

**From:** [gordian@nym.hush.com](mailto:gordian@nym.hush.com)  
**To:** [All Alders](#)  
**Subject:** Oppose item 73, Legistar 88734  
**Date:** Monday, June 30, 2025 11:58:49 AM

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Mon. June 30, 2025

Madison Common Council Members,

Since my previous comment opposing Agenda item 73, Legistar 88734, I have learned that the remediation loan to the developer of the former Hartmeyer property is a non-recourse loan and that the loan schedule pushes the largest fraction of the loan repayment far into the future. Both features increase the potential loss to the City if the developer defaults on the loan repayment.

#### NON-RECOURSE LOAN

The next time you approach a lender for an auto or mortgage loan, be sure to ask for a non-recourse loan. After you and the lender have had a good laugh, you can get down to business.

The developer's rental revenues are capped by WHEDA regulations, but the project's costs could rise unexpectedly. WHEDA sets rents based on median area income. Price inflation can exceed increases in people's income. There is a real chance that this project's costs could exceed its revenues. If the developer defaults on loan payments, a non-recourse loan leaves the City with no legal claim on even a part of any remaining assets.

#### REPAYMENT SCHEDULE

The repayment schedule combining all three loans shows that annual loan payments by the developer start low, at \$20,000, and increase gradually to \$105,000 in 2035. This schedule increases the amount of money the City would lose if the developer defaults on the loan because payment of the largest fraction of the money owed is pushed far into the future.

#### GUARANTEE

Lincoln Avenue Capital is supposed to guarantee repayment of the remediation loans made to the three companies it set up for the project's three apartment towers. Are Madison City officials so naive that they think that a promise from an out of state real estate developer provides more security than a legal claim on collateral sufficient to cover the risk of loss of loan principal?

#### CONCLUSION

I do not oppose taking advantage of the Wisconsin DNR's remediation loan program. I am

opposed to making an unsecured \$1,356,300 loan to the developer. City officials need to take seriously their responsibilities to be careful with taxpayers' money.

Don Lindsay

**From:** [Brenda Klecker](#)  
**To:** [All Alders](#)  
**Subject:** Reference Agenda item 73, Legistar 88734.  
**Date:** Monday, June 30, 2025 4:25:37 PM

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If the land needs more clean up why are we building yet another housing complex which will have the same ground contamination? If the money is given to the Lincoln contractors, how do we know that the money is really going for the cleanup of the soil and not for some other over budget items?

Brenda Klecker  
Badger Diversified Metal