



Dane County

Minutes - Final Unless Amended by Committee

Community Development Block Grant (CDBG) Commission

Thursday, January 19, 2017

5:30 PM Sun Prairie City Hall; Council Chambers, 300 E. Main
Street, Sun Prairie, WI 53590

Sun Prairie City Hall, Council Chambers, 300 E. Main Street, Sun Prairie, WI 53590

A. Call To Order

The meeting was called to order at 5:32 p.m.

Staff and others present: Bob Roth, Barry Levenson, Patti Levenson, and Patti Bridges (National Mustard Museum); Peter Cullen (resident); Peter Ouchakof and Richard Greenlee (staff).

Present 9 - DAVE RIPP, CYNDA SOLBERG, RON JOHNSON, RICHARD OBERLE, DONNA VOGEL, OSCAR MIRELES, GAIL SHEA, NEIL STECHSCHULTE, and MATT EGERER

Excused 2 - BRIAN BIGLER, and GODWIN AMEGASHIE

B. Public Comment on Items not on the Agenda

None.

C. Consideration of Minutes

[2016](#)
[MIN-469](#) MINUTES OF THE 11-10-2016 CDBG COMMISSION MEETING.

Attachments: [11.10.16 CDBG Minutes](#)

Motion by Johnson, seconded by Stechschulte, to approve the Minutes. Motion carried by a voice vote.

This Minutes was approved

D. Announcement of Possible Closed Session.

Motion by Johnson, seconded by Oberle, to move the "National Mustard Museum Loan Request" to the last item on the agenda. Motion carried by a voice vote.

E. Action Items

[2016](#)
[ACT-503](#)

NATIONAL MUSTARD MUSEUM LOAN REQUEST.

Attachments: [MM Request and Financials](#)

Mr. Levenson of the National Mustard Museum stated the reasons for his request to the Commission, noting that he plans to retire when his current lease expires in May and if the Commission does not approve the sale then he will close down the business in May. Mr. Levenson's accountant, Robert Roth, was present to answer questions regarding the financial statements of the National Mustard Museum. One resident was present to speak in opposition of the loan request. A member of the County's Corporation Counsel was on hand to answer questions from the Commission on behalf of the County.

Mr. Levenson stated that \$40K was the absolute maximum amount the potential buyer would be able to raise from family and friends for the purchase of the business.

When asked how the remaining balance of the City of Middleton loan would be paid, Mr. Levenson stated that he would personally guarantee the repayment of the loan.

Asked if he would expect to receive compensation at any point after the sale of the business if he continued as curator, Mr. Levenson indicated that his intent is to continue with the museum without any compensation but that he wasn't certain how the County would be able to monitor and enforce that in the future.

Mr. Roth indicated that the collection of mustard (County's collateral) is listed at \$123K in the financial statements because the initial appraised listed it at that price, and that the historical value of assets are listed on financial statements even though he estimates the actual value of the collection is worth a fraction of the \$40K offer.

Mr. Roth confirmed that the financial statements provided are compiled financials of the business, but not reviewed nor audited and could not provide assurance that they are in accordance with generally accepted accounting principals.

In response to concerns on whether or not the \$40K could get raised by the potential buyer, Mr. Roth indicated that the alternative is that the business closes and the County is left with liquidating its collateral. He assured that the partial forgiveness of the loan would be dependent upon the County first receiving the proceeds of the sale, and that this would occur prior to May when the current lease expires.

A motion by Johnson, seconded by Ripp, to accept the National Mustard Museum request. Upon further discussion, the Commissioners determined that there were too many unanswered questions for the Commission to be able to make a decision at the present time. The motion failed by a voice vote.

A motion by Vogel, seconded by Shea, to postpone the request until the February CDBG Commission meeting, and to direct staff to prepare the following information for the next meeting:

- 1. Current amortization schedule*
- 2. A determination from HUD on whether or not the County would be required to repay any money back to HUD due to the business failing to meet the job creation requirements.*
- 3. Transactional documents: A) Potential contingencies, and B) draft motion for the Commission to implement at the February meeting.*
- 4. Memo of understanding between Mr. Levenson and the potential buyer.*

The motion carried by a voice vote.

This Action Item was tabled

[2016
ACT-504](#)

APPROVAL OF MICROENTERPRISE BUSINESS LOAN MANUAL.

Attachments: [MBL Program Manual](#)

Commissioners pointed out several questions they had with the draft manual and discussed proposed revisions, including:

1) *Introductory paragraph: Replace "Loan Review Team" with "CDBG Commission".*
2) *Applicant Eligibility, 6. d. should read: "Other- applicant must submit course syllabus or training agenda along with evidence of successful completion with your application and that must be approved by the Loan Review Team."*
3) *Applicant Eligibility, 7. should read: "The applicant must schedule, participate in, and complete a pre-application advising session with OED staff prior to submitting the application to evaluate the business plan, eligibility, and application requirements, and will be on the subsequent CDBG Commission meeting agenda."*
4) *Ineligible Businesses: "gambling" replacing "gaming".*
Motion by Vogel, seconded by Oberle, to approve the above changes. Motion carried with a voice vote.

5) *Loan Term: Remove: "The loan term will not exceed the useful life of the assets financed."*
Motion by Johnson, seconded by Egerer, to approve the above change. Motion carried with a voice vote.

6) *Loan fees: Remove: "At present, the Loan Review Team has waived the loan initiation fee." AND replace "CDBG Commission" with "Loan Review Team."*
Motion by Shea, seconded by Mirales, to approve the above change. Motion carried with a voice vote.

Motion by Vogel, seconded by Shea, directing staff to implement the revisions and table the approval of the loan manual to the February Commission meeting. Motion carried with a voice vote.

This Action Item was approved with conditions

F. Reports to Committee

[2016
RPT-617](#)

EXPENDED FUNDS REPORT- JAN. 2017.

Attachments: [Expended Funds Report](#)

Staff reported on the January Expended Funds Report.

[2016](#)
[RPT-589](#)

JANUARY 2017 RLF LOAN REPORT.

Attachments: [01-17-2017 Loan Report](#)

Staff reported on the January Loan Report.

G. Adjourn

Motion by Johnson, seconded by Stechschulte, to adjourn. Motion carried by a voice vote. Meeting was adjourned at 7:42 p.m.

This was approved