COMMUNITY DEVELOPMENT AUTHORITY
MINUTES

05/28/19

MEMBERS PRESENT: Andy Witt, Gary Gisselman, Robert Reinertson, Sarah Napgezek, Tom Neal, Rachael Hass

MEMBERS ABSENT: David Welles

OTHERS PRESENT: Betty Noel, Anne Jacobson, Juli Birkenmeier, Tammy Stratz, Mayor Mielke, Brian Kowalski, City Pages, Kevin Porter, Intercity State Bank

(1) Call Meeting to Order
Meeting was called to order at 12:03 pm at 550 E Thomas Street, Wausau, Wisconsin.

(2) Public Comment
None

(3) Approval of Minutes from 4/23/19
Neal made a motion to approve the minutes from 4/23/19. Reinertson seconded. Motion was approved unanimously.

(4) Finance Committee Report
Witt provided his Chair report from the May 8, 2019, Finance Committee meeting and reviewed the WCDA’s investment sheet as of March 31, 2019. He reported that there were no changes and all accounts are earning a consistent 2.47% interest rate.

Witt reviewed the Capital Fund Program (CFP) grant summary stating that the 2017 grant has a remaining obligation balance of $147,042 and disbursement balance of $152,700. He furthered that Noel will soon be obligating the remaining funds for the roof replacement and concrete repair projects at several of the scattered site properties. Witt then reviewed the 2018 grant of $69,203 reporting no activity to date. He then said that HUD had recently released the CDA’s 2019 CFP grant award of $71,905. Witt mentioned that the obligation and disbursement deadlines for all grants are in full compliance.

Witt gave an overview of the Live-It-Up Wausau program stating that the CDA has assisted 20 program participants with $245,000 of the pledged $250,000. He furthered that, thus far, the program has successfully disbursed $650,000 in totality.

Witt then reviewed the first quarter financial statements and summaries for the WCDA’s budgeted programs as well as the first quarter financials for Riverview Towers LLC, and further reviewed the items of note contained in his report.

Witt stated that Jon Trautman, CLA, plans to present the 2018 audits at the June meeting and anticipates an unqualified opinion. He furthered that the Office of Inspector General (OIG) review of the CDA’s HCV Program is complete and he said a written report is anticipated in June or July. Witt reported that this is the first review in the OIG auditor’s career that has not advanced to a full audit.
(5) Discussion and Possible Action to authorize the City to prepare and issue bid documents, bid opening, bid award, contract preparation, and any other steps required to complete the CDA’s 2019 Scattered Site Concrete Repair Project
Noel reiterated that concrete repairs are needed at several of the scattered site properties and reported that she and Larry Buchberger, Maintenance Technician, met with Eric Lindman and Allen Wesolowski in late 2018 requesting their expertise and assistance with the scope of work and bidding process. She said it was agreed that the engineering department would have time over the winter months to assist. Noel reported that Buchberger provided the specific addresses and marked all the affected sections of concrete at each site. From that scope of work, Wesolowski provided an initial $49,000 estimate of probable cost but has recently increased that estimate to $57,000. Noel said that because there has been such a lag in bid document issuance and timing is now a concern, Schock suggested seeking board approval to authorize the City to prepare, issue, open, award and contract for the project. Jacobson indicated that Wesolowski approached her with questions on utilizing the city engineering request for proposal and how to modify the documents to meet the CDA’s needs. Jacobson inquired whether the CDA had a memorandum of understanding with the City for services. Stratz mentioned that over the years, the CDD has collaborated with the City on several projects using CDBG funds. Jacobson asked if there was a deadline and Noel stated that a contract needs to be signed by August 15, 2019. Jacobson stated that she will investigate this further and will work with Noel and Stratz to meet the requested deadline. Reinertson made a motion to authorize the City to prepare and issue bid documents and complete any required steps and paperwork to contract for the CDA’s Scattered Site concrete repair project. Napgezek seconded. Motion was approved unanimously.

(6) Discussion and Possible Action on revisions to the CDA’s “Housing” Mission and Goals Statement of the Planning, Community and Economic Development Department
Noel provided a revised proposal to the CDA’s “Housing” statement which is part of the Planning, Community and Economic Development Mission and Goals. She explained that the draft now includes an additional bullet point identifying redevelopment strategies and said it was initially discussed at the May 15, 2019, Redevelopment Committee meeting. Commissioners proposed shortening the redevelopment strategy to “Assist in the proactive redevelopment of problem and challenged properties” and also make a small revision to the introduction paragraph removing the word “must”. Neal made a motion to approve the amended changes to the CDA’s “Housing and Property Redevelopment” mission and goals statement. Napgezek seconded. Motion was approved unanimously.

(7) Discussion and Possible Action on the acceptance of a $100,000 forgivable loan from the Judd S. Alexander Foundation to support the Live-It-Up Wausau Program
Neal stated that a $100,000, potentially forgivable, loan to support the City’s Live-It-Up Wausau Program has been offered by the Judd S. Alexander Foundation and said the offer was discussed at a recent Economic Development meeting. He furthered that the Finance Department declined the offer as it would cause the City of Wausau to take on additional debt. Neal sought approval from the CDA to accept the loan and initial debt to support the Live-It-Up Program. He explained that the Foundation will convert the loan to a grant if the revolving loan pool is at a minimum of $1,000,000 by December 31, 2020. Reinertson questioned who would be responsible for the repayment to the Foundation if that condition is not met. Stratz stated that the CDD would be responsible but said she is confident in meeting the condition as they have already disbursed $650,000 and they anticipate receiving additional program funds from a TIF district that is scheduled to close within the next year. Napgezek stated that if the CDA were to take on this debt, the board will require updates on the status of meeting the $1,000,000 goal. Neal made a motion for the CDA to accept the Judd S Alexander Foundation forgivable loan of $100,000 to support the Live-It-Up Wausau Program. Hass seconded. Motion was approved unanimously.

(8) Discussion and Possible Action on the deliberation or negotiation of the purchase of the Ponderosa Motel property at 2102 Grand Avenue from the County
Neal explained that the Wausau Economic Development committee was approached by Marathon County to purchase the Ponderosa Motel property. He said the committee concurred that it may be a better fit for the CDA as it aligns with their redevelopment mission. Neal furthered that there is approximately $61,000 in back taxes owed on the property and said there are accrued environmental review and administrative
Stratz stated that she has been involved in this process for a few years and said the CDD has set aside CDBG funds to assist with the purchase and ultimate razing of the building. She explained that Marathon County is currently asking for $76,000 which would cover back taxes, fees, interest, penalties and environmental review costs. Stratz also stated that the neighborhood is a very active group who would like to see the property better utilized. She suggested the razing could be accomplished by DPW which would be cost effective. Witt asked for a brief review of the CDBG program. Stratz gave a brief overview and said that when CDBG funds are used, there is an end-goal requirement of either low to moderate income housing or job creation, for example. She furthered that CDD staff is seeking approval to enter into negotiations with Marathon County for the purchase of 2102 Grand Avenue. Gisselman made a motion to authorize CDD staff to proceed with negotiating with Marathon County. Neal seconded. Reinertson and Nepgezek both expressed concerns relative to the uncertainty of the final asking price of the property prior. Motion was approved unanimously.

(9) CLOSED SESSION pursuant to 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: for the purpose of deliberating or negotiating on the purchase of the Ponderosa Motel Property at 2102 Grand Avenue from the County

No action taken on this agenda item as it was not necessary to go into closed session.

(10) RECONVENE into Open Session to take action on Closed Session item, if necessary

No action required on this agenda item.

(11) Operational Issues and Current Activities
Occupancy Overview – Noel reported 97% occupancy at Riverview Towers, 86% at Riverview Terrace and 100% at the Scattered Sites.

Aspirus Services Contract – Riverview Terrace – Noel identified a clause in Section 12 of the Aspirus contract which states that the Agreement shall be automatically extended on an annual basis for successive one year terms unless either party gives written notice. She said that although that contract expired on December 31, 2019, the CDA is paying the increased monthly fee that was reflected in the Aspirus 2019-2021 proposal.

Adjourn

Respectfully Submitted,

[Signature]

Andy Witt
Chairperson