

**CITY OF TWO RIVERS**  
**BUSINESS AND INDUSTRIAL DEVELOPMENT COMMITTEE**  
**AND**  
**COMMUNITY DEVELOPMENT AUTHORITY**  
**SPECIAL MEETING**

**April 10, 2018**  
**5:00 PM**  
**Committee Room, 3<sup>rd</sup> Floor City Hall**  
**Minutes**

**Call to Order**

The meeting was called to order by BIDC/CDA President Greg Coenen at 5:00 PM.

**Roll Call**

BIDC Members present: Betty Bittner, Greg Coenen, Richard Klinkner, Darla LeClair, Keith Lyons and Bonnie Shimulunas. BIDC Members absent: Don Karman, Dan Wettstein and Tracy Yaggie. Mr. Buckley noted that a quorum of the 9-member BIDC was present.

CDA Members Present: Betty Bittner, Greg Coenen, Richard Klinkner, Darla LeClair and Bonnie Shimulunas, CDA Members absent: Don Karman and Tracy Yaggie. Mr. Buckley noted that a quorum of the seven-member CDA was present.

Also present were: City Manager Greg Buckley; Economic Development consultant Dan Pawlitzke, Peter Wills of Progress Lakeshore and Joe Wisnicki and Cate Bleser of Coldwell Banker Real Estate.

**Approval of Minutes of the March 27, 2018 BIDC and CDA Meeting**

Mr. Buckley reported that the minutes were not yet prepared, and would be presented at the April regular meeting.

**Information Only: Status Report on Existing Loans**

Committee members reviewed the Finance Department's report on the status of existing loans.

**Information Only: Local Development Activities**

Mr. Buckley addressed the recent announcement that Riverside Foods of Two Rivers has been acquired by Lakeside Foods of Manitowoc. He noted that both he and Peter Wills had exchanged e-mails with Lakeside CEO Glen Tellock regarding the acquisition. He added that he was unsure of the impact the sale might have on Riverside's expansion plans.

### **Economic Opportunity Zone Nomination**

Mr. Buckley noted that the U.S. Treasury on April 10 approved Wisconsin's nomination of 120 census tracts across the state as Opportunity Zones. This included Two Rivers Census Tract 54.

### **Information Only: BizStarts Two Rivers**

The City Manager noted that an introductory meeting on this new, local, entrepreneur support group was to be held at 6:00 PM at Schwarz's Pub and Grill. He asked how many BIDC or CDA members were planning to attend. Bittner, Klinkner, LeClair and Lyons replied in the affirmative. Mr. Buckley stated that, since this group did not constitute a quorum of either the BIDC or the CDA, it would not be necessary to recess and reconvene at the BizStarts meeting.

### **CDA Matter: Approve Lot Pricing for Sandy Bay Highlands Subdivision, Phase 2**

Mr. Buckley presented proposed lot prices for the 22 lots comprising Phase 2. He noted that the proposed pricing was developed by his office, in consultation with City Planner Marty Marchek and the listing realtors from Coldwell Banker.

Following discussion, Bittner moved, supported by LeClair, to approve the lot prices as presented. The motion carried by voice vote, without dissent.

Mr. Buckley then asked the CDA to state its position on a recommendation from the realtors that Lot 1, Block 5 and Lot 8, Block 4, both corner lots located near the new entrance off Sandy Bay Road, be zoned R-2, to allow one or two-family home construction on these two lots only—balance of lots to be single-family. Mr. Wisnicki explained the rationale for this zoning designation.

Following discussion, LeClair moved, supported by Klinkner, to recommend that the two lots cited be zoned R-2, one and two family residential. The motion carried by voice vote, without dissent.

Mr. Coenen asked whether the covenants applicable to Phase 1 would also apply to Phase 2. Mr. Buckley responded that this is City staff's recommendation, but that the realtors did suggest eliminating the "buy back" provision, whereby the CDA has the authority to require a lot owner to sell his lot back to the CDA, for the original purchase price, if it has not been developed within two years.

It was the consensus of the CDA to retain this provision in the protective covenants, noting that the City's goal in establishing this subdivision was to encourage new homes and development of new tax base.

### **Update on Schwarz Loan—Discussion with WI Department of Administration**

Mr. Buckley reported that Mike Schwarz intends to cease operation of his restaurant and bar business, and to commence leasing the building and personal property at 1509 Washington Street to Mark Weston, for operation of a bar and restaurant to be known as

“Cool City Bar and Restaurant” on May 6. While Mr. Schwarz’s business met both overall job creation and LMI job creation requirements as of the one-year anniversary of the loan (October 2017), a shortfall in the FTE employment retained for at least one year (re-checked in December 2017) had resulted in an increase in the loan interest rate from 3.0 to 3.6 percent. Further, the business could not document that at least 51 percent of its FTE employees were LMI as of December 2017.

Based on discussions with Mark Staff of the WI Department of Administration, Mr. Buckley stated that he believed the BIDC might consider allowing the loan to Mr. Schwarz to continue, provided that the new tenant business could demonstrate that it had met the FTE job creation and LMI requirements after a pre-determined period in business. If that could not be achieved, then the loan would be called due.

BIDC members expressed willingness to consider an amendment to the Loan Agreement to allow for such an extension of the compliance time for FTE job creation and LMI job creation, but also indicated that Mr. and Mrs. Schwarz needs to provide information as to the anticipated lease income and expenses associated with 1509 Washington Street, their pending divorce and any other factors that might impact their ability to repay this loan. Mr. Pawlitzke indicated that he will follow up with Mr. Schwarz and request that he be present at the April 24 BIDC meeting.

### **Adjournment**

Ms. LeClair moved, supported by Ms. Shimulunas, to adjourn the meeting at 5:55 PM. The motion carried by voice vote, without dissent.

Respectfully Submitted,

Gregory E. Buckley  
City Manager