



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

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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.