

COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF STEVENS POINT

1300 Briggs Court, Stevens Point, WI 54481

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HI-RISE MANOR
MADISON VIEW
SCATTERED SITES
EDGEWATER MANOR

AGENDA

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

Date: August 22, 2013, 4:30 PM

Location: City Conference Room, 1515 Strongs Avenue, Stevens Point, WI 54481

1. Roll call.

Discussion and possible action on the following:

2. Reports of the May 7, 2013, May 21, 2013, and June 21, 2013 CDA meetings.
3. Authorizing a Securities Control Agreement with Community First Bank relating to the Children's Museum loan guarantee, and related requirements of Robert W. Baird & Co.
4. Current investment policy and strategy related to non-HUD or tax credit investor funds/investments, and potential related changes.
5. Request from Fox Theater, LLC relating to the acquisition of land immediately north of the Fox Theater, which owned by the Community Development Authority of the City of Stevens Point.
6. Approval of a Settlement Agreement between the City of Stevens Point, the Community Development Authority and Marshfield Clinic relating to the construction commencement date for the Hwy 66 site.
7. Authorization to use the funds received from Marshfield Clinic Settlement Agreement to pay for costs related to extending utilities near the site, burying overhead power lines south of the proposed Downtown Strongs Avenue parking lot, and use of the remaining funds for mall redevelopment related costs.
8. Award bid for the former Dunrite Cleaners environmental remediation project.
9. Authorization to allow WAOW to install a Skycam 9 on the roof of Edgewater Manor.
10. Authorization for out-of-state travel for the Public Housing Manager.
11. Setting monthly meeting date.
12. Adjourn.

PLEASE TAKE NOTICE that any person who has special needs while attending these meetings or needs agenda materials for these meetings should contact the Community Development Authority Office at 1300 Briggs Ct., Stevens Point, WI 54481, (715) 341-3444 Ex. 5 as soon as possible to ensure a reasonable accommodation can be made.

PLEASE TAKE FURTHER NOTICE that a quorum of the Common Council may attend this meeting.





Memo

Michael Ostrowski, Director
Community Development Authority
City of Stevens Point
1515 Strongs Avenue
Stevens Point, WI 54481
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Community Development Authority of the City of Stevens Point

To: Community Development Authority Board of Directors
From: Michael Ostrowski
CC:
Date: 8/13/2013
Re: Agenda Item Summaries for August 22, 2013 CDA Board Meeting

1. Roll call.

Discussion and possible action on the following:

2. Reports of the May 7, 2013, May 21, 2013, and June 21, 2013 CDA meetings.

The Board needs to approve the minutes from the prior meetings.

3. Authorizing a Securities Control Agreement with Community First Bank relating to the Children's Museum loan guarantee, and related requirements of Robert W. Baird & Co.

This item was on the May 1, 2013 Board meeting for discussion. At that time, the Board postponed action on this item to allow further review. Since that time, Baird has changed some of their requirements as it relates to the need for a collateral account. A representative from Baird will be present at the meeting to discuss.

4. Current investment policy and strategy, and potential related changes.

A representative from Baird will be at the meeting to discuss options relating to potential investments for the housing trust funds.

Our current investment policy is attached.

5. Request from Fox Theater, LLC relating to the acquisition of land immediately north of the Fox Theater, which owned by the Community Development Authority of the City of Stevens Point.

Fox Theater, LLC is requesting that the CDA transfer to them the land immediately to the north of the Fox Theater for their future plans. Members of Fox Theater, LLC will be at the meeting to update and present on this request.

6. Approval of a Settlement Agreement between the City of Stevens Point, the Community Development Authority and Marshfield Clinic relating to the construction commencement date for the Hwy 66 site.

In accordance with the Marshfield Clinic development agreement, Marshfield Clinic was required to break ground within four years after closing on the property. The closing on the property occurred on July 10, 2008. The building permit was not pulled until November 19, 2012. With this being the

case, Marshfield Clinic, in accordance with the development agreement was to pay a PILOT in the amount of \$120,000.00. With that said the parties had some differences in opinion relating to the agreement and have agreed to settle for \$80,000.00. The Common Council has approved the settlement agreement at their July 2013 meeting.

Please see the attached agreements.

7. Authorization to use the funds received from Marshfield Clinic Settlement Agreement to pay for costs related to extending utilities near the site, burying overhead power lines south of the proposed Downtown Strongs Avenue parking lot, and use of the remaining funds for mall redevelopment related costs.

As part of the agreement with the prior property owners, the CDA agreed to extend the water and sewer mains to the adjacent property, at a cost of approximately \$30,523.97.

In addition, there are overhead power poles that will be relocated underground south of the proposed Downtown Strongs Avenue Parking lot. The estimated cost to relocate these utilities underground is \$34,000.00.

The remaining balance of the \$80,000.00, or approximately \$15,476.03 would be used to pay for expenses related to the mall redevelopment project, such as the parking lot construction or environmental remediation.

The Board would need to authorize using these funds to cover such expenses.

8. Award bid for the former Dunrite Cleaners environmental remediation project.

As part of the mall redevelopment project, we have been working with AECOM to develop a plan to remediate the former Dunrite Cleaners property that was located northwest of the Fox Theater. A bid notice was released and bids are due Monday, August 19, 2013. The CDA will need to award the project.

Upon further testing of the site, additional area was identified to have contaminated soils. While the levels are not high, the contamination needs to be remediated. Three options were considered: (1) remove the most highly contaminated soil and dispose of it in a landfill, while capping the remaining low-level contamination with a parking lot, (2) attempt to remove all of the contaminated soil and dispose of it in a landfill, and (3) attempt to remove all of the contaminated soil and construct soil venting piles at another site to remediate the contamination. After review of all three options, option three was chosen because option one failed to remove the contamination from the site, and option two's cost significantly increased due to the amount of soil that would need to be disposed of in a landfill. The plan for option three is to construct the soil venting piles near the wastewater treatment facility. Once the vapor extraction system is installed in the soil venting piles, it is anticipated that the soil will be cleaned or environmentally remediated within approximately two years.

The official bid notice is attached.

9. Authorization to allow WAOW to install a Skycam 9 on the roof of Edgewater Manor.

WAOW Channel 9 has been looking for another location to install a Skycam 9 weather camera in another community. I have been working with them to place the camera on top of Edgewater Manor in the City of Stevens Point. Costs relating to setup and installation would be paid for by WAOW. The CDA may incur minor costs relating to electricity or internet usage. While the camera

would likely provide a benefit to WAOW, it should also provide a benefit to the CDA and the City of Stevens Point through increased exposure of the community to the viewing area.

10. Authorization for out-of-state travel for the Public Housing Manager.

Public Housing Manger Bella is requesting permission for out-of-state travel to attend a structural accessibility training seminar in Fargo, North Dakota. Per the Employee Handbook, out-of-state travel needs to be approved by the Board.

11. Setting monthly meeting date.

In order to accommodate schedules, I would like to set a standard monthly meeting date for CDA Board meetings.

12. Adjourn.

Report of the Community Development Authority of the City of Stevens Point

Tuesday, May 7, 2013, 4:00 PM
Lincoln Center
1519 Water Street, Stevens Point, WI 54481

PRESENT: Chairperson Halverson, Commissioner Molski, Commissioner Cooper, Commissioner Onstad, and Alderperson Stroik.

EXCUSED: Commissioner Hanson and Commissioner Adamski.

ALSO PRESENT: Executive Director Michael Ostrowski, Alderperson Patton, Alderperson M. Stroik, City Attorney Logan Beveridge, Economic Development Specialist Kyle Kearns, Tom Ludwig, Philip Parkinson, S.E. Thomas, Jim Mendyke, Kay Schmoll, Emily Fiedler, Cathy Dugan, Mary Ann Laszewski, Barb Jacob, Brian Seramur, Eric Moilien, and Reid Rocheleau .

INDEX:

1. Roll call.
Discussion and possible action on the following:
2. Report of the April 17, 2013 meeting.
3. Authorizing the Securities Control Agreement with Community First Bank relating to the Children's Museum loan guarantee, and required collateral account by Baird.
4. Proposal(s) for the purchase and redevelopment/remodel of Edgewater Manor, 1450 Water Street, Stevens Point, WI 54481 Proposals were due April 19, 2013 at 1:00pm.
5. Adjourn.

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1. Roll call.

Present: Halverson, Stroik, Molski, Cooper, Onstad.

Not Present: Adamski and Hanson.

Chairperson Halverson stated a quorum is present

2. Report of the April 17, 2013 meeting.
Motion by Commissioner Molski to approve the report of the April 17, 2013 meeting; seconded by Commissioner Onstad. Motion carried 4-0.
3. Authorizing the Securities Control Agreement with Community First Bank relating to the Children's Museum loan guarantee, and requiring collateral account by Baird.
Director Ostrowski stated that this was a loan that was made for the Children's Museum by Community First Bank, and as part of the loan, the CDA guaranteed payments with the interest off of the housing trust funds. Community First Bank has a securities control agreement, but Baird will not recognize it unless we put the funds in a collateral account. This means if the CDA would like to spend a large amount of principal of the housing trust funds, Community First Bank would need to approve it.

Chairperson Halverson pointed out the situation that this brings up is one where as the Chair of this organization and Mayor of this community, he reflects back on a situation that at one point made him extremely uncomfortable. He said that the paperwork should have been done years ago and has not been done. He feels that we need more time to review the agreement to determine the exposure to the organization. He asked that the Board give us more time for himself, the Executive Director, and the City Attorney to continue to review the agreement that was signed as well as the parameters of the loan itself as it relates to Community First Bank and the Children's Museum.

Commissioner Molski stated that it does not sound right that the city would be putting our trust funds under their approval to be able to spend them. Chairperson Halverson agreed pointing out the language seemingly contradicts itself within the agreement he is referencing. He said we have a total exposure that is delineated in the agreement not to exceed \$400,000, and when we first made the guarantee it was for the payments only, so in the event that they did not make a payment, the CDA would be able to cover it. The only exposure was to the interest and not the principal of the housing trust funds.

Commissioner Onstad asked how much time would be needed and if that should be included in the motion, to which Chairperson Halverson stated within the motion the hope to be no longer than 30 days.

Motion by Commissioner Onstad to allow the Chairperson, the Executive Director, and the City Attorney 30 days to continue to review this agreement and report back to the board with a recommendation in greater detail; seconded by Commissioner Molski.

Commissioner Molski asked if the Children's Museum has made their payments on time, to which Chairperson Halverson stated we have not gotten a call from the bank regarding any late payments. However, we would like to also review their financials to determine how they are progressing.

Commissioner Cooper asked if there was a time frame on the CDA exposure, to which Chairperson Halverson stated that would depend on the principal reduction. He continued stating it wasn't so much a time limit, as it was an aggregate amount not to exceed \$400,000.

Motion carried 4-0.

4. Proposal(s) for the purchase and redevelopment/remodel of Edgewater Manor, 1450 Water Street, Stevens Point, WI 54481 Proposals were due April 19, 2013 at 1:00pm.

Chairperson Halverson stated we have received three proposals for the purchase of Edgewater Manor; one from Brian and John Seramur, one from Affordable Senior Housing of Central Wisconsin-Philip Parkinson, and one from Krista Mendyke of KJM Properties. He continued stating it is open to general conversation and there will be public input allowed, but limited to three minutes.

Aldersperson Stroik stated there is a wide range of price that is being offered, and as far as incentives, he would like to hear from the applicants first before making additional comments.

Jim Mendyke representing KJM Properties, stated the intent of the building is to keep it for residents 55 and older, and just like with the Pioneer building, to include an amenities program in the building so folks would be able to have transportation, activities, housekeeping, and meals provided if they so choose, otherwise it would be just regular affordable rates. After going through the building, he felt it was a fair price without asking for any TIF money. The big ticket item is the renovation of the building being anticipated at \$2 million for everything from electrical, heating, flooring, and wall covering.

Director Ostrowski stated that he did not see a detailed budget of the actual individual items for the \$2 million, to which Mr. Mendyke stated that is what is anticipated at this point. Furthermore, he stated that some contractors spent some time looking at improvements needed but could not get that specific until they knew if they had the accepted offer.

Chairperson Halverson asked how the existing tenants would be handled, to which Mr. Mendyke stated the property is about one third empty at this point, and the plan would be to renovate the rooms that are currently vacant. There would be some displacement of current apartments in order to do the work in phases, but the planned renovation would be in one building season to get all the rooms renovated. He added that some furnished apartments would be available for tenants who would have to be temporarily displaced until moving back into their same unit.

Aldersperson Stroik pointed out on the first page of the proposal that it was indicated there would be a 9% increase in rents. He said you would immediately, upon taking ownership, raise the rents for the tenants in year one, and what would be the long term plan for leases after that. Mr. Mendyke stated the current tenants would be grandfathered in and all new tenants would be charged that additional 9% rent rate, which would be the goal of the new leases. He feels that it would be a 5-7 year turnaround for the property to be making any money. Aldersperson Stroik clarified that rent increases would not be immediate, to which Mr. Mendyke stated that at first, they would be grandfathered for now at current rates.

Philip Parkinson of Affordable Senior Housing of Central Wisconsin stated that the proposal is to purchase the building at \$1.5 Million with the intent of remodeling individual apartments in a modest way. He feels the building is structurally sound and usable, but the apartments are dated and the intent is to try to deal with that on a per apartment basis. He stated that he is aware of the building being about 60% occupied and that leaves a substantial number of apartments that are vacant. The intent is to not relocate or displace any of the existing tenants while they are working on the vacant apartments first. Then, if one of the existing tenants finds an updated apartment more appealing, they would accept the relocation to a new unit within the building. Mr. Parkinson has also projected no rent increases for the next three years, after that, modest increases.

Aldersperson Stroik clarified that if there is an existing tenant that chooses to stay in their apartment un-renovated, then you would work around them and not force them to relocate. Mr. Parkinson stated correct, he understands that some tenants have upgraded the apartments themselves, and understands that some are very attached to their apartments, so at some point we would have to include in the development agreement that although the plan is renovating all the apartments, if there are apartments that individuals do not make available for renovations, they will wait however long it takes to finish renovating those apartments.

Commissioner Onstad stated she was very impressed when reading this prospective regarding taking care of the current residents and keeping this building affordable.

Commissioner Cooper asked for Mr. Parkinson to walk through the levels available, and the plans for that. Mr. Parkinson explained that is tenant driven by working with Community Care of Central Wisconsin. The placement of people who have levels of care needs will occur on an individual basis. As time goes on there may be an advantage to try to group floors and areas based on collective needs. At this time, the basis is to make the individual apartments more attractive, and on an individual tenant basis deal with the senior housing needs they may have. He also stated there is the possibility of certain portions of this building going to a higher level of assisted living, but that is not the direction immediately. He feels there is enough need for affordable senior housing with minor assistance that the building will be kept at or near 100% occupancy.

Director Ostrowski asked Mr. Parkinson to walk through the remodeling funds and what would be completed with those funds. Mr. Parkinson stated that there isn't a large amount for remodeling in the present budget, about \$3,000 an apartment, which includes updating the kitchen, carpeting, and painting. Major remodeling is not part of the plan, the focus is to make them look more attractive and more rentable. Director Ostrowski also asked about the donation to the youth, to which Mr. Parkinson stated a member of the corporation feels very strongly about youth contributions and

would like to make a contribution as part of the development agreement, but that amount is yet to be determined.

Brian Seramur of Seramur Family Ltd. Partnership stated their direction is to rent at market rate with the great place to live downtown. They do not want to displace any current residents and can work with the Section 8 Vouchers. Lastly, he stated they would keep the rent the same for the rest of the year, and not increase rents heavily.

Alderperson Stroik asked for clarification that this property would become market rate housing and if the market would sway the demographics of the unit based under private ownership. Mr. Seramur stated it would be a market rate apartment and not restricted to seniors and would be for any individual or prospective tenant that would meet their qualifications and screening.

Mary Ann Laszewski stated when Mr. Hamilton suggested that we opt out of the Section 8 voucher program his plan was to add affordable vouchers in the community as well as retain this affordable housing. In an article from 2009 she cited Mr. Hamilton saying that the city should retain this building since they own it out right, we don't have to pay taxes on it, we don't have to make a profit, and it would just cost us whatever it does to run it. She continued stating financially, Edgewater was one of best public housing projects we have had, she feels like we have destroyed what we have had and we have used the hefty cash flow from this property for other projects. Ms. Laszewski continued stating that many do not want to turn it into a financial mechanism to finance the mall; Edgewater is not responsible for financing downtown and should not be TIF'ed out. Once sold, it cannot maintain its affordable rent easily. She realizes that the city is not real interested in managing apartments, but she believes that governments need to take care of those who can't take care of themselves. Ms. Laszewski stated we need to ask what the people want to do, and the public does not want it sold.

Barb Jacob agrees with Ms. Laszewski and is disappointed in not seeing anything regarding what it would cost the city to keep Edgewater. She pointed out that the groups interested in purchasing Edgewater are saying they are not going to raise the rents and they can still make money on the property, but as the City we can't make the money and she is concerned about the discrepancy. Her suggestion is to look into what it would cost to keep the property and invest the funds from the property back into it.

Reid Rocheleau hoped that if the building is sold, that it would be to the highest bidder with the most guarantees that it will remain affordable housing, but does agree that the city does also have the obligation to keep the building to guarantee the building stays as it was intended and built for as subsidized housing. Mr. Rocheleau feels the building could break even and that we have an obligation for it to stay under city control.

Janet Zander, Director of the Aging and Disability Resource Center encouraged the board to remember what was in the housing study and the great need for low income senior housing. She pointed out that Edgewater has served that need for a long time and feels that the need for it continues.

Commissioner Cooper asked if any other cities or CDA's that you are aware of own and operate unsubsidized housing, to which Chairperson Halverson answered not that he is aware of. Director Ostrowski stated he is sure there are some, but cannot name specific ones at this time. Donna Bella stated that during the recent audit of the Housing Authority the auditor responded in Colorado, stating that there is a Housing Authority that owns several market run buildings. Chairperson Halverson stated the best practice is when there is a structure that is owned it is going to be subsidized in one form or another either through Section 42 or Section 8 participation from HUD. Commissioner Cooper then asked if there was still a waiting list at High Rise, to which Ms. Bella

answered not a very long one, about a month. He then asked, what the makeup of those tenants is, to which she answered all elderly or disabled low income tenants.

Alderperson Stroik stated prior to considering any of the proposals he would like to see a study or justification on why we can't potentially re-subsidized the property. He knows that the decision had been made to take the subsidies away, and at that time it probably made sense. Chairperson Halverson stated highly unlikely, and Donna Bella added that she had asked that question to HUD Milwaukee, the Division of Housing in Madison, and to Rural Development if anyone could subsidized housing for Edgewater, and every one of them told her no. They are not offering any kind of subsidized housing at this point. She continued explaining that this public housing was considered under Section 8 new construction and that meant that HUD subsidized the units but they did that through HUD dollars funneled through WHEDA.

Chairperson Halverson stated the other difficulty crossed in 2009 was the fact that we were able to create a much better situation in the eyes of residents because they are able to take those vouchers with them to any apartment and have their rents equalized. This was a significantly positive experience for us as we were able to gain and control more of those Section 8 vouchers for the community. He continued, stating that Mr. Hamilton's opinion was misrepresented in terms of Edgewater. It was highly suggested that it be sold to the private sector, which specifically focused on affordable senior housing. We would get rid of it because the city did not have any means of subsidizing that property with the exception of the interest that we earned off of the trust funds. Chairperson Halverson explained that we have not taken money out of Edgewater; we have pushed hundreds of thousands of dollars back into the property that could have gone to rehabbing owner occupied income eligible properties, and we lost that opportunity because we had to subsidize Edgewater. He also stated that if there is relative security in working with a private sector answer for affordable senior housing, how can we as a government justify the investment that we would have to be made in having it be an income stream when it could be a for profit entity. He continued, adding that projections have been done in terms of improvements at an investment of about two million dollars and this assumes a descending vacancy rate over the first nine years and by 2022 assuming 95% occupancy. He pointed out there are a lot of variables from a financial prospective, and a community of our size having the ability to subsidize it is very rare, especially in light of other alternatives that we can pursue. He continued explaining that the other assumption provided was if the city owned the property at market rate housing where Director Ostrowski stated assuming a vacancy rate of 45% and going down 5% each year, if we are not able to fill the units with seniors, we may have to lower the age and then change the demographics. Chairperson Halverson stated this is an accurate snap shot of what we would be experiencing, as well as the other item that we can't really quantify; is having an unfunded liability and how that relates to the audit and the bond rating of the city a concern or not.

Commissioner Molski asked how many units the Hi-Rise has, to which Director Ostrowski answered 73. He continued stating that in the remodel back in 2005 and 2006 the numbers were reduced when making some of the units larger. Edgewater Manor would be challenging to combine units given the way it is built, so the assumption really is based on the up-keep of the units as well as some of the major components such as air conditioning and appliances. Commissioner Molski stated that with Mike Morrissey the audits were reviewed extensively and really does not think the city should be a landlord competing with other landlords within the community.

Chairperson Halverson stated that included in the preforma there are dollars projected for management. Director Ostrowski stated the management fee would be approximately 7% of rents collected. Commissioner Molski added that she had spoke with Commissioner Adamski and he really liked the proposal for \$1.5 million which could go into the trust funds immediately, and help make loans to future low or moderate income people who want to buy a house and can't come up with the down payment. She continued stating there is no way we would get that kind of money to

assist in this way, and it seems that this proposal trumps the other two proposals because the money is available to help others. She cannot see trying to keep it ourselves, as we are not in the business of renting properties; we are in the business of government. Commissioner Onstad agreed that it is hard to set out to become landlords and was impressed with Affordable Housing.

Aldersperson Stroik said while the proposal is good that they are purchasing it with private money and they say they can fill the building without having to spend a lot of money, we have a projection that states it will take 10 years to get to a 5% vacancy rate. Director Ostrowski stated the projections are conservative, and the vacancy rates could be reduced quicker.

Aldersperson Stroik continued stating that the city is not in the business to be a landlord. He pointed out Ms. Zander's comments on the housing study, and feels Affordable Senior Housing of Central Wisconsin includes those needs, but he would like a legal opinion in subsidizing. He asked if we can be landlords, does this need to be placed into the TIF since this proposal does not require any TIF monies, and what are the reasons why we would do that. Chairperson Halverson responded, the CDA would not make any recommendation to the Common Council relating to anything revolving around the TIF district, you would see that recommendation coming from the comptroller himself relating to the unique opportunity that they would have for a troubled TIF district to capitalize on pure increment. He continued stating that the building is assessed at zero. Once the private sector would purchase the building, the tax collections that would be coming off of that property, if the Common Council would decide to use an amendment to put that particular building and others into the TIF district, drastically improves the solvency of TID 6. This would be one of several other projects that would accelerate the pay back of the \$0.33/\$1,000 that the overall city tax payer pays to service the \$5.9 million that was the original bond taken out for the mall project. Aldersperson Stroik added he would like to see a 10 year projection of what this \$1.5 million does for us versus us getting more aggressive and operating Edgewater under City ownership.

Public Housing Manager Bella added that the Hi-Rise went through the large remodel project where it was made into elderly and disabled tenants only. At the time, Edgewater was making money, and at that time there were lots of options for seniors. However, around 2007 we started to see the vacancy happen and then no demand for the units. Mr. Hamilton had talked about making it like Hi-Rise, being handicap accessible. When she hears that an investor is going to keep the property for the tenants that is a good thing.

Motion by Commissioner Molski to start the negotiations with Affordable Senior Housing of Central Wisconsin; seconded by Commissioner Onstad.

Aldersperson R. Stroik asked to still have a more detailed 10 year projection if the CDA continued to own Edgewater Manor, to which Chairperson Halverson stated yes that will be provided no matter what.

Motion carried 5-0.

5. Adjourn

Meeting adjourned at 5:15 PM.

Chairperson

Date

Secretary

Date

Report of the Community Development Authority of the City of Stevens Point

Tuesday, May 21, 2013, 4:00 PM
City Conference Room
1515 Strongs Avenue, Stevens Point, WI 54481

PRESENT: Chairperson Halverson, Alderperson Randy Stroik, Commissioner Adamski, Commissioner Molski, Commissioner Cooper, Commissioner Hanson, and Commissioner Onstad.

ALSO PRESENT: Executive Director Michael Ostrowski, City Attorney Logan Beveridge, Alderperson Mike Phillips, Stuntion Tomas, Philip Parkinson, Tom Ludwig, Jacob Mathies, John Niebalski, Julie Mouw, Krista Mendyke, Mary Ann Laszewski, Patricia Cornwell, and Barb Jacob.

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1. Roll call.
2. Financial projections regarding the sale and retention of Edgewater Manor.
3. Motion to adjourn into closed session pursuant to Section 19.85(1)(e) of the Wisconsin Statutes for the purpose of deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, specifically relating to the sale of Edgewater Manor.
4. Reconvene into open session for possible action relating to the above.
5. Adjourn.

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1. Roll call.

Present: Halverson, Stroik, Adamski, Molski, Cooper, and Onstad.

Not Present: Hanson.

Chairperson Halverson pointed out that a quorum is present

2. Financial projections regarding the sale and retention of Edgewater Manor.

Director Ostrowski provided a summary the option to sell the property and invest the proceeds. With selling Edgewater Manor for \$1,550,000 and investing those funds at 3% interest rate, as well as putting the property in a TIF district, with a tax rate increase of 2% per year would result in approximately \$484,323.93 over 10 years and approximately \$1,015,103.73 over 20 years. With selling Edgewater Manor for \$1,550,000 and investing those funds at 3% interest, not putting the property in a TIF district, and a tax rate increase of 2% per year would result in approximately \$221,712.10 over 10 years and approximately \$436,689.97 over 20 years.

Director Ostrowski continued stating we also looked at what would happen if the CDA kept it and did a remodel ourselves.

Commissioner Hanson arrived 4:11 pm.

Keeping Edgewater Manor and doing a remodel at \$1.8 million with a 3.5% interest rate over 20 years, with a 1% increase in rents per year would result in approximately \$587,928.55 over 10 years and approximately \$1,164,893.43 over 20 years. Keeping Edgewater Manor and doing a remodel at \$1.8 million with a 3.5% interest rate over 20 years, with a 2% increase in rents per year would result in approximately \$783,093.02 over 10 years and approximately \$2,078,529.81 over 20 years.

Commissioner Adamski stated the biggest factor in any kind of rental cash flow analysis is the vacancy ratio, and pointed out the calculations for the 1% and 2% projections at 25% vacancy during the first year, 15% vacancy in 2015, and finally a consistent vacancy rate at 5% the rest of the years. In his experience, 5% is low and that would suggest that the net income is substantially different than what it would be. He then asked what the historical vacancy ratio has been at Edgewater and at the Hi-Rise. Director Ostrowski answered Edgewater prior to us not renewing the contract was about 5% vacant and the Hi-Rise is consistently full.

Commissioner Molski asked for clarification of the vacancy rate at Edgewater. Director Ostrowski explained that it was prior to the CDA not renewing the agreement with HUD in 2008-2009, it was around 5%.

Chairperson Halverson added that the introduction of 81 vouchers into the community is a more solid approach to public housing, but it hurt us at Edgewater when no further subsidy was available. He continued stating the issue with Edgewater was that the former Executive Director made it very clear that selling it and being able to accomplish two different priorities at the same time with the principal addition to the trust funds and the preservation of the 81 vouchers through the whole community. This was the reason those decisions were made.

Aldersperson Stroik appreciated the effort put into the projections. He pointed out that in the first option of selling Edgewater for the \$1.5 million and putting it into the TID seems decent, if we never used the principal and just used the interest. However, once the district expires, the property tax revenue would drop and we would then start to lose some money. Chairperson Halverson added the other taxing jurisdictions would see the benefit of that coming back out of the TIF. Aldersperson Stroik continued stating that the other jurisdictions would need to approve putting this into the TID, and the reason for doing so. Chairperson Halverson stated it would be for the acceleration of the pay back of the mall expenditures. There is a period at the end of the TIF district that you can no longer use the increment to expand the expenditures, so the likelihood of a fund balance remaining for the underlying taxing jurisdictions gets much higher if we include projects that will generate increment.

Aldersperson Stroik said that keeping it could give us \$600,000-\$700,000 dollars every 10 years, and we could use those funds for other projects. In 20 years, we start to significantly lose money, so is 20 years short term or long term. In his eyes, if our goals are to be stewards of the city and keep handing it off to the next generation. These options give us money to do things that we want to do. Chairperson Halverson pointed out there are some fairly aggressive hold backs, non-additional borrowing for capital maintenance as well. Aldersperson Stroik continued stating there are a lot of residents in the building who are not interested in granite and fancy upgrades. They want to live comfortably, but they don't need to live extravagantly.

Chairperson Halverson asked when do we ask ourselves what the role of government should be, and should we then subsidized the rent and drop it even further so there is no positive margin revolving around this building. The real question then becomes if we want to look at this as a socialized project or as a revenue generator. We can do that, but is this something that we should be doing.

Commissioner Adamski added that in relation to the remodeling and renting, the risk factors that are inputted into the cash flows are far harder to actually quantify than they would be in the first

two scenarios. He continued assuming that you are going to earn 3% interest on the investment and property taxes are 2 % which is a much cleaner less guessing question than what will our vacancy ratios really be, and what will our public utility be. Also, if we sell the property and take the \$1.55 million to put in the trust account, it gives us more funds to help people buy other houses in the city.

Aldersperson Stroik added if we started using the \$1.5 million then we are not earning the interest either, to which Director Ostrowski explained the investment would keep the 1.5 principal intact, and spend the interest. Aldersperson Stroik stated this is the same reason the city has a reserve fund and we don't lower our taxes to give us a larger reserve; it is a conversation that we have to have but would not want to marginalize this down to no profit. This may get us into trouble.

Commissioner Hanson asked if the city manages the property, what is the cost to the city, to which Director Ostrowski stated approximately 7% of the rents collected. We could do it the same way as we have with public housing.

Commissioner Adamski added there is also the factor in the remodeling costs that is difficult to understand, and that is, are our estimates correct. Director Ostrowski stated he feels our estimates are in line with what needs to take place. Our estimate falls in between the two proposals that were submitted, in which would renovate the building. However, if we go ahead with remodeling, we would want to firm them up by doing a needs analysis for the building. Commissioner Adamski added that he is not in favor of the remodeling, and no matter how hard you try to firm up the estimates if all of a sudden you are off by \$100-\$200 thousand dollars, that changes everything. Commissioner Hanson added that a good example would be the former Holiday Inn and Ramada Inn. Those are people who came in and wanted to remodel and gave up because the estimate was short by \$4-\$5 million dollars, so that is one of his concerns with the remodeling.

Chairperson Halverson asked the Comptroller to explain what would happen if we were to borrow \$1.8- \$2 million dollars. Mr. Ladick stated we would issue a general obligation bond and would be pledging the full faith in credit of the Stevens Point taxpayer. Right now we are about \$34 million in total debt, and our limit is \$50, which is 60% of our statutorily borrowing authority. He continued stating we are about 2/3s to the 60%, and have about \$15-\$16 million left to play with. We have a lot of projects coming up including Business 51 and that is a consideration as far as other borrowing needs. Commissioner Adamski asked if anyone has done a per capita calculation on our bonding, to which Chairperson Halverson stated it is very low. Mr. Ladick added that right now we are in a good situation with our bond rating.

Chairperson Halverson gave his perspective from the mayor and the chairperson. Selling the building allows us to put those dollars in the trust funds. This would give us an annual collection of about \$100,000 in total interest revenue. While the PILOT gets lost, the qualifier is that we put the property into the TID, which helps reduce the debt. While from an operational perspective, losing the PILOT hurts use, the gain in the TID provides for a greater amplification due to the smaller base. In his opinion, we should sell it and put it into the TID. He feels this is the option that creates the most opportunities for the whole community.

3. Motion to adjourn into closed session pursuant to Section 19.85(1)(e) of the Wisconsin Statutes for the purpose of deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, specifically relating to the sale of Edgewater Manor.

Motion by Commissioner Molski to enter into closed session for the purpose of deliberating or negotiating the purchase of public properties, the investing of public funds, or conduction other specified public business, whenever competitive or bargaining reasons require a closed session, specifically relating to the sale of Edgewater Manor; seconded by Aldersperson R. Stroik.

Roll call:

- **Ayes – Halverson, Stroik, Adamski, Hansen, Molski, Cooper, and Onstad.**
- **Nays – None.**

Motion carried 7-0.

Commissioner Adamski left the meeting.

4. Reconvene into open session for possible action relating to the above

Motion by Commissioner Molski to reconvene into open session; seconded by Commissioner Hansen.

Roll call:

- **Ayes – Halverson, Stroik, Hansen, Molski, Cooper, and Onstad.**
- **Nays – None.**

Motion carried 6-0.

Chairperson Halverson indicated that we did receive a revised proposal from one of the bidders.

Motion by Commissioner Cooper to reject the revised submitted proposal and to continue the negotiating process with the selected bidder; seconded by Commissioner Molski.

Roll call:

- **Ayes – Halverson, Stroik, Hansen, Molski, Cooper, and Onstad.**
- **Nays – None.**

Motion carried 6-0.

5. Adjourn.

Meeting adjourned at 5:03 PM.

Chairperson

Date

Secretary

Date

Report of the Community Development Authority of the City of Stevens Point

June 11, 2013, 4:00 PM
City Conference Room
1515 Strongs Avenue, Stevens Point, WI 54481

PRESENT: Chairperson Halverson, Alderperson Randy Stroik, Commissioner Molski, Commissioner Hanson, and Commissioner Onstad.

EXCUSED: Commissioner Adamski and Commissioner Cooper.

ALSO PRESENT: Executive Director Michael Ostrowski, Public Housing Manager Donna Bella, Maintenance Supervisor John Niedbalski, City Attorney Logan Beveridge, Mary Ann Laszewski, Barb Jacob, and Stanton Thomas.

INDEX:

1. Roll call.
Discussion and possible action on the following:
2. Reports of the May 7, 2013 and May 21, 2013 meetings.
3. Payments for January – May 2013.
4. Accounts receivable write-offs.
5. 2012 Audit for the Community Development Authority of the City of Stevens Point.
6. Authorizing the consolidation of Asset Management Projects (AMPs).
7. Consideration on the actions taken at the City Plan Commission meeting of June 3, 2013 relating to the following:
 - a. First amendment to Reciprocal License Agreement between the Community Development Authority of the City of Stevens Point and Mid-State Technical College for the purposes of allowing encroachments onto the property south of 1001 Centerpoint Drive (Parcel ID 2408-32-2029-64).
 - b. Transferring and/or selling and/or assigning the rights to the property located at 1450 Water Street (Parcel ID 2408-32-2019-33) and the adjacent unaddressed property (Parcel ID 2408-32-2019-35) from the Community Development Authority of the City of Stevens Point to Affordable Senior Housing of Central Wisconsin Inc.
8. Authorizing the amendment to Reciprocal License Agreement between the Community Development Authority of the City of Stevens Point and Mid-State Technical College for the purposes of allowing encroachments onto the property south of 1001 Centerpoint Drive (Parcel ID 2408-32-2029-64).
9. Authorizing the sale of Edgewater Manor, located at 1450 Water Street (Parcel ID 2408-32-2019-33) and the adjacent unaddressed property (Parcel ID 2408-32-2019-35), from the Community Development Authority of the City of Stevens Point to Affordable Senior Housing of Central Wisconsin Inc.
10. Adjourn.

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1. Roll call.

Present: Halverson, Stroik, Molski, Hanson, and Onstad.

Not Present: Adamski and Cooper.

2. Reports of the May 7, 2013 and May 21, 2013 meetings.

Motion by Commissioner Molski to approve the reports; seconded by Commissioner Hanson. Motion carried 5-0.

3. Payments for January – May 2013.

Commissioner Molski asked for an explanation on negative rents. Public Housing Manager Bella said that relates to the utility allowance that a tenant receives.

Director Ostrowski said that we have been using the credit card more to pay the standard operating expenses. This way we get credits back for using them.

Motion by Commissioner Molski to approve the payments for January – May 2013; seconded by Commissioner Hanson. Motion carried 5-0.

4. Accounts receivable write-offs.

Director Ostrowski indicated that there were limited write-offs for the beginning of the year, totaling \$1,476.96.

Public Housing Manager Bella added that even though we are writing this amount off, we collect these amounts from the tenant's tax refunds.

Aldersperson Stroik asked if this is a normal amount. Public housing Manager Bella said the amount varies.

Motion by Aldersperson Stroik to approve the accounts receivable write-offs; seconded by Commissioner Onstad. Motion carried 5-0.

5. 2012 Audit for the Community Development Authority of the City of Stevens Point.

Commissioner Hanson asked what is meant by gain on sale of fixed assets. Public Housing Manger Bella said this occurs when we sell fixed assets. The asset we sold was a vehicle. This was the profit that we gained.

Commissioner Hanson asked what were the operating grants. Public Housing Manger Bella said we get our operating subsidy from HUD annually.

Commissioner Hanson asked if the cost of the audit is charged back. Public Housing Manger Bella said that we charge it back.

Commissioner Hanson asked if this is done on a fiscal year. Public Housing Manger Bella said HUD's calendar is September 30th. However, the audit is done on a calendar year.

Motion by Chairperson Halverson to approve the 2012 Audit for the Community Development Authority of the City of Stevens Point; seconded by Aldersperson Stroik. Motion carried 5-0.

6. Authorizing the consolidation of Asset Management Projects (AMPs).

Chairperson Halverson said in reading through the memo, this seems like it would be to our advantage for the amount of capital that would be accessible to us.

Public Housing Manger Bella said HUD went to asset management in 2008. At that time, agencies had to determine what properties will be in what AMP. Since then they have lifted this requirement. Public Housing Manger Bella said we cannot touch Hi-Rise because of the tax credits. However, this facility is not scored in regards to PHAS. If you take Scattered Sites and Madison View and combine them, you can spread the vacancies out over all of the units, as opposed to a single AMP. This will only help our score, and get more capital funds.

Commissioner Hanson asked how high the score has to be to be a high performer. Public Housing Manger Bella said she believed it was 92 or 96. Commissioner Hanson asked if 92% means 8% vacancy. Public Housing Manger Bella said the score is made up of occupancy, accounts receivables, capital funds, and physical improvements. Commissioner Molski asked what our score was now. Public Housing Manger Bella said for 2011 we were a standard performer because of the vacancy issues. Director Ostrowski said that we were being penalized for one of the units that was a CAP unit. This unit was being consider vacant all year, and not considered a special circumstance. Since then, CAP has relinquished those units and we are now able to fill them.

Motion by Commissioner Hanson to approve the consolidation of Asset Management Projects (AMPs); seconded by Commissioner Molski.

Alderperson Stroik asked if there was any downside to consolidating the AMPs. Public Housing Manger Bella said no. In the beginning, HUD said to separate the AMPs into projects that you could sell. Public Housing Manger Bella said we will not be selling any of these projects. There is not a downside; we are not getting rid of any properties.

Motion carried 5-0.

7. Consideration on the actions taken at the City Plan Commission meeting of June 3, 2013 relating to the following:
 - a. First amendment to Reciprocal License Agreement between the Community Development Authority of the City of Stevens Point and Mid-State Technical College for the purposes of allowing encroachments onto the property south of 1001 Centerpoint Drive (Parcel ID 2408-32-2029-64).
 - b. Transferring and/or selling and/or assigning the rights to the property located at 1450 Water Street (Parcel ID 2408-32-2019-33) and the adjacent unaddressed property (Parcel ID 2408-32-2019-35) from the Community Development Authority of the City of Stevens Point to Affordable Senior Housing of Central Wisconsin Inc.

Chairperson Halverson said we need to act on these two items. The Plan Commission recommended approval of both items.

Alderperson Stroik asked what the difference was between items 7, 8, and 9; why are they separate. Chairperson Halverson said procedurally it's better to accept the recommendation from the Plan Commission and then act. Director Ostrowski said the CDA would acknowledge the Plan Commission's recommendation. Not approving it, but acknowledging it.

Alderperson Stroik said if they made a motion to deny, we could still authorize the sale. He said that makes no sense. Director Ostrowski said that the Plan Commission is a recommending body.

City Attorney Beveridge said having it this way is better for record keeping.

Aldersperson Stroik said number 7 is only the minutes. Chairperson Halverson said just accepting and putting it into our record to move forward. Aldersperson Stroik said just that they recommended it, not the actual agreements.

Motion by Commissioner Hanson to accept the actions of the Plan Commission; seconded by Commissioner Onstad. Motion carried 5-0.

8. Authorizing the amendment to Reciprocal License Agreement between the Community Development Authority of the City of Stevens Point and Mid-State Technical College for the purposes of allowing encroachments onto the property south of 1001 Centerpoint Drive (Parcel ID 2408-32-2029-64).

Director Ostrowski said that MSTC's southern wall is right on the property line that the CDA owns. So anything they do on the south side of the building, such as roof overhangs, landscaping, sidewalk, etc. will be on CDA-owned property. This agreement authorizes them to do this work and that the easements would run with the building.

Aldersperson Stroik asked if this area was ever planned to be a street again. Director Ostrowski said there is room to do a street. They will not be going out any further into the road.

Aldersperson Stroik asked if this will be an entrance to MSTC. Director Ostrowski said that was correct. Director Ostrowski referred the Board to the attachments for clarification.

Motion by Chairperson Halverson to approve the amendment; seconded by Aldersperson Stroik. Motion carried 5-0.

9. Authorizing the sale of Edgewater Manor, located at 1450 Water Street (Parcel ID 2408-32-2019-33) and the adjacent unaddressed property (Parcel ID 2408-32-2019-35), from the Community Development Authority of the City of Stevens Point to Affordable Senior Housing of Central Wisconsin Inc.

Director Ostrowski said at the last meeting, you authorized us to continue to negotiate with Affordable Senior Housing of Central Wisconsin Inc. The offer that is before you is for \$1,555,000.00. They would guarantee that 80% of the units will remain senior for a period not less than 10 years. In addition, the rents would not change for a period of three years. Thereafter, they would guarantee not to increase the rents on existing tenants by 1% per year. This offer would have \$200,000.00 earnest money.

Chairperson Halverson this was very reflected of what we wanted.

Commissioner Hanson asked if December 31st would be the actual date of transfer. Director Ostrowski said the closing date is flexible. This still needs to be confirmed by the Common Council.

Commissioner Hanson asked if the phase 1 was done. Director Ostrowski said the phase 1 was done with the Seramur deal. We would be working with the current buyer to get a reliance statement.

Aldersperson Stroik asked what the donation to the youth would be. Chairperson Halverson we do not have anything concrete.

Alderson Stroik said he was disappointed with only a guarantee of 10 years for keeping it senior. He was hoping to see 20-25 years to make it solid. This would help ensure that the citizens that are in the building are protected. City Attorney Beveridge said the 10 years only addresses keeping it senior. The restrictions on the rent increases are indefinitely. If you change the age requirements, this would require more parking and they do not have enough spaces.

Alderson Stroik said after 10 years they could come to us and say they want to rip it down and put anything on the site. In 10 years, we could displace 81 years and the parking is a moot story. We are basically asking them to go out of business.

Alderson Stroik said in 20 years they could increase rents 20%. City Attorney Beveridge said for the first three years, they cannot raise it at all. Even at 1% increase per year, this would still lag behind inflation.

Alderson Stroik said in 10 years, we could have 81 people who would not have a place to go. This would not be an easy transition for 81 people. He would hope that this would not happen. However, as a councilperson, 10 years is not enough time to make a sound decision.

City Attorney Beveridge said if they are going to tear down the building, they would need to meet the zoning requirements. Alderson Stroik said at that time, they could hold it over our heads, and require us to give them parking.

Alderson Stroik said he is torn because this is a decent proposal, but 10 years is really short. He would like to see 20 years. Commissioner Onstad said it all depends how you look at things. She looks at things differently. She has talked to a lot of people at Edgewater, and 10 years is a long time. There are no guarantees. Sooner or later you need to go with things that need to be done.

Commissioner Molski asked if the requests for proposals required a set time that they need to keep the building a senior status. Director Ostrowski said no. The request for proposal had particular goals, such as how they would deal with existing tenants, but it did not ask how long they would keep it senior.

Commissioner Molski said this would be asking for something that was not in our request for proposal. Chairperson Halverson said we asked the potential purchaser how long they would be willing to keep it senior. Those conversations took place, and a draft purchase agreement was presented. He felt that 10 years should give the existing residents some comfort, and that they would not be removed after a year or two.

Commissioner Molski said she feels that 10 years is good. There are not many people who know what they are going to be doing 10 years from now.

Commissioner Hanson asked if the assumption is that after 10 years that you will be thrown out. Chairperson Halverson said he did not believe that was the assumption. He feels the overall mission is to do senior housing.

Commissioner Hanson asked if the Lullabye building was at 100% occupancy. Chairperson Halverson said he believed it was, or at least it was said in the owner's proposal that it was full.

Alderson Stroik said all the examples that the potential purchasers showed were senior and he questioned why they were not willing to provide a longer timeframe for senior status. He said it is

difficult because once it is gone, the City will not get it back for \$1.5 million. If they decide to bulldoze it down after 10 years and the City needs to find a place for 81 residents, the City will be looking at a cost more like \$10-\$12 million. Right now, we can put \$2 million into it; we can still own it and put \$200,000 into the CDA trust fund every 10 years. This is the sure thing that we can offer our seniors.

Public Housing Manager Bella asked if the reason they would not do the 20 years was because they wanted to do assisted living. Speaking with experience from Hi-Rise, it was primarily senior tenants who lived there. When we did the remodeling on Hi-Rise and made 24 units accessible, we have seen an influx of handicap individuals, who are not all seniors.

City Attorney Beveridge said another thing to consider is that a lot of the seniors in our community are still in their own homes, however, they are on a fixed income and one of the things that they struggle with is paying property taxes. By selling Edgewater and putting it into the TIF, we are able to reduce the debt service, which is a value to the seniors as well.

Chairperson Halverson said the issue in 10 years if it is not senior, we would not be building anything. It would be the private sector through the tax credits. If the market is there, the private sector would do it. We need to stop thinking about city-owned senior housing. To rely on the general tax levy is unacceptable. It is absolutely not the right move for a city of our size to own senior housing and subsidize it with a tax base of our size. Doing the research, communities do not do this. Public Housing Manger Bella said she only found one example in the country, one in Colorado. Mayor Halverson said it is not a best practice, nor does it make financial sense for a community of our size. This is why HUD dollars are in decline, and they chose to maintain the Section 42 options. There is danger for us to embark as a community on our levy. There are a number of pitfalls. This is not a practice that is employed anywhere. Ten years is very acceptable to him. This will give the existing tenants a comfort level that any time in the near future, they will not be disrupted. Then we focused on the rent with no increases for the first three years and then small increases thereafter. The principle that we would get would go back to the trust funds to amplify the income we would receive off of those. We have discussed putting this into a TIF district. The income is lost from the PILOT, which does go to support operational dollars, but it is replaced with a TIF increment of about \$36,000 to \$40,000, depending on the assessment, around \$2 million. At this point you have a revenue stream that offsets debt service. There are pros and cons either direction, from his prospective, the way to harness the most positive is to sell it and get it in the TIF at the same time. This agreement gives us a high degree of protection in terms of the tenants.

Commissioner Hanson asked how many people were in the building right now. Public Housing Manager said roughly 55. Commissioner Hanson said we do not even meet 80%. They will need to go out and find 8-10 more people to meet 80%.

City Attorney Beveridge said the revenue projections may look favorable, but these are under the assumptions that we get down to five-percent vacancy. A shift in three-percent is about \$80,000, which is a risk.

Director Ostrowski said he handed out an amendment to number 17 saying that the rent would not be increased beyond 1% on existing tenants, as opposed to all tenants. This would have to be modified if you chose to do so.

Motion by Chairperson Halverson to approve the sale of Edgewater Manor to Affordable Senior Housing of Central Wisconsin Inc. with the amendment as presented; seconded by Commissioner Molski.

Roll call:

- **Ayes – Halverson, Molski, Onstad, and Hanson.**
- **Nays – Stroik.**

Motion carried 6-0.

10. Adjourn.

Meeting adjourned at 4:47 PM.

Chairperson

Date

Secretary

Date

Michael Ostrowski

From: Schliepp, Andrew <ASchliepp@rwbaird.com>
Sent: Wednesday, August 14, 2013 11:35 AM
To: Michael Ostrowski
Cc: 'Eric Moilien'
Subject: RE: CDA Meeting

Good morning Michael,

I will try to give you a quick synopsis of the control agreement. I included Eric from Community First Bank so please add any additional explanation. Ultimately this is a control agreement drafted by Community First bank in regards to the loan with the Children's Museum of Stevens Point. They state that if the Children Museum would default on the current loan, the interest generated from the two CDA accounts held at Baird would be used to pay off the remaining balance. Not any of the principal. Of course we only take instruction from you (Stevens Point CDA) so Baird will not sign off and adopt this new control agreement unless you tell us to. The paper work that I will have for you to review and sign basically will allow Baird to adopt that control agreement to the current accounts. The account numbers would stay the same and there will be no disruptions in the current distributions. This is an improvement from a year ago when Baird would have needed to open new accounts. If you have any other questions Michael please let me know or if it just in regards to the Control agreement Eric would be able to help as well. I will have my assistant email you the copy of that control agreement as well. Thanks

Andy

INVESTMENT POLICY

All available funds of the Stevens Point Housing Authority not needed to operate efficiently will be invested in securities of the type approved by the Housing Assistance Administration. The Executive Director is designated administrator of Authority funds, and will hereafter be responsible for timely investments. Money available for periods of less than one year will generally be used to purchase U. S. Treasury Bills. Longer term investments will include U. S. Treasury Notes and Bond obligations, and accounts with savings banks and institutions insured under Federal plans.

The Executive Director will make monthly fiscal reviews about the middle of the month, using the following information in his investment planning:

1. Current investments and maturity dates as appropriate.
2. Checking account balance.
3. Estimate of both income and outgo for the month ahead.

He will then make a determination, based on 1, 2, and 3 above, as to the amount available for investment.

As a general rule, not more than \$300 to \$500 will be retained in the checking account balance for contingencies over and above currently planned expenditures.

The above statement of Investment Policy was adopted as Resolution No. 76-4 by the Board of Commissioners of the Stevens Point Housing Authority at the March 8, 1976 meeting.

RESOLUTION #76-4

Be it resolved that funds of the Stevens Point Housing Authority shall be invested as outlined in the statement headed "Investment Policy".

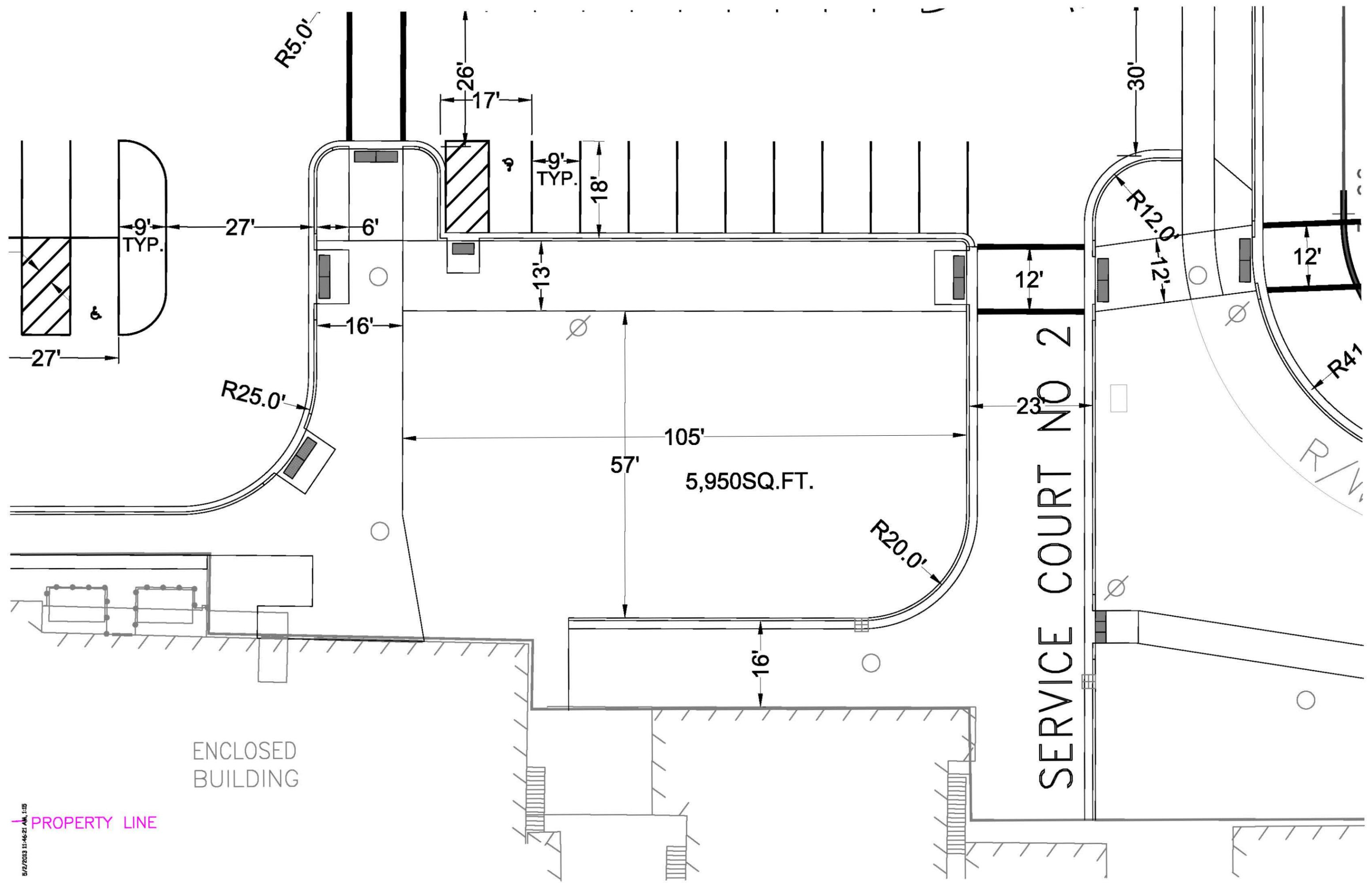
Adopted as Resolution No. 76-4 by the Board of Commissioners at their regular meeting March 8, 1976.

Signed: Stanton Martin, Chairman

Date: 3/8/76

Signed: H. A. Gray, Secretary

Date: 3/10/76



5/2/2013 11:46:21 AM, 1:05
 PROPERTY LINE

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into by and between the Community Development Authority of the City of Stevens Point (“CDA”), the City of Stevens Point (“City”), and Marshfield Clinic (“Developer”). CDA, City, and Developer may hereinafter be referred to individually as “Party” or collectively as the “Parties.” The effective date of this Agreement shall be the date the last signature is made on this Agreement (“Effective Date”).

Recitals

WHEREAS, CDA and Developer executed a Development Agreement dated March 26, 2008 (“Development Agreement”), relative to the development of property located at the Northeast quadrant of I-39 and State Highway 66 (“Property”). Said Development Agreement is attached hereto as “**Exhibit A.**” Although not specifically identified as a party to the Agreement, City also executed the Development Agreement. The Property is more specifically described in the tax bill for the Property which is attached hereto as “**Exhibit B**”;

WHEREAS, the Development Agreement required Developer to commence construction of a medical facility (“Facility”) on the Property no later than July 9, 2012 (“Construction Commencement Date”). Developer did not commence construction of the Facility until after the Construction Commencement Date;

WHEREAS, prior to the Construction Commencement Date, Developer had requested an extension of the deadline, but CDA and City denied the request and will not agree to amend the Construction Commencement Date;

WHEREAS, Section 7B of the Development Agreement provides as follows: “If the City and Developer cannot agree to extend the Construction Commencement Date

and construction does not occur prior to the Construction Commencement Date, the Developer agrees to make annual payments in lieu of taxes to the City, as if the Facility had been built. The parties agree that the annual payment in lieu of taxes will be \$120,000.00, and will be payable at the same time(s) property taxes are collected.... In the event the Facility is built, the Facility will be taxed pursuant to applicable State of Wisconsin law, and the payment in lieu of taxes will stop, and the Developer will be relieved of any payment in lieu of tax obligations.”;

WHEREAS, Section 5 of the Development Agreement provides as follows: “The City agrees to obtain required permits and make Improvements near the Property. Such Improvements will be a City Public Works project, and shall be under the control and auspices of the City. However, the City will incorporate any design or construction specifications suggested by the Developer, provided the suggestions do not diminish the specifications required by law or the City’s usual design standards. The Improvements will consist of adding a right hand turn lane into the Property from Westbound State Highway 66; adding a left hand turn lane into the Property from Eastbound State Highway 66; adding acceleration lanes on Westbound and Eastbound State Highway 66; and providing landscaping in the median of State Highway 66 and the State Highway 66 right of way along the Property... The City’s obligation to perform such work shall be contingent upon Developer commencing construction on the Facility as set forth in Section 4, or as otherwise agreed to. In the event that that City does not perform its obligations in this Section and the Developer incurs any costs in making the Improvements, the City agrees to pay the Developer for the costs incurred by the Developer to make the Improvements.”;

WHEREAS, City and CDA contend Developer failed to meet its contractual obligation to commence construction of the Facility by the Construction Commencement Date and, as a result, it is obligated to make payment in lieu of taxes in accordance with Section 7B of the Development Agreement;

WHEREAS, City and CDA contend Developer failed to meet its contractual obligation to commence construction of the Facility by the Construction Commencement Date and, as a result, City and/or CDA are not obligated to contribute to construction or contribute to the cost of the Improvements described in Section 5 of the Development Agreement;

WHEREAS, Developer contends that while it failed to commence construction of the Facility by the Construction Commencement Date, CDA and/or City failed to negotiate in good faith toward extending the Construction Commencement Date as required by Section 7A of the Development Agreement; and

WHEREAS, the Parties wish to settle the dispute in accordance with the terms set forth in this Agreement.

Agreement

NOW THEREFORE, for good and valuable consideration stated below, the Parties hereto agree as follows:

1. All of the above Recitals are true and correct.
2. Developer shall pay to CDA, within ten (10) business days of the date the last signature is made to this Agreement, Eighty Thousand Dollars (\$80,000) which shall be in lieu of, and in full and final settlement of, the One Hundred Twenty Thousand Dollars (\$120,000) annual payment obligation specified under Section 7B of the Development Agreement. CDA shall accept the \$80,000 payment in full

and final settlement of all payment in lieu of taxes required of Developer under Section 7B of the Development Agreement. As of the Effective Date of this Agreement, CDA and City waive the right to collect from Developer any future payment in lieu of taxes relative to the Property and the Facility that could arise from Developer's breach or alleged breach of its contractual obligations under the Development Agreement.

3. City and/or CDA shall not be obligated to construct or contribute to the construction of the Improvements described in Section 5 of the Development Agreement.
4. Both CDA and City represent and warrant that: 1) in 2012 the assessed value of the improvements on the Property was One Thousand Five Hundred Dollars (\$1,500) and the assessed value of said Improvements on the Property shall not increase on the 2013 Real Estate Property Tax Bill; and 2) Developer's obligation to pay Year 2013 real estate property taxes on Improvements on the Property shall be based only on a maximum assessed value of \$1,500.
5. For Tax Year 2014 and subsequent years, City's Assessor's Office shall use methods in accordance with the Wisconsin Property Assessment Manual, Wisconsin statutes (specifically [chapter 70](#)), and professionally accepted appraisal practices relative to the assessment of the Property.
6. Provided the Parties meet their respective obligations under this Agreement, the Parties mutually agree to release, waive, and forever discharge any and all claims either Party may have arising from its rights under Sections 5 and 7 of the Development Agreement, and Sections 5 and 7 of the Development Agreement

shall be null and void. All of the other terms of the Development Agreement shall remain in full force and effect.

7. In the event of a conflict between this Agreement and the Development Agreement, this Agreement shall control.
8. This Agreement may be executed in any number of counterparts which, when taken together, will constitute one original, and photocopy, facsimile, electronic, or other copies shall have the same effect for all purposes as an ink-signed original.

**COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF STEVENS POINT**

By: Andrew J. Halverson
Its: Chairman

Date

Attest By: Michael R. Ostrowski
Its: Executive Director

Date

CITY OF STEVENS POINT

By: Andrew J. Halverson
Its: Mayor

Date

Attest By: John V. Moe
Its: Clerk

Date

MARSHFIELD CLINIC

By: Brian H. Ewert, M.D.
Its: President

Date

EXHIBIT A
DEVELOPMENT AGREEMENT

[Separately attached]

EXHIBIT B

TAX BILL FOR PROPERTY

[Separately attached]

DEVELOPMENT AGREEMENT

This Agreement is made this 26th day of March, 2008, by and between the Community Development Authority of the City of Stevens Point (“City”) and the Marshfield Clinic, a Wisconsin Non-Profit Corporation (“Developer”).

Recitals

A. The Developer is in the business of providing medical services through various clinics throughout the State of Wisconsin and desires to construct a medical clinic on certain lands (“Property”) located in the Town of Hull and City of Stevens Point more particularly described on Exhibit A.

B. The Property will require improvements including turn lanes on State Highway 66 and landscaping along State Highway 66 (“Improvements”).

C. The City desires to assist the Developer in obtaining the Property and to make Improvements.

D. The City and Developer desire to articulate their respective responsibilities through this Development Agreement (“Agreement”).

NOW THEREFORE, in consideration of the recitals and mutual covenants made between the parties hereto, it is agreed as follows:

1. Representations and Warranties.

- A. The City warrants that it is a Wisconsin Municipal Corporation having jurisdiction over the Property, and that it has authority under Wis. Stats. §§66.1301-66.1337 to enter into this Agreement and to be bound by its terms. In the event the City does not have jurisdiction over the Property, the Developer will execute an annexation petition at the City’s expense and the City will annex the Property.
- B. The Developer is a Wisconsin Non-Profit Corporation in good standing and through approval of its Executive Committee and Board of Directors has the

power enter into this Agreement and be bound by its terms. Upon execution of this Agreement, the Developer will seek the necessary approvals from its Executive Committee and Board of Directors, and will notify the City of such approvals.

- C. The Developer and City will fully cooperate with each other and will provide their best efforts toward fulfilling their respective obligations under the terms of this Agreement.
- D. The City's representative and contact shall be John Gardner, Community Development Director and the Developer's representative shall be Jim Colburn, Director of Facilities and Property.

2. **Real Estate-Property.** The City will obtain or has obtained an Option to Purchase the Property. Upon written notice to the City by the Developer, the City agrees to exercise such option to purchase by presenting an Offer to Purchase to the current owners of the Property. Prior to the City presenting the Offer to Purchase, except for the purchase price, the City and Developer will mutually agree on the terms of the City's Offer to Purchase.

- A. If the current owners of the Property accept the Offer to Purchase, the City shall diligently proceed toward obtaining the Property pursuant to the terms and conditions in the Offer to Purchase. After acceptance by the current Property owners, any variances from the terms and conditions contained in the Offer to Purchase must be mutually agreed to by the City and Developer.
- B. If the current owners do not accept the Offer to Purchase from the City, the City and Developer will in good faith attempt to resolve the issues that prevented the Offer to Purchase from being accepted by the owners of the Property. Subsequent Options to Purchase and Offers to Purchase may be prepared and presented to the current owners of the Property, so long as such documents are mutually agreed to by the City and Developer, and are consistent with this Agreement.

1. If subsequent Offers to Purchase result in non-acceptance by the current owners, the Developer may terminate this Agreement.
2. If subsequent Offers to Purchase are accepted by the current owners, the terms of Section 2(A) shall control.

C. Upon the City obtaining lawful legal title via a warranty deed to the Property, the City agrees to convey the Property to the Developer at a price of one hundred and twenty-five thousand dollars (\$125,000.00) per acre via a warranty deed, subject to the terms and conditions in the Offer to Purchase the Property between the Developer and the City.

1. In addition to the terms and conditions contained in the Offer to Purchase the Property between the Developer and the City, if the Property is not within the City's jurisdiction and the Property is not annexed into the City prior to Closing, the Developer may terminate this Agreement. The City will retain the Property and the Developer will be released from Closing on the Property.

3. Developer's Construction and Permits. After the Property is conveyed from the City to the Developer, the Developer agrees to construct a medical facility ("Facility") on the Property by the Commencement Date as defined in Section 4. The Facility is in the planning stages and is expected to be approximately 20,000 – 30,000 square feet in size. The Developer agrees to obtain necessary construction approvals and permits from applicable governmental agencies, including the City. City agrees to process approvals and permits pursuant to its normal standards and processes and independent of this Agreement. Except as specifically identified in Section 5, the construction of the Facility shall be under the total control and auspices of the Developer. In the event the Developer is unable to obtain the necessary permits or variances to construct the Facility, the City agrees to purchase the Property from the Developer at the price indicated in Section 2(C).

4. Construction Commencement Date. Developer agrees to commence construction no later than four (4) years after the Developer closes on the Property. Once construction is commenced, the construction shall proceed diligently to completion.

5. City Site Work-Improvements. The City agrees to obtain required permits and make Improvements near the Property. Such Improvements will be a City Public Works project, and shall be under the control and auspices of the City. However, the City will incorporate any design or construction specifications suggested by the Developer, provided the suggestions do not diminish the specifications required by law or the City's usual design standards. The Improvements will consist of adding a right hand turn lane into the Property from Westbound State Highway 66; adding a left hand turn lane into the Property from Eastbound State Highway 66; adding acceleration lanes on Westbound and Eastbound State Highway 66; and providing landscaping in the median of State Highway 66 and the State Highway 66 right of way along the Property. The schedule and specific scope of the Public Works project shall be approved in writing by the Developer and shall be performed by the City Department of Public Works at the City's sole cost and expense. The City's obligation to perform such work shall be contingent upon Developer commencing construction on the Facility as set forth in Section 4, or as otherwise agreed to. In the event that that City does not perform its obligations in this Section and the Developer incurs any costs in making the Improvements, the City agrees to pay the Developer for the costs incurred by the Developer to make the Improvements.

6. City Option to Purchase. After the Property is conveyed to the Developer and before the Construction Commencement Date, if the Developer desires to sell, transfer or lease the Property to a third party, the Developer must first notify the City in writing. The City shall then have a right to purchase the Property from the Developer at the price identified in Section 2(C). If the City does not exercise its right to purchase the Property within sixty (60) calendar days of notice, the City's right to purchase the Property is deemed waived and there will be no restrictions on the Developer from selling, transferring or leasing the Property.

7. **Delay in Construction.**

A. The City and Developer agree that the Construction Commencement Date in Section 4 is a good faith estimate based on current circumstances. In the event the construction of the Facility does not occur prior to the Construction Commencement Date, the City and Developer agree to negotiate in good faith toward extending the Construction Commencement Date.

B. If the City and Developer cannot agree to extend the Construction Commencement Date and construction does not occur prior to the Construction Commencement Date, the Developer agrees to make annual payments in lieu of taxes to the City, as if the Facility had been built. The parties agree that the annual payment in lieu of taxes will be \$120,000.00, and will be payable at the same time(s) property taxes are collected. Such payment in lieu of taxes is binding only on the Developer and is not binding on subsequent buyers. In the event the Facility is built, the Facility will be taxed pursuant to applicable State of Wisconsin law, and the payment in lieu of taxes will stop, and the Developer will be relieved of any payment in lieu of tax obligations.

8. **Default.** A default is defined herein as the Developer's or the City's breach or failure to comply with the terms and conditions of this Development Agreement. City and Developer reserve to themselves all remedies available at law or equity as necessary to cure any default. City agrees to waive all procedural and jurisdictional defenses including sovereign immunity,

[The rest of page is intentionally blank.]

IN WITNESS WHEREOF,

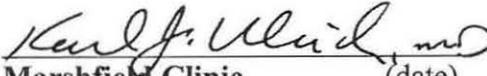


City of Stevens Point (date)

By: Andrew J. Halverson, Mayor

CDAs  *6/6/08*
City of Stevens Point (date)

By: ~~John V. Moe, Clerk~~ James R. Hamilton, Secretary

 *3/26/08*
Marshfield Clinic, (date)

By: Karl J. Ulrich, M.D., M.M.M.,
President and CEO

ADDENDUM A
VACANT LAND OFFER TO PURCHASE
SELLER: COMMUNITY DEVELOPMENT AUTHORITY OF CITY OF STEVENS POINT
BUYER: MARSHFIELD CLINIC

This Addendum A (this “**Addendum**”) is attached to and incorporated by reference into the March 26, 2008 Vacant Land Offer to Purchase (the “**Offer**”) to Community Development Authority of City of Stevens Point (“**Seller**”) and Marshfield Clinic (“**Buyer**”). For purposes of this Addendum and of the Offer, Buyer and Seller together shall be known as the “**Parties**”.

The Offer and this Addendum together shall constitute and be construed as a single instrument. Accordingly, except as specifically modified by the terms of this Addendum, the terms of the Offer shall remain in full force and effect. Any terms in this Addendum (capitalized or not) that are specifically defined in the Offer shall have the definitions given to them, respectively, in the Offer. In the event any provision of this Addendum conflicts with or contradicts any provision in the Offer, then the provision of this Addendum shall control the interpretation of the Offer and the Addendum together as a single instrument, hereinafter referred to as “**this Offer**”.

The Offer is hereby modified and supplemented as follows:

1. **Property Description.** The Property to be purchased is approximately 18.1 acres, more or less, known as Lot 1, Certified Survey Map No. 513-2-173, in the SW ¼ SW ¼ and SE 1/4 SW ¼, Section 22, T24N, R8E, City of Stevens Point, Portage County, Wisconsin. The Property is depicted as Parcel A on “Exhibit I”. The exact location and acreage of the Property shall be determined by the Survey described in Section 4, below.
2. **Purchase Price.**
 - a. **Purchase Price.** The Purchase Price for the Property shall be \$125,000 per acre, excluding dedicated public roadways within the description. The Purchase Price is estimated to be Two Million Two Hundred Sixty-Two Thousand and Five Hundred Dollars (\$2,262,500.00) on the assumption that the parcel contains exactly 18.1 acres. The final purchase price will be determined based on the survey described in Section 4 to this Addendum.
3. **Closing.** This transaction is to be closed at the offices of Buyer or as mutually agreed upon. The Closing Date shall be no later than twenty-one (21) days of Buyer’s written satisfaction of the contingencies in this Offer to Purchase, but no later than June 6, 2008, unless mutually agreed upon.
4. **Title and Survey Matters.**
 - a. **Title and Title Insurance Commitment.** Within fifteen (15) days after the Approval by the Board of Directors, Seller at its expense, shall provide Buyer a commitment issued by the Title Company for an owner’s policy of title insurance covering the Property (the “Title Commitment”). Such Title Commitment shall indicate the Title Company’s willingness to issue to Buyer at Closing the Title Policy described in Section 4.e. of this Addendum, shall set forth the status of the title to the property, and shall reflect all liens, claims, encumbrances, easements, rights-of-way, encroachments, reservations, and other matters of

record affecting the Property. The Title Commitment shall also include legible copies of all documents identified by the commitment as an exception to coverage.

b. **Survey.** This Offer to Purchase is contingent upon Buyer obtaining, at Buyer's expense, within sixty (60) days of Acceptance of this Offer to Purchase, a current survey and a current ALTA topographical map of the Property ("**Survey**"), prepared by a duly licensed land surveyor acceptable to Buyer. The survey shall: show the boundaries of the Property; contain a proper and complete legal description of the Property and show the total number of acres in the Property; show all dedicated public streets providing access to the Property and locate any areas of restricted access or other relevant access issues; show all existing improvements; locate all recorded and visible easements and rights-of-way; show any encroachments upon the Property and show the Property not to be in any flood plain or hazard area. The survey shall contain a certification acceptable to the title insurance company proposing to issue title insurance in favor of the Buyer with regard to this transaction.

c. **Access Easement.** The Buyer agrees that that it will provide an access easement which shall be a perpetual non-exclusive easement for ingress and egress from the access point connecting to State Highway 66 to the C.A. Klasinski property that was not part of the conveyance between C.A. Klasinski and City of Stevens Point-Community Development Authority. Buyer agrees at closing to execute a mutually agreeable with C.A. Klasinski easement agreement in favor of Klasinski's property, which will incorporate terms of perpetual non-exclusive easement for ingress and egress.

d. **Objection.** If the Title Commitment or Survey shall disclose any condition of title, other than the Permitted Exceptions, that is reasonably not acceptable to Buyer, Buyer may disapprove of such condition(s) (collectively the "**Disapproved Matters**") by giving written notice of objection to Seller within thirty (30) days after receipt of the Title Commitment or Survey, respectively. If any objection is made, Seller shall have ten (10) days in which to exercise its best efforts to correct such Disapproved Matter. If the Disapproved Matter cannot be corrected within the 10-day period despite the Seller's best efforts, Buyer may, at its option (1) declare the Offer null and void and all money paid by Buyer shall be returned forthwith to Buyer or (2) elect to accept such title as Seller is able to convey and proceed to closing without abatement of the purchase price. Seller shall pay for the updating of the title insurance commitment, which shall be done no sooner than fifteen (15) days prior to closing.

e. **Condition of Title.** Upon payment of the purchase price, Seller shall convey the Property by warranty deed free and clear of all liens and encumbrances except exceptions specifically approved by Buyer.

f. **Title Insurance.** At Closing, the Title Company shall, at Seller's expense, issue to Buyer an ALTA owner's form of title insurance policy in the form customarily issued in Wisconsin, in the full amount of the purchase price, insuring that indefeasible fee simple title to the Property is vested in Buyer subject only to the exceptions specifically approved by Buyer. Such Title Policy shall be dated with the date and time of Closing. Seller shall provide, at Seller's expense, a gap endorsement to the Title Policy. Seller shall also provide, at Seller's expense, additional endorsements and amendments to the Title Policy that Buyer

may reasonably request, provided that the Closing shall not be delayed as a result of Buyer's request.

5. **Additional Contingencies.** In addition to any other contingencies set forth elsewhere in this Offer, Buyer's obligation to conclude the purchase of the Property pursuant to this Offer is conditioned on each of the following:

a. **Buyer's Executive Committee and Board of Directors Approval.** This Offer is subject to final approval of the terms and conditions hereof by Buyer's Executive Committee. Written notice of said approval shall be given to Seller within thirty (30) days after Acceptance, or this Offer shall be null and void. Further, this Offer is subject to final approval of the terms and conditions hereof by Buyer's Board of Directors. Written notice of Board approval shall be given to Seller on or before May 1, 2008, or this Offer to Purchase shall be null and void.

b. **Restrictions and Covenants.** This Offer is contingent on Seller providing Buyer, within thirty (30) days of Acceptance, copies of all current subdivision regulations and building and use restrictions and easements and zoning ordinances affecting the Property. Buyer shall have thirty (30) days after receipt within which to notify Seller in writing of any objections thereto. If Seller is unable to satisfy Buyer's objections within thirty (30) days after receipt of such notice from Buyer, or to obtain an amendment or variance to those restrictions deemed unacceptable, Buyer may at its sole election terminate this Offer by written notice to Seller, and this Offer shall be null and void and all earnest money paid hereunder shall be returned to Buyer.

c. **Rezoning.** This Offer is contingent upon Buyer, at Buyer's expense, obtaining before Closing, any necessary rezoning of the Property, and any necessary permits and approvals to permit Buyer to construct on the Property a medical facility and educational and research facility similar to Buyer's existing regional centers and related facilities. Seller agrees to cooperate with Buyer in applying for rezoning and permits, including signing the application, appearing at any public hearings and such other activities as Buyer may reasonably request. If Buyer is unable to obtain such rezoning or permits before Closing, this Offer shall be null and void.

d. **Environnemental Indemnification.** For purposes of this Section 5(d) only, Seller shall be deemed to be C.A. Klasinski, the immediate predecessor in title of the Property. In a sales contract regarding the Property between C.A. Klasinski and the City, C.A. Klasinski made the following warranties and representations, which the Buyer is reasonably relied on and is reasonably relying on:

"The Marshfield Clinic, a Wisconsin non-profit corporation (the "Marshfield Clinic") shall be treated as the "Buyer" and the indemnification given herein shall inure to the benefit of the Marshfield Clinic. Marshfield Clinic will be purchasing this Property and will be relying on the representations made by Seller in this Section. Notwithstanding any investigation conducted by Buyer, Seller has owned the Property for fourteen (14) years and warrants and represents to the best of his knowledge: (i) that the property is in full compliance with all environmental laws and permits; (ii) there are no claims, disputes, actions or proceedings existing against the Seller or affecting the Property that relate to environmental laws or permits; (iii) there

are no hazardous substances on the Property and that no releases of hazardous substances on, at, over or from the Property are occurring or have occurred; and (iv) the Seller is not subject to and is not currently operating under any compliance or consent order, schedule, decree or agreement issued or entered into under any environmental law. Seller agrees to indemnify and hold Buyer harmless against and from any and all damages, claims, losses, liabilities, costs and expenses, including reasonable attorneys fees, which may be imposed upon, incurred by or asserted against Buyer by any party arising out of, in connection with, or relating to Seller's breach of, or any inaccuracy, in any representations set forth in this Section 4. This indemnification shall survive the closing on the sale of the Property for a period of six (6) years from the date of closing."

e. **Leases.** This Offer is contingent on the Seller's representation that the house located on the Property is currently un-occupied and Seller warrants that there are no tenants or valid leases.

f. **Access.** This Offer is contingent upon Buyer, confirming or, at Buyer's expense, obtaining rights for the Property to have direct, and appropriately controlled access to and from State Highway 66. Seller agrees to cooperate with Buyer in applying for access as Buyer may reasonably request. If Buyer is unable to obtain such access before closing, this Offer shall be null and void. Buyer agrees to promptly determine the necessity and apply for any such access.

g. **Utilities.** This Offer is contingent upon Seller, within thirty (30) days of acceptance, providing written evidence of the availability of commercial or public water, sewer, telephone/data, electricity, and natural gas utilities adjacent to the Property, but Buyer shall be responsible for coordinating connection and the related costs.

6. **Closing Documents.** Buyer's attorneys shall prepare the necessary closing documents. Seller understands that Buyer's attorney is not representing Seller in the sale of the Property. Buyer's attorney shall review and approve of all documents in writing on behalf of Buyer prior to the Closing Date.
7. **Brokers Fees.** Each party shall be responsible for the party's own broker's fees in regard to this transaction.
8. **Access to Property.** Beginning on the acceptance date and during the contingency periods identified herein, Seller agrees to give Buyer, and Buyer's agents, access to the Property for the purpose of conducting the survey, and such other tests and inspections as provided in this Offer. Buyer agrees to comply with all applicable laws, codes, and ordinances in conducting its activities related to the Property. Buyer shall furnish to Seller, within ten (10) days after receipt by Buyer, copies of all reports received by Buyer relating to the survey, inspection and testing of the property, including any environmental reports. Buyer shall provide evidence of insurance to Seller insuring the activities of the Buyer, its agents, and contractors, while on the property. Buyer shall also indemnify Seller for any damages to the Property and for injury to persons caused by Buyer's performance of any tests and investigations. Further Buyer agrees to repair or restore the property, if the Property becomes damaged or altered as a result of Buyer's inspections and testing except Buyer shall not be required to repair or restore the Property if

Buyer subsequently proceeds to close on the purchase of the Property. The indemnity contained herein, shall survive the termination of this Offer.

9. **Indemnification.** Except as specifically provided otherwise in this Offer, Seller shall indemnify and hold Buyer harmless from and against any and all loss, cost, damages, injury or expense, including reasonable attorney's fees, arising out of or in any way related to claims or injury to or death of persons, damage to property or contract liabilities associated with the ownership or operation of the Property, or the business conducted thereon, arising out of events or transactions before the date of Closing; provided that Seller is relieved of liability to Buyer to the extent Buyer is required to indemnify Seller as described in paragraph 8. Except as specifically provided otherwise in this Offer, Buyer shall indemnify and hold Seller harmless from and against any and all loss, cost, damages, injury or expenses, including reasonable attorney's fees, arising out of or in any way related to claims for injury to or death of persons, damage to property, or contract liabilities associated with the ownership or operation of the Property or business conducted thereon, arising out of events or transactions after the Closing Date.
10. **Survival.** The provisions of this Offer shall survive a closing of the transaction and delivery of possession and title of the Property. This Offer is binding on and inures to the benefit of the Parties hereto, and their successors and assigns.
11. **Counterparts/Facsimile Signatures.** This Offer may be executed simultaneously or in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A facsimile signature appearing on this Offer shall be given the same effect as if it were an original signature on an original Offer.

[The rest of page is intentionally left blank.]

Marshfield Clinic (BUYER)

Dated: 3-26-08

By: Karl J. Ulrich, MD

Name: Karl J. Ulrich, M.D., M.M.M.

Title: President

Marshfield Clinic (BUYER)

Dated: 3-26-08

By: Reed E Hall

Name: Reed E. Hall

Title: Executive Director

City of Stevens Point (SELLER)

Dated: _____

By: Andrew J. Halverson

Name: Andrew J. Halverson

Title: Mayor

CDA of the
City of Stevens Point (SELLER)

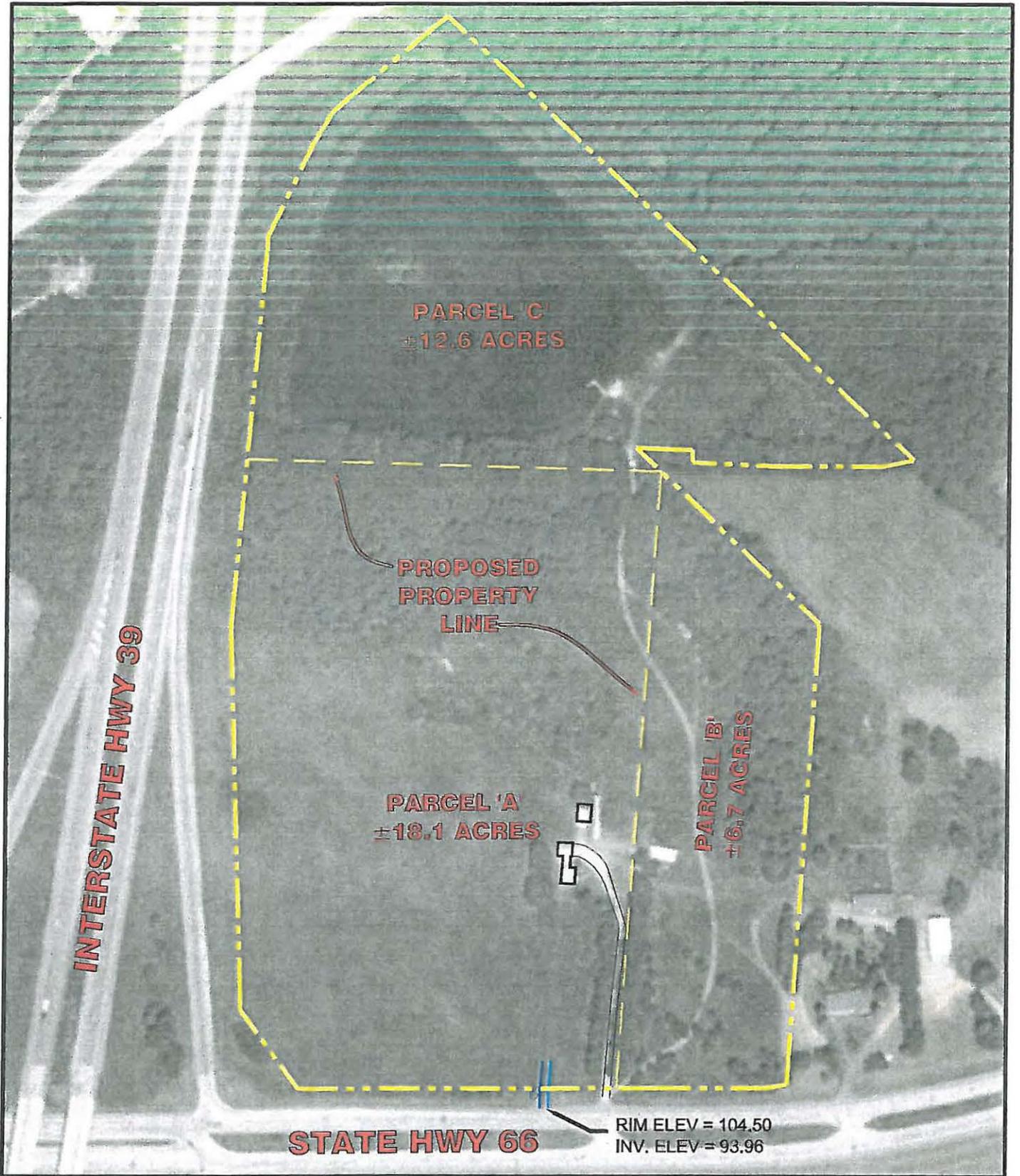
Dated: _____

By: John V. Moe

Name: John V. Moe *James R. Hamilton*

Title: ~~Clerk~~ *Secretary*

Exhibit I



JHR
rettlar corporation

3317 BUSINESS PARK DRIVE • STEVENS POINT, WI 54481
TEL: 715-341-2632 • FAX: 715-341-6431 • EMAIL: info@rettlar.com

LANDSCAPE ARCHITECTURE
ENGINEERING
LAND SURVEYING
SITE CONSTRUCTION MANAGEMENT
SITE MAINTENANCE

SCALE: 1" = 200'-0"

**KLASINSKI PROPERTY
PROPOSED PARCEL MAP**

— 8" SANITARY SEWER
— 8" WATER LINE

ADDENDUM A
TO
VACANT LAND OFFER TO PURCHASE

Seller: Clarence A. Klasinski

Purchaser: Community Development Authority of the City of Stevens Point, a Municipal Corporation

1. Description of Property. The exact legal description for the property to be conveyed shall be as set forth in the title insurance commitment to be provided by Seller prior to closing. The property being sold and purchased shall consist of the property depicted as Lot 1 on the attached draft of a Certified Survey Map ("CSM") consisting of 18.022 acres. The property is located in the City of Stevens Point and Town of Hull, Portage County, Wisconsin. This Offer to Purchase is contingent upon Seller obtaining, at Seller's expense, within twenty (20) days of acceptance of this Offer to Purchase, a CSM of the Property in the form required for recording with the Portage County Register of Deeds Office. The CSM shall: show the boundaries of the Property; contain a proper and complete legal description of the Property and show the total number of acres in the Property; show all dedicated public streets providing access to the Property and locate any areas of restricted access or other relevant access issues; show all existing improvements; locate all recorded and visible easements and rights-of-way; show any encroachments upon the Property and show the Property not to be in any flood plain or hazard area. The CSM shall contain a certification acceptable to the title insurance company proposing to issue title insurance in favor of the Buyer with regard to this transaction.

2. Access Easement. At closing, Seller will retain a perpetual easement for access to and from State Highway 66 over that portion of Lot 1 as described on the attached draft of the CSM. The non-exclusive perpetual easement for ingress and egress shall be for the benefit of Seller's remaining property which is located adjacent to the property being sold and is described as Lot 2 on the attached draft of the CSM. The obligation of Seller to close on this transaction is contingent upon Seller, Buyer and Marshfield Clinic entering into an easement agreement at closing for the benefit of the Seller's remaining property that will incorporate the terms of the perpetual non-exclusive easement for ingress and egress to and from Highway 66. The easement shall require Marshfield Clinic, or its successor or assigns, to construct and maintain the easement, at its own expense.

3. Extension of Water Main and Sewer Main. Purchaser agrees, at Purchaser's cost, to extend the water main and sewer main north east along Highway 66 to the City of Stevens Point boundary line identified on Lot 2 of the attached CSM. The size and diameter of the extended water main and sewer main shall be the same or substantially the same as the existing water main and sewer main.

4. Environmental Indemnification. For purposes of this Section 4, the Marshfield Clinic, a Wisconsin non-profit corporation (the "Marshfield Clinic") shall be treated as the "Buyer" and the indemnification given herein shall inure to the benefit of the Marshfield Clinic. Marshfield Clinic will be purchasing this Property and will be relying on the representations made by Seller in this Section. Notwithstanding any investigation conducted by Buyer, Seller has owned the Property for fourteen (14) years and warrants and represents to the best of his knowledge: (i) that the property is in full compliance with all environmental laws and permits; (ii) there are no claims, disputes, actions or proceedings existing against the Seller or affecting the Property that relate to environmental laws or permits; (iii) there are no hazardous substances on the Property and that no releases of hazardous substances on, at, over or from the Property are occurring or have occurred; and (iv) the Seller is not subject to and is not currently operating under any compliance or consent order, schedule, decree or agreement issued or entered into under any environmental law.

Seller agrees to indemnify and hold Buyer harmless against and from any and all damages, claims, losses, liabilities, costs and expenses, including reasonable attorneys fees, which may be imposed upon, incurred by or asserted against Buyer by any party arising out of, in connection with, or relating to Seller's breach of, or any inaccuracy, in any representations set forth in this Section 4. This indemnification shall survive the closing on the sale of the Property for a period of six (6) years from the date of closing.

END OF ADDENDUM A

CERTIFIED SURVEY MAP

LEGAL DESCRIPTION

CERTIFIED SURVEY MAP FOR CLARENCE A. KLASINSKI, BEING PART OF THE SW 1/4 OF SECTION 23, TOWNSHIP 24 NORTH, RANGE 8 EAST, CITY OF STEVENS POINT & TOWNSHIP OF HULL, PORTAGE COUNTY, WISCONSIN.

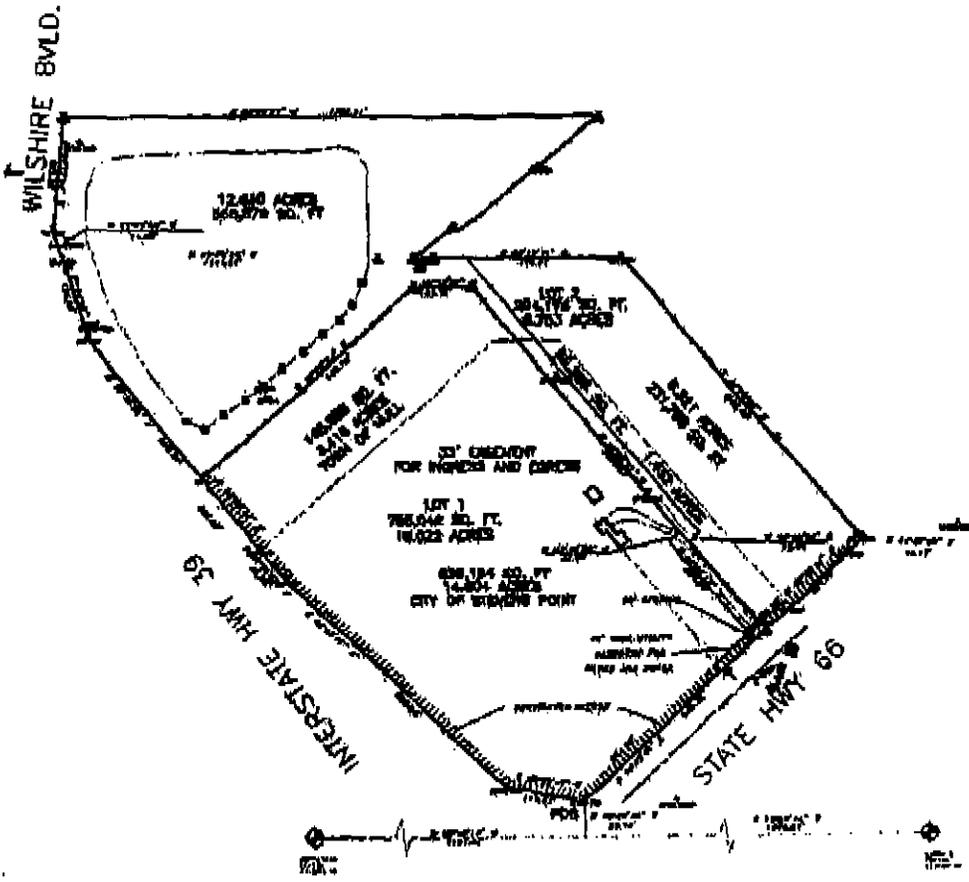
BASE FOR BEARING

IS THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 22 ASSUMED TO BEAR S 69°00'14" W.



SCALE 1" = 300'

CLARENCE A. KLASINSKI
BY ERNEST WOOSTER
REGISTERED LAND SURVEYOR
NO. 10000



BIRETTLER
CORPORATION
REGISTERED LAND SURVEYOR

LAND SURVEY DIVISION
REGISTERED LAND SURVEYOR
ERNEST WOOSTER #1741
715-341-2833

THIS INSTRUMENT WAS DRAFTED BY ERNEST WOOSTER AND DRAWN BY ERNEST WOOSTER

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JOB # 2087

PAGE 1 OF 2 PAGES

**OFFICIAL NOTICE NUMBER 14-13
INVITATION FOR BIDS
CITY OF STEVENS POINT, WISCONSIN
REMEDIAL EXCAVATION – FORMER DUN-RITE CLEANERS
CENTERPOINT MARKETPLACE REDEVELOPMENT PROJECT**

The Community Development Authority of the City of Stevens Point will receive sealed bids for the **REMEDIAL EXCAVATION – FORMER DUN-RITE CLEANERS CENTERPOINT MARKETPLACE REDEVELOPMENT PROJECT** located at 1201 Third Street, Stevens Point, Wisconsin. Bids will be accepted until **11:00 A.M. local time, August 19, 2013**, at the office of the Director of Public Works, County-City Building, 1515 Strongs Avenue, Stevens Point, Wisconsin, at which time the bids will be publicly opened and read aloud in the City-Conference Room, County-City Building, 1515 Strongs Avenue, Stevens Point, Wisconsin. Bids are invited for the several items and quantities of work approximately shown as follows:

Mobilization/Demobilization/Locate underground utilities within work area	1	L.S.
Remove/Load/Haul Concrete Floor Slab, Stockpile at City's Whiting Pit at 3100 Whiting Avenue (Approx. 1,500 S.Y., No Steel).	1	L.S.
Remove/Load/Haul Concrete Pier Columns (w/ Steel), Dispose at Construction Debris Landfill	23	Each
Remove/Load/Haul Concrete Foundation Wall, Stockpile at City's Whiting Pit (No Steel)	110	L.F.
Excavate PCE Contaminated Soil from Remedial Excavation Area (non-hazardous, solid waste); Load, Transport and Stockpile Contaminated Soil on the City's Vacant Lot at 601 Mason Street; Contaminated Soil shall be Placed on and Covered with Plastic Sheeting.	9,000	C.Y.
Construct Soil Venting Piles at Mason Street site from Stockpiled Contaminated Soil.	3,500	C.Y.
Excavate Clean Soil to Depth of 3 feet from Planned West Parking Lot. Backfill & Compact Remedial Excavation Area to Depth of 3 Feet Below Surrounding Grade using Clean Soil Excavated From Planned West Parking Lot	4,500	C.Y.

Complete digital project bidding documents are available at www.stevenspoint.com/dpw or www.questcdn.com. You may download the digital plans for **\$35.00** by inputting QuestCDN ebidDoc Number **2851691** on the website's Project Search page. Please contact QuestCDN.com at 952-233-1632 or info@questcdn.com for assistance in free membership registration, downloading, and working with this digital project information.

No bid shall be considered unless accompanied by a certified or cashier's check or bid bond equal to five percent (5%) of the total bid price payable to said City of Stevens Point as a guarantee that if the bid is accepted, the bidder will execute and file a contract within five (5) days after such acceptance. No late, faxed, or unsealed bid shall be accepted.

All applicable charter and statutory provisions and ordinances are incorporated into the contract.

The successful bidder shall be required to conform to all Federal, State, and local safety requirements.

The Community Development Authority reserves the right to reject any or all bids or to waive any informality in the bidding.

Bids may be held by the Community Development Authority for a period not to exceed sixty (60) days from the date of opening of the bids for the purpose of reviewing the bids and investigating the qualifications of bidders, prior to awarding of the contract.

The Bidder's attention is called to the fact that this project is subject to a prevailing wage rate determination, which has been issued by the State of Wisconsin, and that the prevailing wage rates and hours of labor set forth in this determination shall be applicable to this project. The Contractor shall post the prevailing wage rate determination in at least one conspicuous and easily accessible place on the project site that is available to all construction workers. The posting shall remain posted from onset of the project until all construction labor on the project has been completed.

All work within the Remedial Excavation Area associated with this bid shall be completed by **5:00 P.M., local time, September 13, 2013**.

All work on the Mason Street site associated with this bid shall be completed by **5:00 P.M., local time, October 4, 2013**.

This Project was supported and financed by the Site Assessment Grant and Brownfields Grant programs of Wisconsin Economic Development Corporation.

Effective January 1, 2010, all project contractors must file certified payroll records with the Department of Workforce Development (DWD) on a monthly basis in a format that meets DWD reporting requirements. Certified payroll reports must be filed with DWD by the end of the first week following the month in which the work was conducted. DWD will fine any contractor violating the prevailing wage law liquidated damages of 100% of the wages owed to employees.

Bidders or their subcontractor shall have a solid waste hauler's permit for the hauling of materials to Mason Street Site.

CITY OF STEVENS POINT, WISCONSIN

For: Community Development Authority

Dated: July 29, 2013

Publish: Portage County Gazette
August 2, 2013
August 9, 2013

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PURPOSE: This one-day training focuses on the accessibility standards for all housing programs using any federal dollars. Federal monies spent on the development of the property, rehabilitation of structures in the real estate portfolio, or support of the residents, makes the property eligible for mandatory compliance under the 504-UFAS requirements. The class will also review the differences between fair housing standards for accessibility (used when no federal dollars are involved) and the various other accessibility standards for public buildings.

HUD/FHEO is actively auditing public housing authorities and multi-family developments in an effort to drive accessibility compliance on 504-UFAS and fair housing sites as applicable. In call, we will discuss the current voluntary compliance agreement (VCA) trends and look at a sample of lawsuits brought by HUD/FHEO and The Department of Justice (DOJ) in their efforts to drive compliance with housing providers.

The various tools used to teach this class include PowerPoint slides, video, a workbook, and the Inspection Checklist copied for the student to take with them.

This class can be combined with the two-day [Fair Housing](#) training to create a three-day seminar, [Fair Housing and Reasonable Accommodation plus Structural Accessibility](#).

SEMINAR #:	101-061
AGENDA:	View the agenda
MATERIALS:	Workbook, NMA pen, pencil, and bag
METHOD:	A group-live seminar featuring PowerPoint, video, workbook, and Inspection Check Lists
LENGTH:	One day
AUDIENCE:	Housing authority and multi-family staff including department/program directors, Capital Fund/modernization directors, development directors, site (AMP) managers, maintenance staff, architects, contractors, attorneys, state finance development staff, non-profit disability advocacy groups, and other interested individuals
EXAM:	No certification exam for this course
CREDITS:	CPE units w/ exam = 6 CEU units w/ exam = 06 No prerequisites or advanced preparation required for this course
REGISTER:	Select the seminar you'd like to attend from the list of locations and dates below.

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Public Safety Building
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