



# CITY OF MANITOWOC

WISCONSIN, USA

[www.manitowoc.org](http://www.manitowoc.org)

## SPECIAL MEETING MINUTES COMMUNITY DEVELOPMENT AUTHORITY

City Hall, 900 Quay Street | Second Floor Conference Room  
4:00 PM | August 30, 2023

### I. CALL TO ORDER

Chairman J. Stangel called to order the regular meeting of the Community Development Authority at 4:00 PM.

### II. ROLL CALL

**Present:** John Stangel, Gene Maloney, Emil Roth, Dennis Tienor, Ald. Tim Boldt, Ald. Michael Cummings, Anton Doneff

**Staff Present:** Adam Tegen, Jen Bartz

**Other:** Steven Elkind, John Kesselman, Georgia Kesselman, Jamie Zastrow

### III. PUBLIC HEARINGS

- a. Regarding determination if the property located at 828 Memorial Drive (Parcel 052-520-031-070) is blighted property as defined in Wisconsin Statutes Sections 32.03(6) & 66.1333(2m)(bm).

Chairman J. Stangel opened the public hearing at 4:00pm.

J. Bartz reported that the notice of the public hearing was published in the Herald Times Reporter on August 16 and 23, 2023. The property owner was mailed a notice on August 7, 2023 and signed for on August 9, 2023.

Steve Elkind spoke on behalf of all three properties and read a letter into record (as attached dated August 30, 2023).

A. Tegen provided an overview of the blight determination steps and indicated the River Point development as example of this process from the past. He added that a blight determination should not deter private development or investment. He said that the definitions of blight have been provided to the members. He also added that it is staff opinion the properties meet the blight definition.

A. Tegen provided an overview of an assessment dated August 28, 2023 that reviewed the current condition of the property.

Chairman J. Stangel closed the public hearing at 4:25pm.

- b. Regarding determination if the property located at 700 East Magnolia Avenue (Parcel 052-330-008-152) is blighted property as defined in Wisconsin Statutes Sections 32.03(6) & 66.1333(2m)(bm).

Chairman J. Stangel opened the public hearing at 4:25pm.

J. Bartz reported that the notice of the public hearing was published in the Herald Times Reporter on August 16 and 23, 2023. The property owner was mailed a notice on August 7, 2023 and signed for on August 9, 2023.



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A statement from S. Elkind regarding all properties was included in public comment related to property located at 828 Memorial Drive.

A. Tegen provided an overview of an assessment dated August 28, 2023 that reviewed the current condition of the property

He added that there is an existing mall building on this property and that a raze order was issued on September 18, 2019.

Chairman J. Stangel closed the public hearing at 4:28pm.

- c. Regarding determination if the property located at a vacant lot on East Magnolia Avenue (Parcel 052-520-017-010) are blighted property as defined in Wisconsin Statutes Sections 32.03(6) & 66.1333(2m)(bm).

Chairman J. Stangel opened the public hearing at 4:28pm.

J. Bartz reported that the notice of the public hearing was published in the Herald Times Reporter on August 16 and 23, 2023. The property owner was mailed a notice on August 7, 2023 and signed for on August 9, 2023.

A statement from S. Elkind regarding all properties was included in public comment related to property located at 828 Memorial Drive.

A. Tegen provided an overview of an assessment dated August 28, 2023 that reviewed the current condition of the property. He stated that it is staff recommendation that the blight determination be approved.

Chairman J. Stangel closed the public hearing at 4:29pm.

## IV. NEW BUSINESS

- a. Blight determination for property located at 828 Memorial Drive (Parcel 052-520-031-070).

Ald. T. Boldt asked about legality of blight determination and the requested 90-day extension. A. Tegen shared options available to the committee for next steps. He added that blight does not derail private redevelopment.

G. Maloney asked for further details from S. Elkind about state loan fund and if blight would hurt his chances of funding. J. Kesselman stated that it may be possible it would affect chances as it is a competitive loan process, but he was unsure how WEDA would look at blighted versus not blighted properties during the awarding process.

S. Elkind shared details of previous conversations with elected officials and staff throughout the years. He reiterated his frustration with what he considered lack of communication. He added that the offer price per his provided Letter of Intent from an interested buyer is \$250K for one acre.

G. Maloney shared his frustration with the property owner as the site has been in disrepair a long time. S. Elkind responded that the ask is for a 90-day deferral on the process which will allow him to continue discussions with the state, prospective developers, and city staff regarding TIF.



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A. Doneff said that he disagrees with the statement that the CDA's involvement is to do nothing more than to rubber stamp the blight determination as the committee has been involved and invested for years. Discussion ensued about the properties in general.

A. Doneff asked for clarification on the exact location of project on the site plan presented. S. Elkind responded it is for the north lot or where the existing mall is located.

A. Doneff asked if neighboring property owners were notified. A. Tegen stated that public notice was posted only in the newspaper.

Discussion ensued further about the process. A. Tegen reviewed the process and gave examples of previous blight determinations within the City.

D. Tienor asked for timing of sale close of the lot based upon the Letter of Intent and if sale proceeds would be used to improve the properties. S. Elkind stated that there has been investment including a roof repair and now re-repair due to damage. He added that the investment is also \$75k annually to upkeep the sites.

D. Tienor asked for additional information about the raze order process and if there has been response from the property owner. A. Tegen reviewed and said that the City has elected not to proceed with razing the building up to this point.

S. Elkind and J. Kesselman responded to questions about the existing building and structural information as it related to their proposed residential project.

Discussion ensued about the recent Special Inspection and associated notification process.

Ald. M. Cummings stated that status of this property is the #1 question people ask him as alderman. He agreed with the recommendation to make a blight determination on the property.

Ald. T. Boldt agreed with previous comment about question from citizens. He stated he agreed with the recommendation to make a blight determination on the property as it will not hinder development on the site.

Discussion ensued about the process and confirmation that if blighted, the status will not remain on property forever. A. Tegen referred back to River Point as example.

Motion by Ald. M. Cummings, seconded by Ald. T. Boldt, to recommend all three properties be considered blighted. Motion carried (7-0).

- b. Blight determination for property located at 700 East Magnolia Avenue (Parcel 052-330-008-152).
- c. Blight determination for property located at a vacant lot on East Magnolia Avenue (Parcel 052-520-017-010).

## V. ADJOURNMENT

Meeting was adjourned by Chairman J. Stangel at 5:05pm, seconded by G. Maloney.

Attachment 1  
8/30/23

Good evening. My name is Steven Elkind. I am the sole member of the LLC that owns what I call the Lakeshore Town Center, known to some as Lakeshore Mall or going further back, Edgewood Plaza.

Until I received notice of this hearing less than three weeks ago I had no indication, no communication, no warning, that there was a movement afoot to declare the property blighted. And so I did not have an opportunity to speak with or meet with representatives of the City. Communication regarding the City's intentions was nonexistent, to me I mean, obviously there had been quite a bit of intra-staff communication preparing for this action.

My impression from the one short telephone discussion I have had with a City official is that this is a done deal, meaning there is nothing I can say that will affect the outcome of your vote. Because the purpose of this hearing is to rubber stamp what has been decided, without any input from me, I am not here with any hope of affecting this process. That horse has apparently left the barn or more apropos for Manitowoc, the ship has sailed.

So, I am not here to argue, convince, dispute, but I would like to share my thoughts so I made some notes that I am reading from.

First off, briefly, I would like to join my frustration to the frustration of others at the lack of desired development. This has been a challenging project from the beginning. I invested in the two Malls, in hindsight, at exactly the wrong time. Many of you are aware of and have read about the nationwide death of the popular Malls of the 1960s. It has been brutal. Within months after purchasing the Mall, Sam Goodys went bankrupt and closed. Soon Pennys followed, then Sears, and the nail in the coffin was when Younkers departed. We tried for a number of years to interest other retail companies but that option became less plausible with time. Then, given the structural soundness of the Mall, we tried marketing to light industrial, such as food storage and other warehousing possibilities. I thought we came close a few times but coming close is not the same as a deal. Most enterprises wanted to be close to the interstate.

I cannot snap my fingers or reach into my pocket to sprinkle fairy dust and move a Target to the site, or a Macys, or a Saks 5<sup>th</sup> Avenue, or a Nordstrum or even a Culvers.  
Location location location.

My desire has always been to work cooperatively with the City to develop the site. Unfortunately, when people at the City get frustrated with the lack of development which I share, too often there is lack of communication and then sudden punitive actions and public finger pointing, as underscored by the current situation, rather than mutual brainstorming.

I have watched as over the years misrepresentations and insinuations of my neglect and incompetence have been put into newspaper stories. I have been like a fighter in a match where I must have my hands tied behind my back while receiving blows. I am not a politician



and I saw no advantage in playing one by getting into a public pissing match. I too have had my complaints and dissatisfaction, quite a few, but my objectives won't be served through conflict. Indignant accusations may play well in the local paper but they are no substitute for cooperation and collaborative brainstorming. Fanning the flames of animosity only prevents the cooperation that development needs. My only goal is to succeed at making this property work, for the Manitowoc community and myself. This isn't a win-lose paradigm. Either we both win or we both lose.

So although the ship has sailed for declaring my property blighted I think the timing is ill-advised and counterproductive. An attempted takeover of my property introduces hostility and conflict that interferes with the cooperation necessary for making development possible.

Firstly, I, of course, will protect my interests. The City declaration of my property as Blighted, with the subsequent threat of Condemnation means a protracted legal battle that will take years to resolve. It will certainly generate newspaper stories but it will not generate development.

Secondly, If the City had initiated communication with me instead of ambushing me with these actions, the City would have learned about recent promising initiatives. I had been waiting until I had more concrete information before approaching the City although I would have been happy to share at any time.

It's been clear for some time that the location will work well for residential housing. The Mall itself, like many Malls around the country is suitable for being turned into a residential apartment complex. The Mayfair Mall, the most successful Mall in the State has had to revamp and develop a significant portion of its space into residential housing.

The problem has been the funding of such a project. As some of you may know, in the last few months the State of Wisconsin has come up with new programs, composed of grants and loans, to address the housing inventory shortage and growing housing affordability issue. In particular, the new Wisconsin Act 18 creates a \$100 M program for the conversion of vacant commercial buildings that have been vacant for at least one year into at least 16 units of multifamily housing. This opens up a possible path forward for development of the Mall. This program was unveiled only a month ago. I have been working with an architectural designer to develop a preliminary view of what that might look like. We are currently developing a Proforma for determining feasibility. It will require buy in and participation from this State Program and also from the City through TIFF. I am cautiously optimistic this is a path for moving forward.

(hand out drawing, emphasizing the preliminary status of this, only recently gotten started, given the timing of this meeting, this is what I can show to give a sense of what is possible.

- a. Secondly, I now have an offer for approximately an acre of the vacant land abutting Hwy 10. This is for a Dollar Tree store and the offer is in the amount of \$250,000/acre. I recognize that a Dollar Tree store isn't the grandest of retail

operations but they are a substantial, solvent, secure corporation with over 16,000 stores and growing. The actual offer is awaiting approval from corporate and approval is expected shortly. But in time for this meeting, I can show you an LOI which has been signed and agreed to.

Declaring the property blighted now is the City shooting itself in the foot. Apart from forcing me to initiate an unwanted legal action, regarding the apartment conversion program, I don't know how the irreversible step of declaring the property blighted will affect the properties eligibility for the State program that has been announced. The program is very new and unintended consequences could ensue. Also, development will require me to partner with one of the larger Development companies out of Milwaukee or Chicago. A blighted property with the threat of a condemnation action will likely scuttle any interest.

Having an offer of \$250,000 for an acre of the vacant land is a sure indication that the land is neither blighted nor eligible for condemnation per state statute. There will of course be a contingency that consummation of the offer will require that the buyer be assured that Title is not in jeopardy. The City's action may very well sink this offer. The consequences will be legal but most unfortunately a gut punch to the very objective the City claims to want, which is development. The first sale is always the toughest. The first drop precedes the rain.

My ask is that your recommendation for declaring my property Blighted be tabled for 90 days. That will give me enough time to present something more concrete to the City regarding the apartment complex conversion. 90 days will provide sufficient time for me to present the City with substantial detail and a timeline for what to expect and what is possible and how to cooperatively move forward. You will notice that I have used the word "cooperatively" more than once. The City will always have the option of proceeding down whatever path it chooses.

Thank you for listening.