

CITY OF TWO RIVERS
COMMUNITY DEVELOPMENT AUTHORITY AND
BUSINESS AND INDUSTRIAL DEVELOPMENT COMMITTEE PROCEEDINGS
November 17, 2022 at 5:15 PM, 3rd Floor City Hall

1.Call to Order

The meeting was called to order by BIDC Chair Gregory Coenen at 5:15 PM.

2.Roll Call

BIDC Members present: Gregory Coenen, Dick Klinkner, Betty Bittner, Keith Lyons, Dan Wettstein, Tracey Koach and Jason Ring.

CDA Members present: Betty Bittner, Gregory Coenen, Dick Klinkner, Tracey Koach, and Jason Ring

Absent: Tom Christensen and Don Karmen

Also present: Greg Buckley City Manager and Elizabeth Runge, Community Development Director.

3. Approve minutes from September 20, Meeting.

A motion was made by Betty Bittner and seconded by Tracey Koach to approve the minutes. The motion carried on a voice vote.

4. Review the status of Sandy Bay Highland lot sales with the status of building on these sold lots.

Staff presented the lots that are sold in Phase 1 and 2 of the subdivision. There are only 7 lots left for sale in Phase 2. There are two lots that have passed the 24-month timeline to start construction. A motion was made by Keith Lyons and seconded by Betty Bittner directing staff to send a letter reminding the lot owners of the timeline requirements and to request action by May 1, 2023.

5. Closed Session.

A motion was made by Keith Lyons and seconded by Betty Bittner to go into closed session. The motion carried on a roll call vote.

6. Reconvene into Open Session.

A motion was made by Dick Klinkner and seconded by Betty Bittner to go into open session. The motion carried on a voice vote.

a. The sale of Block 4, Lot 8 in Sandy Bay Highlands.

A motion was made by Dick Klinkner and seconded by Tracey Koach to accept the offer to purchase Block 4, Lot 8, in the amount of \$38,000 while acknowledging the lot is listed for sale in the amount of \$45,000. The closing must occur within 30 days. The motion carried in a voice vote.

b. Loan application submitted by TA Properties.

A motion was made by Dick Klinkner and seconded by Tracey Koach to approve an economic development loan with the terms listed below. The motion carried on a voice vote.

The City loan will be in the amount of \$100,000. The loan will be secured by:

1. A second mortgage on property owned by TA Properties at 1906 Franklin Street, Manitowoc;
2. A second mortgage on property owned by Anne and Tim Klein at 2917 Monroe Street, Two Rivers;
3. Personal Guarantee from both Tim and Ann Klein.

The loan terms are:

1. A 20-year loan amortization.
2. Interest Rate is 0% in Year 1, 1% Year 2, 1% below Prime (Prime at the time of Closing) and Fixed thereafter
3. Balloon payment due at the end of year 10

How the loan funds will be disbursed: (Definition of match money is applicant's money).

1. Match money for the loan is to be spent first. The total match money from TA properties is a total of \$100,000. The expenses for the roof of \$65,000 and for the insulation cost of \$19,000 may be used as a match for the loan. These expenditures will require documentation. The documentation is the invoice showing the cost from the vendor and proof of payment made by TA Properties, such as a copy of the check. The remaining balance of \$16,000 is to be spent on payments to vendors, or on materials, such payments made after November 17, 2022, to reach the necessary match to the loan amount of \$100,000.
2. After the \$100,000 match money has been expended, additional invoices for building improvements that need to be paid, are to be submitted for payment to the City to access loan dollars. The City will issue checks to the vendor. Building improvements, and the corresponding invoices, will be paid with City loan funds up to the loan amount of \$100,000.

Adjournment: At 6:40 PM, a motion was made by Dick Klinkner, seconded by Betty Bitner to adjourn. Motion carried.