

AGENDA
REDEVELOPMENT AUTHORITY FOR THE CITY OF SUPERIOR
SUPERIOR, WISCONSIN
Wednesday, July 22, 2020
12:00 p.m.

THIS MEETING WILL NOT BE HELD IN PERSON.

Due to the current COVID-19 emergency, the meeting will be held telephonically and the public may attend this meeting by accessing the conference line:

Call: 1-617-675-4444

Enter participant passcode: 999 630 514 0051#

ROLL CALL

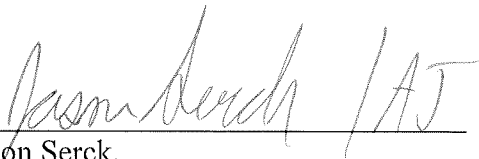
APPROVAL OF MINUTES May 13, 2020

NEW BUSINESS

1. Resolution of the Redevelopment Authority of the City of Superior, Wisconsin, Approving the Third Amendment to Development Agreement with Superior Hotel Group, LLC
 - i. Third Amendment to Development Agreement

OTHER BUSINESS

ADJOURNMENT



Jason Serck,
Executive Director

Notice is hereby given that a majority of the members of the common council may be present at the meeting, and although this may constitute a quorum of the common council, the council will not take any action at this meeting.

In compliance with Wisconsin Open Meetings Law, this agenda was: Posted in Government Center, Mailed and Media Notified July 20, 2020.

REDEVELOPMENT AUTHORITY FOR THE CITY OF SUPERIOR
MEETING MINUTES
Wednesday, May 13, 2020

The Redevelopment Authority of the City of Superior meeting was called to order by Chair Mike McCoshen at 12:00 p.m. The meeting was held telephonically.

ROLL CALL

Members present Via Telephone: Mayor Paine, Doug Finn, Deb Emery, Mike McCoshen, Anne Porter, Jenny Van Sickle

Members excused: Andy Merritt

Staff present Via Telephone: Jason Serck, Allison Johnson, Bob Toftey

Others present Via Telephone:

There being a quorum present, the meeting was in order.

APPROVAL OF MINUTES

MOTION by Board Member Finn, seconded by Paine, and carried, to approve the minutes of March 26, 2020.

NEW BUSINESS

1. Public Hearing
 - a. Resolution of the Redevelopment Authority of the City of Superior, Wisconsin, Approving an Amendment to Development Agreement with Starboard Properties LLC
 - i. Amendment to Development Agreement

Executive Director Serck explained why the amendment to the approved Development Agreement is required. An administrative error occurred that listed the legal description for the property being sold as not including four lots (Lots 25-28 of Block 46) from the intended property sale. The price of the property in the original Development Agreement reflected the full property description. The amended Development Agreement corrects the error to show Starboard Properties purchasing the full property as intended. The amendment also moved the start/completion date to one month later.

Board Chair McCoshen opened the public hearing for consideration of Resolution of The Redevelopment Authority of the City of Superior, Wisconsin, Approving an Amendment to the Development Agreement with Starboard Properties LLC. No one spoke for or against the purchase and the public hearing was closed.

MOTION by Board Member Paine, seconded by Porter, and unanimously carried to approve Resolution of The Redevelopment Authority of the City of Superior, Wisconsin, Approving an Amendment to the Development Agreement with Starboard Properties LLC.

OTHER BUSINESS

ADJOURNMENT

The meeting adjourned at 12:10 p.m.

Respectfully Submitted by:
Allison Johnson
Planning Technician

Commissioner _____ introduced the following resolution and moved its adoption:

RESOLUTION OF THE REDEVELOPMENT AUTHORITY OF THE CITY OF SUPERIOR, WISCONSIN, APPROVING A THIRD AMENDMENT TO DEVELOPMENT AGREEMENT WITH SUPERIOR HOTEL GROUP, LLC

WHEREAS, Superior Hotel Group, LLC, a Wisconsin limited liability company (the “Company”) has proposed to purchase of real property described on Exhibit A hereto from the Redevelopment Authority of the City of Superior, Wisconsin (the “Authority”) and to construct an approximately 36,800 square foot hotel (to be a Cobblestone Hotel) with at least 60 rental rooms, a restaurant and related on-site parking (the “Project”) to be owned by the Company; and

WHEREAS, the Company and the Authority entered into a Development Agreement dated April 19, 2019 (the “Original Agreement”); and

WHEREAS, due to a delay in the design, permitting processes and financing, the construction of the Project has been delayed; and

WHEREAS, the Company and the Authority amended the Original Agreement to revise the schedule for the sale of the Development Property and constructing the Project as set forth in the Amendment to Development Agreement dated August 26, 2019 (the “First Amendment”); and

WHEREAS, due to unexpected soil conditions, the costs for the Site Improvements are \$200,000 in excess of the expected costs and the Company has indicated that it cannot proceed with the Project without an additional grant of \$200,000; and

WHEREAS, the Company and the Authority desire to amend the Original Agreement, as amended by the First Amendment, to provide for an additional \$200,000 grant referred to as the “Additional Soils Correction Grant”; to further revise the schedule for the sale of the Development Property and constructing the Project; and to modify the legal description to the Development Property to a certified survey map description; and

WHEREAS, the Company and the Authority amended the Original Agreement, as amended by the First Amendment, by the Second Amendment to Development Agreement dated February 27, 2020 (the “Second Amendment”); and

WHEREAS, the Company and the Authority desire to further amend the Development Agreement, as amended, due to the delay in the receipt of the WEDC Grant, the need to close the purchase of the Development Property by July 31, 2020, and by refining the Site Improvement Costs; and

WHEREAS, the terms and conditions of the amendment to the Original Agreement, as amended, are set forth in the Third Amendment to Development Agreement proposed to be

entered into between the Authority and the Company (the "Third Amendment"), the form of which is on file in the office of the Executive Director of the Authority; and

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. The form of Third Amendment, as presented to the Board, is approved. The Chair and the Executive Director of the Authority is authorized and directed in the name and on behalf of the Authority to execute the Third Amendment, with such changes as do not materially change the substance thereof as the Chair and the Executive Director shall deem necessary and appropriate.

Adopted: July 22, 2020

Attest:

Chair

Executive Director

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner _____ and, upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following were absent:

whereupon, the resolution was declared duly passed and adopted and was approved and signed by the Chair, whose signature was attested by the Executive Director.

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THIRD AMENDMENT TO DEVELOPMENT AGREEMENT

This THIRD AMENDMENT TO DEVELOPMENT AGREEMENT is made and entered into this _____ day of July, 2020, by and between The Redevelopment Authority of the City of Superior, Wisconsin (hereinafter called "Authority") and Superior Hotel Group, LLC, a Wisconsin limited liability company (hereinafter called "Company"):

WHEREAS, Authority and Company have entered into that certain Development Agreement dated April 19, 2019 (the "Development Agreement") whereby Company agreed to purchase from Authority certain real property described on Exhibit B to the Development Agreement, as amended (the "Development Property") and to construct the Improvements, as defined in the Development Agreement.

WHEREAS, Authority and Company have entered into that certain Amendment to Development Agreement dated August 26, 2019 (the "First Amendment") whereby Authority and Company determined to delay the Project as set forth in the First Amendment.

WHEREAS, Authority and Company have entered into that certain Second Amendment to Development Agreement dated February 27, 2020 (the "Second Amendment") whereby Authority and Company agreed to amend the terms of the Development Agreement, as amended by the First Amendment.

WHEREAS, Authority and Company hereby desire to further amend the terms of the Development Agreement, as amended by the First Amendment and by the Second Amendment, as provided herein.

NOW, THEREFORE, for good and valuable consideration the parties hereto agree as follows:

1. The definition of "Site Improvements" in Section 1.01 of the Development Agreement, as amended, is hereby deleted in the entirety and replaced with the following:

"Site Improvements" means the improvements to be undertaken by the Company on the Development Property for site preparation and soil correction, as set forth in the Construction Plans and described in Section 4.04 hereof, the costs of such improvements are expected to be in excess of \$1,100,000.

2. The definition of "Closing Date" in Section 1.01 of the Development Agreement, as amended, is hereby deleted in the entirety and replaced with the following:

"Closing Date" mean the date upon which the Authority and the Company close on the sale of the Development Property as provided in Section 3.01, which shall be a date mutually agreed to by the parties hereto and is scheduled to be no later than July 31, 2020.

3. A new Section 3.08 of the Development Agreement is added to the Development Agreement, as amended, as follows:

3.08 WEDC Grant Contingency. The Company and the City have applied for a \$250,000 grant from the Wisconsin Economic Development Corporation ("WEDC") to assist in financing the Project. The Company has determined that such grant (the "WEDC Grant") is necessary for the Project to proceed. Further, for several reasons, the Company must acquire the

Development Property no later than July 31, 2020. The Company desires to proceed with the closing on the Development Property, without assurance of receipt of the WEDC Grant. In the event the Company does not receive written confirmation of the award of the WEDC Grant by September 15, 2020, the Company may cancel and terminate its obligations under the Development Agreement, as amended. In the event of such cancellation and termination of the Development Agreement, as amended, the Company shall reconvey the Development Property to the Authority free and clear of all liens and encumbrances on the Development Property following the transfer of the Development Property from the Authority to Company no later than October 15, 2020. Upon such reconveyance of the Development Property to the Authority, the Authority shall return the purchase price of the Development Property, less any costs incurred by the Authority in such reconveyance or title clearance process not to exceed five thousand and no/100th dollars (\$5,000)..

4. Section 4.02 of the Development Agreement, as amended, is hereby deleted in the entirety and replaced with the following:

Subject to Unavoidable Delays and subject to Company's waiver of all Conditions Precedent set forth in Section 3.03(B) and Section 3.08 above, the Company shall commence construction on the Improvements by October 1, 2020, or such other date as the parties hereto shall agree in writing. Subject to Unavoidable Delays, the Company shall have substantially completed the Improvements no later than December 31, 2021. All work with respect to the Improvements to be constructed or provided by the Company on the Development Property shall be in conformity with the Construction Plans.

The Company agrees that the Company shall promptly begin and diligently prosecute to completion construction of the Improvements, and that such construction shall in any event be commenced and completed within the period specified in this Section of the Agreement.

5. The second sentence in Section 4.04A. of the Development Agreement, as amended, shall be amended in its entirety to read as follows:

The cost of the Site Improvements in an amount not to exceed \$1,000,000 shall be paid by the Authority to the Company through the grants at the times, in the manner and upon receipt of the documents required in this Section 4.04 and in Section 4.05. The Authority hereby approves the preliminary expenses set forth on Exhibit H, attached hereto and incorporated herein by reference.

6. Section 4.05A. of the Development Agreement, as amended, is amended in its entirety to read as follows:

A. As an inducement to develop the Project, upon the Authority issuing the Certificate of Completion and the Company providing copies of the paid invoices and other documents in an amount of at least \$1,000,000 required under Sections 4.04A and 4.04B, the Authority agrees (i) to pay the Company, a development grant in the amount of \$400,000 (the "Development Grant"); (ii) to pay the Company, for Site Improvements an additional soils correction grant in the amount of \$200,000 (the "Additional Soils Correction Grant"); and (iii) agrees to provide tax increment grants as provided in Section 4.05B subject to the limitations set forth in Section 4.05B through Section 4.05E (the "Tax Increment Grants").

7. Section 5.03 of the Development Agreement, as amended, is amended in its entirety to read as follows:

5.03 Representation as to Development. *The Company represents that the Development Grant, the Additional Soils Correction Grant, the Tax Increment Grants and the WEDC Grant are necessary for the Project to proceed due to the high costs of the Site Improvements. Without such grants, the Project would need to be reduced in scope or delayed.*

8. Exhibit D to the Development Agreement, as amended, is hereby modified as attached hereto and incorporated herein by reference.

9. All other terms and conditions of the Development Agreement, as amended by the First Amendment and the Second Amendment, shall remain the same and are ratified and confirmed by the Authority and Company.

[SIGNATURES ON FOLLOWING PAGES]

THE PARTIES hereto have executed this Amendment on the day and year set forth above.

COMPANY:

SUPERIOR HOTEL GROUP, LLC,
a Wisconsin limited liability company

By: Neenah Hospitality Group, LLC,
its Managing Member

By: _____

Name: Brian Wogernese

Title: Managing Member

Date: _____

AUTHORITY:

REDEVELOPMENT AUTHORITY OF THE CITY
OF SUPERIOR, WISCONSIN

By: _____

Name: Mike McCoshen

Title: Its Chair

Date: _____

By: _____

Name: Jason Serck

Title: Its Executive Director

Date: _____

EXHIBIT D
SCHEDULE

Agreement Reference	Activity Required	Date
Section 3.01	Closing on Development Property	On or about July 31, 2020
Section 4.01	Construction Plans Approved	By September 30, 2020
Section 4.02	Company commences construction of Improvements	By October 1, 2020
Section 4.02	Completion of Improvements	By December 31, 2021
Section 4.03	Authority signs Certificate of Completion	Within 30 days of the issuance of the Certificate of Completion

EXHIBIT H

Category	Expense
Geo Piers	\$146,700.00
Termite Control	\$780.00
Earthwork and Underground Utilities	\$420,000.00
Asphalt Parking Lot	\$96,000.00
Landscaping	\$60,000.00
Concrete, at or below grade	\$360,000.00
Geo Report	\$7,248.00
Engineering	\$78,744.00
TOTAL	\$1,169,472.00