

MINUTES

COMMUNITY DEVELOPMENT AUTHORITY



PLAN COMMISSION OFFICES

Regular Meeting
Wednesday
May 12, 2010

I. CALL TO ORDER

The meeting was called to order by Chairman John Stangel at 4:04 P.M.

II. ROLL CALL

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

III. APPROVAL OF MINUTES OF THE REGULAR APRIL 14, 2010 MEETING

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular April 14, 2010 meeting. Hearing none, the following action was taken.

Motion by: Mr. Able	Seconded by: Mr. Noffke
Moved that: the CDA approve the minutes of the April 14, 2010 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 May, 2010 with the Board members. She also distributed a list of expenses and reviewed these with the Board.

Pauline informed the Board that she had let her assistant go and was working with a person from a local temp agency. So far, Pauline is very pleased with her performance. Some discussion was held in regards to the reason for the change and the employee from the temp agency.

The following action was taken.

Motion by: Mr. Maloney	Seconded by: Mr. Able
Moved that: the CDA approve and authorize payment of the May, 2010 expenses	Upon vote: the motion was carried unanimously



OFFICE OF CITY PLANNING,
CITY PLAN COMMISSION



B. FYE 2011 Budget Approval

Pauline reviewed the FYE 2011 Budget with the Board members. She discussed the various sections of the budget involving occupancy and expenses.

Discussion was held in regards to employee benefits and health insurance. Pauline assured the Board she will be shopping around for new health insurance. One of the board member's brought up an issue with the depreciation figure in the budget. Pauline stated she would definitely check it out with the accountant and at the very least, let the board member that is questioning it know the final resolution on the matter.

The following action was taken.

Motion by: Mr. Maloney

Moved that: the CDA approve the FYE 2011 Budget upon clarification of the depreciation issue

Seconded by: Mr. Noffke

Upon vote: the motion was carried unanimously

C. Capitalization Policy Approval

Pauline discussed the policy with the Board members. Discussion was held as to the contents of the policy.

Also, Pauline brought up an unforeseen expense with the west side air conditioning unit. It is in need of a new air compressor. Schaus will be able to install one for \$5,975 including parts and labor. Pauline stated that the unit is 16 years old.

The following actions were taken.

Motion by: Mr. Maloney

Moved that: the CDA approve and accept the Capitalization policy for the Manitowoc Housing Authority. The CDA approve the installation of a new air compressor for the west side air conditioning unit.

Seconded by: Mr. Able

Upon vote: the motion was carried unanimously

V. DOWNTOWN REDEVELOPMENT ACTIVITIES

A. Financial Report – Revolving Loan Program, 5/07/10

Mr. Less reviewed the financial report with the Board members for the revolving loan program. As of May 7, 2010 a total of \$527,006.54 in loan funds was available.

The following action was taken.

Motion by: Mr. Tienor

Moved that: the CDA accept the 5/07/10 report and place on file

Seconded by: Mr. Able

Upon vote: the motion was carried unanimously

B. Loan #REV08-1;Hemken/TWH Collectibles – Proposed Modification of Loan

David Less discussed the attachment he e-mailed the Board members. John Hemken

also passed out a packet in regards to the proposal. David and John Hemken have been communicating about refreshing his loan. Dave explained the handout he had given the Board highlighted the status of John's current loan he has with us.

Dave gave the Board a little background on the loan. In 2008, we had approved a three year term on a \$100,000 loan regarding a property that John is the CO of in the former Cook's Corner location. The principal balance on that loan as of 3/15/10 was just under \$31,500. We have had no issues with late payments or defaults. That loan will be paid in full 12/20/10. Terms of employment with the information that John had given him originally was to create five new positions. To date, he has increased those to 11.5 full time positions. Based on that parameter, there is room to go back and increase the loan.

John recently took title to the northeast corner of the block where Mainly Manitowoc has its' offices. John was operating as TBL Real Estate, LLC which is an entity separate from the entities that are covered under the current loan. He had a land contract with the

Weinert Properties, LLC. That land contract had a balance at the end of 2009 of \$266,000. John made an arrangement with Weinert to make the land contract go away; and a warranty deed was executed and recorded on 1/11/10 deeding title of this property from Weinert Properties to TBL Real Estate. Along with that, was a mortgage that was granted back to TBL Real Estate to Weinert for the full purchase price of \$266,000. That piece which John now owns is fully leveraged and there is no equity in it. There was a third mortgage on his residence and that will stay as it is.

Regarding the property to the south, the old Cook's Corner, and wrapping around to Quay and Ninth Street where the building is falling apart, that is a continuation of a rental agreement with Manitowoc City Center Development, LLC. The original document included a buyout provision that hasn't been exercised. There are some collateral issues related to refreshing our loan.

David showed the Board a map of the property and explained John's proposal. John Hemken discussed with the Board what he would like to do with the property. Phase #1 which is what the original loan was for will be paid off by 12/31/10. John explained Phase #2 of the property which is what the additional loan would be for. There would be no contractors involved. He would do all the work.

There was some discussion by the Board in regards to the property and parking.

It was decided the Board would take a tour of the property at the next Board meeting. They will meet on Wednesday, June 16th at 3:30 p.m. at the property.

The following action was taken.

Motion by: Mr. Able
Moved that: the CDA approve the loan modification up to a maximum of \$100,000 and give Dave the authority to negotiate all terms and conditions

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

At this point in the meeting, the Board Chairman asked about the other gentleman sitting in the audience. David Less stated he would be the new CDA Board member. The gentleman introduced himself to the Board as Alex Olson. He is an alderman from District 6. He was welcomed by the Board.

C. Design Review:

1. 208/210 North Eighth Street – Acute Angle

David Less reported this property is requesting signage on the front of the building and on the back side of the building is a concrete retaining wall that the owner is requesting signage for. David advised her that unless her lease includes that portion of the property, it would be considered an off-premise sign and not permitted. The owner e-mailed Dave that it is covered. Some discussion was held by the Board in regards to ownership of the retaining wall. Dave clarified with the Board that they are approving the signage. If the retaining wall is not in the lease description, Jim Muenzenmeyer will not issue a permit.

The following action was taken.

Motion by: Mr. Able

Moved that: the CDA approve the design review application and award a certificate of appropriateness with the understanding that the lease incorporates the retaining wall area on the west side

Seconded by: Mr. Noffke

Upon vote: the motion was carried unanimously

2. 924 Buffalo Street – Balance Therapeutic Massage

David discussed this property with the Board. There is a billboard on the property that was predated before the ordinance and grandfathered in. The owners want to clean up the area and signage would be placed on the face of the building and on the north side of the building with additional advertising on entrance door and two windows.

The following action was taken.

Motion by: Mr. Noffke

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

D. Update – Great Lakes Training and Development Issue

NO REPORT

VI. HOUSING REHABILITATION BUSINESS

A. Loan #26-96REV & #28-98HOP – release of mortgages

Janet sent an e-mail to the Board members in regards to this property. The property is being foreclosed on and the owner is selling the house for less than market value. The loan would be forgiven.

David Less would like the minutes to reflect he is not in favor of this request due to the realtor receiving their full commission on the sale. David wants to make sure that this does not become a precedent setting for the "hardship argument" and this project gets thrown back at us. David stated that if the new owner of the property should come for a loan to remodel, he does not want any part of it.

Motion by: Mr. Noffke

Moved that: the CDA approve subordination request
carried

#26-96REV & #28-98HOP – release of mortgages

Seconded by: Mr. Tienor

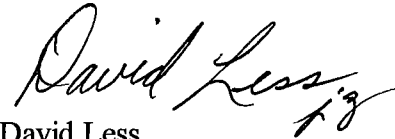
Upon vote: the motion was

unanimously

VII. ADJOURNMENT

The meeting was adjourned at 5:12 P.M.

Respectfully submitted:

A handwritten signature in cursive script that reads "David Less" followed by a flourish.

David Less,
Executive Director

DL/pmh