

MINUTES

COMMUNITY DEVELOPMENT AUTHORITY

PLAN COMMISSION OFFICES

Regular Meeting
Wednesday
April 13, 2011

I. CALL TO ORDER

The meeting was called to order by Chairman John Stangel at 4:02 P.M.

II. ROLL CALL

<u>Members Present</u>	<u>Others Present</u>	<u>Staff Present</u>
John Stangel	Colin Braunel	David Less
Gene Maloney	Abby Garcia	Pauline Haelfrisch
Emil Roth	Somprasong Boomperm/ aka (Newy)	
Alex Olson	Jamie Zastrow	
Dennis Tienor	Joe Debilzen	
Matt Kadow		

III. APPROVAL OF MINUTES OF THE REGULAR MARCH 16, 2011 MEETING

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular March 16, 2011 meeting. Hearing none, the following action was taken.

Motion by: Mr. Maloney	Seconded by: Mr. Kadow
Moved that: the CDA approve the minutes of the March 16, 2011 regular meeting	Upon vote: the motion was carried unanimously

David Less introduced Colin Braunel to the Board members. He may become the CDA appointment to fill Jim Noffke's space.

IV. MANITOWOC HOUSING AUTHORITY BUSINESS

A. Financial Report and Approval of Monthly Expenditures

Pauline Haelfrisch reviewed the financial statements for April, 2011 with the Board members. She also distributed a list of expenses and reviewed these with the Board.

Pauline discussed the elevator remittance with the Board members. The total amount was for all the calls that were made from December thru March. She reported that the total included all parts that were replaced, all trip and labor charges. Pauline informed the members that there is another issue with the elevator.

Discussion was held with the Board members and Pauline was asked to find out from Braun Thyssen what the total cost would be to update the elevator in order to prevent further expense.

The following action was taken.

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

B. Energy Assistance Grant Update

Pauline reported on the grant that the Housing Authority would be receiving from the State of WI Dept. of Administration. The administrator of the grant informed Pauline that the Board would not be asked to sign a “work agreement” for this grant until he has accepted the bids and actual construction costs are known. It could take several months. HGM, the architect will start design work soon so they can get bids out on the street.

C. Bid Approval Front Lobby Renovation Project

Pauline reported that only one bidder bid on this project. The bid opening was on Tuesday and on Monday, Hamann pulled out because it wasn't worth the paperwork.

Some discussion was held in regards to the project.

The following action was taken.

Motion by: Mr. Maloney	Seconded by: Mr. Olson
Moved that: the CDA approve the base bid plus alternates for front lobby renovation	Upon vote: the motion was carried unanimously

D. Board Approval of Agency Plan

Pauline refreshed the Board members as to the contents of the Agency Plan she submits to HUD in order to receive Capital Grant Funding. Pauline had distributed the Plan to the members at the March meeting. Now, she is asking approval of the Plan.

The following action was taken.

Motion by: Mr. Maloney	Seconded by: Mr. Tienor
Moved that: the CDA approve the 2011 Agency Plan	Upon vote: the motion was carried unanimously

E. Board Approval of Audit

Pauline requested approval of the audit she had distributed to the members last month. She asked if there were any questions. Some discussion was held.

The following action was taken.

Motion by: Mr. Tienor	Seconded by: Mr. Kadow
Moved that: the CDA approve the Housing Authority audit for FYE 6/30/10	Upon vote: the motion was carried unanimously

Pauline discussed with the Board a prospective tenant that is asking for a special accommodation that may affect our businessowner's insurance.

The Board has agreed to allow Pauline to pursue this issue. Pauline will discuss this with the Board at the next meeting.

V. DOWNTOWN REDEVELOPMENT ACTIVITIES

A. Financial Report – Revolving Loan Program, 4/08/11

Mr. Less reviewed the financial report with the Board members for the revolving loan program. As of April 8, 2011, a total of \$682,811.94 in loan funds was available.

The following action was taken.

Motion by: Mr. Kadow

Moved that: the CDA accept the 4/08/11 report and place on file

Seconded by: Mr. Olson

Upon vote: the motion was carried unanimously

B. Design Review

1. 902 South Eighth St., Suite 2 – Soup A Go Go

David Less informed the Board that this was a pre-approved design. David is asking for the Board's approval.

The following action was taken.

Motion by: Mr. Kadow

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

Seconded by: Mr. Tienor

Upon vote: the motion was carried unanimously

2. 939 South Eighth St. – Rock 'n Blues Haus

David Less informed the Board that this was a pre-approved design. David has no issues with this design.

The following action was taken.

Motion by: Mr. Olson

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

Seconded by: Mr. Kadow

Upon vote: the motion was carried unanimously

C. Update – DAW Loan

David Less reported that Dermatology Associates was not interested in taking advantage of loan.

D. Proposed RLF Loan to Jovial Coffee #2011-1 (to be provided under separate cover)

David Less informed the Board that the principals and participating lender of the project were present. David gave background on the project which is a restaurant operation. It would be located in the available space in the Manitowoc Hotel project; a project the city funded a few years ago through TIF to renovate the building.

David explained this is a restaurant that is a revival from Newy, past owner of Newy's Restaurant. Joe Debilzen, rep from Bank First National made introductions of the others present: Abby Garcia, general manager and Newy, head cook.

David's request to the Board is to provide \$50,000 from the revolving loan program on the terms and conditions David outlines. Bank First National will finance a loan with a 7 year term with a variable rate component. A lease is being put together with

the owners' of the property. The lease provides for a 5 year initial term with 3 to 5 year renewals. The landlord is being asked to put in a sizeable chunk of capital in order to get the space outfitted. David explained that there were pieces still missing from getting this project together. David is waiting for personal financial statements so he can assess where we are at collateral-wise.

This project would have three core functions to it. First, would be a coffee lounge that would deal with the morning crowd; second would be a wine/beer bar; and third would be their main cash source, the dinner/dining room. This project would create five full and five part-time positions which would translate to 7 ½ employees. The City's money would go principally for machinery and equipment and other soft assets that are not heavily construction related and don't carry a substantial installation component with it. The City and Bank will enter into a creditor agreement that states that on a pro-rata basis depending on our share of financing that we will share in any liquidation of collateral. It is a two third/one third share we would take as we go along.

Total project is estimated at approximately \$158,500. The business plan indicates that their total capital needs are approximately \$200,000 with about \$40,000 being operating or working capital. The structure of the financing is that the CDA would be asked to put in \$50, 000 at 4% for a 7 year term. David has put in an outline of the collateral because part of his recommendation to the Board will be to permit him to negotiate and fine tune that as things materialize.

Abby and Newy then gave a talk about what they hope to accomplish with the restaurant.

Some discussion was held by the Board members and questions were answered by the parties involved.

The following action was taken.

Motion by: Mr. Kadow

Moved that: the CDA approve RLF loan based on project narrative; authorize David Less to move forward negotiate all final terms and conditions, draft documents and authorize John Stangel and David Less to sign all loan documents to and thru closing

Seconded by: Mr. Maloney

Upon vote: the motion was carried unanimously

Abstaining: Dennis Tienor

VI. ADJOURNMENT

The meeting was adjourned at 5:05 P.M.

Respectfully submitted:

David Less,
Executive Director