

**CITY OF TWO RIVERS
COMMUNITY DEVELOPMENT AUTHORITY AND
BUSINESS AND INDUSTRIAL DEVELOPMENT COMMITTEE PROCEEDINGS
March 26, 2024**

1.Call to Order

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

2.Roll Call

Present: Gregory Coenen, Dick Klinkner, Tracey Koach, Scott Stechmesser, and Betty Bittner

Absent: Tom Christensen, Keith Lyons

Also present: Greg Buckley, City Manager and Elizabeth Runge, Community Development Director and Paul Braun and Melissa Nyssan.

3. Approve minutes from meeting on January 30, 2024

A motion was made by Scott Stechmesser, seconded by Dick Klinkner to approve the minutes.

Motion carried on a voice vote unanimously.

4. Review of Site and Architectural Plans for Braun Building Center Truss Shop, located at Parcel 053-204-101-021.03, submitted by applicant Athens Development LLC, and Owner Braun Family

The plans were reviewed for compliance with the Woodland Industrial Park covenants.

A motion was made by Betty Bittner and seconded by Scott Stechmesser to allow for a variance to the ingress and egress requirement to be limited to Woodland Drive, as there is access to Woodland and Browns Drive for the site. The motion carried on a voice vote unanimously.

A motion to approve the plans, noting that the parking and the north side of the building area in gray on the site plan will be paved within one year of construction of the building, was made by Dick Klinkner. It was seconded by Betty Bittner and the motion carried on a voice vote unanimously.

5.Closed Session:

A motion to go into closed session was made by Scott Stechmesser and seconded by Dick Klinkner.

A roll call vote:

Yes (5)

No (0)

Motion Carried to go into Closed Session.

6. Reconvene Into Open Session

A motion was made by Betty Bittner and seconded by Scott Stechmesser to return to open session. The motion carried on a voice vote unanimously.

A motion was made to approve a loan from the City's Economic Development loan fund for the Violet Inn, Lounge and Spa located at 1415 16th Street project in the amount of \$200,000 with the following terms:

Interest Rate: 0% Year 1
 1%, Year 2
 1 Point Below Prime, Fixed, Thereafter
Amortization: 20 Years
Balloon Payment: Due at the end of year 10.

The loan will be secured by properties owned by the business partners and a personal guarantee will be completed for each business partner.

The motion carried on a voice vote unanimously.

A motion was made Tracey Koach and seconded by Dick Klinkner directing City staff to contact the owner of Lot 16 in Phase 2 of Sandy Bay Highlands and notify them that building plans and permits must be approved by September 1, 2024 or the CDA will exercise its right under the Protective Covenants, Development Conditions to repurchase the property.

The motion carried on a voice vote unanimously.

7. Review of and possible action regarding current terms of the City Economic Development Loan Program

A motion was made by Betty Bittner and seconded by Dick Klinkner to modify the Key Terms of the City's Economic Development Terms, Interest Rates in the following ways (*changes in italics*):

Interest Rates: Downtown Projects (Within BID)
Year 1 0 Percent → *changed to 3 Percent*
Year 2 1 Percent → *changed to 3 Percent*
Year 3 1 Point below Prime, fixed thereafter → Year 3: 1 Point below Prime *at the time of closing and fixed thereafter*

The motion carried on a voice vote unanimously.

8. Review and approval of updated leases for City owned Wentker Court properties

The leases between the City and the tenants occupying the two properties on Wentker Court need to be updated. The leases and the rents rates are modified for the next three years and shown below.

Building A: 1429 Wentker Court (19,200 sq ft)

Current Rent: \$5,760/month. This is ~ \$0.27 per square foot.

Proposing a 3% increase:

July 1, 2024	\$5,933	\$0.31 per square foot.
July 1, 2025	\$6111	\$0.32 per square foot.
July 1, 2026	\$6,294	\$0.33 per square foot -Renewal year

Building B: 1429 Wentker Court (4,922 sq ft)

Current Rent: \$1,350/ month. This is ~ \$0.27 per square foot.

Proposing a 3% increase:

July 1, 2024	\$1,391	\$0.28 per square foot
July 1, 2025	\$1,432	\$0.29 per square foot
July 1, 2026	\$1,475	\$0.30 per square foot – Renewal year

A motion was made by Tracey Koach and seconded by Betty Bittner to approve the updated lease rates. Motion carried on a voice vote unanimously.

Adjournment: At 6:35 PM, a motion was made by Tracey Koach, seconded by Dick Klinkner to adjourn. Motion carried.

Respectfully submitted,
Elizabeth Runge
Community Development Director