



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)
Tuesday, December 6, 2016
224 East Jefferson Street, Burlington, WI
Council Chambers
5:30 p.m.

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

1. Call to Order
2. Roll Call
3. Approval of Minutes from the November 1, 2016 CDA Meeting
4. Persons desiring to be heard
5. Review and Consideration of Resolution Number 120, “A Resolution Authorizing a \$25,000 Revolving Loan Fund Loan to Fox Crossing Phase 2 Burlington, LLC”.
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
Tuesday, November 1, 2016 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 Jack Eckola, Commissioner Chuck Rule, Commissioner Tom Wiemer and Commissioner Jim Spiegelhoff

Also in attendance: City Administrator Carina Walters, Budget Officer/Treasurer Steve DeQuaker, and Attorney John Bjelajac

3. APPROVAL OF MINUTES FROM OCTOBER 4, 2016

A motion to approve the minutes from October 4, 2016 was made by Commissioner Spiegelhoff with a second by Commissioner Wiemer. With all in favor, the motion carried.

4. CITIZEN COMMENTS

There were no citizen comments.

5. TOPIC: Review and Consideration of Resolution Number 118, “A Resolution approving the acceptance of an Offer to Sell Real Property to Burlington Core Upgrades II, LLC.”

Attorney Bjelajac explained to the board that pursuant to a meeting among staff and Burlington Core Upgrades, it was revealed that the buyer’s intent was to potentially receive a credit of up to \$70,000 from the city if remediation costs amounted to more than the \$70,000 purchase price. The City was of the understanding that the credit would not exceed \$62,400, which would allow the City to receive at least \$7600 from the sale of the property. Bjelajac stated that the new draft reflected this change and was before them for review and to decide whether or not to accept the updated Offer to Sell.

Mayor Hefty stated that at the end of the September CDA meeting, she, as well as the city administrator and city attorney, walked away with the understanding that worst case scenario, the City would be guaranteed at least \$7600 from the sale of this property. Mayor further stated that she had even mentioned at the meeting that the \$1 perception for this land was no longer. Mayor also expressed her gratitude to Bill Stone and Tom Stelling for all they have done for the community and believes this new building will be fantastic; however, she also believes the City should be guaranteed

the \$7600. Alderman Grandi expressed that \$7600 shouldn't hold up the transaction and felt the board should accept the agreement as written. Bill Stone stated that he understood the City's position on receiving a monetary amount for the sale of the property and was willing to pay an amount of \$7,600 to the City if necessary.

Attorney Bjelajac stated there should be a motion and a second to adopt the document as drafted. There then should be a motion and a second to amend paragraph 6(c) of the document and change the dollar amount from \$15,200 to \$7,600. Then there should be a vote on the amendment. Once that passes, there should then be a final vote to accept the document as amended.

Commissioner Eckola motioned and Commissioner Grandi seconded to adopt Resolution 118 as drafted.

Commissioner Wiemer motioned and Commissioner Grandi seconded to amend paragraph 6(c) from \$15,200 to \$7,600.

Roll call vote to amend: Aye – Scherrer, Hefty, Grandi, Eckola, Rule, Spiegelhoff, Wiemer. Nay – None. Motion carried 7-0

Roll call vote to accept the document as amended: Aye – Scherrer, Hefty, Grandi, Eckola, Rule, Spiegelhoff, Wiemer. Nay – None. Motion carried 7-0

6. ADJOURNMENT

Commissioner Weimer motioned to adjourn. Alderman Grandi second the motion. The meeting was adjourned at 5:47 p.m.

Recording Secretary
Diahn C. Halbach
Burlington City Clerk

**COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF BURLINGTON
RACINE COUNTY, STATE OF WISCONSIN**

December 6, 2016

Resolution No. 120

**A RESOLUTION AUTHORIZING A \$25,000 REVOLVING LOAN FUND LOAN TO
FOX CROSSING PHASE 2 BURLINGTON, LLC**

WHEREAS, the City of Burlington operates a Revolving Loan Fund Program for the purposes of economic development; and,

WHEREAS, Fox Crossing Phase 2 Burlington, LLC, currently under contract to purchase the property located at 180 Bridge Street located in the City of Burlington; and,

WHEREAS, a Revolving Loan Fund Loan in the amount of \$25,000 will be used by Fox Crossing Burlington, LLC to finance the construction of 32-unit apartment facility at 180 Bridge Street; and,

WHEREAS, the Racine County Economic Development Corporation Loan Committee has reviewed and recommended this loan under the terms and conditions listed in the Loan Officer Write-Up attached hereto and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED that the Community Development Authority of the City of Burlington, Racine County, State of Wisconsin does hereby approve a Revolving Loan Fund Loan in the amount of \$25,000 to Fox Crossing Phase 2 Burlington, LLC to be used for the construction of a 32-unit apartment facility at 180 Bridge Street.

BE IT FURTHER RESOLVED that the Community Development Authority Executive Director is hereby authorized and directed to execute this agreement on behalf of the City.

Dated this 6th day of December, 2016.

William Scherrer, Chairman

Carina G. Walters, Executive Director



RACINE COUNTY ECONOMIC DEVELOPMENT CORPORATION

To: City of Burlington Community Development Authority
FROM: Janell Topczewski, Compliance/Closing Specialist
DATE: December 6, 2016
RE: Fox Crossing Phase 2 Burlington, LLC

The purpose of this memorandum is to request final approval for a business loan to Fox Crossing Phase 2 Burlington, LLC from the Tax Incremental District Revolving Loan Fund (TID RLF).

In January 2015 the City Council approved motion 15-792 which included the City offering a *"low interest revolving fund loan in the amount of \$25,000.00 in order to better qualify for the Wisconsin Housing Economic Development Authority ("WHEDA") tax credits which is vital to the development of the project."* The source of the revolving fund loan has been identified as the TID RLF and therefore approval of this loan is being requested of the CDA.

RCEDC Staff and Loan Committee have reviewed this loan request as well as the performance of the first phase of this project and are recommending approval of the \$25,000 loan under the terms agreed upon by City Council which includes a 20-year principal deferral. This deferral is a waiver from the one year allowable under the TID RLF policies. RCEDC's support of this loan is based on the following:

- The TID RLF is needed to support the project and it was a critical component of the WHEDA tax credit award.
- The first phase of this development stabilized in 2015 and is now fully occupied with a waiting list of 60+ households.
- Due to the waiting list it is anticipated that the second phase will open in January with full occupancy.
- The first phase of this development is performing better than projected.

SUMMARY AND RECOMMENDATIONS

The RCEDC staff and Loan Committee recommend approval of the \$25,000 TID RLF. This loan is a critical component to the WHEDA tax credit award and was previously supported at City Council.