

Community Development Authority of the City of Manitowoc
Meeting Minutes
Wednesday, February 21, 2018

I. CALL TO ORDER

Chairman J. Stangel called to order the regular meeting of the Community Development Authority at 4:02 PM on February 21, 2018 at the Community Development Department offices.

II. ROLL CALL

P. Haelfrisch conducted the roll call.

III. APPROVAL OF MINUTES

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular Meeting held on December 20, 2017. Hearing none, the following action was taken.

Motion by: Ald. Kummer

Seconded by: A. Doneff

Moved that: the CDA approve the minutes of the December 20, 2017 meeting.

Upon vote: the motion carried unanimously

IV. MANITOWOC PUBLIC HOUSING BUSINESS

A. Financial Report and Approval of Monthly Expenditures

P. Haelfrisch discussed the monthly reports of finances and expenditures she had provided to the Board members.

The following action was taken:

Motion by: Ald. Kummer

Seconded by: Ald. Novak

Moved that: the CDA approve and authorize payment of the January and February, 2018 expenses

Upon vote: the motion carried unanimously

B. Emergency Water Pipe Leak

P. Haelfrisch reported to the Board members the cost of the repairs for the heating water pipe damage that occurred on December 25, 2017. Total cost of repairs: \$7,620.89; Deductible: \$2,500; Out of pocket expense: \$5,120.89. Repairs consisted of: Mitigation - \$3,505.64; Pipe repair - \$169.25; Drywall repair - \$1,245; Painting - \$1,025; Electrical - \$1,676. The financing came from Manitou Manor's operations account. This account will be replenished when Pauline receives the check from the insurance company.

C. New DirecTV Package

P. Haelfrisch explained that there were a couple of snags with the contract from the new company and the decision was made to start over and pursue other options.

D. Air Makeup Unit Issues

P. Haelfrisch explained to the Board members that the air makeup units cannot produce an acceptable temperature inside when the outside temperatures are in the single digits. The unit on the west side had frozen up completely and actions were taken to prevent that from happening again (pipes were insulated and a vent was put in the current ductwork); however, the air blowing into the hallways was still 55 degrees or lower which is not acceptable. At this time, we have not received a bill from Manitowoc Heating

E. Non-Renewal of Tenant Lease

P. Haelfrisch informed the Board members that she has contracted with an attorney and he has filed the paperwork for a court action to remove a tenant and son from Manitou Manor.

F. Tenant w/Stipend Issue

Pauline reported to the Board members that this tenant had been receiving his rent and DirecTV through a stipend in return for taking the garbage from Manitou Manor to the dumpsters. This tenant caused a disturbance in a tenant meeting. Action was taken and the attorney for Manitou Manor sent him a letter relieving him of his job duties.

G. Vending Machine Proposals

Pauline informed the Board members that she has two proposals from area suppliers to provide vending machines to the building in which Manitou Manor would receive a commission on the sales. The current provider does not offer a commission. Pauline is waiting for responses from both suppliers before she makes her decision.

H. Vacancy Summary

Pauline handed out the summary to the Board members and explained she wanted to keep them abreast of where Manitou Manor is at for vacancies.

V. DOWNTOWN REDEVELOPMENT ACTIVITIES

A. Revolving Loan Fund Financial Reports

N. Sparacio reported the current balance of the fund and recent transactions.

Motion by: D. Tienor

Seconded by: E. Roth

Moved that: the CDA accept the financial reports

Upon vote: the motion carried unanimously

B. Design Review Request: 202 N 8th Street (Progress Lakeshore)

N. Sparacio presented the projecting sign and window sign request and his analysis. He explained that in the B-4 zoning district the business name and logo are allowed on a projecting sign but the business tagline is not allowed. D. Tienor suggested the removal of the tagline as they can change. P. Wills concurred. Ald. Kummer suggested a more decorative and historic bracket design. P. Wills suggested tabling the request so that he may provide revised renderings for committee members to review at the next CDA meeting. The item was tabled.

C. Design Review Request: 301 N 8th Street

N. Sparacio presented the request for exterior alterations and reviewed the project materials with committee members. He also provided historic photos of the building for reference and information. T. Petersen explained that the restoration of the second story and facade could be a potential project for the future but is currently cost prohibitive. J. Stangel inquired as to the timeline of the project. T. Petersen responded that they are working to first relocate the existing tenant into another building in the downtown area. Once the relocation is completed the renovation project can begin as interior plans are complete and presently out for bid. The tentative project completion date is April – May of 2019.

The committee members and the applicant then discussed the condition of the brick underneath the existing siding. T. Petersen responded that if the brick underneath the existing siding is in good condition he would like to reuse the cream city brick. Ald. Kummer questioned if the shiplap wood cedar was a historic material. He suggested that the cream city brick would be a more historic exterior material and inquired about the status of a downtown facade grant program. T.

Petersen responded that it may be possible to keep the window arches and fill in with brick but he will not know the condition of the brick until the siding is removed.

N. Sparacio stated that the downtown facade grant program was identified as a need in the new downtown TIF district plan, but it has not been funded at this time. J. Stangel inquired about the use of RLF funds. N. Sparacio responded that the use of RLF funds required Davis Bacon wage rate determination and reporting. A. Doneff asked if the clearance was adequate for the projecting lamp locations. N. Sparacio noted that any clearance requirements would be enforced through the Manitowoc Municipal Code and related permits. N. Sparacio further clarified that this property is not located in the Historic District, but is being evaluated under the B-4 Zoning district design provisions.

Motion by: Ald. Novak

Seconded by: E. Roth

Moved that: the CDA approve the proposed facade design and materials with the following conditions.

1. Comply with the Manitowoc Municipal Code including obtaining required permits.
2. The use of salvageable brick on the façade shall be considered as an alternative to the siding if the cost is reasonable in the judgment of the owner/applicant.
3. The owner/applicant is requested when attaching new siding panels to cause as little damage as practical to the original façade for future restoration possibilities.

Upon vote: the motion carried. Ayes – E. Roth, D. Tienor, Ald. Novak, A. Doneff, Nays - Ald. Kummer

- D. Discussion and possible action on revisions to the Downtown/Commercial Revolving Loan Fund Manual of Policies to modify the eligible activities and make other updates.

N. Sparacio proposed an additional Eligible Activity to utilize the RLF funds and various other updates and clarifications to the manual. Specifically, the proposed change would allow utilizing RLF loan funds toward property acquisition without also requiring an element of building construction or improvement. In discussions with the Wisconsin Department of Administration, this appears to be a local requirement, and the state does not require this. With no applicants for new loans under this program for several years, this change could add the needed flexibility to secure additional projects. If the CDA finds these revisions acceptable, an adopting resolution will be provided at the next meeting.

Motion by: Ald. Novak

Seconded by: A. Doneff

Moved that: the CDA accept the proposed revisions and authorize the Community Development Director to proceed with the document revision process.

Upon vote: the motion carried unanimously

E. Discussion and potential action on blight determination for 1015 Washington Street.

N. Sparacio reviewed the findings for the property, including a contractor estimate to repair the code deficiencies, which was more than 50% of the property value. The Division of Life Safety analysis shows that the property meets the definition of blight. In addition, the CDA's 1987 Redevelopment Plan identifies the same property as blighted at that time. N. Sparacio explained the need for parking for businesses in the surrounding blocks. The draft Downtown Parking Study shows that this block already has a surplus of 64 spaces. But several areas within two blocks of this location have a parking deficit, meaning that the land uses on those blocks require more parking than is provided.

The staff recommendation is to 1) Request a resolution from Common Council directing the CDA to acquire the property for the greatest flexibility in future use 2) The City should obtain a Phase 1 ESA prior to acquisition 3) The City should prepare to improve the land for parking if that is the intended use.

The CDA members discussed whether public funds are justified to pay for a Phase 1 study, the cost to demolish the structure, and the cost to redevelop the property. The committee also questioned whether developing a parking lot was a true redevelopment or catalytic project and if there was adequate benefit to the public. J. Novak asked if any of the adjacent property owners were contacted regarding their interest in the property and developing it as a parking lot. N. Sparacio responded that the Division of Life Safety staff did contact adjacent property owners and there was no interest at that time. There was a consensus that the CDA does not find adequate public benefit to justify the property acquisition in this case.

Motion by: D. Tienor

Seconded by: A. Doneff

Moved that: the CDA deny the property donation and allow the raze and repair order process to continue with the cost of demolition to be borne by the property owner.

Upon vote: the motion carried unanimously

VI. OTHER BUSINESS

A. Monthly Report on 1512 Washington Street Demolition

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N. Sparacio provided a final project budget report. All invoices are paid to all contractors involved in the abatement and demolition, and the project was completed within budget.

B. Updates on Downtown Master Plan and Parking Analysis projects

N. Sparacio reported that there will be a public meeting in March to share the parking study findings, and that the Downtown Master Plan workshop with area high school students was very productive.

VII. HOUSING REHABILITATION BUSINESS

A. Revolving Loan Fund Financial Reports

N. Sparacio reported current balances of the funds and recent transactions.

Motion by: Ald. Novak

Seconded by: D. Tienor

Moved that: the CDA accept the financial reports

Upon vote: the motion carried unanimously

B. Subordination Request: Discussion and possible action on HCRI Loan #36-96 REV

N. Sparacio reported that the proposed refinancing would reduce the property owner's interest rate and monthly payment. This is a relatively small loan amount, and there is substantial equity and collateral value cushion.

Motion by: A. Doneff

Seconded by: Ald. Novak

Moved that: the CDA approve the subordination request subject to the following conditions.

1. Lender / borrower to pay all city recording and title letter fees and to provide title report or equivalent after all lending / mortgage documents recorded. Costs to be borne by borrower
2. Mortgage subordination limited to the new first mortgage of \$59,000
3. United One Credit Union or Assignee of mortgage to require establishment of escrows for taxes and insurance at inception of new loan
4. This is the final subordination. City to be repaid in full at time of next refinance.

Upon vote: the motion carried unanimously

C. Discussion and potential action on blight determination for 1908 Western Avenue.

N. Sparacio reviewed the findings for the property, including a contractor estimate to repair the code deficiencies, which was more than 50% of the property value. The Division of Life Safety analysis shows that the property meets the definition of blight. In addition, this site is not easily marketable for redevelopment, and there is no interest by adjacent property owners. Kerry Group/Red Arrow was contacted due to their adjacent parking to the rear of this property, but they are not interested in acquiring additional land. Staff recommends that the CDA not acquire this property unless an interested party comes forward with intentions of private redevelopment.

Motion by: Ald. Novak

Seconded by: D. Tienor

Moved that: the CDA accept the Community Development Director's recommendation to not acquire the property.

Upon vote: the motion carried unanimously

D. Discussion and potential action on blight determination for 1912 Western Avenue.

N. Sparacio reviewed the findings for the property, including a contractor estimate to repair the code deficiencies, which was more than 50% of the property value. The Division of Life Safety analysis shows that the property meets the definition of blight. In addition, this site is not easily marketable for redevelopment, and there is no interest by adjacent property owners. Kerry Group/Red Arrow was contacted due to their adjacent parking to the rear of this property, but they are not interested in acquiring additional land. Staff recommends that the CDA not acquire this property unless an interested party comes forward with intentions of private redevelopment.

Motion by: Ald. Novak

Seconded by: D. Tienor

Moved that: the CDA accept the Community Development Director's recommendation to not acquire the property.

Upon vote: the motion carried unanimously

VIII. Chairman Stangel adjourned the meeting at 5:11 p.m.

ATTENDANCE

Members Present

Chairman John W. Stangel
Emil Roth
Dennis Tienor
Anton Doneff
Ald. Lee Kummer
Ald. Jeremiah Novak

Members Absent

Gene Maloney

Staff Present

Nicolas Sparacio
Pauline Haelfrisch
Lisa Mueller
Paul Braun

Others Present:

Dan Diederichs
Tim Petersen

Minutes submitted by: Pauline Haelfrisch and Nicolas Sparacio