CITY OF PLATTEVILLE  
REDEVELOPMENT AUTHORITY (RDA)  
November 18, 2019

A regular meeting of the City of Platteville Redevelopment Authority was held at 5:00 p.m. in the meeting room at the Mound City Bank Motor Branch.

PRESENT: Karen Lynch, Valerie Stackman, Sheila Kelley, Eileen Nickels, Roger Dammen  
EXCUSED: John Zuehlke  
ABSENT: None  
OTHERS PRESENT: Joe Carroll, Jack Luedtke, Robin Cline, Chad Cline, Royal Palmer, Jake Rivard, Judy Wall  

MINUTES:  
October 28, 2019  

Motion by Dammen to approve the minutes. Second by Lynch. Motion approved.

MODIFICATION TO EXISTING LOAN – 25 E. Main Street

LMN Investments has two loans from the RDA/City to assist with the renovations of the building at 25 E. Main Street. One loan was originally for $80,000 and the other was for $172,000, and both of these loans are secured by a mortgage on the property. The current balance on the loans is $64,626.75 and $144,133.89. These loans are in a second position to a private loan on the property that is secured by a $320,000 mortgage. LMN Investments would like to increase the amount of the private mortgage on the property by $100,000 to a total of $420,000. The additional funds are being obtained from the private lender to assist with the costs of finishing the project. Benton State Bank has agreed to provide the additional financing.

Installing the fire hydrant and relocating the hydrant connection and water service to the back of the building required additional expenses that were not anticipated. The request would allow the applicant to obtain additional funds necessary to finish the building project, including the installation of the fire hydrant. Some additional work also needs to be done to the front of the building, approximately $5,000.

As reported at the last meeting, Judy thought the bank would be doing a new appraisal, but they just verified the existing appraisal. The existing is $687,000.

The property has adequate cash flow and should increase about 30% over the next few years. City debt has dropped from 49% to 24.8%. There has been strong interest in the apartments, and they are all leased for next year. Demand for 1-BR units has been particularly strong. The loan to value basis is about 51% for the bank and 24.8% for the RDA/City, for a total of 76%.

Some of the expenses that were required to be made will not be reflected in the appraised value of the property, such as the hydrant. The anticipated income is the most relevant factor for determining the value of the property.

Motion by Lynch to approve increasing the first position mortgage on the property $100,000 to $420,000. Second by Kelley. Motion approved.
BUSINESS PURCHASE ASSISTANCE – 95 W. Main Street

Tony and Royal Palmer and Robin and Chad Cline are interested in purchasing the Driftless Market. They are looking for assistance with the purchase of the business at this time and may be working toward the building purchase later.

The applicants have been working with the bank to gather additional information and more accurate numbers. They think there is potential for expanding sales through beer and alcohol sales and catering.

The requested assistance is for a $100,000 loan at a rate of 1% and a term of 10 years, amortized over 20 years.

There was a question at the last meeting regarding Building Platteville – are they able to provide any assistance? This has not been directly investigated, but Jack didn’t think they had funds available at this time.

Any personal guarantee or other security? Personal guarantees will be included. Personal property and vehicles of the applicant would be included with the bank loan. The RDA would have the inventory and equipment for the business. Equipment is valued at $45,000 and inventory is valued at $85,000. The bank loan is $80,000.

There was some concern about the 20-year amortization and some concern regarding how long the funds will be tied up and not available for assisting other projects. There was some discussion regarding a 15-year amortization or a higher interest rate. The numbers show that it will cash flow at 10 years without a longer amortization.

Motion by Damm to approve the loan request for a $100,000 loan at a rate of 1% and a term of 10 years, with a lien on business assets and personal guarantees. Second by Lynch. Motion approved.

ANNOUNCEMENTS / PUBLIC COMMENTS

Jack provided an update on the status of business vacancies in the downtown area.

ADJOURNMENT

Motion by Lynch to adjourn. Second by Kelley. Meeting adjourned.

Submitted by Joe Carroll
Community Development Director