



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

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



Dane County

Minutes - Final Unless Amended by Committee

Community Development Block Grant (CDBG) Commission

Thursday, February 16, 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 5:30 p.m.

Staff and others present: Adam Templer (Bear Development); Barry Levenson, Patti Bridges, and Barry Seifert (National Mustard Museum); Teresa Kobalt (Kobalt Law Offices, LLC); Robert Roth (Robert Roth CPA); Peter Ouchakof, Jenna Wuthrich, and Richard Greenlee (staff).

Present 8 - DAVE RIPP, CYNDA SOLBERG, RON JOHNSON, RICHARD OBERLE, DONNA VOGEL, GODWIN AMEGASHIE, NEIL STECHSCHULTE, and MATT EGERER
Excused 3 - BRIAN BIGLER, GAIL SHEA, and OSCAR MIRELES

B. Public Comment on Items not on the Agenda

None.

C. Consideration of Minutes

Motion by Ripp, seconded by Johnson, to approve the Minutes of the January 19, 2017 CDBG Commission meeting. Motion carried by a voice vote.

[2016](#)
[MIN-531](#)

MINUTES OF THE JANUARY 19, 2017 CDBG COMMISSION
MEETING.

Attachments: [CDBG-Minutes 01.19.17](#)

This Minutes was approved the minutes

D. Action Items

[2016](#)
[ACT-550](#)

BEAR DEVELOPMENT REQUEST

Attachments: [Bear Development request](#)

Staff summarized the request from Bear Development to the Commission, and pointed out an error on the original handout noting that the per-unit investment of the new request should read \$60,000 rather than \$50,000. Adam Templer, representing Bear Development, told the Commission that they were dealing with issues in the tax credit market as prices on tax credit investments have been significantly reduced since the time of the application causing a financial gap, and that loan rates are continuing to increase which has further increased the equity gap. Vogel asked if the County's funding is the last piece to make the project move forward, and Mr. Templer replied that this funding would essentially lock-up the project financing and allow the project to move forward.

Motion by Vogel, seconded by Stechschulte, to approve the request from Bear Development. Motion carried by a voice vote.

This Action Item was approved

[2016](#)
[ACT-554](#)

DISCUSSION AND POSSIBLE ACTION OF DANE COUNTY
MICROBUSINESS LOAN MANUAL.

Attachments: [MBL Manual v.2](#)

Staff provided Commissioners with a recommended change to page 4, section "Application Content and Process" of the manual. At the previous Commission meeting, staff was given a number of changes to implement in the manual, including a change in the approving body and loan review process. The suggestions from staff in the aforementioned section were recommended in order to be consistent throughout the manual regarding loan approval, and reflected the intentions of the Commission at the prior meeting.

Vogel suggested that "Loan Review Team" be replaced with "CDBG Commission" throughout the manual when used in context to describe the decision-making body in the loan review process.

Johnson asked that the word "your" be replaced by "the" in Applicant Eligibility (6) (d.) in order to match the present-perfect tense of the sentence.

Motion by Stechschulte, seconded by Johnson, to approve the loan manual with the staff recommended changes to the "Application Content and Process" section; the replacement of "CDBG Commission" for "Loan Review Team" as described above; and, the grammatical change pointed out by Johnson. Motion carried by a voice vote.

Possible Closed Session

Chair Solberg recited the Wisconsin Statutes pertaining to a possible closed session for the National Mustard Museum Loan Request.

There was no motion to enter into closed session, and the Commission remained in open session for the entirety of the meeting.

[2016](#)
[ACT-556](#)

NATIONAL MUSTARD MUSEUM LOAN REQUEST.

Attachments: [MOU Feb9 2017](#)

[Memo to Commission on Forgiveness](#)

[MM amortization schedule](#)

Staff reviewed the supporting documents requested by the Commission at the previous meeting.

Barry Seifert spoke to the Commission in support of the request. Mr. Seifert has been a member on the Board of Directors for the National Mustard Museum for about a year. He asked the Commission to reconsider the possible conditions #9 and #13 on the Corporation Counsel's "Summary of Mustard Museum Loan Forgiveness Transaction" Memo (Memo). He asserted that removing Mr. Levenson from the Board of Directors will leave the Board challenged because Mr. Levenson's expertise is much needed and a vital component of the Museum's success. He further stated his support for Mr. Levenson to be financially compensated for the integral role he will play during this transition assisting with fundraising and daily operations.

Upon a request from the Commission, Corporation Counsel addressed the implementation process for the new agreement and how it relates to the language in the conditions decided upon by the Commission. Mr. Greenlee stated that the Commission approves the basic structure of the loan including conditions and requirements, and staff uses the information to draft the formal document. The Commission will articulate contingencies with some specificity, and direct staff to execute the final document. The document would only return to the Commission for approval if staff feels they would be unable to achieve the intentions of the Commission in the final document.

Vogel suggested that the County would benefit from the specificity of an escrow closing and that Dane County should be paid in certified funds. Mr. Greenlee replied that his intention was an escrow transaction where the parties meet at a single location and execute the transaction in one closing event.

A question was raised about what happens if the deal occurs and the business ends up closing anyway before the 5 year agreement expires. Mr. Greenlee responded that the relief of debt service is not incidental and there is a risk of bankruptcy. Should this occur, recouping any part of the County's funds will depend on what the collapse of the business looks like, but stated that the County could be a creditor to the bankruptcy.

Staff mentioned that the Middleton CDA did not release their collateral as a condition of approval for the Mustard Museum's loan forgiveness request to the City of Middleton earlier in the week. A Commission member recommended removing condition #4 on the Memo so that Dane County would still be a secured party in the event of a bankruptcy.

A question was raised by the Commission regarding job creation over the next 5 years. Staff informed the Commission that if the Mustard Museum created additional jobs over the five-year agreement, they would no longer be able to be considered CDBG-created jobs.

Motion by Vogel, seconded by Stechschulte, to approve the loan forgiveness transaction with the "Transaction Details" of the Memo; conditions #1-#13 of the Memo; and to include the following:

- Condition #14: *The transaction must occur in certified funds in escrow closing*
- Condition #4 be changed so that there is no release of collateral from the County

Upon further discussion, Chair Solberg asked what happens if the Commission passes the motion but the other party does not agree to part of it- are both parties back to square-one? Mr. Greenlee replied that "yes", essentially they would be.

Supv. Ripp stated his concern that removing Condition #13 is problematic because there is less of a chance of the Museum succeeding by keeping him away from the Board. Motion by Ripp, seconded by Amegashie, to make an amendment to the original motion and remove #13 from the conditions of the Agreement.

Upon further discussion of the amendment to the motion, Oberle stated that he thinks the business can succeed without Mr. Levenson being on the Board. Removing Mr. Levenson would not prohibit him from volunteering and providing expertise, but rather, prohibit him from gaining financially. Oberle continued that he doesn't want to see the new owner be inhibited by old thoughts by keeping Mr. Levenson involved in business operations. Supv. Ripp added that the Curator does not manage the business end of things, but rather offers expertise. Amegashie remarked that the expertise of Mr. Levenson is a great asset; a volunteer sounds rosy, but allowing him to have a sense of being more committed would enhance the operations of the Museum. Johnson stated that he agrees, as long as Mr. Levenson doesn't benefit financially from the transaction.

Chair Solberg asked for a vote on the amendment to the original motion. The amendment to the original motion passed with a vote of 6-2 (Oberle and Vogel opposed).

Chair Solberg stated that Condition #14 would now replace Condition #13 as a result of the amendment to the Motion. Chair Solberg asked for a vote on the amended original motion. Upon a vote by the Commission, the amended original motion passed unanimously by a voice vote.

This Action Item was approved

E. Reports to Committee

[2016](#)
[RPT-669](#) EXPENDED FUNDS REPORT- FEB. 2017

Attachments: [Expended Funds Report- Feb. 2017](#)

Staff reported on the February 2017 Expended Funds report.

[2016](#)
[RPT-665](#) LOAN REPORT- FEB. 2017

Attachments: [02-15-2017 Loan Report](#)

Staff reported on the February 2017 Loan Report.

Staff updates to Commission.

Staff asked Commissioners with appointments expiring in April 2017 to let the County Executive's Office know their intentions for a two-year reappointment on the CDBG Commission at the March Commission meeting. Commissioners with terms expiring in April 2017 include: Brian Bigler, Cynda Solberg, Donna Vogel, Richard Oberle, and Ron Johnson.

F. Future Meeting Items and Dates

Next Meeting: March 16, 2017 at 5:30 p.m. at the Sun Prairie City Hall Council Chambers, 300 E. Main Street, Sun Prairie, WI 53590.

G. Adjourn

Motion by Johnson, seconded by Stechschulte, to adjourn. Motion carried by a voice vote. Meeting was adjourned at 6:20 p.m.



OFFICE OF THE CORPORATION COUNSEL

MEMORANDUM

TO: CDBG Commission

FROM: Assistant Corporation Counsel Richard Greenlee

DATE: February 15, 2017

RE: **Summary of Mustard Museum Loan Forgiveness Transaction**

The following memorandum is to facilitate an understanding of the implications, mechanics, and possible conditions for loan forgiveness on the ED-RLF loan to MustardMuseum.com, LLC.

Current Loan Status

The original loan was entered into in December of 2009, for \$200,000 with a term of 7 years, an interest rate of 5.25% per annum, and repayment in equal monthly installments. Over the course of the first 4 years of the loan, the Borrower appeared in front of the Commission a number of times to request modification, deferments, forbearances, and rate reductions. *See amortization schedule.* In 2011, in order to facilitate the tax deductibility of donations made to the museum, the Commission allowed the Borrower to spin off a not-for-profit, tax exempt entity named National Mustard Museum, Inc. The Commission also allowed the collateral to be purchased by the National Mustard Museum, Inc.

In 2013, upon another request for loan modification, a more formal loan restricting agreement was entered into between the MustardMuseum.com, LLC, the National Mustard Museum, Inc., and the County. In this agreement, MustardMuseum.com, LLC, and the National Mustard Museum, Inc., were made jointly and severally liable for the indebtedness to the County. Their new status as Co-Borrowers was memorialized by a new amended Promissory Note, signed by both entities.

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Scott D. Drummond
Gary Gomez
Patricia Haraughty-Sanna
Jane A. Jacobs

This loan was made out of the ED-RLF program, which was funded with State of Wisconsin CDBG funds. Although the original Loan Agreement specified that the MustardMuseum.com, LLC would need to create 10 new jobs, the both State and HUD statutory requirements actually only required 5.7 Full Time Equivalent Jobs. To date the MustardMuseum.com, LLC has created 2.2 Full Time Equivalent Jobs. Despite this, the State has communicated to the County, that given the funds already repaid, and the anticipated future payment of \$40,000, the State is ok with the current jobs figure and would not seek to recapture any of the unpaid funds.

Transaction Details

The transaction itself will be performed with two documents, a Loan Forgiveness Agreement and a new Deferred Note. These documents would be signed and executed as a part of a “closing” on the sale of the business. The documents would work to, in effect, hold open the remaining balance of the loan for a period of 5 years with no payments and no interest accruing and then forgive the balance still due if all the terms and conditions of the Loan Forgiveness Agreement were completed at the end of 5 years. If the conditions of the Loan Forgiveness Agreement were violated, then the remaining principal would become due and payable immediately, with a default rate of interest at 10% per annum.

Recommended Terms and Conditions for Loan Forgiveness Agreement:

1. Receipt of \$40,000 lump sum payment to Dane County.
2. Payment to the Middleton CDA of 25% of the outstanding balance due on the loaned sum and Middleton CDA’s agreement to release borrower’s obligation on remaining unpaid principal and interest.
3. Sale of the MustardMuseum.com, LLC, business entity to Patricia Bridges.
4. Release of the secured collateral described as follows:
 - a. A first position on the Borrowers' mustard collection as described in the Appraisal Report dated January 28, 2011 and attached hereto as Exhibit 'A, and all of Borrowers' equipment, fixtures, inventory (including all goods held for sale, lease or demonstration or to be furnished under contracts of service, goods leased to others, trade-ins and repossessions, raw materials, work in process and materials or supplies used or consumed in Borrowers' business), documents relating to inventory, general intangibles, accounts, contract rights, chattel paper and instruments, whether now owned or hereafter acquired.
5. Business must stay in Dane County for the term of agreement.

6. Continued efforts to create still uncreated but promised jobs as a part of original conditions of loan.
7. No resale of the MustardMuseum.com, LLC, entity to Barry or Patti Levenson during the 5 year term.
8. Prohibition on either Barry or Patti Levenson holding any equity position in MustardMuseum.com, LLC.

Other possible conditions for the Commission may consider:

9. Prohibit Barry Levenson from receiving wages, salary or any other fringe benefits from either MustardMuseum.com or from the National Mustard Museum or both.
10. Prohibit sale of any part of the Mustard Museum Collection without commission approval.
11. If any part of the Mustard Collection is sold, the proceeds shall first be used to pay down the remaining balance on the amended deferred note.
12. Prohibit Barry Levenson from engaging in any business or consulting work that would compete with the business of MustardMuseum.com, LLC
13. Prohibit Barry or Patti Levenson from taking a seat on the Board of Directors for the National Mustard Museum, Inc.

formmemo

Rate Period: Monthly

Nominal Annual Rate: 5.250%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	12/11/2009	200,000.00	1		
2 Payment	1/15/2010	2,851.97	13	Monthly	1/15/2011
3 Payment	2/15/2011	0.00	6	Monthly	7/15/2011
4 Rate Change	7/15/2011	Rate: 4.250 %		Rate Period: Monthly	
5 Payment	8/15/2011	634.16	6	Monthly	1/15/2012
6 Payment	2/15/2012	0.00	11	Monthly	12/15/2012
7 Payment	1/15/2013	2,622.23	1		
8 Rate Change	1/15/2013	Rate: 4.500 %		Rate Period: Monthly	
9 Payment	2/15/2013	500.00	5	Monthly	6/15/2013
10 Payment	7/15/2013	700.00	6	Monthly	12/15/2013
11 Payment	1/15/2014	1,221.36	26	Monthly	2/15/2016
12 Payment	3/15/2016	1,000.00	12	Monthly	2/15/2017
13 Payment	3/15/2017	164,622.52	1		

AMORTIZATION SCHEDULE - U.S. Rule (no compounding)

	Date	Payment	Interest Accrued	Interest Paid	Principal Paid	----- Interest	Balance Due Principal	----- Total
Loan	12/11/2009		0.00	0.00	0.00	0.00	200,000.00	200,000.00
2009 Totals		0.00	0.00	0.00	0.00			
1	1/15/2010	2,851.97	990.07	990.07	1,861.90	0.00	198,138.10	198,138.10
2	2/15/2010	2,851.97	866.85	866.85	1,985.12	0.00	196,152.98	196,152.98
3	3/15/2010	2,851.97	858.17	858.17	1,993.80	0.00	194,159.18	194,159.18
4	4/15/2010	2,851.97	849.45	849.45	2,002.52	0.00	192,156.66	192,156.66
5	5/15/2010	2,851.97	840.69	840.69	2,011.28	0.00	190,145.38	190,145.38
6	6/15/2010	2,851.97	831.89	831.89	2,020.08	0.00	188,125.30	188,125.30
7	7/15/2010	2,851.97	823.05	823.05	2,028.92	0.00	186,096.38	186,096.38
8	8/15/2010	2,851.97	814.17	814.17	2,037.80	0.00	184,058.58	184,058.58
9	9/15/2010	2,851.97	805.26	805.26	2,046.71	0.00	182,011.87	182,011.87
10	10/15/2010	2,851.97	796.30	796.30	2,055.67	0.00	179,956.20	179,956.20
11	11/15/2010	2,851.97	787.31	787.31	2,064.66	0.00	177,891.54	177,891.54
12	12/15/2010	2,851.97	778.28	778.28	2,073.69	0.00	175,817.85	175,817.85
2010 Totals		34,223.64	10,041.49	10,041.49	24,182.15			
13	1/15/2011	2,851.97	769.20	769.20	2,082.77	0.00	173,735.08	173,735.08
14	2/15/2011	0.00	760.09	0.00	0.00	760.09	173,735.08	174,495.17
15	3/15/2011	0.00	760.09	0.00	0.00	1,520.18	173,735.08	175,255.26
16	4/15/2011	0.00	760.09	0.00	0.00	2,280.27	173,735.08	176,015.35
17	5/15/2011	0.00	760.09	0.00	0.00	3,040.36	173,735.08	176,775.44
18	6/15/2011	0.00	760.09	0.00	0.00	3,800.45	173,735.08	177,535.53
19	7/15/2011	0.00	760.09	0.00	0.00	4,560.54	173,735.08	178,295.62
Rate	7/15/2011		0.00	0.00	0.00	4,560.54	173,735.08	178,295.62
	7/15/2011	Rate: 4.25%						
20	8/15/2011	634.16	615.31	634.16	0.00	4,541.69	173,735.08	178,276.77
21	9/15/2011	634.16	615.31	634.16	0.00	4,522.84	173,735.08	178,257.92
22	10/15/2011	634.16	615.31	634.16	0.00	4,503.99	173,735.08	178,239.07
23	11/15/2011	634.16	615.31	634.16	0.00	4,485.14	173,735.08	178,220.22
24	12/15/2011	634.16	615.31	634.16	0.00	4,466.29	173,735.08	178,201.37
2011 Totals		6,022.77	8,406.29	3,940.00	2,082.77			
25	1/15/2012	634.16	615.31	634.16	0.00	4,447.44	173,735.08	178,182.52

26	2/15/2012	0.00	615.31	0.00	0.00	5,062.75	173,735.08	178,797.83
27	3/15/2012	0.00	615.31	0.00	0.00	5,678.06	173,735.08	179,413.14
28	4/15/2012	0.00	615.31	0.00	0.00	6,293.37	173,735.08	180,028.45
29	5/15/2012	0.00	615.31	0.00	0.00	6,908.68	173,735.08	180,643.76
30	6/15/2012	0.00	615.31	0.00	0.00	7,523.99	173,735.08	181,259.07
31	7/15/2012	0.00	615.31	0.00	0.00	8,139.30	173,735.08	181,874.38
32	8/15/2012	0.00	615.31	0.00	0.00	8,754.61	173,735.08	182,489.69
33	9/15/2012	0.00	615.31	0.00	0.00	9,369.92	173,735.08	183,105.00
34	10/15/2012	0.00	615.31	0.00	0.00	9,985.23	173,735.08	183,720.31
35	11/15/2012	0.00	615.31	0.00	0.00	10,600.54	173,735.08	184,335.62
36	12/15/2012	0.00	615.31	0.00	0.00	11,215.85	173,735.08	184,950.93
2012 Totals		634.16	7,383.72	634.16	0.00			
37	1/15/2013	2,622.23	615.31	2,622.23	0.00	9,208.93	173,735.08	182,944.01
Rate 1/15/2013			0.00	0.00	0.00	9,208.93	173,735.08	182,944.01
1/15/2013		Rate: 4.50%		Rate Period: Monthly				
38	2/15/2013	500.00	651.51	500.00	0.00	9,360.44	173,735.08	183,095.52
39	3/15/2013	500.00	651.51	500.00	0.00	9,511.95	173,735.08	183,247.03
40	4/15/2013	500.00	651.51	500.00	0.00	9,663.46	173,735.08	183,398.54
41	5/15/2013	500.00	651.51	500.00	0.00	9,814.97	173,735.08	183,550.05
42	6/15/2013	500.00	651.51	500.00	0.00	9,966.48	173,735.08	183,701.56
43	7/15/2013	700.00	651.51	700.00	0.00	9,917.99	173,735.08	183,653.07
44	8/15/2013	700.00	651.51	700.00	0.00	9,869.50	173,735.08	183,604.58
45	9/15/2013	700.00	651.51	700.00	0.00	9,821.01	173,735.08	183,556.09
46	10/15/2013	700.00	651.51	700.00	0.00	9,772.52	173,735.08	183,507.60
47	11/15/2013	700.00	651.51	700.00	0.00	9,724.03	173,735.08	183,459.11
48	12/15/2013	700.00	651.51	700.00	0.00	9,675.54	173,735.08	183,410.62
2013 Totals		9,322.23	7,781.92	9,322.23	0.00			
49	1/15/2014	1,221.36	651.51	1,221.36	0.00	9,105.69	173,735.08	182,840.77
50	2/15/2014	1,221.36	651.51	1,221.36	0.00	8,535.84	173,735.08	182,270.92
51	3/15/2014	1,221.36	651.51	1,221.36	0.00	7,965.99	173,735.08	181,701.07
52	4/15/2014	1,221.36	651.51	1,221.36	0.00	7,396.14	173,735.08	181,131.22
53	5/15/2014	1,221.36	651.51	1,221.36	0.00	6,826.29	173,735.08	180,561.37
54	6/15/2014	1,221.36	651.51	1,221.36	0.00	6,256.44	173,735.08	179,991.52
55	7/15/2014	1,221.36	651.51	1,221.36	0.00	5,686.59	173,735.08	179,421.67
56	8/15/2014	1,221.36	651.51	1,221.36	0.00	5,116.74	173,735.08	178,851.82
57	9/15/2014	1,221.36	651.51	1,221.36	0.00	4,546.89	173,735.08	178,281.97
58	10/15/2014	1,221.36	651.51	1,221.36	0.00	3,977.04	173,735.08	177,712.12
59	11/15/2014	1,221.36	651.51	1,221.36	0.00	3,407.19	173,735.08	177,142.27
60	12/15/2014	1,221.36	651.51	1,221.36	0.00	2,837.34	173,735.08	176,572.42
2014 Totals		14,656.32	7,818.12	14,656.32	0.00			
61	1/15/2015	1,221.36	651.51	1,221.36	0.00	2,267.49	173,735.08	176,002.57
62	2/15/2015	1,221.36	651.51	1,221.36	0.00	1,697.64	173,735.08	175,432.72
63	3/15/2015	1,221.36	651.51	1,221.36	0.00	1,127.79	173,735.08	174,862.87
64	4/15/2015	1,221.36	651.51	1,221.36	0.00	557.94	173,735.08	174,293.02
65	5/15/2015	1,221.36	651.51	1,209.45	11.91	0.00	173,723.17	173,723.17
66	6/15/2015	1,221.36	651.46	651.46	569.90	0.00	173,153.27	173,153.27
67	7/15/2015	1,221.36	649.32	649.32	572.04	0.00	172,581.23	172,581.23
68	8/15/2015	1,221.36	647.18	647.18	574.18	0.00	172,007.05	172,007.05
69	9/15/2015	1,221.36	645.03	645.03	576.33	0.00	171,430.72	171,430.72
70	10/15/2015	1,221.36	642.87	642.87	578.49	0.00	170,852.23	170,852.23
71	11/15/2015	1,221.36	640.70	640.70	580.66	0.00	170,271.57	170,271.57
72	12/15/2015	1,221.36	638.52	638.52	582.84	0.00	169,688.73	169,688.73
2015 Totals		14,656.32	7,772.63	10,609.97	4,046.35			
73	1/15/2016	1,221.36	636.33	636.33	585.03	0.00	169,103.70	169,103.70
74	2/15/2016	1,221.36	634.14	634.14	587.22	0.00	168,516.48	168,516.48
75	3/15/2016	1,000.00	631.94	631.94	368.06	0.00	168,148.42	168,148.42
76	4/15/2016	1,000.00	630.56	630.56	369.44	0.00	167,778.98	167,778.98

77	5/15/2016	1,000.00	629.17	629.17	370.83	0.00	167,408.15	167,408.15
78	6/15/2016	1,000.00	627.78	627.78	372.22	0.00	167,035.93	167,035.93
79	7/15/2016	1,000.00	626.38	626.38	373.62	0.00	166,662.31	166,662.31
80	8/15/2016	1,000.00	624.98	624.98	375.02	0.00	166,287.29	166,287.29
81	9/15/2016	1,000.00	623.58	623.58	376.42	0.00	165,910.87	165,910.87
82	10/15/2016	1,000.00	622.17	622.17	377.83	0.00	165,533.04	165,533.04
83	11/15/2016	1,000.00	620.75	620.75	379.25	0.00	165,153.79	165,153.79
84	12/15/2016	1,000.00	619.33	619.33	380.67	0.00	164,773.12	164,773.12
2016 Totals		12,442.72	7,527.11	7,527.11	4,915.61			
85	1/15/2017	1,000.00	617.90	617.90	382.10	0.00	164,391.02	164,391.02
86	2/15/2017	1,000.00	616.47	616.47	383.53	0.00	164,007.49	164,007.49
87	3/15/2017	164,622.52	615.03	615.03	164,007.49	0.00	0.00	0.00
2017 Totals		166,622.52	1,849.40	1,849.40	164,773.12			
Grand Totals		258,580.68	58,580.68	58,580.68	200,000.00			

As of Jan. 19, 2017:

Total Payments:	92,958.16
Interest:	57,349.18
Principal:	35,608.98

Memorandum of Understanding

This Memorandum of Understanding represents the true intentions of Patricia Bridges ("PB") and Barry Levenson ("BL") regarding the transfer of ownership of MustardMuseum.com LLC ("LLC")

PB will own MustardMuseum.com LLC on the following conditions:

- She pays \$40,000 to the LLC which, in turn, the LLC pays to Dane County as full settlement of the CDBG loan;
- Dane County releases the collateral (the assets of the LLC and the nonprofit National Mustard Museum) on the loan;
- The Middleton CDA also settles the loan with the LLC for 25% of the balance and releases any collateral interests it has.

PB agrees to keep the Mustard Museum in Dane County, WI, for at least five years.

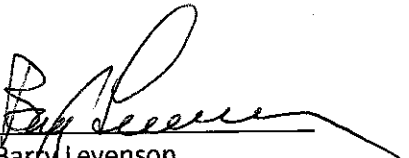
BL, currently the owner of all outstanding shares of the LLC, surrenders those shares to PB. Neither he nor his wife, Patti Levenson, will own any interest in the LLC.

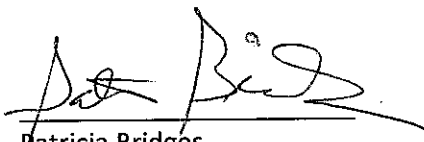
Employment of BL and Patti Levenson by the LLC is solely at the discretion of PB.

BL will remain as Curator of the nonprofit National Mustard Museum, subject to approval by the board of the nonprofit National Mustard Museum, which will remain a tenant of the LLC in its present location.

BL agrees that he will not in any way compete with the LLC or advise any company or individual wishing to do any business that may be in competition with the LLC.

Signed this 9th Day of February, 2017


Barry Levenson


Patricia Bridges



OFFICE OF THE CITY ADMINISTRATOR

CITY OF MIDDLETON
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MIDDLETON, WI 53562-3118

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To: Barry Levenson, Curator/Owner of the National Mustard Museum

From: Mike Davis *MJD*

Re: Proposal to Dane County CDBG/Middleton CDA

Date: January 17, 2017

Concerning your proposal to the Dane County CDBG in the attached letter, Mayor Sonnentag and I have conferred and agreed that we would recommend to the Middleton Community Development Authority at their next meeting a willingness to relieve the National Mustard Museum of 75% of its loan balance with the Middleton CDA if the conditions in your proposal are met:

- Our willingness to relieve 75% of your loan with Middleton is contingent on Dane County's action to do the same on NMM's existing loan with the County.
- Furthermore, once payment of 25% of the loan is made to the City and the County takes the same action, we will recommend relief of 75% of the existing balance on the loan.
- We are very interested in seeing the NMM continued under new ownership as you've outlined. NMM is a valuable asset to our retail business sector in Downtown Middleton, and we appreciate your efforts to cut costs and keep your retail profile through these 7 years since the Great Recession.

Xc: Mayor Kurt Sonnentag; Abby Attoun-Tucker, Director of Community Development; Bill Burns, Finance Director; and Eileen Kelley, Director of Planning & Zoning.

January 3, 2017

To Dane County CDBG Commission

From Barry Levenson, National Mustard Museum

Re Mustard Museum Loan

In 2009, the CDBG made a loan in the amount of \$200,000 to the Mustard Museum to bring the attraction from Mount Horeb to Middleton. I appreciate the patience that the Commission has shown over the past several years in considering the difficulties the Mustard Museum has had in repaying that loan. It is no secret that we have struggled financially, but have consistently made whatever payments the Mustard Museum could afford. The premises are divided into the “for profit” (in name only) store/gift shop and the non-profit Museum. Since they share the premises, the non-profit has been paying its pro-rata share of expenses, such as rent and utilities, to the for-profit, which in turn helped the for-profit pay its bills. The non-profit has been able to do this in large part due to donations made by major mustard companies, but changes have occurred at those very companies, and two of them are no longer going to make these vital contributions, which accounted for about 20% of the non-profit’s funding.

Having just turned 68, I have decided that it is time for me to retire. However, the National Mustard Museum is a popular and beloved institution in Dane County, and I believe that all of us would like to see it continue if at all possible. As you know, I have tried to find a buyer but despite a few expressions of interest, no outside buyer has stepped forward, in part because of the burden of the loan.

I have recently discussed the option of having our operations manager take full ownership of the business and she has expressed an interest in doing. She is aware of our historical struggles, and believes that the only way she could turn things around would be to compromise and satisfy the CDBG loan. I believe that with her business knowledge and experience, she can make the Mustard Museum viable, but only if free from the burdens of the CDBG loan. We are therefore asking the CDBG Commission to settle the loan for \$40,000, the absolute maximum amount that she can raise by borrowing from friends and family.

I understand that \$40,000 may not seem like much in relation to the \$160,000 (approximate) balance on the loan. However, if we default on the loan – which we will have to do if the Commission will not grant this request – it is unlikely that the assets of the business and museum will generate that much in a fire sale. While the assets of the museum are also pledged as collateral on the loan, it is doubtful that selling 6,000 jars of mustard (all beyond their “best by” dates) and the tins and pots we have acquired would bring in very much money. They are valuable only as the collection of the National Mustard Museum and it is unlikely anyone would want to buy it.

I believe this compromise is the only alternative if we hope to keep the National Mustard Museum going. Otherwise, we intend to close the business and museum in May, 2017.

Thank you for your careful consideration.

January 11, 2017

To: Peter Ouchakof, for the CDBG

From: Barry Levenson, MustardMuseum.com LLC (for-profit) and Nat'l Mustard Museum (nonprofit)

Re: Answers to Questions about the relationship between the two entities

At the December 2016 meeting, the Commission had questions about subsidies to the non-profit and how much money comes to each entity.

There are no "subsidies" from the for-profit to the nonprofit. The non-profit pays rent, pays a proportionate share of utilities, pays a maintenance fee (to cover miscellaneous costs such as web site upkeep, cleaning, copying, and credit card processing). Rent is \$1,600 per month, maintenance fee is \$500, and the share of utilities is calculated at 40% of the monthly MG&E bill. In addition, the non-profit regularly pays \$1,735 per month towards the acquisition of the collection that was originally owned by the for-profit. Of course, because the collection was owned by the for-profit when the loan was taken out, the collection remains collateral on the loan. As of this date, there is \$1,614.54 in the non-profit bank account.

Mr. Roth from Roth CPA has submitted the 2016 P&L statements for both the for-profit and the non-profit. These should give a good idea of what each entity receives and pays out.

Money comes to the nonprofit mainly through four channels: donations (personal and corporate); National Mustard Day receipts; tour fees; and World-Wide Mustard Competition entry fees. Money comes into the for-profit through sales in the gift shop and on-line; these amounts are broken out in the P&L statement.

Should the purchase of the business occur, as proposed in my earlier memo, the store manager will renew the lease here in Middleton and commit to staying in Dane County for at least five years. She will own it one hundred per cent; neither I nor my wife will retain any ownership interest. Any work I do for the for-profit will be at the discretion of the new owner. I will remain as Curator of the nonprofit museum (currently unpaid) and focus my attention on fundraising so that the nonprofit can at least pay its own way (rent, maintenance, utilities to the for-profit).