CITY OF PLATTEVILLE
REDEVELOPMENT AUTHORITY (RDA)

Monday, November 18, 2019
5:00 p.m.

Mound City Bank Motor Branch Meeting Room
90 S. Second Street

MEETING AGENDA

1. CALL TO ORDER

2. ROLL CALL

3. MINUTES
   a. October 28, 2019

4. MODIFICATION TO EXISTING LOAN
   a. 25 E. Main Street

5. BUSINESS PURCHASE ASSISTANCE
   a. 95 W. Main Street

6. ANNOUNCEMENTS

7. PUBLIC COMMENTS

8. ADJOURN

It is possible that members of, and possibly a quorum of members of, other governmental bodies of the municipality may be in attendance at the above-mentioned meeting to gather information. No action will be taken by any governmental body at the above-mentioned meeting other than the Redevelopment Authority.
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, John Zuehlke, Eileen Nickels, Roger Dammen
EXCUSED: None
ABSENT: None
OTHERS PRESENT: Joe Carroll, Jack Luetdtke, Robin Cline, Chad Cline, Royal Palmer, Scott McDowell, Judy Wall, Bob Stauffacher

MINUTES:

August 26, 2018

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

FINANCIAL REPORT:

The financial report for October 2019 was presented.

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

CURB APPEAL GRANT - 55 W. Main Street

The owner of the property at 55 W. Main Street has applied for a Curb Appeal Grant to assist with the cost of painting the front window trim. The included invoice has a cost of $279.23, which would qualify for a $139.62 matching grant.

Motion by Lynch to approve the grant. Second by Zuehlke. 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.

Judy Wall reported that 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.

State tax credits have been sold, but Federal credits have not been sold. The sale funds have been included as equity in the property. The City debt position is 24.8%.
Additional costs and delays from the additional work required has resulted in the delays to the loan payments. Loss of income from rent that is not coming in has also led to a delay in the payments.

The bank is requiring the project to be appraised, but the appraisal will likely not be finished for a week or two. The property value will be based on the project being finished and the resulting income.

Motion by Zuehlke to approve increasing the first position mortgage on the property $100,000 to $420,000, with a condition that the property appraisal reaches at least $800,000 in value. 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 Driftless Market has been such an important component in the downtown area and they desire to keep it open. The purchasers are looking to move to Platteville and become a part of the community.

Fixtures and inventory are going to be the security on the purchase of the building. The estimate is $125,000 for equipment and $85,000 for inventory. The bank will take security in all the equipment inventory - refrigerators, coolers, ovens, shelving, etc.

The request is for a $100,000 loan at a rate of 1% and a term of 10 years.

The RDA has approved 3 previous loans for the Driftless Market and all three loans have been paid off. These loans were secured by mortgage on property. This loan request will not include the possibility of a mortgage on the property since the applicants will not be purchasing the building. The RDA has only approved two other loans without a mortgage on the property - the Moundside Bakery and the Avalon Theater. Both of those loans were secured by the equipment and personal assets.

There was a question regarding if Building Platteville would be able to provide any assistance.

Discussion continued regarding what other assets could be used as security – personal guarantee, vehicles, other property owned by the applicants. What amount of security would be needed for the RDA to approve? Security of 100% probably isn’t possible, so what amount should be considered? The consensus of the RDA was that at least 50% would be needed for the loan to be considered.

It was agreed that the RDA would consider the additional info at a special meeting to be held before the next regular meeting date.

ANNOUNCEMENTS / PUBLIC COMMENTS

Jack mentioned that he talked to Yag, and he is looking to reopen the Whiskey Lounge bar in the next few weeks, and the restaurant later in December.

ADJOURNMENT

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

Submitted by Joe Carroll
Community Development Director