

REDEVELOPMENT AUTHORITY MEETING MINUTES

Wednesday, January 9, 2019

Hall of Fame Room

Present: Roger Springman, Denise Duranczyk (left at 7:47 p.m.), Regina Hirsch, Dale Reeves, Lukas Trow

Absent and Excused: Carl Chenoweth, Brian Girgen

Others Present: Mayor Swadley, Director Friedl, Gary Becker, Director Gillingham, Director Scheel, Emily Bahr, Carl Francine, Alexander Cramer

Call to Order: Called to order at 5:30 p.m. by Springman

Communications:

Springman provided a summary of the Beloit Iron Works tour and economic development efforts occurring in Beloit.

Springman provided a summary of the Powers of the Redevelopment Authority.

Springman discussed the reduction in the RDA's future storm water costs.

Public Comments:

Carl Francine communicated his thoughts regarding the future of the Powerhouse building and his interest in the building. Mr. Francine offered his services to the RDA related to his thoughts on the purpose and design of the building. The RDA determined Springman and Mr. Francine should continue the conversation at a later date.

Approval of December 12, 2018 Minutes

Motion by Duranczyk to approve the December 12th minutes, second by Reeves. Motioned passed 5 to 0.

Finance Report

None

Old Business Items

a. Update on revolving loan program and possible action on program modifications

Trow provided an update on his discussions with WWBIC.

Proposed changes from WWBIC:

- 6 months' interest only followed by 54 months' interest and principal
- Propose \$500 increase in current management fee from \$1,500 to \$2,000 due to longer term of the loans
- Use of loans to repair/rehab residential units above downtown businesses needs to be considered by the RDA

Motion by Trow to allow for 6 months' interest only followed by 54 months' principal and interest, to agree to the \$500 increase in management fees and to allow for

repairs/rehab to downtown residential properties to be included under the program, second by Duranczyk. Motion passed 5 to 0.

Viking Brew Pub has also requested the ability to restructure its existing loan under the new format.

Motion by Trow to allow Viking Brew Pub to restructure its existing loan under the new terms, second by Reeves. Motion passed 5 to 0.

b. *Update on Blacksmith Shop*

Springman noted additional damage occurred on 1/8/19.

Springman provided a brief update on the pending legal actions related to the October storm damage.

c. *Discussion and possible action related to the proposed downtown revitalization program*

Duranczyk put together a resolution based on feedback from legal counsel, City staff and the City Council, and provided a brief summary of the proposed resolution.

Springman inquired as to what the process will be going forward. Duranczyk believes the City Council will want to know the make-up of the sub-committee. If approved, Duranczyk will work with Becker to develop the initial process and hire a consultant to guide the process.

Hirsch requested that a timeline be presented with the resolution to help the Council make a more informed decision. Duranczyk and Becker will develop a timeline for inclusion in the presentation.

Motion by Hirsch to approve the proposed resolution with the addition of a timeline, second by Reeves. Motion passed 5 to 0.

d. *Discussion on RFEI draft and possible action*

Becker highlighted the following items in the RFEI:

- Name of the development – Leave as Riverfront Development
- Contact – Responses to the RFEI will go to Director Friedl
- Duranczyk noted she does not like the picture on the front page. Discussion followed and Becker agreed to find a picture of the site from a different angle.
- RDA members discussed additional proposed edits to the draft RFEI

Becker will develop a list of developers, finalize the draft RFEI and the SAG Grant application prior to the special January RDA meeting.

Motion by Hirsch to accept the draft and approve the final at the special January meeting, second by Trow. Motion passed 5 to 0.

e. *Closed Session: update on Marathon site and possible action on new offer***

Blake George joined to answer questions prior to going into closed session.

Mr. George provided some background related to how this venture came to fruition and how he will handle buyer and broker roles included in any new offer.

Mr. George provided clarification related to what type of environmental remediation is required at the property.

Springman requested Mr. George confirm the bank's confidence in the project, but as a formality, is requesting a new phase I environmental assessment be done, title work, appraisal, project related pro-forma reports, etc. Mr. George feels this can all be accomplished prior to the closing deadline.

Mayor Swadley inquired if the storm water issues at the existing Nelson property will be remedied prior to the closing date. Director Scheel explained that Mr. Nelson will be required to provide a letter of credit for any future projects. Additional discussion followed related to the particulars of this issue. Director Scheel did note that Mr. Nelson will need to reapply for a permit due to proposed changes in the design of the storm water mitigation plans and a letter of credit will be required at that time.

Mr. George confirmed he will provide clarifying language in Exhibit A related to the project plan and its impact on any park and permit fees.

Director Scheel provided clarification related to the \$5,000 street opening credit, explaining that this work was deferred and will be done as part of the project.

Discussion followed related to the treatment of the original \$5,000 earnest money and guaranteed assessed value amount of \$900,000.

Motion by Trow to go into closed session at 8:40 p.m., second by Reeves. Motion passed by roll call 4 to 0.

Motion by Hirsch to go into open session at 9:17 p.m., second by Reeves. Motion passed by roll call 4 to 0.

Motion by Trow to allow Springman and Reeves to reject the offer that was presented and discuss the additional items the RDA would like to see included in the agreement, second by Hirsch. Motion passed 4 to 0.

New Business Items

a. Discussion on RDA insurance needs and possible action on insurance acquisition

Springman introduced Director Gillingham to discuss the insurance issue at the Blacksmith Shop.

Director Gillingham filed a record only on 10/21 with the insurance company. Based on copies of the deeds it was discovered the property is not an insurable interest of the City and has not been covered since the transfer of the properties to the RDA. Director Gillingham discovered this on 12/28 and under the direction of Springman and Mayor

Swadley acquired insurance from MPIC on the Blacksmith Shop only. Director Gillingham was unable to secure liability insurance on the property so she added the RDA to the City's liability policy as an additional insured. If there is a claim the Self-Insurance Rate will increase for the City.

The RDA decided to schedule a late January meeting to finalize the insurance issue and itemize an amount that needs to go to Finance Committee and City Council.

Agenda Items for the February 13, 2019 Meeting

- Discuss process to request funds from City Council and determine an estimated amount the RDA and TIF 8 will require for the remainder of calendar year 2019.
- Public Works Building Demo Process – Determine who will be responsible for hiring the relevant consultants/engineering, issuing bids, etc.

Adjourn

Motion by Springman to adjourn the meeting, second by Trow. Motion passed 4 to 0 to adjourn at 9:19 p.m.