



**CITY OF BURLINGTON
COMMUNITY DEVELOPMENT AUTHORITY
MEETING MINUTES
November 3, 2015 at 5:30 p.m.
224 E. Jefferson Street**

1. CALL TO ORDER

Chairman Bil Scherrer called the meeting of the Community Development Authority to order at 5:30 p.m.

2. ROLL CALL

The following commissioners were in attendance: Chairman Bil Scherrer, Mayor Bob Miller, Alderman Bob Grandi, Tom Wiemer, Jack Eckola, Chuck Rule, and Jim Spiegelhoff.

Also in attendance: City Administrator Carina Walters, Bear Development Attorney John Hotvedt, and Racine County Economic Development Corporation Business Finance Manager, Carolyn Engel.

3. APPROVAL OF MINUTES FROM June 3, 2014

A motion to approve the minutes from June 3, 2014 was made by Commissioner Weimer with a second by Commissioner Eckola. With all in favor, the motion carried.

4. CITIZEN COMMENTS

There were no citizen comments.

5. TOPIC: Presentation from Janelle Topczewski, Loan Specialist for Racine County Economic Development Corporation, regarding Bear Development, LLC-Fox Crossing Apartments.

Carolyn Engel attended the meeting in place of Topczewski and proceeded with the presentation.

Engel explained that the purpose of the meeting was to disclose new information on the Bear Development LLC “Bear” loan application that was approved in January of 2013 and which is now preparing to close on its funding through the City of Burlington Tax Increment District (TID) Revolving Loan Fund (RLF).

Engel went on to say that since the loan was originally approved, there were some disclosures that were not contemplated when the proposal first went before the loan committee or the CDA. She explained that those disclosures included that the property would require a low to moderate income for 18 years, a tax lien of nearly \$3 million could be placed on the property if the owners fail to continue to maintain its low-income housing units as agreed, and the investment company will have the ability to buy out Bear’s interest and become the managing member of the borrowing entity.

Engel stated that the RCEDC staff and loan committee evaluated the risk and continues to support and recommend approval of this credit and said that even though the collateral risk could be significant if tax liens are placed ahead of the TID-RLF, the risk of it actually occurring is minimal because tax liens would only occur if the property were no longer being offered to low-income tenants and that was unlikely.

Commissioner Miller asked how many of the 24 units will be required to have low to moderate income. Attorney Hotvedt clarified that this is regarding Phase 1 of the Fox River Crossing and that only 4-6 of the units are available at market rate, all other units are subject to the WHEDA restrictions.

Commissioner Grandi asked what the terms of the loan is. Engel replied that the loan was made at the rate that's standard for that loan fund which is 75% of prime or 1.625%, with a required 16 year term over a 35 year amortization.

There was no further discussion.

6. ADJOURNMENT

A motion was made by Commissioner Weimer with a second by Commissioner Spiegelhoff to adjourn the meeting. With all in favor, the meeting adjourned at 5:40 p.m.

Recording Secretary
Diahn C. Halbach
Burlington City Clerk