

COMMUNITY DEVELOPMENT AUTHORITY
MINUTES

06/28/16

MEMBERS PRESENT: Russ Wilson, Andy Witt, Gary Gisselman, David Welles

MEMBERS ABSENT: Sarah Napgezek, Dorothy Korzilius, Romey Wagner

OTHERS PRESENT: Ann Werth, Juli Birkenmeier, Christian Schock,
Anne Jacobson, Dave Johnson, Mayor Rob Mielke,
Mary Vandebusch, Schenck SC

(1) Call Meeting to Order

Meeting was called to order at 12:02 pm in the WCDA Boardroom at 550 E Thomas Street, Wausau, Wisconsin.

(2) Approval of Minutes

Gisselman moved to approve the minutes from 05/31/16. Witt seconded the motion. Motion was approved unanimously.

(3) 2015 Audit Presentations – Schenck SC

Mary Vandebusch, Schenck SC, presented the 2015 Riverview Towers LLC audit to the full commission and reviewed the financial statements, liabilities and assets. She noted that there were no compliance issues or findings. Vandebusch then presented the 2015 Wausau Community Development Authority single audit and reviewed the financial statements, liabilities, and assets. She reported that it was a very clean audit and there were no material weaknesses. Werth formally thanked Vandebusch for their diligent work on completing both audits and also thanked staff for their assistance with the audit process.

(4) Thunder Lube Loan Update

Werth gave an update on the 2013 Lube Inc. /Thunder Lube loan. She reiterated that the \$25,000 loan was structured in a way that interest-only payments were due each July for the first 3 years. She added, if Thunder Lube fulfilled additional job and property value requirements, \$10,000 of the loan would be forgiven in the third year. Werth said the third and final interest payment will be due next month. She reported that Thunder Lube is otherwise in compliance with said requirements, therefore monthly payments on the remaining \$15,000 loan will begin in August. She will obtain a \$10,000 satisfaction from the City Attorney's office upon receipt of the third interest payment. Werth said she is pleased that Thunder Lube is thriving at their new location and they have been a great project partner.

(5) Discussion and Possible Action on RVT LLC Management Agreement Renewal

Werth noted that the Management Agreement for Riverview Towers LLC will expire August 31, 2016. She said this original two-year Agreement signed on September 1, 2012, and extended for two additional years in 2014, is between RVT LLC (owner) and the WCDA (agent) and outlines the WCDA's responsibilities relative to leasing and managing Riverview Towers. Werth sought board approval to request extending the term from two years to five. Welles made a motion to extend the Agreement to a five year term pending NEF's approval. Gisselman seconded. Motion was approved unanimously.

(6) RAD Conversion Update – RVT LLC

Werth informed commissioners that a Financing Plan has been submitted to HUD, meeting the June 1, 2016 deadline. She said Baker Tilly assisted with the Plan completion, which also included the RAD Physical Condition Assessment (RPCA) performed by EMG. Werth added that the Plan is currently under review by HUD but expects to receive a RAD Conversion Commitment (RCC) within 60 days from the submittal date. Birkenmeier anticipates the RAD closing to take place in September or October, with a HAP contract reflecting an October 1, or November 1, 2016 effective date.

(7) Discussion and Possible Action on Scattered Sites RAD Conversion

Werth reiterated the WCDA was awarded RAD commitments for both Riverview Towers LLC and the Scattered Sites. She said although we are proceeding with a conversion for Riverview Towers, staff has been diligently working on the feasibility of a Scattered Site conversion. Werth furthered that a Scattered Site RPCA could reflect substantial improvements that, in her opinion, the units may not require at this time. She has also considered a tax credit application but anticipates only a 4% eligibility. Based on information gathered and staff's current workload, Werth sought board approval to withdraw from a RAD conversion for the Scattered Sites at this time. Once approved, she will issue a letter to HUD formally withdrawing the 46 units of Scattered Sites from a RAD conversion. Witt made a motion to formally withdraw the Scattered Sites from a RAD commitment. Welles seconded. Motion was approved unanimously.

(8) Discussion and Possible Action on Resolution 16-006 – Designating Local Depositories and Approving Authorized Investment Officers and Staff

Werth reviewed a press release issued by Mayor Mielke announcing Christian Schock as Interim Director of the Community, Planning and Economic Development Departments effective June 20, 2016. She said Schock will replace her as an authorized signer for the WCDA. Gisselman made a motion approving Resolution 16-006 designating local depositories and approving authorized investment officers and staff. Witt seconded. Roll call vote was taken with unanimous consent. Resolution 16-006 approved.

(9) Discussion and Possible Action on Physical Status of Building – 2102 N Second Street

Werth reported that building improvements are underway. JAS Construction has installed a new steel entry door, WPS is reconnecting power and some basement leaks are also being remediated. Werth reported that a roof leak was recently discovered driving her to obtain bids for the repair. Evolutions in Design's (EID) intent was to lease the building by June 15, 2016, but due to time constraints and the need for additional building repairs, EID leased an alternate site. Gisselman inquired whether EID would still be interested in renting the building sometime in the future. Werth's belief is that it will remain as part of their business plan. Werth then sought board approval to move forward with the bidding process for the roof repair. Welles made a motion to proceed with the bidding process for repairs at 2102 N Second Street, with further review by the board upon receipt. Witt seconded. Motion was approved unanimously.

(10) Discussion and Possible Action on Acquisition of Property at 601-607 N Third Street

Motion to move into closed session by Welles, Witt seconded. Roll call vote was taken with unanimous consent.

(11) CLOSED SESSION pursuant to Section 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.

(12) RECONVENE into open session; Discussion and Possible Action on Acquisition of Property at 601-607 N Third Street

Welles moved to reconvene, Witt seconded. Roll call vote taken with unanimous consent. Motion was approved unanimously.

Welles made a motion for the approval of the acquisition of the property at 601-607 N Third Street as a conduit between Dave Johnson, Hildene LLC, and Kevin Korpela, contingent upon a waiver of liability from Secura Insurance and Rural Insurance and any other parties the WCDA deems necessary. The board will reconvene for a special meeting on July 12, 2016, to further discuss. Witt seconded. Motion was approved unanimously.

(13) Operating Issues and Current Activities

- **Occupancy Overview** – Werth reported 98% occupancy at Riverview Towers and 91% occupancy for both the Scattered Sites and Riverview Terrace.
- **Scattered Site 2016 Project Update** – Werth reported that siding and balcony project has been completed, but for the roofs, which are expected to be completed by the end of August. She also reported that one of the Scattered Sites, 910 S 16th Avenue, suffered severe storm damage resulting in the total loss of the garage and a large tree. Werth said an insurance claim has been filed and bids will be obtained to rebuild the garage.
- **8 Scott Street Property Exchange Update** – Werth stated that REI is near completion of the Phase 1 environmental on the parcel. Once completed, the property will be transferred back to the City of Wausau.
- **Resident Picnics** – Werth extended an invitation to the Riverview Terrace and Riverview Towers resident picnics. She also announced an upcoming concert in Hammond Park on June 30th.

(14) Adjourn

Welles moved to adjourn. Witt seconded. Meeting adjourned.

Respectfully Submitted,



Russ Wilson
Chairperson