

MINUTES

REDEVELOPMENT AUTHORITY OF THE CITY OF FOND DU LAC REGULAR MEETING TUESDAY, NOVEMBER 19, 2013

City/County Government Center, Meeting Room D & E
5:30 p.m.

1. Teletzke called the meeting to order at 5:30 p.m. The meeting was held in Room D & E of the City/County Government Center, 160 S. Macy Street, Fond du Lac, Wisconsin.

2. Wegner called the roll

Present

Richard Ewald
Karyn Merkel
Doug Teletzke
Leo Udee

Absent

Greg Giles (excused)
Mary Gilles (excused)
Anne Pierce (excused)

Wegner declared a quorum present

Staff in attendance:

Dyann Benson, Redevelopment Planner
Debbie Wegner, Community Development Specialist

Others Present:

Mike Scalise, Robert W. Baird & Co.
Jeno Thuecks, Schmidt Capital Investments, LLC

3. Approval of Minutes

- A. Open and Closed Session Minutes from the Regular Meeting of October 15, 2013

Udee made a motion to approve the minutes of the regular meeting of October 15, 2013; seconded by Merkel. Motion carried.

4. Public Hearing with Respect to Spot Blight Determination for the Property Located at 100 West Larsen Drive (Schmidt Capital Investments, LLC Project)

Benson reviewed the Resolution 13-31 and 13-32 will be discussed together as they relate to the same project.

Benson reviewed that last month the Redevelopment Authority (RDA) approved initial resolutions authorizing the spot blight determination of the property located at 100 West Larsen Drive and the issuance of tax exempt revenue bonds to assist with the purchase and rehabilitation of that same property. She stated that both resolutions are coming before the RDA at tonight's Public Hearing for the Final Determination. Benson also reviewed that the bonds will not be a debt against the RDA or require the RDA to incur any cost. She stated that the bonds are an effective tool for economic development.

A. Resolution No. 13-31 – A Resolution Designating Spot Blight of Project Site Located at 100 West Larsen Drive

Merkel made a motion to approve Resolution No. 13-31. Udee seconded the motion and the roll call vote was as follows: Ewald, aye; Merkel, aye; Teletzke, aye; Udee, aye. Motion carried.

5. Public Hearing Regarding Proposed Redevelopment Revenue Bond Financing for Schmidt Capital Investments, LLC Project

A. Resolution No. 13-32 – A Resolution Regarding Redevelopment Revenue Bonds Financing for Schmidt Capital Investments, LLC Project

Ewald made a motion to approve Resolution No. 13-32. Udee seconded the motion and the roll call vote was as follows: Ewald, aye; Merkel, aye; Teletzke, aye; Udee, aye. Motion carried.

6. New Business

A. Resolution No. 13-33 – A Resolution Authorizing the Reallocation of the PY2013 Community Development Block Grant (CDBG) Funding from Blight Elimination to Brownfields

Benson reviewed that the RDA previously approved allocating \$185,000 in CDBG Grant funding to the Brownfields project located at 129 Forest Avenue. The reallocation of the \$30,000 in PY2013 Blight Elimination will fund the completion of the Voluntary Party Liability Exemption (VPLE).

She indicated that additional testing is required to show no increase or change in contamination level. The completion of the VPLE process will prepare the site for redevelopment and ensure that the new developer/purchaser will be exempt from any future environmental liability.

Udee made a motion to approve Resolution No. 13-33; seconded by Ewald. Motion carried.

B. Resolution No. 13-34 – A Resolution Authorizing the Reallocation of the PY2012 Community Development Block Grant (CDBG) Funding from Rehabilitation Grant Program to Undesignated

Benson reviewed that in 2011 the RDA approved the creation of the Downtown Façade Design Assistance Program. Qualified applicants were eligible to receive a grant of up to \$4,000 for design/historical research costs. The program was proposed because the \$2,000 façade grants offered by the Downtown Fond du Lac Partnership were less than the design fee costs for the façade improvement.

Benson stated that unfortunately the DFP received one application in June 2012 with no additional applications received through October 2013. As such, staff recommends reallocating the remaining balance of \$16,552 to Undesignated. She indicated that Undesignated funding could then be used to assist with Public Facilities, Homestead Opportunity Program, Homeless Services, or Dental Care. The distribution of funding would be determined in January 2014.

Merkel made a motion to approve Resolution No. 13-34; seconded by Udee.
Motion carried.

C. Discussion Regarding Citizen Participation Plan

This agenda item was deferred until the January meeting.

D. Discussion Regarding 30 Year Mortgages and the Housing Rehabilitation Loan Program

Benson reviewed that according to Wisconsin State Statutes mortgages are only valid for a period of 30 years. In some instances loan applicants have continued to own and reside in the home used as collateral for more than that 30 year period of time. As such, the RDA will need to reaffirm some of these mortgages. City staff has prepared and recorded an Affidavit of Reaffirmation of Mortgage for seven (7) of these mortgages which are over the 30 year period of time. Each year staff will continue to file an Affidavit of Reaffirmation of Mortgage for all outstanding loans in their 29th year. Starting November 2013 staff will include language on the mortgage attesting that the loan will extend beyond the 30 year statutory limit.

E. Discussion Regarding Input on Needs Assessment for CDBG Program

Benson reviewed that the RDA held a Public Hearing for the Needs Assessment as part of the PY2014 Annual Action Plan. Since that public hearing two additional needs have been identified.

- ARC Housing Inc. has requested assistance with property acquisition to provide rental units for clients that are served by the organization. Currently, clients reside in either a 6-8 unit apartment building or a group home which are owned and managed by the organization. Their housing inventory is insufficient to meet their needs and waiting list.
- A conceptual need has been identified for a lead-safe house to provide shelter for families that have a child or children with a lead poisoning and who need to relocate until repairs can be completed. This need could be partnered with other organizational/agency needs to maximize the use of the property.

F. Approval of Financial Statement

(1) Redevelopment Authority Monthly Financial Statement – October, 2013

Wegner reviewed the monthly financial statement.

Udee made a motion to approve the monthly financial statement as presented; seconded by Merkel. Motion carried.

G. Adjourn into Closed Session

Ewald made a motion to adjourn into closed session. Merkel seconded the motion and the roll call vote was as follows: Ewald, aye; Merkel, aye; Teletzke, aye; Udee, aye. Motion carried.

H. Reconvene into Open Session

Udee made a motion to reconvene into open session. Merkel seconded the motion and the roll call vote was as follows: Ewald, aye; Merkel, aye; Teletzke, aye; Udee, aye. Motion carried.

I. Resolution No. 13-35 – A Resolution Approving Residential Rehabilitation Loans Under the Community Development Block Grant Program and/or HOME Programs

Merkel made a motion to approve Resolution No. 13-35; seconded by Udee. Motion carried.

J. Action on Review of Loan Application Which Does Not Meet Program Guidelines

Merkel made a motion to continue processing this loan application with the stipulation to re-verify her income sources when this application is presented for final RDA approval; seconded by Udee. Motion carried.

K. Action on Review of Loan Application Which Does Not Meet Program Guidelines

Ewald made a motion to continue processing this loan application; seconded by Merkel. Motion carried.

L. Action on Potential Foreclosure of Loan No. 04.14

Ewald made a motion to proceed with action of foreclosure; seconded by Udee. Motion carried

7. Correspondence

A. Discussion Regarding December Meeting

Benson stated the December RDA meeting may be cancelled due to a lack of agenda items but staff will confirm this early in the week of December 9, 2013.

8. Other Matters as are Authorized by Law

9. Motion to Adjourn

The Authority adjourned by unanimous consent at 6:43 p.m.

Respectfully submitted,

Debbie Wegner
Community Development Specialist

MINUTES

**REGULAR MEETING
REDEVELOPMENT AUTHORITY OF THE
CITY OF FOND DU LAC**

**TUESDAY, NOVEMBER 19, 2013
CLOSED SESSION**

Present

Richard Ewald
Karen Merkel
Doug Teletzke
Leo Udee

Absent

Gregg Giles (excused)
Mary Gilles (excused)
Anne Pierce (excused)

The Chairman declared a quorum present.

Staff in attendance:

Dyann Benson, Redevelopment Planner
Debbie Wegner, Community Development Specialist

Others in attendance:

None

Two loans being considered for approval under the CDBG and/or HOME Program were reviewed. Also discussed were two requests for housing rehabilitation assistance from applicants who do not meet Program guidelines, and the review on the potential foreclosure of Loan Number 04.14.

Respectfully submitted,

Debbie Wegner
Community Development