

**CITY OF PLATTEVILLE
REDEVELOPMENT AUTHORITY (RDA)
August 24, 2020**

A regular meeting of the City of Platteville Redevelopment Authority was held via ZOOM at 5:00 p.m.

PRESENT: Karen Lynch, Valerie Stackman, Roger Dammen, Eileen Nickels

EXCUSED: John Zuehlke, Sheila Kelley

ABSENT: None

OTHERS PRESENT: Joe Carroll, Scott Schaefer, Jack Luedtke

MINUTES:

May 28, 2020

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

FINANCIAL REPORT

The financial report for July 2020 was presented.

Motion by Nickels to accept the financial report. Second by Lynch. Motion approved.

PROPERTY ACQUISITION LOAN REQUEST – 55 S. Court Street

Scott Schaefer, the owner of the Deals N Dragons business at 25 E. Main Street is currently a tenant at that location. He is interested in purchasing the property at 55 S. Court Street, which would be the new location for the business. The property was previously the location of the Platteville Senior Center, and the City sold the property to the current owner in 2018 for a price of \$151,000. The property has a current assessed value of \$173,100 and the proposed sale price is \$200,000. If approved, the loan would be secured with a second mortgage and a personal guarantee.

Mr. Schaefer is requesting a \$40,000 loan from the RDA to assist with this purchase. The requested loan terms would be a 5-year loan amortized over 20 years.

There were questions related to the status of the primary financing and how this loan would fit with that loan. Mr. Schaefer responded that the primary lender is Dubuque Bank & Trust, which will provide a \$160,000 loan. The RDA loan would essentially be the required down payment. DB&T has tentatively approved their loan subject to the RDA approving the loan request.

There was discussion regarding the amount of the loan and the percentage of the debt to the property value. Based on the assessed value, the financing will exceed 90% of the value. There was some desire for an appraisal even though the bank is not going to require one. The applicant stated that the inventory, which has a value of about \$38,000 could also be used as collateral.

Luedtke asked if the applicant could provide additional information on the business and why they are interested in purchasing the building. Mr. Schaefer responded that they have been in business for about 3 years and they need additional space. They would like to separate the game play area on the lower level from the retail area on the upper level. This building would provide more space for each area and allow for a better separation of uses.

Stackmen mentioned the importance of separating the different uses for security reasons.

Dammen suggested splitting the requested loan into two parts - \$20,000 secured by the building at a longer term and \$20,000 secured by the inventory at a shorter term.

There was a suggestion to have Dammen meet with Mr. Schaefer to discuss the loan options in more detail.

Lynch requested the commitment information from DB&T.

There was consensus to table this item and meet again on August 31st at 5:00 p.m.

ANNOUNCEMENTS / PUBLIC COMMENTS

Luedtke thanked the RDA for considering this request. This is the type of business we need to support in the downtown area. He also thanked Dammen for being willing to meet with Scott.

ADJOURNMENT

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

Submitted by Joe Carroll
Community Development Director