would love to see as much development happen here and as quickly as possible. And I think the folks sometimes, certainly, where we focus on the dollar figure, I think the urgency and the timing of it and getting that increment in the ground as early as possible, really gives us the maximum flexibility to generate sufficient revenues. So, time is of the essence. There'll be language you'll see in these development agreements very often. That's very true in terms of getting these projects in the ground, getting an assessed value on them, and getting a tax revenue coming in to help fund these improvements. The more time that is allowed to do that the better. And we do have a statutory limit as far as how long the district can remain open. So we do have time constraints that we need to deal with. So getting these projects in and built and paying taxes, and generating that revenue stream, is certainly critical, and the earlier the better.

- Okay, and just one final question. Certainly I. Project and typically has slightly higher incentive. There's more risk, and in this case, infrastructure needs, perhaps some environmental issues that need to be addressed. Can you just walk us through, in the spirit of transparency, kind of walk us through how we came upon, I guess, the incentive amount that we did? What were some of the contributing factors that would prompt us to perhaps have a slightly higher or a higher incentive rate than what we traditionally might offer on a more established site?

- Sure. I can certainly take a stab at answering that. Certainly the enhanced risk that is occurring right now with this development, and really development in general, certainly due to the uncertainty with the pandemic, the difficulty in kind of arranging for capital financing as this, as other projects we'll be discussing later on today, are requiring multiple levels of contribution from state agencies, from local municipalities, from private banks, from grant programs, from a variety of different sources. And depending on what the nature of the project, what options, in terms of what the capital is available to help fund the project, certainly varies, depending if it's a market rate project versus an affordable housing project. So certainly that can change as well. The market rate project, we're looking at at this one, some of those more traditional ones we've been used to seeing, such as WHEDA tax credits, other things, those are not available for this particular project. So, that's a good news and bad news type of arrangement. The good news is that we're not reliant on a highly competitive program to try to provide that sort of funding source to try to really get in there and work with this. It is increasingly difficult for development projects to qualify for those types of funds. So we're not reliant on that. But then the flip side is, certainly with things like construction costs increasing still dramatically, obviously still things like lumber shortages, and lumber and steel both going through the roof in terms of pricing still, or not having seen any relief in terms of those as well. It kind have has caused staff to certainly take a look and really establishing that percentage, which is at 70-30 in this agreement. Actually, several of the other agreements we have done have been at 80-20. So actually this is actually a little lower than a couple of the other arrangements that we actually are looking at. So while the overall amount is certainly significant, again it's kind of the mantra, the nature of this assistance, it's also being provided over time, prevents the challenge, in terms of not being able to have the present value of money. Obviously, if this was an incentive that was just being provided upfront, it would probably be considerably less than the $7 million or seven and a half million. And that is, just to be clear, that is kind of the cap. It can be less than that. The project obviously has to maximum-ly perform in order for that to hit that dollar figure. So, certainly the timing. I think the necessity from us to wanting to get a project in for cashflow purposes. And just the general economic conditions related to this particular project, really kind of caused us to really look at it from really from a cashflow standpoint and look at it and believe that, because it is generating the cashflow that it will at the 70-30 rate that staff is comfortable recommending that we proceed on a 70-30 ratio.

- Yeah, and it is a PAYGo, right? So you mitigate risk exposure on the city's end. So that's not really the concern there. And I think, Matt's done a lot of great work with some of those brownfield grants that I presume have been applied to, to maybe take care of some capping issues that needed to occur over there. And some other challenges that that site presented that other developers, quite frankly, they've said, hey, I've got a greenfield I can go over to. I don't know if I want to take this one on. And that's the value of somebody like Merge Urban Development, they get it.

- Absolutely. Yeah, that's absolutely true, Alder Johnson. These sites, while they are very attractive in terms of just general real estate, tend to have a tendency to have some challenges underneath the surface of the soil. And I think that the opportunity of getting, again, this quality of project in, and as I said, getting that increment in, it does just check most of the boxes I think that we're looking at, if not all the boxes, really, for a goal for a project for this location. So we're excited to have this one on the docket for your review. And it's, again, from a cashflow standpoint, we agree it is certainly, it is not an inexpensive one, but we think we're getting our value for our dollar with the investment that's being brought forward.

- Okay. Thank you, Chair, for indulging my questions.

- No, very good questions. Excellent. Matt, could you recap the grants received already and grants that we hope to apply toward this total cost?

- Sure. So we received two grants from the WEDC for brownfield cleanup, two grants of $500,000.00, so a total of $1 million for environmental remediation. An additional 500,000.00 from the U.S. EPA for environmental remediation and capping. We've received 154,500.00 from U.S. Fish and Wildlife for habitat restoration along the water. And we've submitted additional grants to U.S. Fish and Wildlife for the fishing pier. I think as we continue to move the project forward there's lots of other opportunities for all the other recreational amenities that we've got proposed in this.

- Excellent.

- So, we continue to look for opportunities and with, it seems to be a lot more money being fallen from the federal trees lately. There's more opportunities for us. We don't want to apply too early in the timeline because usually when you apply for a grant you're required to spend it down pretty quickly, in so many months or years. So we've gotta get the timing right. But, I'm pretty confident we'll be able to secure a several hundred thousand dollars worth of more grants as we move the project.

- For your efforts in the past and all your efforts in the future, we really appreciate it, excellent job. Questions for Joy? Anybody have any questions for Joy? If not, I'll make a motion to go back to the regular order.

- Second.

- I guess I made the motion and Alder Dorff seconded. All those in favor, signify by saying aye.

- [All] Aye.

- Opposed? We were back to regular order of business. First of all, I'd like to commend the staff for all the great work they have done to date on this. This is a critical project and a critical part of the city. So, I really appreciate everybody's hard work. I know it's been an uphill battle, especially with the pandemic. But I think we have a nice project here.

- Mr. Chair, on one note, if I could, just specifically acknowledge the Finance Department, Ms. Ellenbecker, and Ms. Chavez, the City Attorney, for their work and review and assisting with this. It has been absolutely invaluable, certainly these last couple of weeks, to help bring this forward.

- Excellent. With that in mind, I'll entertain a motion.

- I will move to approve the development agreement with Merge, LLC.

- I second to Alder Dorff.

- Okay, we have a motion--

- One quick clarification, could we please just make sure and reference the one addition that I presented in my slides, to ensure that that language was included about just the, challenging their assessment up to $22 million. Just the one that one amendment that was presented in my slide presentation. I just want to make sure that that's included, please.

- Alder Dorff, could you--

- With the, yes, with the amendment that was presented in the slide presentation.

- Thank you, Alder.

- Okay.

- Matt?

- Second.

- Okay, there's been a motion and a second to approve the development agreement, with the addition of Neil's addition, period. Any questions or comments?

- I just have one question. Neil, is that slide presentation somewhere in our packet?

- No, it is not, Alder. We can make it available though, if anyone would like us to forward it on.

- It was good and I wanted to look back at some things, but I just couldn't find it. So, okay, no, thank you. That's all I needed.

- Okay, any questions or comments in regard to the motion or the second? If not, all those in favor signify by saying aye.

- [All] Aye.

- Opposed? Motion carried. Thank you. Thanks for everybody's hard work. And good luck, Joy. It'll go well, I guarantee you. Thank you. All right. Number two. Consideration with possible action on a request for planning options for properties located at 420 South Broadway, Parcel 3-569, 402 South Broadway, Parcel 3-572, and 419 South Maple, Parcel 2-947.

- Next, Mr. Chair, we will--

- Yes, please.

- We will fire up some slides here once again. Let me get that up here. We will go to... All right, here we go. Hopefully that is all up and available for everyone to see. This is the Badger Sheet Metal site. Here specifically is our project that we were taking a look at. We have two different organizations that have requested a planning option at this point. Staff has been in conversations with Impact Seven for several months now on, regarding on this site. We had an additional party express interest in the site, General Capital Group, here within the last month. So both of them have requests for planning options before us here today. So I'll just briefly recap the two proposals that we have in front of us. Very briefly, Impact Seven, to summarize, is three four-story buildings, right about 238 units, targeting 80 to 110% of the county median income. This is a unique income level that we have not seen from other projects. Usually they have been either lower or market rate, lower than this or higher at a full market rate. The project is proposing to include at this point 9,400 square feet of commercial space. The construction, estimated construction cost is between 45 and $50 million right now. The funding package, capital stack for this program, includes Opportunity Zone Funding, as well as refinancing with HUD 223, which is obviously a federal financing program. And then certainly we'll be including, as an undisclosed amount of TIF assistance being requested at some point. The schedule is to have a proposed completion by end of 2023. The specific request from Impact Seven was a nine to 12 month planning option. Just a quick, just one sample. Again, in your packet there are multiple sheets, including some with illustrations of what they were having. This is kind of the initial kind of scaling model that would show at least the size of the building. It's not meant to be a rendering of the full architecture, rather to just show the possible scaling of the building. Again, for more details, in your packets. The second proposal was from General Capital Group. It was about 100 units. It includes 84 apartments and 16 townhomes. They are targeting 20 to 80% of the area median income. Including 2,000 square feet of community space, what they're referring to as a more community service related type of a user incorporated into the space. This project would be competing for WHEDA tax credits and would incorporate obviously an undetermined amount of TIF assistance at this time. The proposed completion date would be 2023. And they are requesting a six month planning option, was their specific proposal. Here's, again, a quick example of General Capital Group, but again, General Capital Group has only been working on this really for the last month or so, so have not had a whole lot of time to put extra interest in site. However, they have expressed interest in being considered for having a planning option on this site, as well as the other developer, Impact Seven. So right now, staff is, based on the information and review on both of these, just at this point, we're prepared to recommend approval of a three month planning option with Impact Seven for this site. We believe actually both proposals are very competitive. We believe both developers have excellent resumes and really great experience. Because of the amount of work that Impact Seven we know is already having on the site, we have kind of given them, certainly, a little bit of the nod here. The density, staff believes the density is good. We like the income level that they are marketing. And it does provide a little bit of a, I guess a comfort level in terms of not being contingent on WHEDA tax credits and competing for those in order to move forward. So, there are certainly several opportunities and I think advantages that their proposal has at this time. Again, they have spent a little bit more time working on the site than General Capital has had the ability to do at this point. However, again, there is certainly no concerns from staff standpoint in terms of the quality of the developer or their ability to do a project that would actually fit in very well with the particular sites. So again, we're hoping that with reducing it down to a three-month planning option, that Impact Seven would be able to show substantial enough progress on the site that we could certainly revisit that in three months and decide whether it's a go. Assuming that it was satisfactory, additional consideration could be given at that time if additional time was needed, or we could proceed hopefully with a formal development agreement at that time. If for some reason they were not able to proceed and move forward, this would still give us the ability to go out and either contact General Capital or go out to an RFP in the future to try to make that as an option. So with that, I do know that, I believe, I certainly have folks from Impact Seven are here. I believe, well, I'm not sure if I've seen every, I believe we have someone here from General Capital as well to answer questions if there are any specific questions on either project.

- Neil, what would be your expectations from deliverable perspective at the end of three months?

- I think certainly a firming up of the financing package would certainly be, but certainly to the extent that they can, would be ideal. Obviously progress on the design elements and work in terms of working with our staff and establishing what the actual final design and architecture would be for the site. I think probably the two main areas we would be concerned with I think, Mr. Chair, obviously there are other aspects of the project. We're certainly happy to discuss and work with as we go through on the project. But those would be the main areas where we would like to see additional progress made.

- Okay. Alderman Johnson, this is in your area as well, isn't it?

- Yeah. I mean, I support it. I always cringe a little bit when developers say, hey, I have this idea for this site. And then our reaction is, hey, that's great. We should RFP and let other people join in. And it's like, but no, it's my idea. So, I always cringe at that. So the fact that these guys came forward and said, hey, here's a proposal. And I understand that another one came at the same time. I do like the initial concept a little bit better from Impact Seven. Because it aligns more effectively I think with the Shipyard Corridor Plan. So we have to recognize, we created a plan. The purpose of the plan is to follow the plan. And so if the only reason that I would favor an RFP is if at the end of this three months they come back with a plan that doesn't align with the Shipyard Corridor Plan, then I think there's reasonable questions to be asked at that time. But, that would just be my one request is, as Director Stechschulte's working with whoever I guess is at the end of this vote, is granted the planning option, that they fully are aware of the Shipyard Corridor Plan and that their proposal does align with that. As long as that happens, I see no reason to have to RFP.

- I think we should open the meeting, get reaction from Impact Seven in regard to what we feel are deliverables at the end of three months.

- Okay, I move to open the floor.

- Alder Dorff.

- I'll second.

- Second by Melanie. All those in favor signify by saying aye.

- [All] Aye.

- Opposed? Impact Seven?

- We have Michael. Michael, are you gonna be, Michael Carlson from Impact Seven, is that to you? I assume you're our guy?

- That's me, sure. Sure, I'd be happy to speak to that, thank you. And I can report that we are actually actively undergoing, both these items here actually, actively working on both those items. The financing package in particular, the details of that, I guess curiously enough, are being. In the project that we're currently working on in Janesville right now, where we're kind of refining a capital stack that we hope is repeatable in different communities that have similar housing markets and rental levels. And that capital stack includes HUD 223 Permanent Financing, some PACE financing, which is like an energy efficiency financing during construction period. And then as well, kind of our first forays into securing either Opportunity Zone Investment capital or more broadly speaking, just good old-fashioned co-developer or co-partner investment capital for the project. Really the Opportunity Zone location is sort of a means to an end, but we have other doors that we're knocking on currently for folks that will be interested in partnering with us on that equity end. We are close to refining that capital stack for our Janesville project. And the sources that are included in that are, we'll say repeatable enough, that we're confident we could, in a sense, translate that financing structure to this project here. The Broadway project otherwise has a strong degree of support inside Impact Seven with our leadership. We're right now actually establishing a property management capacity in Green Bay in light of a contract, a competitive contract, that our property management group, Impact Management, just secured with the NeighborWorks Green Bay organization. We're gonna be taking over the management of their portfolio. So by the time this project would come online, our property management apparatus would already be up and running and be very familiar with the market, and be able to hit the ground running as far as pre-leasing is concerned. In terms of design progress, we have kind of asked our architects to pause as far as more particular design work, specific design work, than you're seeing in that site massing and rendering, I guess with the understanding that I've made some, while maintaining the overall building masses and the overall finished square feet, I've revised, from what you see there, I've revised the unit breakdown a bit to emphasize more the two bedroom, two bath units, as opposed to the one bedroom, one bath that the architect was proposing in their space study. But that overall building mass is the same for what we'd be proposing relative to a final design. Also, we've been communicating actively both with Mr. Torrence Casey, who owns the barbershop or runs the barber on site there, as well as the staff from the Green Bay Bicycle Collective, both of whom are interested in either staying on site or relocating to the site there. And in the case of Mr. Casey, our massing concept there, you could see at the corner of Broadway, where those trees, those existing trees and sort of that small plaza, are currently there, and we propose leaving those there and essentially kind of incorporating Mr. Casey's space or reconstituting it at that scene general location within the new development itself. He's had a chance to look at that massing study and he's very interested to stay on the site there. And we would work with him then actively to ensure that the redevelopment of that area would allow him to stay there at a rent level that he can afford within his business. And we've had similar conversations then with the Green Bay Bicycle Collective. They're also very interested in locating on site there as well. And that seems like a very complimentary use for that project. So in terms of those kind of general scoping and programmatic aspects, we've continued to work forward on that in the design. And once we can really get the budget refined and get sort of a conceptual budget approval with the city on that, that's where we would have the confidence to really start honing in on those final, the actual building design itself in terms of what that exterior envelope might look like and really refining the plan. But I'm actually very pleased with the general massing that the architects have provided there. I think they took our feedback and really heard what we were going for. I like the way that it fills the site. I like their treatment of the parking and structured parking such that we avoid potentially running into underground environmental or water issues. And I think they've really respected the overall character and demeanor of sort of the urban infill nature of this site, not only with its existing context, but then also as it relates to the additional new Shipyard development that's going in. I think this could be a really nice complement for that overall development sequence on the south side of Broadway there.

- Michael, can you explain the parking a little bit just so folks understand, 'cause that's a pretty unique aspect of your submittal. Can you just explain the design of that? What exactly what that is?

- Sure. You bet. I'll describe it as structured parking versus underground parking. We see this a lot, I'm talking to you out of Madison right now, and we're starting to see this in a lot of buildings in town here in fact. Whereas opposed to underground parking, developers are putting in a structured or we'll call it covered parking at grade parking, that's essentially hidden from the street view by the building massing. And then in the case of our project here, it's capped with essentially a green roof that serves as a shared plaza for the folks in those two buildings up in front. So you have the advantages of structured, covered, sheltered parking, but it incorporates, I think very tactfully and very creatively, I'd say, with the plan as a whole here. So you can get that aspect and the marketability of the covered parking. And here, in light of some of the concerns that we've heard about soil issues and whatnot. This just seemed like a better approach as opposed to perhaps risking unearthing either an unanticipated water or environmental issue subsoil. And that's, soils can really be devastating to a project cost and really, you really never know what, we do a lot of upfront soil testing, but you don't know what you're gonna really find until you start digging. And so if we can sort of head that off at the pass and anticipate those costs and in a sense plan around them, that's really our goal here.

- Any questions for Mike or Kate from Impact Seven?

- Yeah, it would just help me a little bit, Mike, if you could talk a little bit about Impact Seven's experience, number of projects you've done, where, and type.

- Sure.

- Just trying to get a sense of your experience and kind of success in the marketplace.

- Yeah. You bet. Well, I'll tell you, this is our second effort to get a project going in Green Bay. We all had the chance to meet with you last fall or late, late fall. We applied for that Walnut Street site, maybe that'll ring a bell, as a 9% tax credit site. Sadly, we did not get the credits for that. But we're so motivated by the community here and understand what a good housing community Green Bay is that we feel compelled to find another opportunity here. Impact Seven is a 501 nonprofit, as well as what they call a CDFI, a Community Development Financial Institute. We're headquartered up in Rice Lake, but we live and work all over the state of Wisconsin. So, as I mentioned, I'm talking to you right now from Madison. We've been around for about 50 years. And if you can imagine, the Highway 29 line that connects Green Bay to Eau Claire, a lot of our older housing portfolio is north of that Highway 29 line and is reflective of the history of the organization, really during its first 20 or 25 years of operations, where we were doing a lot of HUD projects, elderly and disabled housing, housing projects with the Native nations up in northern Wisconsin. And then south of that Highway 29 line is the bulk of our multifamily portfolio, our tax credit, in particular low-income housing tax credit multifamily projects that we've done over the years. In total, we own about 1,200 units. Manage those actively with in-house property management. Right now we have about a 97% occupancy rate across the state, even after COVID and the effects of COVID. So our property management is very successful at keeping our units healthy and well-occupied. And then in light of that contract, the NeighborWorks Green Bay contract, we've just added an additional plus or minus 200 units into that management portfolio. In addition to the real estate development and property management work, we have a third division, which is that the business development division that administers an allocation of new market tax credits that we apply for routinely, and then also offers business development loans as part of our CDFI charge.

- Great. Thank you.

- You bet.

- Anybody else have questions or comments for Mike or Kate?

- I do, Chair.

- Melanie, please.

- Yeah. And so, as we talk about a three-month planning option, is that agreeable to your team?

- It is. If we could build a proposed extension in there, provided we're meeting these benchmarks, such that we can keep working with the site. But I think in terms of these deliverables, these seem very reasonable. I suspect actually probably by the end of this month we'll have that financing package ironed out. We're really kind of refining the why's and wherefores on just making sure that our funding sources are compatible, especially with that HUD 223 funding and just see what we have to anticipate to ensure that we're in line with federal guidelines there. In terms of the further design progress, I think easily within three months we'd be able to generate conceptual building plans, in terms of the floor plans, unit allocations, and really starting to refine those floor plans. Sense then of what the exterior of the building would look like. So I'm very comfortable with these timelines. This fits in very reliably with what we're already doing and what's been in place. So, if this gives us a couple more months to come and make a good faith effort and say, yep, we've got our financing package. Our staff committee has reviewed this and we've got the go-ahead to really move with the architects and move into, incur the expenses of, say, design, development versus simply schematic. I'm confident we could meet those deliverables.

- Very good. While we still have the meeting open to the public, is there anybody from General Capital Group that would like to make some comments?

- Oh, might be on mute.

- Let's see, Josh is here. Let's see if...

- Sid was on earlier, he had to hop off for a planned call. We were late to the game, obviously, and late to the call. But I'm on the phone and happy to say a couple of remarks about our project. Our project is a traditional 9% tax credit deal. It would have the community serving facility, as Neil described, which is a facility run for people, or geared towards people making less than 60% of the area median income. We're excited by the prospect of this project and where it's located and feeding off the vibrancy and the economic revitalization of Broadway. At the same time, we've always been upfront with Neil and Matt and others that we've talked to in the city over the last couple of months. And more recently, about this project, that, hey, we don't want to step on anyone's toes, but, and want to wish Impact Seven the best of luck on their project as it moves forward. But if something should shake out and the deal falls through, we would be more than happy to jump back in with our plans or revise our plans with you to structure a competitive application for the cycle next year.

- Thank you. Excellent comments. And I think there's gonna be other opportunities in Green Bay, I'll guarantee you. Thank you.

- Yep. I appreciate that, thanks.

- Any other questions or comments for either of the developers? If not, I'll entertain a motion to go back to regular order of business.

- Motion to return to regular order of business.

- Alder Dorff.

- Second.

- Second.

- Melanie. All those in favor signify by saying aye.

- [All] Aye.

- Opposed? Motion carried. So we're back to regular order of business. And I will definitely entertain a motion. I tell you what, since we're only at four, I'll make the motion. I'll make the motion that we approve the three-month planning option with Impact Seven. And good luck, Neil and Mike and Kate. I've got a feeling it's gonna be a beautiful project. That's the motion.

- I'll second it.

- And there's a second by Alder Dorff. Any questions or comments?

- Just a comment. Did we want to add any sort of proposed expansion or leave it at the three-month and then reevaluate at that time?

- Neil, where are you?

- Yep. Certainly staff is probably okay either way. I think as long as, our point of saying, as long as there's substantial progress demonstrated on that, certainly I think staff would be in a position to either, certainly we'd love to see a formal development agreement entered at that time or moving forward. But if there's still, and my guess is at that time, certainly if there's substantial progress that has been demonstrated, I don't think staff would have any problems recommending allocating some additional time for them to wrap up their work. I think we're certainly comfortable either way, whatever the RDA would prefer.

- Right. And we always have the option of extending. So I like leaving it like it is right now. And we'll see where we're at in three months.

- Yeah. I'm comfortable with that.

- So there's a motion and a second.

- Chair?

- Yes, Alder Johnson, please.

- Thank you. If I could just make one request, if staff hasn't already done so, and I'm sure you probably have, but could you be sure that they receive a copy of the Shipyard Corridor Plan? And also I was thinking that the EDA is the one that took on that plan and passed it. I don't know if RDA has seen it, but if not, could we also share it with the members of the RDA?

- Absolutely, Alder. We'll certainly be happy to do that.

- All right. There's a motion and a second. All those in favor signify by aye.

- [All] Aye.

- Opposed? Motion carried. Thank you.

- Great. Thank you.

- Good luck Mike and Kate.

- Thank you very much for your time.

- And Neal and the--

- Thank you.

- Yes.

- Thank you.

- Thank you very much. Excellent job.

- Good seeing you. All right, number three. Consideration with possible action on a potential development agreement with Toonen Properties for a project at 2840 University Avenue, Parcel 21-301. Is that Neil again?

- Yes, sir. One moment here. Let me get us set up here. We'll go on to our slides. Let's see. There we go. We're actually onto Toonen Properties, here we are. Okay, this is actually regarding the former JBS site, University Heights. This was a project that was approved, I think back in 2017, I think originally. This is actually for, we're looking for kind of a preliminary approval of preliminary terms to be discussed and direction from RDA to continue negotiations. But we were far enough along that we wanted to bring this project forward for some feedback. I know Chairman Delveaux has asked about this project several times, so felt it was at least far enough along to bring this forward for some feedback from the RDA. So, this is the site. If folks are familiar with this, these were, actually here's the two buildings that have already been constructed by the current developer that's under the development agreement contract that we have with them here. Again, this was the former JBS site. There's a considerable amount of remediation and site work that has been done to this point on this site. We'll talk a little bit more about that as we go. The original agreement was with TMD properties. Their proposed project was 322 residential units over four phases that was going to be completed in 2022. Obviously that has not proceeded according to schedule, for a variety of reasons.

3.6 acre commercial site was also included in the site. The city has already reimbursed the current developer about $1.5 million to assist with demolition and site remediation that was associated with the cost. There was actually three different reimbursements, I believe annual reimbursements made with that. I can confirm that with Director Ellenbecker if we need to, but she provided that information to me previously. There are, again, as I said, there are two existing buildings that have already been constructed. There's about 36 total units, and they're valued at about 3.4 million. The intended target valuation of the overall project was $21.9 million. Essentially the TIF assistance to be provided on a pay as you go basis was 50% of the annual increment up to $4 million. So there's a very brief summary of what that original deal essentially was for that project. Really in the last couple months, we have been approached by Toonen Properties, actually has this property under contract, subject to a new agreement with the city. They're actually looking at 198 residential units over the next two to three years, so a lower number of units, but a higher valuation per unit essentially. Their target value for those new 198 units is about $20.8 million. But if you add that with the $3.4 million that has already been added by the previous developer, would bring the total valuation target to about $24.2 million. Because of increased constructions and material costs, plus unanticipated soil conditions, which I can go into certainly a significant amount of detail on that. I've had good conversations actually with representatives from Toonen Properties on some of the costs that they are looking at in terms of the site, to get it ready to go. They are asking for that number to be increased up to $6 million at an 80% annual increment. Now, certainly the time of the 80% is certainly notable, particularly in Alder Johnson's previous comments that he had shared. Obviously we have lost several years, up to almost five years of the original agreement and time to generate increment on this project. So certainly it has had, by losing that, that kind of puts a squeeze a little bit on the ability to cover those sorts of costs going forward. That does also, again, the cost of, primarily the construction and materials costs, plus the soil conditions, we've had considerable detailed conversations with Toonen Properties regarding both of those things and do feel that the up to $6 million is an appropriate figure. It is, again, this is just simply where the market is at right now in terms of development costs for housing. And again, knowing we have an existing agreement in place and existing investment already, that without additional increment, is making a little bit difficult to certainly to deal with at this point. So with that, we're certainly asking for a recommendation for the RDA to proceed with a formal development agreement to bring back to the RDA, subject to review by the city's financial team and legal department to make sure obviously that it matches all of our standard requirements and so forth. But essentially to bring that agreement back to get something back and to get some development occurring back on the site. So this would actually be kind of recovering from a project that was obviously not performing to the extent that we want and replacing it with a little bit different project, maybe a little more suburban, in terms of the development style. However, but I think the quality of the units certainly make it worth consideration. And staff would be recommending proceeding with a new development agreement, at least starting with the terms presented here. And then obviously negotiating accordingly

- Okay. Question on the number of units. You mentioned in the write-up it says 198 new units. With the 36 existing, would that mean, that's an assumption on my part, that the total would be 234 units?

- That's correct.

- Okay. Okay. And the 36 existing, the value of that is 3.4 million, is that correct or no?

- That is correct.

- Okay. Okay. Well, an exciting part of it is that we get some new life in the area and new potential. And so that's exciting. It's a beautiful site. It's one of the nicest sites in the city of Green Bay. It's high in the air, if you will. Baird Creek behind it. Very, very nice site. So it's exciting that we have a potential to kickstart it again. But, questions and comments from the rest of the group, please.

- Chair, it's Alder Dorff.

- Yes please, Alder.

- I'm just, I too am very excited. I probably drive past this site three or four or five times a week when I go to Festival. And I'm very, very glad to see that it may start going again. And I like the kind of apartments they are talking about building there, and that height. They're gonna have beautiful views, I think, just beautiful views. So I am very excited about this proposal. Thank you.

- The rest of the group, questions or comments?

- And Mr. Chair, just to be clear, Mr. Van Dyck of Toonen Properties is available for any questions if anybody has any.

- If you want we can certainly open it up. But I think where we're at, we're just in the process of developing a development agreement. I'm not too sure it's necessary. But if you just want to, we certainly can.

- Certainly it's, I think, the discretion of the RDA. Mr. Van Dyck is just available for questions if anybody has any. If there aren't at this point, I think he's probably okay with that too

- Okay. All right.

- Well I would just like to move to approve then, if there are no other questions, to approve the development agreement with Toonen Properties for the project at 2840 University Avenue, Parcel 21-301.

- Actually, the motion would be to continue with the formal development agreement. We haven't really got a development agreement. We're just encouraging staff to continue on to develop one, if you will.

- Correct. Alder, we're just looking for making sure, those are our base parameters in terms of proceeding with negotiations, if that's acceptable to you.

- So the motion would be, to have staff proceed as they are proceeding. Thank you.

- Yes, exactly. Thank you. Okay, so there's a motion.

- I'll second that, Gary.

- All right, and a second by Matt. Any other questions or comments. Mr. Mayor, did you want make a comment, if you will? Well, you might.

- Sure. Yeah. I'm obviously very appreciative of all the work here. I appreciate everything that Toonen has brought forward, as well as Impact Seven and Merge Urban Development. This is a very busy meeting, a very productive meeting. And I think it gives you an indication of how hard staff has been working over the past weeks and months to bring all of these items forward. So, very supportive of the work of staff here. Optimistic about all of these projects. And thankful to the RDA for your support.

- Thank you. Thank you, Mr. Mayor. I appreciate that. Okay, so there's a motion and a second in regard to staff continuing with the developing a formal agreement with Toonen Properties. If there are no other questions or comments, I'm gonna ask for the vote. All those in favor signify by saying aye.

- [All] Aye.

- Opposed? Motion carried. Thank you. Excellent. This will be so neat to see that the kickstarted over there on University Avenue. Thank you. Thank you, Mr. Toonen. Number four. Consideration with possible recommendation to the city council on continuing a financing guarantee with HCW, LLC, for a project at 301 North Adams Street.

- Okay, let me prepare to share my screen again here, go through this. You'd think I'd have this down by now. We've done this enough times here, even just during this meeting here. Let's see here. Let's go grab here and this here. Okay, this is an item that has been before the RDA before for an update. This is primarily an update here. Just wanted to go through. Again, this is regarding the city center building, the old Bay Lake building at 301 North Adams Street. The city is essentially, has an existing guarantee that we are essentially committed to at this point. So there is, just to be clear, there is not, we're not asking the RDA to say whether or not to proceed with the guarantee. We've discussed, had this reviewed, our documents reviewed with city's legal counsel, as well as our finance department. And we've determined that we are, essentially the guarantee is ongoing. There is refinancing. The developer is working on some refinancing of that current project. But that guarantee is kind of still, kind of automatically carrying forward as part of that. However, staff has been working, trying to work with the developer and identifying. There was a memorandum of understanding that was originally done, I believe back in 2015, in terms of relating to how things would proceed with the specific guarantee, if in fact it was called. So it's essentially again, it's not something we need to do, the bank's guarantee, we're essentially acknowledging the city's obligations regarding that specific guarantee. But we are trying to work with the developer to try to identify, kind of just reflecting the, essentially reflecting the current situation that we find ourselves in, in terms of just that overall project at this location. So, just to kind of recap, most of these, I think were probably presented previously or were either included in the existing memorandum of understanding. Most of these are pretty straightforward or simply about sharing information largely to that, in terms of just making sure that the right information is being passed between the developer, the bank, and the city regarding the guarantee. I don't think any of these are certainly that outstanding. I think these last two are the areas where we do not have agreement with the developer. And I know Mr. Belschner is actually on the call and available for questions if anyone has them. The city was actually, staff had requested essentially kind of approval of any sale of the property or in retaining a right of first refusal as long as essentially the guarantee had a possibility of being called. Mr. Belschner is not, he's not comfortable with that language as currently presented. But I think we are certainly able to work with him and ask him to simply review that and see if there is alternative language that could be provided that would essentially provide that guarantee. So I just want, again, to be very clear that staff is not recommending, we are recommending that we acknowledge the continuance of the guarantee and certainly execute that with the Bank of Luxemburg, as we think we believe we are legally obligated to do so, but that the RDA also kind of directs the council and staff to try to pursue an updated MOU with the developer. We said by July 1st of 2021. We felt it was a reasonable amount of time to try to negotiate an updated MOU to kind of make that happen. So again, we want to make sure that those two items are not, while they are certainly linked and connected to one another, the guarantee, of itself, the guarantee of the funds is not what is really up for approval. We, again, staff has determined that we simply, that is an ongoing obligation that we need to honor. However, kind of identifying the updated MOU with Mr. Belschner and HCW to ensure that we just have sort of an understanding that if that guarantee gets called, exactly what the parameters and how that process would look like. So we're just essentially wanting to make sure that the RDA, since we had brought this to the RDA previously, to make sure and see if there was any questions or any comments regarding staff's position on the guarantee at this point, and hopefully obtaining a new MOU with Mr. Belschner and HCW. So with that, I'm available to answer any questions folks may have. And I think just to be clear, the documents included in your packet were simply for historic purposes to understand kind of how we got here. I do want to emphasize, and Paul was great in terms of kind of getting me up to speed, obviously, as the new guy on staff, to understand that this was, originally, was actually a city borrowing that was involved in this project and that the refinancing by the developer actually became a private financing of this amount of funds and that's how the city's guarantee on that private financing. So it went from a direct city financing to a private financing with a city guarantee. So, just to make sure that we understand that that's how we got to the point we are at on this one, which obviously, we see that as an improvement on the city's position by doing that, by taking that obligation on for the developer directly. That certainly, we can see how that happened. But again, we're just kind of revisiting the need for maybe some additional clarification on the MOU related to the guarantee.

- And your intent is to bring the city council up to speed, just like you have for us?

- Correct.

- Okay. And you're actually looking for a motion from us to pass on to city council?

- I think, if that would be acceptable to the RDA, that would be just, again, to continue and proceed with a new MOU and present that to the city council by July 1st.

- Okay.

- Yeah, I would certainly make the recommendation as it's worded in the agenda, Neil, I think, which is very consistent with the language that we've just had. So I'd make that motion.

- We have a motion.

- I'll second.

- I'm sorry, Melanie?

- Yep.

- Okay, great. A motion and a second to use the wording, like in our agenda, pass on to city council, with hopefully a new MOU by July 1st. You agree with that, Matt?

- Yes.

- Melanie?

- Yep.

- Okay. So a motion and a second. Any questions or comments? If not, all in favor signify by saying aye.

- [All] Aye.

- Opposed? Motion carried. Thank you. Number five, consideration with possible action on a substantial amendment to the 2020 Annual Action Plan for the reallocation of $200,000.00 in CDBG funding from Affordable Housing Reconstruction Project to Infrastructure and Park Improvements in CDBG Eligible Areas. Is this Krista?

- Yep, this is me. So in 2020, the City of Green Bay submitted an Annual Action Plan for its Community Development Block Grant funds. And in that plan, we allocated 200,000.00 to an affordable housing reconstruction project. And at that time we had staff who wanted to acquire a property, demo it, and then reconstruct a single family affordable housing unit. That staff is no longer with us. And we don't have the capacity right now to perform this activity. So we met as staff and we talked about other opportunities for this CDBG funding. And we also met with the Department of Public Works and the Parks Department. The Department of Public Works had a few ideas in how to spend this, our allocation of block grant, in our Shipyard. And we would like to reallocate 200,000.00 of that project line item into the Infrastructure and Park Improvements to be used for alley reconstruction, sidewalks, pedestrian ramps, and a head crossing in the Shipyard area. And in order to do that, we have to bring this before the RDA and create this substantial amendment and submit it to HUD to move that money.

- Sounds like a good use of funds to me. Alder Dorff, please.

- No, I was, really much choice. We need to do something with it. That sounds like a good plan to do with it. Are we pretty sure it's going to get approved?

- Yes.

- Well, obviously, I think, Alder Dorff we can never certainly read the minds of what the federal government is going to do. But actually their preference is almost always to see these funds out and being spent and invested in areas that are targeted towards income qualified areas. So I think that's the main issue, in terms of it actually helps us make sure to get that money out the door. And obviously the federal government monitors us on that and ensures that that money is actually being out and spent. So in this case, we believe it should be, because it is an income qualified area where this investment will be made, we are fairly confident that it will be approved by HUD.

- Okay. I think it's a good idea.

- Oh, so Alder Dorff is making a motion to--

- I am making that motion to--

- I'll second that.

- To approve that substantial amendment, yep.

- All right, Melanie seconded that. All those in favor signify by saying aye.

- [All] Aye.

- Opposed? Motion carried. Thank you. Number six, consideration with possible action to approve a one year lease with On Broadway to utilize 325 North Broadway, Parcels 5-586 and 5-587, as a pocket park for the purpose of promoting outdoor activity and community gathering. We've already been doing this, but now we're just gonna add a year to the lease, is that it?

- Essentially, yeah. This is, On Broadway has actually leased this property previously for their various activities. And they are simply requesting an additional year to do that. Staff is in favor of allowing them to do that. And I believe Alder Johnson is here, in case there are, or Director Johnson, I should say, make it official in his capacity with On Broadway in this case, if there are any questions. But staff is recommending approval of the lease.

- I don't see the problem, why we wouldn't want to extend the lease for a year. Alder Johnson, if you want to make a comment, please.

- Yeah, I think the last time this occurred a pocket park was actually constructed there. It is not our initial intent to do that, though I'm not opposed to it if funding were sourced for it. It's really more about programming that space for a couple of different organizations that we're working with, as well as, there's been discussion about creating sort of that outdoor dining space, I guess in an era of COVID, can we create some, at least some seating in that space that would allow for people to take their meals to go outside.

- Okay. Sounds like a good cause.

- Yeah, I'll make a motion to approve the extension of that one year lease.

- I'll second that.

- A motion by Melanie, second by Alder Dorff. Any questions or comments? All those in favor signify by saying aye.

- [All] Aye.

- Opposed? Motion carried. Thank you. Well, very good productive meeting, guys. We proved some very significant things are going on in the city. And I appreciate everybody's efforts. Which brings me to one of the comments. Again, we were kind of fighting with the quorum here, and we just got the quorum. So Mr. Mayor, where is our next committee member?

- I knew that was coming, Chair. Yeah, I put out some feelers. I am running down some leads, and I swear, I will have a member for you in time for next meeting.

- Either that, or we'll have to swear you in as one of our members.

- That's be okay. A good group to be a part of.

- Thank you. Informational, Update on Housing Study.

- All right, well, I don't know if you guys are as excited as I am, but if I did my math right, I think we've talked about 661 housing units at this meeting. So you can tell what staff has been working on. And I have to tell you that we've been receiving a lot of calls from other developers who are interested in Green Bay. So we have put together an RFP team that we're going be working on the JBS site and some other sites that we have available, because, hey, we've gotta strike while the iron's hot. And then also, I just wanted to mention as well that I've been working with the Brown County Housing Authority and they're putting together a little subcommittee for the purposes of collaborating with the housing authorities, with the City of Green Bay, with other agencies, to talk about affordable housing and how housing relates to the community. Specifically you may recall, there were some questions with how we entice landlords to use our Housing Choice Voucher program within the county. So they're working together with us to try to come up with some solutions to that problem. So, that's all good news. And then we're just putting the paperwork together for our TADA funding, which was approved. Some applications and some other things. So, things are happening.

- Very good. Obviously. You guys are taking this study seriously and doing a lot of good things about it. Appreciate it. Thank you. Okay, the financial report and check register. Krista, I had a couple of questions on the St. John Homeless Shelter, then I looked at previous check registers and I did the math and it all comes out. So I kind of figured it out myself. Otherwise I was gonna give you a call. But we're all good. Thank you. And unless somebody else had a question in regards to the financial report or check register? If not, we'll go to the director's report and project updates. Neil, you've been busy.

- Yep, director's report, just, knowing this was gonna be a long meeting, I actually provided a written summary in your packet, just mentioning, working on a couple of TID creations, probably for later this year related to the Gorman project and the one Aster project, we'll be moving forward on those in short order. The Fort at the Rail Yard continues to work on revising their funding approach, as well as working with some planning staff on possibly adjusting some of the first floor uses on their building to make sure that that stays compliant with certainly the plans for the area, as well as our financial expectations for the TIF. That will likely be coming back here sometime here in the next couple of months. We continue discussions with the Legacy Hotel Group in terms of trying to get that project proceeding, in terms of their, needing to update their development agreement related to TIF assistance on that project as well as deal with a couple of code issues we're working through with them right now. But we anticipate bringing that forward again here in the next 30 to 60 days. JBS again, Cheryl mentioned, we are going to be meeting with the Village of Bellevue board tomorrow night to kind of see their level of interest in collaborating with us in terms of setting up an RFP and how to proceed on actually recruiting a developer for the site, see what their level of interest in participating or collaborating with us is is going to be. And then we've had, we're working just, I know this body does a lot of the KICC work. We had received bids for audio visual equipment that were significantly over budget. After discussions with staff, like several hundred thousand dollars over budget, not a minor amount of money. After working, having a conversation with the KI Center staff, they believe that they can probably kind of limp along here and kind of make some things work for a couple of months so we can rebid this project again here in the fall to try to see if we get a little bit better pricing, to try and make that move forward. So credit to the staff over there to try to kinda make do with what they've got to give us a break to save a little bit more money, we hope, here, later on this year.

- Very good. Very much appreciate your written report and getting that ahead of time. And it's really helps us to know what you're working on.

- I'll try to make that a habit, Chair. I'll see if I can get that in ahead of time.

- No, it was very well done. Appreciate it very much. The Gorman project, that is the old Associated Bank parking lot, right?

- That's correct.

- Okay.

- Having good discussions on that one. Really, Gorman's been a great developer to work with. They've got some great architecture that they're working on. Some really neat uses that they're working on too. Working on securing their, kind of their primary commercial tenant here, which we'll be excited to talk about if we can get that kind of secured and nailed down and get some news on that. But feel very confident that they should be hopefully able to move forward here very, very shortly.

- And the project still includes a grocery store on the first floor and the apartments and condos all the way around?

- It has not been fully finalized at this point, Mr. Chair, but we are hoping that that is what's going to happen there. So we'll have an update for you here, hopefully at the next meeting.

- Excellent. Questions or comments for Neil, the mayor or staff, anybody? Matt.

- Yeah. Just tremendous work by everyone for this meeting. That was a ton of great development stuff underway. And it's just, it just feels like that whole flywheel getting going, and clearly an environment in which there's a bunch of challenges, but, just, my hats off to the entire team. That's a tremendous amount of great projects to talk about in one meeting.

- Excellent comment, Matt. We all agree.

- I second that.

- All right.

- I third it.

- And I guess I have to fourth it.

- And again, I would like to state that this is a lot of work that staff has been working on, really for quite some time. Again, I would love to take all the credit for all these great things that are happening, but kudos to Cheryl and Diana and Vanessa and Mayor and everybody who's really been working on these things. A lot of these things are getting thought out from last fall in terms of the pandemic and not having someone in the director position. And so it's great to be fortunate enough to be in a position where all of these things are starting to move forward again. So, thank you, for the RDA for your continued guidance and support

- Excellent. Any final comments or questions? Alder Dorff.

- I do, about it's actually about the next meeting date. I just have to say, for one of the very few times in my life, I will not be available. I'll be actually in the Badlands on June 8th. So I won't even have Wi-Fi. So if we could either change the date or just keep it at June 8th. But I didn't have any other committee meetings that week. So I needed to take a week of vacation.

- Absolutely, you deserve it. I think right now we'll keep it at June 8th and see if we can get a quorum, which the Mayor's gonna help us with of course. But anyway, in regard to the city council, it sounds like they're gonna do a hybrid of in-person and Zoom. Is that what the future lies, Mr. Mayor?

- Yeah, that's correct. So we're gonna be starting that for our first meeting in June. And at that point, we're recommending that committees and commissions and authorities, such as yourself, do the same thing. So the catch there is that the city council chambers have to be occupied. And so we just have to make sure that there aren't any conflicts between different committees and commissions. But I don't think that's something that you have to be concerned about.

- So we wouldn't be able to use the 6th floor conference room, if we were back in-person, is that true?

- In order, yeah, the technological capabilities of council are better suited for that hybrid type meeting. So that's why we're planning to use council chambers.

- Okay. I personally, I'm looking forward to seeing everybody back in-person. There's a certain thing to be said for expressions and what have you, as we go through these discussions. So I know, Alder Dorff, with your busy schedule, you prefer all Zooming, but I'm looking forward to in-person. Anyway. So bottom line, if we are in-person, it'll be in the city council meeting room. Okay.

- Right. At least for the time being. Yeah, I'm not sure exactly how long that will last, but for the time being, yes.

- Okay.

- And Mr. Chair, we'll confirm, obviously, like we did with this one, to make sure we've got a quorum. If for some reason we need to move the date, we'll certainly be, staff will be reaching out to coordinate that if necessary.

- Excellent. Thank you. I'll entertain a motion to adjourn.

- So moved.

- So moved. Second.

- Matt and Alder Dorff. All in favor signify by saying aye.

- [All] Aye.

- We are adjourned. Thanks for an excellent.