



COMMUNITY DEVELOPMENT AUTHORITY

July 2, 2013

5:30 p.m.

Council Chambers

224 East Jefferson Street

1. ROLL CALL

Chairman Bil Scherrer called the meeting to order at 5:45p.m. starting with Roll Call. The following commissioners were in attendance: Chairman Bil Scherrer, Mayor Bob Miller, Tom Wiemer, Judie Lemieux and Todd Bauman. Excused: Jim Spiegelhoff and Jack Eckola.

Also in attendance: City Administrator Kevin Lahner, Treasurer Steve DeQuaker, Attorney John Bjelajac, Director of Administrative Services Megan Watkins, and Alderman Jon Schultz.

2. APPROVAL OF MINUTES FROM APRIL 2, 2013

A motion to approve the minutes from April 2, 2013 was made by Mayor Miller with a second by Tom Wiemer. With all in favor, the motion carried.

3. CITIZEN COMMENTS

None

4. REVIEW AND CONSIDERATION OF RESOLUTION 112 AUTHORIZING A \$200,000 FORGIVABLE LOAN TO KW PRECAST, LLC FOR A TERM OF TEN YEARS.

- Chairman Scherrer introduced Resolution 112 to the CDA for consideration.
- Kevin Lahner introduced company representatives Ming King and Bob Hassey and then gave an overview of the history of the JW Peters Plant, which was most recently purchased by KW Precast LLC, of whom has done a great deal of capital improvements since its purchase. Lahner went on to explain the proposed Forgivable Loan and how approving such loan would allow KW Precast to put the money into its capital budget in order to get the plant fully operational again. In exchange for the loan, KW Precast has agreed to create 64 new jobs over the next three years. Lahner also said that they have also worked with the Racine County Economic Development Center (RCEDC) to review KW's financials and credit worthiness.
- Bob Hassey, former employee of JW Peters and now with KW Precast, spoke about the substantial damage, vandalism, disrepair, and poor condition of the equipment left at JW Peters before KW Precast purchased and began making improvements nearly a year ago. Hassey further stated that because of the improvements, KW Peters has been able to enter into the beginning stages of production once again and has already created 32 jobs. Hassey further stated that it is their goal to be like how JW Peters first was but needs to expand productivity in order to do so.

- Mayor Miller inquired as to whether the 32 people already on staff was in addition to the goal of hiring 64 people or part of that number. Hassey replied that it was part of that number.
- Attorney John Bjelajac referred to the documentation and suggested that some of the language included within needed some clarification and if approved, he would take the necessary steps to make those changes.
- Wiemer asked if the approval of such a loan is something the CDA is able to do. Lahner responded that this type of loan is funded out of TIF 3 dollars which was created for economic development and is reserved for opportunities that will have significant economic impact on the community. Lahner further explained that when JW Peters closed, they lost 150 employees and that KW Precast wants to reestablish employment back into the community.
- Wiemer asked what happens if KW Precast is unsuccessful and whether or not the loan would be re-paid. Lahner responded that personal guarantees have been secured and a thorough financial analysis of the company has been done and they are credit worthy. Bjelajac restated that the loan could be approved subject to changes in the documentation.
- A motion was made by Miller with a second by Bauman to approve Resolution 112. Roll Call Aye: Scherrer, Miller, Wiemer, Bauman. Nay: Lemieux; Motion carried 4-1.

5. DISCUSSION AND UPDATE REGARDING THE EXTENSION OF THE OPTION OF PURCHASE WITH BURLINGTON CORE UPGRADES, LLC II FOR THE DOWNTOWN REDEVELOPMENT PROJECT.

Chairman Scherrer tabled this discussion until August.

6. ADJOURNMENT

A motion was made by Wiemer with a second by Lemieux to adjourn the meeting. With all in favor, the meeting adjourned at 6:00 p.m.

Recording Secretary
Diahnn C. Halbach
City Clerk