

JOINT FINANCE/DELINQUENT TAX

May 29, 2019

- Call to order** The meeting was called to order by Finance Chairman Duane Rogers at 10:03 a.m. Finance committee members present were: Gerry Krachey, Wayne Jerrett, Geri Kozelka and Greg Russell. Delinquent Tax committee members present were: Derek Flansburgh and Kersten Rocksvold. Others present: Chad Mara, Suppz Gym; Brent and Mary Sheckler, Suppz Gym; Chris Herbst and Carl Colsch from Mississippi Meats; Chad Abram, City Administrator; Garth Fable, City Planner; Mark Peterson, Corporation Counsel; Bob Standorf; Pete Flesch, Jim Bowman; Supervisors Brad Steiner, Larry Kelley and Tom Cornford; Julie Cipra, 911 Coordinator; John Poots, Maintenance; Gigi Collins, Property Lister; Deanne Lutz, Treasurer and Clerk Janet Geisler.
- Verify posting** The Chairman verified that the meeting was properly posted.
- Chairman Rogers addressed those present to explain the Blackhawk Junction property obtained through the delinquent tax process.
- Blackhawk Junc** Chad Abram, City Administrator, addressed those present regarding the development of Blackhawk Junction. Chad stated that the City is not here to state that they want the property given to them for development. The City has met and agreed and pay for a firm to get a development and strategic plan in place with the County, City and current business owners on the property. The City is requesting more time to complete this project.
- Jim Bowman, Executive Director of Driftless Development addressed those present and their purpose is to facilitate economic growth. Vandewalle from Madison, who wrote the original master plan for the downtown development of the City, has been contacted. He explained the process that needs to take place in order to develop this property. A group of stakeholders would need to be formed consisting of County representation. The City is willing to pay for the analysis which would take around six months.
- The total delinquent taxes, which include penalty and interest, is \$488,998.47. The default judgement will be filed once the lease agreements are ready to be signed.

Rent

Brent Sheckler, Suppz Gym, spoke to the committee regarding the new rental amount that the County is proposing which is around \$3,700 per month which is a significant bump in their rent. He has not had an active lease for five years. He stated that the business is for sale but he cannot sell the business if there is no lease in place.

Corporation Counsel, Mark Peterson, stated that if the County takes title, all of the current leases would be wiped out. The County has no authority to enter into any long term leases with anyone. The County does have the authority to work with the City. The County has to sell the property if the County doesn't use the property according to the tax in rem foreclosure proceedings. The County needs to come to some sort of an agreement with the current four tenants. The only way to avoid an auction is if the property would go to the City. There is no prohibition on how the County sells the property. The County could survey the property off in as many pieces as they want but it would still have to be sold by auction.

Deanne Lutz stated that the Finance Committee voted to leave the rents at .81 per square foot for Associated Bank and .75 for Mississippi Meats and H and R Block. The committee voted to charge Suppz Gym at the lower rate of .75 per square foot. If the committee decides to lower the rent, then Deanne suggested that the rent for all tenants should be lowered and not just Suppz Gym.

The tenants stated that there are structure problems with the building. The rent should not be as high as it currently is given the condition of the building.

It is understood that if the County goes with the plan that the City wants, the back taxes still have to be taken care of and the County be made whole. The County will now be responsible for maintaining the building. The committee was reminded that additional taxes owed for 2019 will be around \$90,000 which will be added to the additional amount already delinquent. If the property is in the City or County's name in 2020, the property will be tax exempt.

Krachey moved, Russell seconded to change the amount of rent charged to .55 per square foot for all four tenants. The tenants would be responsible for the inside of their building and the County is responsible for the outside of the building. This is effective June 1st and this will be a month by month lease. The motion carried with no negative votes cast.

The Public Property Committee will be the committee responsible to oversee any problems with the structure.

The term of the lease was questioned and if it should be month to month or six months. The tenants felt six months was no protection and would rather the lease be month to month.

Krachey moved, Russell seconded to give the City the opportunity to complete the Vandewalle study and the study should be completed in six months or less. The motion carried with no negative votes cast.

Volunteers are needed to be on the stakeholder committee with the City representatives. Greg Russell, Duane Rogers and Deanne Lutz volunteered to serve on the committee.

Adjourn

Russell moved, Rogers seconded to adjourn. The motion carried with no negative votes cast and the meeting adjourned at 11:10 a.m.

Janet Geisler, County Clerk