

MINUTES

COMMUNITY DEVELOPMENT AUTHORITY

PLAN COMMISSION OFFICES

Regular Meeting
Wednesday
July 22, 2015 (rescheduled)

I. CALL TO ORDER

The meeting was called to order by Chairman John Stangel at 3:32 P.M.

II. ROLL CALL

Members Present

John Stangel
Gene Maloney
Emil Roth
Chris Able
Dennis Tienor
Jill Hennessey
Anton Doneff

Members Excused

Staff Present

Nic Sparacio
Paul Braun
Lisa Mueller
Pauline Haelfrisch

III. APPROVAL OF MINUTES OF THE REGULAR JUNE 10, 2015 MEETING

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular June 10, 2015 meeting. Hearing none, the following action was taken.

Motion by: Ms. Hennessey

Moved that: the CDA approve the minutes of the June 10, 2015 regular meeting

Seconded by: Mr. Maloney

Upon vote: the motion was carried unanimously

IV. MANITOWOC HOUSING AUTHORITY BUSINESS

A. Financial Report and Approval of Monthly Expenditures

Pauline reviewed the financial statements for July, 2015 with the Board members. She also distributed a list of expenses for July and reviewed these with the Board.

After some discussion, the following action was taken.

Motion by: Mr. Maloney

Moved that: the CDA approve and authorize payment of the July, 2015 expenses

Seconded by: Mr. Roth

Upon vote: the motion was carried unanimously

Pauline explained that an issue came up when she was talking with her financial rep from HUD about pursuing the window replacement project. The rep asked if the HA had more than \$250,000 in one bank. She felt it would be more secure if Pauline transferred some of the monies to another financial institution. Pauline did a survey of the area credit unions and banks which she had handed out to the Board members.

Dennis Tienor explained that Bank First National has a product called CDARS that the monies could possibly be transferred to; however, he would have to see what the interest rate would be for this type of investment.

Some discussion was held in regards to the other financial institutions. It was decided by the members that Pauline should open a money market with an interest rate of 0.40% at Shipbuilder's Credit Union if the CDARS rate is not competitive.

The following action was taken.

Motion by: Ms. Hennessey

Moved that: The Board members approve the transfer of \$150,000 from the money market account at Bank First National to a CDARS account at same bank or to a money market account at Shipbuilder's Credit Union pending notice of rate of interest for CDARS

Seconded by: Mr. Able

Upon vote: the motion was carried unanimously

B. Balcony Remodel Project

Pauline reported the balcony remodel project is complete. The punch list has been done.

C. Fire Escape Project

Pauline informed the Board members that this was a project the insurance company had wanted remediated. The fire escapes are as old as the building and were in need of repair. Pauline called many different places, but most wanted the fire escapes removed in order to do the work. Pauline asked Brian, the maintenance manager, if he knew of anyone that would be willing to sand, prime and paint the escapes. Brian mentioned that his son Atley would be willing to do it. He would also check for any weak spots. At this time, Atley was already on the job approximately three weeks.

D. Maintenance Application

Pauline reported that she has begun advertising for the maintenance position at Manitou Manor. She has ads on Craigslist and the JobNet site. Pauline hopes to interview in August and hire in September.

E. Window Replacement Project

Pauline received a proposal from the architect as to the window project. The proposed cost of the project would be between \$375,000 - \$395,000. The architect's fee would be \$37,500 if contract was accepted. As of June 30th, the HA has reserves of \$217,267. There is also the 2015 Capital Fund in the amount of \$96,348 which was earmarked for windows. This brings the total to \$313,615. This would leave a deficiency of \$98,885 figuring the cost of the windows to be \$375,000.

The HUD field office does not oppose this proposal; however, would like the HA to consider doing the project in phases if possible.

At this time, Pauline asked for approval of the architect's bid. At the meeting of July 15th, the Board members requested Pauline to go back to the architect and ask for his fee to be reduced to 8%. Since that meeting, Pauline met with him and he agreed to drop the rate.

Pauline was also asked at the July 15th meeting why the architect proposed aluminum windows and not vinyl. Pauline reported that although vinyl costs less than aluminum; vinyl windows have plasticizers in them that dry out and become brittle. A vinyl window would

have an approximate life of thirty years, while an aluminum window would go forty years or more.

Discussion was held in regards to the types of windows proposed and the pros and cons of them.

The following action was taken.

Motion by: Mr. Maloney	Seconded by: Mr. Tienor
Moved that: the Board members approve the architect's contract at 8% for the window replacement project	Upon vote: the motion was carried unanimously

F. Tenant Eviction Report

Pauline reported the eviction went through and the tenant remained in jail. His parents came to clean out his apartment. The tenant is currently in a group home in Manitowoc. A damages hearing is set for July 28th which Pauline will be attending.

V. DOWNTOWN REDEVELOPMENT ACTIVITIES

A. Financial Report – Revolving Loan Program, 7/15/2015

Nic reported that the amount has not changed on the monthly report. A total of \$746,912.60 in loan funds was available.

Nic has continued to talk with various downtown businesses and a company that is looking at a downtown expansion. He is going over the process with the business to see if it is worth getting the funding.

The following action was taken.

Motion by: Mr. Maloney	Seconded by: Mr. Tienor
Moved that: the CDA accept the 7/15/15 financial report and place on file	Upon vote: the motion was carried unanimously

B. Design Review:

1. 921 South Eighth St. – The Hearty Olive

Nic explained this was a window sign. It is appropriate signage for the downtown and Nic recommends approval with the condition of compliance with other City codes.

The following action was taken.

Motion by: Ms. Hennessey	Seconded by: Mr. Able
Moved that: the CDA approve the design review and award a certificate of appropriateness	Upon vote: the motion was carried unanimously

2. 711 York Street – Aspire Realty

Nic updated the Board members in regards to this sign. The owners were asked to come up with different signage and have now proposed a window sign.

Motion by: Ms. Hennessey	Seconded by: Mr. Able
Moved that: the CDA approve the design review and	Upon vote: the motion was carried

award a certificate of appropriateness

unanimously

VI. HOUSING REHABILITATION BUSINESS

Loan Activities

A. Discussion and Possible Action on Modifications to the Loan Terms for Artist Lofts/ Mirro Plant #3 Report

Nic reported this project is reaching the finish line. There are still some design changes on the interior of the units. It has come down to how much of the hardwood flooring can be preserved.

Because of the layers of funding, there is conflict among the requirements. WHEDA wants sound insulation, so they want carpet in the living rooms. The Historic Preservation wants the hardwood floors to be preserved.

Nic referred to the project narrative he had provided the Board members with. There have been some changes in the funding. Nic would like the Board members to approve the commitment of the housing RLF funds toward this project. That would bring the new amount to \$255,164. Nic would like the interest rate to be at 2% with a fifteen year deferral of principal and interest and a single, balloon payment of \$295,560.62.

Discussion was held in regards to the cost and need for the project. Nic feels the need for this type of housing outweighs the cost.

The following action was taken.

Motion by: Mr. Able

Moved that: the CDA approve the modified project narrative for the Artist Lofts/Mirro Plant #3

Seconded by: Mr. Tienor

Upon vote: the motion was carried unanimously

B. Discussion and Possible Action on Housing Rehabilitation Loan Program Plan Modifications

Nic reported he has spoken with the DOA staff about delaying the start of that program. If loan payments continue at the current pace, there would be a delay of months not years.

The agreement he reached with the DOA is that as soon as the RLF balance starts to grow again, the City will hire a consultant to implement this plan.

Discussion was held as to the total amount of the City's commitment to the Artists Lofts project and the terms of the loan.

Once again board members expressed their concerns in regards to the need for this type of housing. Nic explained that one of the requirements is a survey to determine the need for this type of housing had to be done and as it gets closer to the closing, this paperwork would have to be submitted. Discussion was also held in regards to the cost of the project.

A board member asked what position the City was in on this loan. Nic responded in the chance of a default, the City's loans will be in first, second and third position.

VII. ADJOURNMENT

The meeting was adjourned at 4:40 P.M.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "Nicolas Sparacio". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Nicolas Sparacio,
Executive Director

NS/pmh