

COMMUNITY DEVELOPMENT AUTHORITY
MINUTES

04/29/14

MEMBERS PRESENT: David Piehler, Russ Wilson, Andy Witt, Sarah Napgezok, Gary Gisselman, Romey Wagner

MEMBERS ABSENT: Dorothy Korzilius

OTHERS PRESENT: Ann Werth, Tammy Stratz, Betty Noel, Juli Birkenmeier, Anne Jacobson, Mayor Tipple, Jim Brezinski, former commissioner, Deb Ryan, citizen, Ted Matkom, Gorman via phone conferencing

(1) Call Meeting to Order

Meeting was called to order at 3:06 pm at 2305 Sherman Street Wausau, WI.

(2) Approval of Minutes

Wilson moved to approve the minutes from 03/25/2014. Witt seconded. Motion approved unanimously. Wagner moved to approve the minutes from 04/10/2014. Napgazek seconded. Motion approved unanimously.

(3) Introduction of New Commissioner

Werth introduced Gary Gisselman as the new commissioner replacing Jim Brezinski. Gisselman was approved by the City Council, and appointed by Mayor Tipple. He has had previous experience on the Marathon County Board with North Central Health Care and Aging and Disability Committees. Gisselman was introduced formally to the other board commissioners.

(4) Update on 303-305 S. Second Avenue Environmental Project

Werth discussed that there was a meeting with Lisa Gutknecht, DNR, Kevin Fabel, Environmental Engineer, and herself. From this meeting 3 different letters will be sent out to owners, business, and tenants in reference to the mitigation systems. Owner's letters will explain where their levels of intrusions are currently at. Business owners will receive letters updating them on the progress of the project. Tenants will receive letters informing them of the progress of the project that may affect them. Gutknecht would like all questions that come in reference to the levels be sent directly to her and if there are any health concerns those would be directed to Dale Grosskurth, Marathon County Health Department.

The change order number 6 has been approved by Gutknecht and change order number 5 should be approved in the near future. This is a work in progress and all parties will continue to participate together for site clean-up.

Deb Ryan asked why the City is purchasing properties that are contaminated. Piehler explained that one of the CDA's missions is obligated by the State Statute under blight, to acquire

properties which need remediation and bringing them back into compliance with State standards for future use. The CDA is also working with DERF funding on this project.

There is no defining scope of how long the project will take to complete at present time. However, through continued monitoring and remediation the CDA and DNR are progressing ahead for closure.

(5) Status on Rental Assistance Demonstration (RAD) Application

Piehler stated that the RAD application has been submitted in a timely fashion. The CDA was in the second round of applicants that are currently on a wait list with no defining time of when our agency will be accepted or rejected.

(6) Riverview Towers LLC Project Wrap Up

- **Construction Completion-Punch List** – Matkom explained that the punch list has been completed within the scope of the initial project with NEF, including the 10% contingency. The equity punch list has been completed. The punch list relevant to the corridors is still being completed, as this was an additional work scope to the project. Werth stated that after meeting with Matkom any issues that remain after the completion will be guaranteed by Gorman and satisfied.
- **Financial Close-Out** – Piehler explained that we have met our stabilization of rent up. He congratulated Juli Birkenmeier on this achievement. Matkom discussed that we have received 2 out of the 4 installments to date. The 3rd installment is expected to be released by NEF shortly after some questions have been clarified. This installment is the developer fee of \$256K, each to be given to both the CDA and Gorman. The final installment will be \$90K accompanying the 8609 certificate from WHEDA, stating we've completed all the requirements. Our inspection has currently been waived by WHEDA for the 8609 certificate. We are awaiting this certificate currently. This installment should come by the end of May 2014, and should close out the financials for this project. There is no action from the board needed for this installment.
- **Ongoing Compliance and Operation** – Matkom met with CDA staff on 4/23/14 in reference to the memo created for the compliance of the tax credit project and the new financing. The CDA will be using the Section 42 compliance and requirements needed for the investor, NEF. Matkom gave a brief overview of this memo. Noel was asked by Piehler if she felt comfortable with the memo and she stated she did along with the help of Gorman. Piehler mentioned that the compliance contract between the CDA and Gorman will automatically renew in August 2014 as long as there is no action taken by either party. NEF has agreed to have Gorman removed from the compliance aspect of the project if the CDA wants to move forward without Gorman as a compliance partner. Matkom also explained that after 15 years the CDA has the option of purchasing Riverview Towers LLC back for \$1.00 and can chose at that time to revert back to a non-profit. The second option for purchasing is statutory election.
- **Maintenance Facility Lease** – Matkom discussed that when the initial project was submitted for HUD approval there was distinguishing lines between Riverview Towers LLC land and CDA land. The CDA purchased land with its own dollars that abuts the property to Riverview Towers LLC to build a maintenance garage. The term of lease is until 2088 for the ground lease and the maintenance lease. A copy of the lease was

handed out to all the board members. Piehler suggested some changes to the original lease and Matkom has made the appropriate changes. Wilson made a motion to approve the maintenance lease. Napgazek seconded. Motion approved unanimously.

Matkom complimented staff and commissioners on doing their due diligence to help the facilitation of this project.

(7) Operational Issues and Current Activities

- **2013 Audit Update** – Werth stated that the auditors have completed the CDA audit and during the exit interview they indicated there were no findings. Schenk will be presenting the audit at the June 2014 meeting.
- **Lease & Policy Changes** – Noel stated that CDA staff has been working closely with Tara Alfonso, Assistant City Attorney, in crafting our lease, house rules, and all applicable policies to flow together consistently. Birkenmeier stated the lease has been revised both for Scattered Sites units and Riverview Towers LLC. A lease addendum was sent to all tenants in reference to the new Domestic Violence protection. Birkenmeier discussed a letter will be going out at the end of May to all Public Housing tenants to notify them to pick up their new lease, house rules, and policies. The CDA will be conducting a meeting in June allowing for any tenant comments relevant to the lease, house rules, and policies. The finalized lease will be presented to the board in June with an effective date of August 1, 2014. This has been a long process and Alfonso was compliment on her work to facilitate the changes.

Occupancy at Riverview Towers is at 96%, Riverview Terrace is at 97% and Scattered Sites is at 100%.

(8) Chairman's Comments

- **Recognition of Jim Brezinski** – Piehler stated that former commissioner Jim Brezinski was instrumental to our board. He was valued being a Councilman and taking items back to City Council as our cheerleader. Brezinski served as an inspiration to other board commissioners and encourages the rest of the board to facilitate change within the community. Brezinski said he feels fortunate to have been a part of this committee. Piehler stated that although different commissioners have differing opinions, we are all here for the common goal of doing good.
- **Future direction of CDA** – Piehler discussed how far the CDA has progressed over the last 12 years and we have turned it around completely. The CDA has gone through ups and downs throughout the transition of Betty Noel becoming the new Public Housing Manager, and Ann Werth stepping up to become the new Executive Director. It is difficult to find a director that has an understanding of both the housing aspect, as well as, the economic development side.

Piehler thanked the City Attorney office for all of their help in any legal issues that have arisen. Piehler stated that we are not here for a fiefdom but to help those that are less fortunate. Not only has the CDA helped with housing but also with the remediation aspect of taking properties and making them available to future business owners. Piehler discussed the importance of having the board set policy. The CDA staff should not go

into a maintenance mode but pursue other avenues to assist the city. Piehler suggested that the CDA board look into state statutes for what types of projects can be done. Piehler stressed the importance of the individual commissioners stay active within the CDA. The commission has the ability to do good things that others within the community can't. Piehler suggested a retreat and recommended for Werth to look into the state statutes covering Community Development Authorities activities that are legal and within our capabilities to accomplish. In closing Piehler wanted to pass on that the CDA board should stay active and continue to search for good things that can be done for the City of Wausau.

(9) Election of New Chairman/Vice Chairman

Piehler stated that it would be appropriate to have a motion to nominate Russ Wilson as the new Chairman and Andy Witt as the Vice Chairman. Wagner made a motion to nominate Wilson and Witt. Gisselman seconded. Motion approved unanimously.

Werth thanked Piehler for all of his dedication to the board and presented him with an award for all his service that he has provided over the past 12 years as both a commissioner and Chairman. The Mayor also thanked Piehler for his dedicated service and remarked on how much he has done with his volunteer hours to make the Tax Credit project reality.

(10) Adjourn

Witt moved to adjourn, Napgezsek seconded. Meeting adjourned

Respectfully Submitted,



Russ Wilson
Chairperson