



CITY OF BURLINGTON

ADMINISTRATION DEPARTMENT
300 N. Pine Street, Burlington, WI, 53105
(262) 342-1161 – (262) 763-3474 fax
www.burlington-wi.gov

AGENDA
COMMUNITY DEVELOPMENT AUTHORITY (CDA)
September 5, 2017
224 East Jefferson Street, Burlington, WI
Council Chambers
5:30 p.m.

Bil Scherrer, Chairman
Jeannie Hefty, Mayor
Bob Grandi, Aldermanic Representative
Chuck Rule
Jim Spiegelhoff
Thomas Wiemer
Brian Graziano

1. Call to Order
2. Roll Call
3. Approval of Minutes from the April 5, 2017 CDA Meeting
4. Persons desiring to be heard
5. Consideration to amend TID RLF loan contingency to an 'as complete' appraisal at a value acceptable to RCEDC's Loan Committee.
6. Adjournment

Note: Notice is hereby given that a majority of the members of the Common Council may be present at this meeting. Although this may constitute a quorum of the Council, the Council will not take any action at this meeting.

Note: If you are disabled and have accessibility needs or need information interpreted for you, please call the City Clerk's Office at 262-342-1161 at least 24 hours prior to the meeting.



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**CITY OF BURLINGTON
COMMUNITY DEVELOPMENT AUTHORITY
MEETING MINUTES
Wednesday, April 5, 2017 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 Jeannie Hefty, Alderman Bob Grandi, Commissioner Brian Graziano, Commissioner Chuck Rule, Commissioner Tom Wiemer and Commissioner Jim Spiegelhoff. Excused: none

Also in attendance: City Administrator Carina Walters, Budget Officer/Treasurer Steve DeQuaker, Attorney John Bjelajac, Janell Topczewski from RCEDC, and John Hotvedt from Bear Development

3. APPROVAL OF MINUTES FROM February 7, 2017

A motion to approve the minutes from February 7, 2017 was made by Commissioner Wiemer with a second by Commissioner Rule. With all in favor, the motion carried.

4. CITIZEN COMMENTS

There were no citizen comments.

5. TOPIC: Review and Consideration of Resolution Number 121, "A resolution approving the acceptance of an Offer to Sell Real Property to Burlington Core, Upgrades II, LLC"

Attorney Bjelajac reviewed the modifications

Roll call: Aye – Scherrer, Hefty, Grandi, Rule, Spiegelhoff, Wiemer. Nay – None. Motion carried 6-0

6. ADJOURNMENT

Alderman Grandi motioned, with a second by Commissioner Weimer to adjourn the meeting. With all in favor, the motion carried. The meeting was adjourned at 5:43 p.m.

Recording Secretary
Diahm C. Halbach
Burlington City Clerk

MEMORANDUM

TO: CITY OF BURLINGTON COMMUNITY DEVELOPMENT AUTHORITY

FROM: CAROLYN ENGEL, BUSINESS FINANCE MANAGER

SUBJECT: WIN PROPERTIES LLC AKA THE MERCANTILE

DATE: AUGUST 24, 2017

REQUEST

Amend the loan contingency for an 'as complete' appraisal with a minimum value equal to project costs and replace it with an 'as complete' appraisal at a value acceptable to RCEDC's Loan Committee.

HISTORY:

- City of Burlington approved a loan from its Tax Increment District Revolving Loan Fund (RLF) in February 2016 to assist with the redevelopment of 425 N. Pine Street in the City of Burlington.
- The 'as complete' appraisal was lower than the total project cost for this project. This is a result of renovating an older building for re-use. Below is a summary of some of the items with higher costs that did not add value to the appraisal on the building:
 - Structural issues related to accommodating changes to the tenant spaces
 - HVAC and plumbing needs to accommodate changes in tenant spaces
 - Unanticipated costs related to renovating an older building

ORIGINAL LOAN CONTINGENCIES

- Borrower to secure enough leases with minimum terms of one year to meet a 1.2:1 cash flow coverage before closing of the TID RLF loan.
- TID RLF dollars are required to be the final funds disbursed for the project completion and are to be managed by a Title Company.
- An 'as complete' appraisal must reflect a minimum value of the project cost.

RECOMMENDATION:

Overall, the redevelopment of this fire damaged vacant historic building has had a significant positive impact to the downtown area. The ground floor is completed with the tenants occupying it and holding events through the tenant Mercantile Hall. Bon Bon Belle is also now occupying the building. Other secured tenants include Promonic, an IT firm, and Shad Branen's business WIN Media. Some second floor tenant spaces are still being completed and only one vacancy remains on the 2nd floor. Once completed, the basement private offices and shared working space will be completed.

The RCEDC staff recommends accepting the appraised value at less than the total project cost amending the contingency to reflect that it be a value acceptable to RCEDC's Loan Committee. The RCEDC Loan Committee will be reviewing the appraised value prior to the CDA meeting at which the Committee results will be presented. Because of the significant support of a State grant and additional cash equity from the Borrower, collateral coverage for the City's RLF loan remains at over 100%.