

MINUTES

COMMUNITY DEVELOPMENT AUTHORITY

PLAN COMMISSION OFFICES

Regular Meeting
Tuesday
July 15, 2014

I. CALL TO ORDER

The meeting was called to order by Chairman John Stangel at 4:05 P.M.

II. ROLL CALL

<u>Members Present</u>	<u>Members Excused</u>	<u>Staff Present</u>
John Stangel	Collin Braunel	David Less
Gene Maloney		Pauline Haelfrisch
Emil Roth		
Chris Able		
Dennis Tienor		
Jill Hennessey		

III. APPROVAL OF MINUTES OF THE REGULAR MAY 14, 2014 MEETING

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular May 14, 2014 meeting. Hearing none, the following action was taken.

Motion by: Mr. Tienor	Seconded by: Mr. Able
Moved that: the CDA approve the minutes of the May 14, 2014 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 and July, 2014 with the Board members. She also distributed a list of expenses for June and July and reviewed these with the Board.

After some discussion, the following action was taken.

Motion by: Mr. Maloney	Seconded by: Mr. Roth
Moved that: the CDA approve and authorize payment of the June/July, 2014 expenses	Upon vote: the motion was carried unanimously

- B. Investment Proposal
Pauline reviewed the information she had in regards to HUD's regulations on investments for housing authorities. HUD will allow HA's to invest in CDs up to three years. Right now, a bulk of the HA's

investment is in the form of a money market receiving .60% interest. Pauline stated there are also funds in the form of a CD for one year at .50% interest. Pauline would like to see if there are any investment opportunities that HUD would approve which would get a better interest rate.

The Board members were in general agreement that there really wasn't any point in checking around for higher rates. Dennis Tienor, a board member who is employed with Bank First National stated that he would look into it and see if there was anything out there for me.

C. Flooring Project Update

The flooring project is complete; however, the workers have to come back to finish the punch list. The transition strips from the flooring to the carpet needed to be replaced as the original are too high and cause a tripping hazard. The final bill will not be distributed until the punch list is complete.

Pauline reported that there are only 10 – 15 apartments left that do not have the new flooring. Some of the tenants asked not to have the flooring done as they are older and do not plan on moving. Pauline decided which apartments needed to be done on the condition of the flooring and the tenant before deciding to disregard their apartment.

All other invoices have been paid out and this project is considered complete.

D. Unit Turnover Update

Pauline wanted the Board to be aware that she has had quite a bit of turnover in the last month. She has a waiting list of seven applications that have been processed. She stated she has another five to go through. Pauline stated she is very pleased with the number of people either calling or coming in for applications. Pauline also said that she has had a number of tenants give their thirty day notice for various reasons (nursing home, moving in with boyfriend, leaving the State, etc.)

V. DOWNTOWN REDEVELOPMENT ACTIVITIES

A. Financial Report – Revolving Loan Program, 7/10/2014

Mr. Less reviewed the financial report with the Board members for the revolving loan program. As of July 10th, 2014 a total of \$731,715.27 in loan funds was available.

The following action was taken.

Motion by: Ms. Hennessey

Moved that: the CDA accept the 7/10/14 financial report and place on file

Seconded by: Mr. Able

Upon vote: the motion was carried unanimously

B. Design Review:

1. 834 South Eighth St. – Ivy Trails

Dave explained to the Board members that this design review was pre-approved. He ask the Board members to approve and award a certificate of appropriateness.

The following action was taken.

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

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

C. PC33-2013: Bamco Real Estate LLC/Wisconsin Redevelopment, LLC – Mirro Plant #3 Redevelopment Project - Update

Dave explained that there has been a turnover of personnel at WHEDA. This particular project did not get funded. It did not score points for the housing revolving loan funds. Dave drafted his support letter from the City; Senator Joe Leibham from Sheboygan drafted a letter; Lakeshore Cap is putting one in; Connie Logan from the EDC; and an important one from the WI Aluminum Foundry, because the linkage to an approximately located employer that would be willing to give consideration to residents was an important one. David is not sure if this will be strong enough because he does not know what the competition is, but he is guessing that the work that Todd and Bob have done with WHEDA from the first application to now will set the table appropriately.

A Board member asked if anyone in this building will be following this particular project after Dave retires. Dave stated he did not know. His predecessor is Paul Braun; however this type of project is really not his domain. He does not know what the qualifications will be for the person that comes in to take his spot, but something will have to be done.

Another Board member responded that the City is actively recruiting now for a position similar to Dave's; but they feel the expectation is that Paul will be up to speed on anything Dave is working on to the point where nothing will drop through the cracks.

The following action was taken.

Motion by: Mr. Able
Moved that: the CDA approve the proposal according to the narrative with some tweaking of terms that would allow changes to be made

Seconded by: Ms. Hennessey
Upon vote: the motion was carried unanimously

D. ABBA LLC – Loan REV2011-1 – Update

Dave reminded the Board members of the default letter he had sent out a couple of days ago for the May 15th payment. The deadline to cure the default was today. At 3:30 p.m. today, Abby came in and paid that payment plus the late charge in cash. Thus, another default letter will go out tomorrow for the June payment. Dave stated it is not a good situation at 8th and York and he feels it is just a matter of time.

Dave spoke with Kory Schmidt from Bank First National today and he said there were two loans with the bank. One was a small one for about \$6,000 and the other one was through WHEDA. Their current payment was due June 25th, so that is already bearing a default status. There is a current balance of \$114,605 on that loan. So both of those loans are accruing interest at the default rate. Kory advised Dave that Bank First National is in the process of closing ABBA's checking account. No deposits have been made in the past few months and the account remains overdrawn.

Abby told Dave that Newey was back and apparently Newey fired a number of employees. About a month and half ago, Terry Fox was going to do some pro bono work and set up a repayment plan with the Dept. of Revenue and ABBA defaulted under that plan. At that time, a woman with some culinary experience was going to look at the business and reassess

where the margins needed to be at in order to proceed. Terry Fox was waiting for this information in order to talk with the Department of Revenue on re-engaging a repayment plan. Apparently, one of the employees that was let go by Newey was this woman who was going to put the preforma together.

A Board member asked if the restaurant was open. Dave stated the restaurant is open under another LLC. Not the one that was identified under the Dept. of Revenue. Dave said that much of the information he was relaying to the members was second hand. The only thing he knew for sure was that he received the May 15th payment in cash today.

At this time, the CDA board members wished David a very Happy Retirement and thanked him for all his years of service. They wish him the best going forward.

VII. ADJOURNMENT

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

Respectfully submitted:

David Less,
Executive Director

DL/pmh