

City of Winsted
Downtown Vibrancy Commission
Winsted City Hall – Lewis Room
Tuesday, October 14, 2014
3:30 p.m.

Downtown Vibrancy Commission Members Present: Chip Guggemos
Tami Rosenthal
Joe Swanson

Downtown Vibrancy Commission Members Absent: Nancy Fasching

Staff Present: Clay Wilfahrt, City Administrator
Mayor Steve Stotko, City Council Liaison

1) Call the Meeting to Order

Mr. Chip Guggemos, Chairperson, called the meeting to order at 3:45 p.m.

2) Approval of Minutes – August 12, 2014

Mr. Joe Swanson made a motion to approve the minutes of the Downtown Vibrancy Commission Meeting on August 12, 2014. Ms. Tami Rosenthal seconded the motion. Motion carried 3-0.

3) No Staff Report.

4) No Old Business.

5) New Business

a) Downtown Vibrancy Forgivable Loan Policy

Mr. Clay Wilfahrt, City Administrator, reviewed a memo and stated that at the August, 2014 Downtown Vibrancy Commission meeting, the Commission discussed a forgivable loan policy for the \$10,000 that has been budgeted for downtown projects. Mr. Wilfahrt stated that the key points that were discussed to be included in the policy were:

- The dollars would be loaned on a one-to-one matching basis
- The dollars are forgiven 1/7th annually, meaning that after seven (7) years, the business will not have any principal or interest owed. If the business leaves or changes ownership, it will owe the principal and interest amount remaining.
- There is a maximum loan of \$5,000
- The Downtown Vibrancy Commission must approve the loan for it to proceed.

The members of the Downtown Vibrancy Commission were provided copies of the proposed Winsted Downtown Vibrancy Forgivable Loan Policy Guidelines and Application to review prior to the meeting.

The Downtown Vibrancy Commission discussed the eligibility requirements and loan structure, as stated in the proposed policy. Mr. Wilfahrt clarified that the City of Winsted would be provided a subordinate mortgage upon the building and/or assets or other approved collateral.

The Downtown Vibrancy Commission also discussed the requirements regarding project timelines. Ms. Rosenthal asked if there is a consequence in place for neglecting to maintain an approved timeline for a project. Mr. Wilfahrt stated that the mortgage will state that the project must be completed within a certain time frame, and the time frame for each loan will be determined on a case by case basis. Mr. Wilfahrt stated that the consequence for not completing the project by the due date will be to withdraw the funding for the project. He added that the funds will be given to the business on a reimbursement basis. Once the final invoice for a project is received, the City of Winsted will pay a portion of the invoice, as stated in the mortgage.

The Downtown Vibrancy Commission discussed whether project payments will be made to the contractor or to the business owner. They also discussed adding language to the policy that requires licensed and bonded contractors to complete the work for a business; however, the Commission does not want to rule out sweat equity by the business owner. Mr. Wilfahrt stated that these items can be determined by the Downtown Vibrancy Commission as each loan request is considered. He added that the Downtown Vibrancy Commission and City Council can request additional requirements, if necessary.

The Downtown Vibrancy Commission also discussed the timeline for accepting applications, and agreed that it should begin in mid-December, 2014, and remain open through February, 2015. Mr. Stotko added that this policy and program should be advertised locally for the business owners.

The Downtown Vibrancy Commission offered a consensus to move forward with the proposed Downtown Vibrancy Forgivable Loan Policy. Mr. Wilfahrt stated that he will forward the policy to the League of Minnesota Cities legal department, the City Attorney, and Shannon Sweeney of David Drown Associates, Incorporated for review. Mr. Wilfahrt stated that the policy will be brought back to the Downtown Vibrancy Commission to make a recommendation to the City Council after all of the reviews have been completed.

6) No Announcements.

7) Adjournment

Mr. Swanson made a motion to adjourn the meeting. Ms. Rosenthal seconded the motion. Motion carried 3-0. The meeting adjourned at 4:23 p.m.

Clay Wilfahrt

Clay Wilfahrt,
City Administrator
City of Winsted

ATTEST:

Amanda J. Zeidler

Amanda J. Zeidler,
Utility Billing & Payroll Clerk
City of Winsted