

MINUTES

COMMUNITY DEVELOPMENT AUTHORITY

PLAN COMMISSION OFFICES

Regular Meeting
Wednesday
June 19, 2013

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>Members Excused</u>	<u>Others Present</u>	<u>Staff Present</u>
John Stangel	Dennis Tienor	Abby Garcia	David Less
Gene Maloney		Rodney Krepline	Pauline Haelfrisch
Emil Roth			
Chris Able			
Jill Hennessey			

III. APPROVAL OF MINUTES OF THE REGULAR MAY 22, 2013 MEETING

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular May 22, 2013 meeting. Mr. Maloney pointed out a small grammatical error in regards to a motion he made with the surname of Ms. instead of Mr.

Subject to the change, the following action was taken.

Motion by: Ms. Hennessey	Seconded by: Mr. Able
Moved that: the CDA approve the minutes of the May 22, 2013 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 June, 2013 with the Board members. She also distributed a list of expenses for June and reviewed these with the Board.

After some discussion, the following action was taken.

Motion by: Ms. Hennessey	Seconded by: Mr. Able
Moved that: the CDA approve and authorize payment of the June, 2013 expenses	Upon vote: the motion was carried unanimously

Pauline informed the Board that a CD from Investor's Bank was maturing and needed to know if she should leave it at Investor's at a rate of .55 for one year or transfer it to Bank First National at a rate of .65 for one year.

The Board members advised Pauline to renew the CD at Investor's at a rate of .55 for one year.

The following action was taken.

Motion by: Mr. Maloney

Moved that: the CDA approve the CD remain at Investor's Bank at a rate of .55 for one year

Seconded by: Mr. Roth

Upon vote: the motion was carried unanimously

Pauline also informed the Board members that the housing authority was coming to its FYE and she is in the process of two evictions. There was some discussion in regards to the evictions and the protocol followed with them.

B. Manitou Manor Gas Rack Update

Pauline reviewed with the Board the e-mail she sent them in regards to this issue. The engineer was going to create a new design and WPS would be adapting the gas rack so as to be below the railing of the window well. This work would be completed some time the end of June.

C. Manitou Manor Fire Alarm Project

Pauline discussed with the Board a fire that had taken place in a tenant's oven that required the fire alarm system to engage. The Fire Dept. came and the fire had already been put out. However, the alarm system refused to reset itself.

On further investigation it was found that a fuse had blown on the fire alarm panel circuit board causing the board to become inoperable. Because it is an emergency system, we needed to have Simplex Grinnell quote us a price on either fixing the panel or replacing it.

After extensive review it was found to be most cost effective to replace the panel, the annunciator, and do some necessary electrical work. Much of the system had been cobbled together by different companies over the years and it is difficult to find the paperwork on all the system items that were replaced.

The electrician was willing to sort out the lines and zones to mark where the resistors were on the system for future use. It would take extra time but we would have a complete diagram of the wiring for the fire alarm system.

After much discussion, the Board advised Pauline to request an inspection of the fire alarm system with Deputy Chief Kadow and to keep a folder of all work done on the system for future use.

D. Garbage Room Stairwell

Pauline discussed the work she had wanted to do with the remaining 2012 Capital Fund. It was brought to her attention that the retaining wall for one of the garbage room stairs was "buckling". Gene had come to the office to sign checks and took a look at the problem. He went on to explain to the Board exactly what was happening with the wall and concrete roof above.

Pauline explained that there would be an alternate bid done by the architect for this piece of concrete work to go along with the other work Pauline planned on doing.

V. DOWNTOWN REDEVELOPMENT ACTIVITIES

A. Financial Report – Revolving Loan Program, 6/10/2013

Mr. Less reviewed the financial report with the Board members for the revolving loan program. As of June 10th, 2013 a total of \$724,352.57 in loan funds was available.

The following action was taken.

Motion by: Mr. Able

Moved that: the CDA accept the 6/10/13 financial report and place on file

Seconded by: Mr. Roth

Upon vote: the motion was carried unanimously

Dave also reviewed with the Board the EPA RLF grant that the City got and that the CDA will be the portal thru which business would be done. There is a requirement of a local match of \$200,000. This match has gone thru Finance without clarifying where it would come from. Dave is writing into the work plan that will be filed with the EPA that the match is going to come from equity that was provided by a borrower for a project or from funds that we lend to a borrower or from a TIF arrangement. Dave wants the CDA to know that he is adding this to the work plan just to give some flexibility over the five year term. Dave will share with the Board at the next meeting the draft of the work plan that is due to the EPA for their initial review.

B. Loan #REV2011-1 – Discussion Regarding Collateral Arrangement

Dave began by stating Abby Garcia was at the meeting to discuss the loan for her restaurant, 8th and York. He had received an e-mail from Scott McMeans in regards to the \$25,000 collateral arrangement the CDA has with Abba. Dave enclosed a copy of the transcript with the Board members meeting packets.

Abby then spoke about freeing up the \$25,000 in order to continue making improvements to the restaurant. Discussion was held in regards to what exactly Abby wanted to do with the collateral. There was some confusion among the Board members and Abby. Abby would like to add awnings and signage to the building which has already been approved. She would also like to add a sidewalk café on the south side of the building.

Dave suggested to Abby that she, Cory from Bank First National and he should sit down and figure out a strategy. Then, she can come back to the Board members and present a recommendation in regards to the collateral arrangement.

C. Design Review

1. 823 Buffalo Street – Maretti's Deli

Dave reviewed with the Board that the new owners were modifying signage to add their name to the window. Dave asked the CDA for approval to grant the certificate of appropriateness for this design review application.

The following action was taken.

Motion by: Ms. Hennessey

Moved that: the CDA approve the design review application and award a certificate of appropriateness

Seconded by: Mr. Able

Upon vote: the motion was carried unanimously

2. 1008 Washington Street – Candy Apple Tattoos

Dave reviewed this request for signage with the Board. Dwayne, the owner of the store put up signage without asking for approval. Another establishment in the area called to complain about the signage. Dave intervened by contacting Dwayne and he agreed to change the signage. However, he requested that he not be charged the \$25 for the next design review.

Dave is asking the Board to approve this design review and award a certificate of appropriateness knowing that there will be a new graphic that Dave will approve in order for Dwayne not be charged another design approval fee.

The following action was taken.

Motion by: Mr. Able

Seconded by: Mr. Roth

Moved that: the CDA approve the design review application and award a certificate of appropriateness

Upon vote: the motion was carried unanimously

D. Update – Regionalizing Revolving Loan Funds

Dave reviewed with the Board that he informed the regional group that the City was not interested in participating at this time. Dave will still attend the meetings and the Council has authorized Dave to file a memorandum of agreement on behalf of the City that would be for reimbursement of the time Dave has spent related to this project.

E. Update – Consideration of Downtown Design Review and Signage Changes to Municipal Code

Dave reviewed with the Board that the Council had approved the ordinance that came from Tony Fodden with Mainly Manitowoc. The problem now is that there are all kinds of conflicts with the code. Dave hopes to work with the Mayor on this issue.

There hasn't been any delegation of design review at this point so it is still with the CDA. Projecting signs were a part of it and that came thru approved. So if somebody came in with a projecting sign in the downtown area, the CDA would have to consider it. However, if a projecting sign request would come thru, Dave would ask Jamie Zastrow from Mainly Manitowoc's advice.

VI. HOUSING REHABILITATION BUSINESS

A. Mortgage Subordination Request Project #329-98 - Fuller

Dave stated this request is a no cash out refinance with a lower interest rate. There will be no change in equity position. The appraisals are current.

Dave asks for approval of this subordination subject to the conditions that are outlined; including this will be the final subordination.

The following action was taken.

Motion by: Ms. Hennessey

Seconded by: Mr. Maloney

Moved that: the CDA approve subordination request #329-98

Upon vote: the motion was carried unanimously

B. Mortgage Subordination/Intercreditor Agreement Project #59-98 – Howe

Dave reviewed this subordination request as it had been subordinated once before so the City is sitting in first place. Dave explained to the credit union that he would be willing to go to the CDA and go after the subordination to be in second place position subject to an intercreditor agreement.

Dave sent a draft off to the credit union. An intercreditor agreement is a document that gets recorded that states regardless of the recorded positions of the mortgages, if there is any payout from the property, the payout structure is \$1 goes to the City, \$2 goes to the lender; \$3 goes to the City; \$4 goes to the lender; so that we get paid out well before the lender does. First mortgage has the right of privilege.

Dave asks for approval of this subordination with the recommendation of the intercreditor agreement.

After some discussion, the following action was taken.

Motion by: Mr. Able

Moved that: the CDA approve subordination request #59-98 subject to the recommendation of the intercreditor agreement

Seconded by: Ms. Hennessey

Upon vote: the motion was carried unanimously

C. Mortgage Subordination Request Project #342-98 – Krepline

Dave reviewed this subordination request with the Board members. Dave states the recommendation to approve this subordination is grounded in the medical nature of the debt this individual has and the substantial savings that would accrue. The income is SSI and Dave has been working with the lenders. There is such a huge change in the amount of the monthly payment that it benefits the CDA to approve this subordination. This will be our first and final subordination on this project.

Dave feels it is appropriate to recommend approving this subordination subject to conditions.

The following action was taken.

Motion by: Mr. Maloney

Moved that: the CDA approve subordination request #342-98 subject to conditions

Seconded by: Ms. Hennessey

Upon vote: the motion was carried unanimously

VII. ADJOURNMENT

The meeting was adjourned at 5:00 P.M.

Respectfully submitted:

David Less,
Executive Director

DL/pmh