

**Date: Monday, April 18, 2016**  
**Time: 7:10 pm**  
**Place: City Hall**

## **FINANCE AND TAXATION COMMITTEE**

A. CALL TO ORDER & ROLL CALL

B. CORRECTION OF MINUTES

C. BUSINESS: OPEN

1. REQUEST PERMISSION TO SELL VARIOUS STREET DEPT. ITEMS

Requesting permission to sell various Street Dept. items by using Wisconsin Surplus and requesting the monies from the sale of the items be put into the Street Dept. Capital Fund.

Individual Requesting Item	TBoll
Expected Length of Discussion	5 mins

2. WISCONSIN PALLET AND STORAGE LLC REQUEST FOR RELEASE OR CHANGE OF MORTGAGE

Individual Requesting Item	Attorney Ewald
Expected Length of Discussion	15 Minutes

Documents: [4-1-16 letter to Atty Rex Ewald.pdf](#)

D. BUSINESS BY MEMBERS

May make brief informative statements or bring up items to be discussed at a future meeting.

E. ADJOURNMENT

***This Committee may take any action it considers appropriate related to any item on this agenda.***

Requests from persons with disabilities who need assistance to participate in this meeting, including need for an interpreter, materials in alternate formats, or other accommodations, should be made to the Office of the City Clerk at (608) 329 2564 with as much advance notice as possible so that proper arrangements can be made.

Notice is hereby given that a majority of the members of the Common Council of the City of Monroe may be present at this meeting to gather information about the matters set forth on this agenda. This notice is given pursuant to the Wisconsin Open Meetings Law.

**Members: Chairperson Reid Stangel, Brooke Bauman, Louis Armstrong, and Alternate Chris Beer**

**Youth in Government Members: Nate Smith, Abby Yurs**

LAW OFFICES OF  
**KITTELSEN, BARRY, WELLINGTON,  
THOMPSON and SCHLUESCHE, S.C.**

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April 1, 2016

Attorney Rex Ewald

**Via Email: [raewald@voegeli-ewald.com](mailto:raewald@voegeli-ewald.com)**

*Re: Wisconsin Pallet and Storage, LLC*

Dear Rex:

Thank you for speaking with me. As you know, I represent Dennis and Debra Stoneback and their limited liability company, Wisconsin Pallet & Storage, LLC. Mr. and Mrs. Stoneback are parties to a June 24, 2014 Purchase and Development Agreement with the City of Monroe for Lot 1, CSM 4811 in the Monroe Industrial Park (the "Property"). The Stonebacks' obligations under the Purchase and Development Agreement are secured by a mortgage upon the Property to the City of Monroe.

Mr. and Mrs. Stoneback and Wisconsin Pallet & Storage, LLC have applied for construction and equipment financing through the Bank of New Glarus and the US Small Business Administration (SBA). These loans would be secured by a first mortgage upon the Property to the Bank of New Glarus, and a second mortgage upon the Property to SBA.

The Purchase and Development Agreement provides that the City may subordinate its mortgage, but that the City is not required to subordinate the lien of its mortgage in any amount which leaves less than 20% of the property's fair market value reachable by the City's lien.

Unfortunately, the SBA financing cannot be obtained unless the entirety of SBA's mortgage lien is superior to the City's mortgage lien.

Attorney Rex A. Ewald  
April 1, 2016  
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Under the Purchase and Development Agreement, the Stonebacks are required to achieve and maintain a fair market value of \$1,711,000.00 for the Property. If they were to fail to do that, monetary penalties would be assessed. It appears the purpose of the City's mortgage is to secure the payment of any monetary penalties.

Along with this letter, I am sending you a copy of the Property's recent July 30, 2014 appraisal. The Property has a fair market value of \$2,725,000.00. This is more than \$1,000,000.00 above the Purchase and Development Agreement's required minimum.

With an excess value this large, it appears that there is no real risk that the Property's fair market value would ever fall below \$1,711,000.00. Therefore, my clients are requesting that the City of Monroe release its mortgage in full, so that they can proceed with the SBA financing. In the alternative, my clients could also proceed if the City were to fully subordinate the lien of its mortgage to the Bank of New Glarus and SBA mortgages.

Could you please forward this request to the appropriate City of Monroe body for consideration? Please let me know if there is anything further that you need from me at this time. If the City would like me to appear on behalf of this request, please let me know and I will be happy to do that.

Thank you.

Very truly yours,

KITTELSEN, BARRY, WELLINGTON,  
THOMPSON and SCHLUESCHE



Todd W. Schluesche

TWS:tjb  
Attachment—Appraisal  
Cc: Mr. and Mrs. Dennis Stoneback

CERTIFICATE OF VALUE

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

1. I have personally inspected the subject property and have considered the factors affecting the value thereof.
2. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
3. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
4. My employment or compensation is not contingent upon the value found.
5. To the best of my knowledge and belief, the statements of facts contained in this appraisal report, upon which the analysis, opinions and conclusions expressed herein are based, are true and correct.
6. This appraisal report sets forth all of the limiting conditions affecting the analysis, opinions and conclusions contained in the report.
7. No one other than the undersigned prepared the analysis, conclusions and opinions concerning real estate that are set forth in this appraisal report.
8. I previously appraised the subject, on May 15, 2014, as a proposed property, however on a different site (see Pg. 3). I have not previously completed any work with regard to the subject property within the past three years.

I am of the opinion that the Market Value of the subject property, located at Lot 4, CSM 2131, County Road DR & N 29<sup>th</sup> Avenue, Monroe, Wisconsin, as described herein, as of July 13, 2014, is:

“As Is”

FOUR HUNDRED AND FORTY SEVEN THOUSAND DOLLARS . . . [ \$447,000 ]

“Pursuant to Completion”

TWO MILLION, SEVEN HUNDRED AND TWENTY FIVE THOUSAND DOLLARS  
[ \$2,725,000 ]

The Pursuant to Completion value is hypothetical and made pursuant to completion per plans and specifications provided the appraiser, in a workmanlike manner. No personal property is included in the opinion of Market Value.

Date: July 15, 2014

  
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Douglas Algar

Wisconsin Certified General Appraiser #925