



## 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)

June 1, 2021  
5:00 p.m. via Zoom

### Webinar Link:

<https://us02web.zoom.us/j/87929466002?pwd=WGNkNmtENnQ4L3JHSXJlaG9tRldlQT09>

Passcode: 832702

Join by phone: 1 312 626 6799

Webinar ID: 879 2946 6002

Passcode: 832702

*To attend a meeting, click on the link provided or dial in with the phone number provided on the meeting agenda. You may need to create a Zoom account if you access the meeting online.*

- *You will participate as an attendee, not a panelist. You will be muted by the meeting moderator.*
- *To participate/speak during a meeting when allowable, you will need to “raise your hand”. Online you will find a ‘raise hand’ option in the menu bar. Via phone, you can press \*9.*
- *All meetings are recorded and subject to the Wisconsin Open Meetings Law.*

Bil Scherrer, Chairman  
Jeannie Hefty, Mayor  
Jon Schultz, Aldermanic Representative  
Chuck Rule  
Thomas Wiemer  
Dan Colwell  
Corina Kretschmer

1. Call to Order
2. Roll Call
3. Approval of Minutes from the November 4, 2020 CDA Meeting
4. **ADJOURN INTO CLOSED SESSION**
  - (a) ***Wis. Stats 19.85(1)(e)*** Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.
    - Discussion regarding the proposed amendment to the CDA/KW Precast Forgivable Loan Agreement originally dated October 11, 2013.



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5. Reconvene into Open Session
6. Consideration and possible action on recommendations for matters discussed in Closed Session by the CDA.
7. Adjournment

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**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.



**CITY OF BURLINGTON  
COMMUNITY DEVELOPMENT AUTHORITY  
MEETING MINUTES  
Tuesday, January 5, 2021 at 5:00 p.m.  
Via Zoom**

**1. CALL TO ORDER**

Council President Jon Schultz called the meeting of the Community Development Authority to order at 5:00 p.m.

**2. ROLL CALL**

The following commissioners were in attendance: Council President Jon Schultz, Commissioner Thomas Wiemer, Commissioner Dan Colwell and Commissioner Corina Kretschmer. Excused: Mayor Jeannie Hefty, Chairman Bil Scherrer. Commissioner Chuck Rule arrived at 5:23 p.m.

Also in attendance: City Administrator Carina Walters, Attorney John Bjelajac and Craig Wagenbach from KW Precast, LLC.

**3. APPROVAL OF MINUTES**

A motion to approve the minutes from November 4, 2020 was made by Commissioner Wiemer with a second by Commissioner Colwell. With all in favor, the motion carried.

**4. DISCUSSION: KW Precast petition of the CDA to forgive the full \$200,000 forgivable loan**

Attorney Bjelajac stated that this discussion item did not need to go into closed session and was okay to proceed in open session. Bjelajac then provided an overview from the November 4, 2020 meeting, in which the CDA agreed to forgive \$140,000 of a \$200,00 forgivable loan with KW Precast; and the conversation he had with Mr. Wagenbach after that meeting. Wagenbach stated he didn't have an opportunity to attend the November meeting and is seeking loan forgiveness for the remaining \$60,000. Wagenbach stated the new buyer wants no obligation under the current agreement. Wagenbach further stated he agrees to pay \$30,000 to the City if the plant is not open by February 2023, but believes it will still be open and that he will still be involved in the operations.

Commissioner Colwell made a motion to go into Closed Session to discuss the proposal. Commissioner Kretschmer made a second. Roll Call Vote: Aye – Colwell, Kretschmer. Nay – Schultz, Wiemer. Vote was tied; therefore, the motion did not pass and the discussion remained in Open Session.

Schultz asked for discussion regarding the proposed \$30,000 payback (instead of \$60,000) if the business is closed before February 2023, with full forgiveness of the \$200,000 if the business remains open.

Walters asked Wagenbach to clarify his role in this obligation without obligating County Materials. Wagenbach responded that there is no obligation from County Materials and that he is solely responsible to pay this because County Materials did not buy this obligation, they only bought the assets of the company.

Bjelajac clarified that the agreement with KW Precast is dated to go until January 1, 2023 and therefore asked Wagenbach to change his proposal from February 2023 to January 1, 2023. Wagenbach agreed to the new date.

Colwell asked Bjelajac to clarify, if the agreement comes to completion at the sale of the business. Bjelajac responded no and explained that in order for a sale of the business to occur and the loan to continue, there would have had to been approval from the CDA; however, the CDA was never approached and no consent was given, which places KW in default of the agreement. Colwell then asked if there was some sort of mechanism they could

use that would allow the CDA to wait three years before making a determination based on if the business is still open or not. Bjelajac responded that the documents could be amended.

Wiemer stated that he felt the Board made a fair decision in November and was discussed thoroughly and feels the decision should remain as is.

Wagenbach questioned why the CDA wouldn't approve a new buyer if the new buyer is a good buyer. Colwell responded that the new buyer doesn't want the obligation to continue with the terms of the agreement. Colwell stated if they were willing to take on the terms and conditions of the agreement, then there might not be an issue. Bjelajac explained that there is a new buyer approval process and it's not just a matter of handing the business over.

Schultz asked if KW is in default, what happens if the entity we sign the agreement with, is in default. Bjelajac responded that the personal guaranty would fall on Wagenbach.

Walters stated for the record that Wagenbach was notified of the previous meeting but was not able to attend and that this option currently being discussed is new. Walters further stated that the CDA could amend the agreement to include a personal guaranty, and the City would notify RCEDC for their continued review.

Colwell asked if the new company had agreed to take on the obligation would they currently be meeting the employment obligation under the original agreement. Wagenbach replied yes. Colwell then asked if it's possible for the CDA to continue the agreement with a personal guaranty from Wagenbach, and if the employment levels drop below the agreed number in the original agreement, it would come back to CDA for further review. Bjelajac replied that the documents can be amended.

Schultz asked the Board their individual thoughts. Wiemer, Kretschmer, and Rule felt the previous agreement was a fair deal and shouldn't be changed. Schultz and Colwell felt KW, with the exception of the 10-year agreement, has fulfilled the obligations of the original agreement.

Bjelajac suggested he could draft a proposed amendment to the existing loan document for the CDA to review. Walters stated that because it's 3-2 in favor of staying with the current agreement, there should be a vote before anymore legal fees are incurred for something that might not be necessary.

Schultz made a motion to have the City draft an agreement per this discussion, regarding a personal guaranty from Craig Wagenbach, through January 1, 2023. The motion was seconded by Rule. Roll Call Vote: Aye - Schultz, Rule, Colwell, Kretschmer. Nay – Wiemer. The motion carried 4-1.

## 7. **ADJOURNMENT**

Commissioner Colwell motioned, with a second by Commissioner Wiemer to adjourn the meeting. With all in favor, the motion carried. The meeting was adjourned at 5:48 p.m.

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Recording Secretary  
Diahn C. Halbach  
City Clerk