

**MINUTES**

**COMMUNITY DEVELOPMENT AUTHORITY**

**PLAN COMMISSION OFFICES**

Regular Meeting  
Wednesday  
November 16, 2011

**I. CALL TO ORDER**

The meeting was called to order by Chairman John Stangel at 4:00 P.M.

**II. ROLL CALL**

<u>Members Present</u>	<u>Others Present</u>	<u>Staff Present</u>
John Stangel	David Pawlowski	David Less
Gene Maloney		Janet Zunker
Emil Roth		Pauline Haelfrisch
Alex Olson		
Chris Able		
Dennis Tienor		

**III. APPROVAL OF MINUTES OF THE REGULAR OCTOBER 12, 2011 MEETING**

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular October 12, 2011 meeting. Hearing none, the following action was taken.

Motion by: Mr. Able	Seconded by: Mr. Roth
Moved that: the CDA approve the minutes of the October 12, 2011 regular meeting	Upon vote: the motion was carried unanimously

**IV. MANITOWOC HOUSING AUTHORITY BUSINESS**

A. Financial Report and Approval of Monthly Expenditures  
Pauline Haelfrisch reviewed the financial statements for November, 2011 with the Board members. She also distributed a list of expenses and reviewed these with the Board.

Alex Olson asked if it would be possible for Pauline to provide a Profit and Loss statement at the monthly board meetings. Pauline said she would see what she could come up with.

The following action was taken.

Motion by: Mr. Able	Seconded by: Mr. Maloney
Moved that: the CDA approve and authorize payment of the November, 2011 expenses	Upon vote: the motion was carried unanimously

**B. Energy Assistance Grant Update**

Pauline reported to the Board on the status of the boilers. She also stated the insulators were here to do insulating in the roof attic. The insulators found leaks in the roof that would have to be repaired before they could continue insulating that area. Pauline stated to the Board she was looking into if there was some type of warranty on the roof as it was only four years old.

Some discussion was held as far as checking into a warranty. The Board advised Pauline to check with the contractor that installed the new roof.

Pauline reported on the status of the work still needing to be done for the energy grant. Everything is progressing as it should be.

**C. Manitou Manor Corridor Renovation**

Pauline discussed with the Board the questions they had from the last meeting. She reminded the Board of the e-mails she sent out in regards to the Davis-Bacon wage rates and the fact that they do have to be used.

Pauline informed the Board there would be a pre-bid meeting 11/29; and the bid opening will be 12/08.

Pauline informed the Board that the painting will require quite a bit of drywall work since there are so many areas that need to be replaced with drywall before the walls can actually be painted.

**D. Comcast Conundrum**

Pauline reported to the Board the latest antics of the Manitowoc Comcast personnel. A Comcast tech actually cut the remaining wires that are used to connect the tenants to the satellite TV and removed all the identification to the apartments they went to. The tech also disconnected a tenant and left the cable in their locked box, so we could not access it to connect it to the dish.

Pauline explained that she then proceeded to contact Comcast corporate in Minnesota and corporate then sent down a team to reconnect the wires and open the boxes permanently. Corporate asked if we would be willing to install (at their cost) keypads on both closets so the Manitowoc techs could access the closets after hours. Pauline informed them that she would have to review all of this with her Board at their meeting on 11/16. Todd Gatzke from corporate said he would send a letter outlining all the necessary guidelines to be followed for this request for the Board to preview. Pauline reported as of today, there is no letter and Todd Gatzke is out of the office.

Some discussion was held in regards to installing keypads on the closets. The Board advised Pauline to wait until the letter comes from corporate and inform them a decision will be made at the next Board meeting.

**V. DOWNTOWN REDEVELOPMENT ACTIVITIES**

**A. Financial Report – Revolving Loan Program, 11/10/2011**

Mr. Less reviewed the financial report with the Board members for the revolving loan program. As of November 10, 2011 a total of \$658,187.85 in loan funds was available.

The following action was taken.

Motion by: Mr. Olson  
Moved that: the CDA accept the 11/10/11 report  
and place on file

Seconded by: Mr. Maloney  
Upon vote: the motion was carried  
unanimously

B. Design Review:

1. 901 Quay St. – New Beginnings Community Church  
David asked the Board for a motion to approve this design review and grant a  
certificate of appropriateness.

The following action was taken.

Motion by: Mr. Able  
Moved that: the CDA approve the design review  
application and award a certificate of appropriateness

Seconded by: Mr. Olson  
Upon vote: the motion was carried  
unanimously

C. RLF Loan to Jovial Coffee #2011-1 Update

David Less recapped for the Board the collective meeting he had attended in regards to  
this loan. David would like the CDA to continue to be a player in this project if there  
is going to be any buoyancy.

Dave stated that he outlined a recommendation to renew a commitment for another six  
months. The commitment is to fund \$50,000 for another 180 days (ending May 14,  
2012) subject to:

- A. Authorize the re-designation of CDA loan funds from M/E to a guarantee fund, or  
any combination thereof, on terms and conditions as negotiated by the City  
Planner/Executive Director.
- B. Plugging equity gap.
- C. The level of all project funding commitments, at minimum, meet the use  
requirements for the project.
- D. No diminution to position of CDA collateral.
- E. Close loan on or before May 14,2012, or commitment expires.

Discussion was held and the following action was taken.

Motion by: Mr. Able  
Moved that: the CDA approve the renewal of  
the commitment to fund \$50,000 to Jovial Coffee  
for another 180 days subject to conditions outlined  
in recommendation

Seconded by: Mr. Roth  
Upon vote: the motion was carried  
John Stangel – aye  
Gene Maloney – aye  
Chris Able – aye  
Emil Roth – aye  
Alex Olson – nay  
Dennis Tienor - abstain

## VI. HOUSING REHABILITATION BUSINESS

A. Subordination Request #212-98

David Less began by reviewing the information involved with this subordination  
request which he had e-mailed to all Board members. He then introduced Atty. Dave  
Pawlowski to the Board.

Dave Pawlowski stated that there was no benefit for us not to subordinate as he feels in the long run this would affect our opportunities to collect on this loan in the future.

Atty. Pawlowski addressed the Board by saying he wrote a letter to David Less summarizing the homeowner's position. Shipbuilders Credit Union stated the homeowner's note expired a year ago, and the homeowner has divorced the previous person on the mortgage and has remarried. In order to clean up the original mortgage, the Community Development Authority is required to subordinate their two mortgages to Shipbuilders Credit Union. The new loan will have a lower interest rate with a balloon payment in three years. This refinancing will bring the 2010 delinquent taxes current and allow for the 2011 taxes to be paid.

Fortunately, in the credit union world; they are now able to collect an escrow for taxes and insurance. So once the loan is redone, creditors will be notified way in advance if they start to falter for any reason; taxes, insurance, principal, or interest payments.

This proposal that is laid out is the best for everyone involved. You will have a clear title search when you get done that will show; Shipbuilder's-first, City of Manitowoc-second and third, and Partners for Community Development from Sheboygan in the fourth position.

Some discussion was held in regards to the positions that are held. David Less stated that he thinks our best option is to participate in this subordination. He has a recommendation at the bottom of the request with five points as conditions to the subordination.

Some discussion was held as to the tax payments. The new money would be Shipbuilder's internal collection costs and two years of taxes. The owners have continued to make their monthly principal and interest payments.

The following action was taken.

Motion by: Mr. Able  
Moved that: the CDA approve subordination request #212-98 subject to the recommendations in place

Seconded by: Mr. Tienor  
Upon vote: the motion was carried unanimously  
Abstaining: John Stangel

## **VII. ADJOURNMENT**

The meeting was adjourned at 4:50 P.M.

Respectfully submitted:

David Less,  
Executive Director

DL/pmh