

AGENDA
CITY OF MONONA
COMMUNITY DEVELOPMENT AUTHORITY
Monona City Hall – Conference Room
5211 Schluter Road, Monona, WI
Tuesday June 25, 2019
6:30 pm

1. Call to Order
2. Roll Call
3. Approval of CDA Meeting Minutes of April 23, 2019
4. Appearances
5. Old Business
 - A. Consideration and possible action on Renew Monona Program Scoring Matrix
6. New Business
 - A. Consideration and possible action on assignment of Treysta Development Agreement
7. Update on Existing and Proposed Developments
 - A. Staff Report on Development Projects and Applications.
 - B. CDA Questions and Requests for Information Concerning Development Projects.
8. Upcoming CDA Meetings – July 30, 2019
9. Adjournment

Note: Upon reasonable notice, the City of Monona will accommodate the needs of disabled individuals through auxiliary aids or services. For additional information or to request this service, contact Joan Andrusz at (608) 222-2525 (not a TDD telephone number), FAX (608) 222-9225, or through the City Police Department TDD telephone number 441-0399. The public is notified that any final action taken at a previous meeting may be reconsidered pursuant to the City of Monona ordinances. A suspension of the rules may allow for final action to be taken on an item of New Business. It is possible that members of and a possible quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information or speak about a subject, over which they have decision-making responsibility. Any governmental body at the above stated meeting will take no action other than the governmental body specifically referred to above in this notice.

Minutes - DRAFT
Community Development Authority
April 23, 2019

Chair Stolper called the Community Development Authority (CDA) meeting to order at 6:30 pm.

Present: Chair Tom Stolper, Mr. Andrew Homburg, Alder Doug Wood, and Mr. Scott Kelly. Alder Andrew Kitslaar, Mr. Jeff Staver, and Mr. Dave Lombardo

Excused: None

Also Present: City Administrator Bryan Gadow, City Planner Douglas Plowman, and Mayor Mary O' Connor.

MINUTES

A motion by Mr. Wood, seconded by Mr. Kelly, to approve both open session and closed session minutes of the March 26, 2019 meeting, as amended, carried.

APPEARANCES

New Monona City Planner Douglas Plowman introduced himself to the Committee members.

OLD BUSINESS

A. Discussion and Consideration: Renew Monona Program Updates

Administrator Gadow provided an overview of the outstanding question of whether renewable energy technology installation should be included in the eligible funding categories for the Renew Monona program.

Mr. Kitslaar indicated that he would like to not limit it to just solar energy, like the Wisconsin Property Assessed Clean Energy (PACE) program. Chair Stolper asked if wind energy technology would be considered, given that it may be more of an impact on adjacent properties. The Committee agreed that those technologies could be reviewed on a case-by-case basis.

Mr. Wood suggested adding renewable energy technologies to the "Home Improvement Program" category, which ties it to home energy efficiency upgrades.

Administrator Gadow noted that a separate item to complete at a later date is an update to the scoring matrix for loan applications review, in order to remove subjectivity in the scoring.

Motion by Mr. Homberg, seconded by Mr. Kitslaar, to add renewable energy as an eligible program expense in the “Home Improvement Program” category, and forward on City Council for review. Motion carried.

NEW BUSINESS

- A. Consideration and possible action on additional construction costs for Phase I in the amount of \$655,121 as set forth in Exhibit A of Amendment #1 of Development Agreement with YRFD, LLC.

Chair Stolper provided an overview of the Development Agreement requirements, the inability of the City to deliver the site by December 31, 2017, the negotiated amendment to cover increased construction costs, and the history of the Chase Bank site acquisition.

Mr. Kitslaar asked what had changed since the City’s consultant last reviewed the construction estimates. Mr. Wood asked a question regarding the ownership of McGann Construction, and requested additional documentation on incurred costs, before he could vote to recommend approval.

Mr. Kelly noted that the Developer could have requested more compensation given the challenge of developing the site. Mr. Lombardo noted that the Developer was not able to have a full set of plans prepared by October 15, 2017 in order to provide a more detailed cost estimate of the construction cost increases. Mr. Wood asked for an explanation as for why the cost estimates changed from October 15, 2017 to December 11, 2017. Chair Stolper noted the lumber storages and change in concrete contractors.

Mr. Homberg stated that the question is not the payment of \$655,121, as it was agreed to on March 1, 2018, but rather whether the documentation of costs is acceptable.

Motion by Mr. Kelly, seconded by Mr. Lombardo, to send item to City Council with a recommendation of approval.

Mr. Lombardo stated that he is ok with asking for backup information, while supporting the payment of the funds. Mr. Kitslaar stated he would like to see additional backup information. Mr. Kelly stated that the Development Agreement requires payment and that the project is well underway to perform for the area. Mr. Staver stated that the dollar amount (\$655,121) was reasonable given the time delay and construction cost increase. Mr. Homberg stated that the construction timeline is creating pressures to meet the required deadlines, which could be a point of negotiation. Mr. Wood indicated that he would like a waiver of any and all additional liabilities that the City could incur, including the boat slip delivery.

Motion to Amend the Original Motion by Mr. Wood, seconded by Mr. Kitslaar, to require that the Developer waive any claims to damages or future suits related to the boat slip delivery and Four Lakes Yacht Club lawsuit, as a condition of the City releasing payment under this agreement. Motion carried.

Mr. Homberg asked what damages are enumerated in the original Development Agreement for missing the May 31, 2019 infrastructure deadline. Chair Stolper noted that the payment is required on issuance of an occupancy permit for Phase I.

Vote on the Amended Motion: five (5) in favor, zero (0) opposed, one (1) abstention (Wood). Motion carried.

REPORTS OF STAFF AND CDA MEMBERS

Administrator Gadow provided an update on the Broadway/Falcon Circle project.

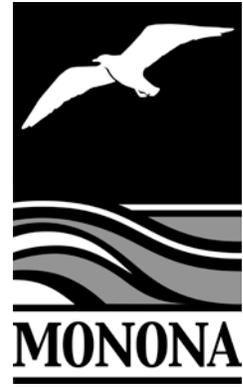
The next meeting is May 28, 2019 but may be rescheduled to June if there are no agenda items.

ADJOURNMENT

A motion was made by Mr. Homburg, seconded by Mr. Kelly to adjourn. The motion carried.
(7:40 pm)

Renew Monona Loan Program

Application Scoring Rubric - CURRENT



Please rate the application in each of the following criteria areas based on how well the applicant addresses the intent of each in his/her proposed improvements.

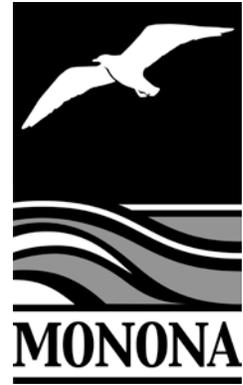
The rating is on a scale of 0 - 10, where **0** means that the application **does not meet** the criteria, and **10** means that the application **strongly meets** the criteria.

Applicant Address _____

	Criteria	Rating
1	Proposed improvements follow what have been identified as eligible uses of program loan funds.	
2	Proposed improvements will increase the assessed value of the home.	
3	Proposed improvements will improve the re-sale value of the home and the attractiveness of the home and neighborhood to potential future home buyers.	
4	The home where proposed improvements will occur is in an area in need of improvements, or is in an identified preference area.	
5	Improvements are significant enough to alter the look of the home from the street in a positive way, and help to enhance the aesthetics of the neighborhood.	
6	Proposed improvements will increase the energy efficiency of the home.	
7	Improvements are long-lasting and will enhance the quality of the home for years to come.	
8	Proposed improvements are well chosen, are an appropriate use of loan funds, and fulfill an obvious need for the housing structure.	
9	Applicant is in good financial standing and is a reliable candidate to meet the repayment terms of the loan.	
10	Proposed improvements are made on home's primary structure, including attached garage.	
	TOTAL	

Renew Monona Loan Program

Application Rubric - PROPOSED



Please evaluate the application in each of the following criteria areas based on how the applicant addresses the intent of each in his/her proposed improvements.

Applicant Address _____

Eligibility		Yes	No
1	Property is owner-occupied.		
2	Assessed property value	\$ <u> </u> .00	
	120% of median value assessed value	\$ <u> </u> .00	
	Is the assessed property value less than or equal to 120% of median?		
3	Does the applicant plan to occupy the property for at least two years after the improvements are made?		
4	Proposed improvements are identified as eligible uses of program loan funds. Select the category(s) that apply		
	<input type="checkbox"/> Electrical <input type="checkbox"/> Plumbing <input type="checkbox"/> Mechanical <input type="checkbox"/> Energy Efficiency		
5	Proposed improvements are made on home's primary structure, including attached garage.		
	If building a garage, is the structure attached or detached?	Attached	Detached
6	Proposed improvements will increase the assessed value of the home.		
7	Proposed improvements will improve the attractiveness of the home and neighborhood to potential future home buyers.		
8	The home where proposed improvements will occur is in an area in need of improvements, or is in an identified preference area. This may include accessibility improvements or additions allowing the applicant to age in place.		
9	Applicant is in good financial standing and gives the City of Monona permission to contact their mortgage provider to confirm.		
Is the property eligible?			

	Performance Criteria	Staff Comments
A	Proposed improvements are well chosen, are an appropriate use of loan funds, and fulfill an obvious need for the housing structure.	
B	Improvements are long-lasting and will enhance the quality of the home for years to come.	
C	Proposed improvements will increase the energy efficiency of the home.	

**FIFTH AMENDMENT TO THE
DEVELOPMENT AGREEMENT**

Between the City of Monona and Treysta Group, LLC

THIS FIFTH AMENDMENT TO THE DEVELOPMENT AGREEMENT (“Fifth Amendment”) is made by and between (“Effective Date”) the City of Monona, a municipal corporation, whose principal address is 5211 Schluter Road, Monona, Wisconsin 53716 (hereinafter referred to as “Monona”); and Treysta Group, LLC, a Wisconsin limited liability company, whose principal place of business is located at 402 ½ East Main Street, Mt. Horeb, WI 53572 (hereinafter referred to as the “Developer”). Monona and Developer are each a “Party”; together, they are the “Parties.”

WHEREAS, the Parties entered into that certain Development Agreement dated November 3, 2012 (the “Initial Development Agreement”), pursuant to which the Developer developed the mixed use, multi-family development in Monona, Wisconsin described in the Initial Development Agreement funded, in part, through tax incremental financing (the “Development”);

WHEREAS, the Parties amended the Initial Development Agreement pursuant to the following: (i) that certain First Amendment to the Development Agreement dated June 3, 2013; (ii) that certain Second Amendment to Development Agreement dated May 13, 2014 (“Second Amendment”); (iii) that certain Third Amendment to Development Agreement dated August 14, 2014 (“Third Amendment”); and (iv) that certain Fourth Amendment to Development Agreement dated June 28, 2017 (“Fourth Amendment”) (the Initial Development Agreement, as amended by the First Amendment, Second Amendment, Third Amendment, and Fourth Amendment is referred to as the “Development Agreement”);

WHEREAS, Developer may not assign its rights and obligations under the Development Agreement without Monona’s consent;

WHEREAS, the Development Agreement requires a personal guarantee of the Developer’s obligations under the Development Agreement (“Personal Guaranty”) from the Guarantors, as set forth in Section 10.1 of the Initial Development Agreement;

WHEREAS, Ms. Robin Pharo and Mr. Tim Duerst (“Ms. Pharo and “Mr. Duerst”) entered into that certain Personal Guaranty, a copy of which is attached as Exhibit A (including any amendments, the “Pharo-Duerst Guaranty”); and

WHEREAS, the Parties intend that the Pharo-Duerst Guaranty be terminated, that the Personal Guaranty requirement in Section 10.1 of the Development Agreement be deleted, and that Section 10.1 be amended to require that Monona be added as an additional insured to Developer’s policy of property insurance for the Property.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. Defined Terms. Any capitalized term used but not defined in this Fifth Amendment has the definition given it in the Development Agreement.

2. Section 10.1. Section 10.1 of the Development Agreement is hereby deleted in its entirety from the Development Agreement and replaced with the following:

10.1 Monona as Additional Insured. ~~During the Term,~~ Developer shall name Monona as an additional

insured to its policies of property insurance with respect to the Property required by section 8.2 of the Development Agreement (“Property Insurance”), which shall include a provision that it shall not be terminated, amended or canceled without at least 30 days prior written notice to Monona. Developer shall, within ~~seven (7) business~~ 30 days after ~~Monona's written request~~ execution of this Fifth Amendment, provide Monona with a copy of the additional insured endorsement to its Property Insurance, in a form reasonably acceptable to Monona, evidencing that Monona is an additional insured to its Property Insurance, the amount and coverage limits, and that the Property Insurance remains in effect.

3. Release of Personal Guaranties. The Pharo-Duerst Guaranty is released and terminated. Ms. Pharo and Mr. Duerst are unconditionally released from any obligations arising under the Guaranty and are no longer parties to the Development Agreement.

4. No Other Changes. Except as amended by this Fifth Amendment, all other terms, conditions and obligations in the Development Agreement remain unchanged.

5. Drafter. This Fifth Amendment is the product of negotiations between the Parties. Each Party has had the opportunity to review this Fifth Amendment with its legal counsel. This Agreement shall not be construed more strictly in either Party’s favor because of its attorney’s role in drafting this Agreement.

IN WITNESS WHEREOF, the Parties executed this Fifth Amendment effective as of the last date written below.

CITY OF MONONA

By: _____
Mary K. O'Connor, Mayor Date _____

By: _____
Joan Andrusz, City Clerk Date _____

TREYSTA GROUP, LLC

By: _____
Robin Pharo, Managing Member Date _____

GUARANTORS:

Robin Pharo Date _____

Tim Duerst Date _____

~~DRAFTED BY:~~

~~_____
Attorney William S. Cole
AXLEY BRYNELSON LLP
2 E. Mifflin Street, Suite 200
Madison, WI 53703~~

EXHIBIT A

Pharo-Duerst Guaranty

(begins on next page)