

**Community Development Authority
of the
City of Stevens Point, Wisconsin**

To: Community Development Authority Board of Commissioners
From: James R. Hamilton, Secretary/Executive Director
Subject: November 18, 2010 Board Meeting

The Board of Commissioners of the Community Development Authority of the City of Stevens Point will meet in the City Conference Room of the County-City Building, 1515 Strongs Ave., Stevens Point, Wisconsin at 5:00 p.m. on Thursday, November 18, 2010.

Planned agenda items are as follows:

1. Call to Order
2. Roll Call
3. Approval of the October 18, 2010 Meeting Minutes
4. Discussion and possible action on the developer's agreement with Arc Central Inc. for the properties located at 1000 Third Street and 941 Portage Street. Parcel IDs 2408-32-2004-01 and 2408-32-2004-02.
5. Discussion and possible action on razing the building located at 1000 Third Street. Parcel ID 2408-32-2004-01.
6. Adjourn.

Any Person Who Has Special Needs For Attending This Meeting Should Contact the Community Development Authority Office at 1300 Briggs Ct., (715) 341-3444 Ex. 22 As Soon As Possible To Ensure A Reasonable Accommodation Can Be Made.

Community Development Authority of the City of Stevens Point Minutes

Meeting Date: October 18, 2010

Board Members Present: Mr. Andrew J. Halverson, Chairman, Mr. George Hanson, Mr. Dave Cooper, Ms. Barbara Kranig and Ms. Marge Molski.

Board Member(s) Not Present: Mr. Paul Adamski, and Mr. Hans Walther

Also Present: Mr. James R. Hamilton, Executive Director, Housing Authority, Ms. Donna T. Bella, Chief Financial Officer, Housing Authority, Mr. Michael Ostrowski, Community Development Authority Director and Mr. Louis Molepske, City Attorney.

The meeting, held in the City Conference Room at the County City Building, was called to order by Chairman Halverson at 5:01 p.m.

Ms. Bella took roll call. The members listed above were in attendance.

The first item on the agenda was the approval of the September 7, 2010 meeting minutes. Ms. Kranig moved to approve the minutes. Ms. Molski seconded the motion.

All ayes, nays none.

The next item on the agenda was the Public Hearing: Capital Fund Plan 2011. Chairman Halverson declared the meeting open for public comment. Mr. Hamilton explained that this is the next-to-last step in the Capital Fund Plan approval process. He said the Plan primarily covers the improvements that will be made to our inventory next year, and the four succeeding years the Plan covers.

The Chair asked again if anyone wished to comment on the Plan. As there was no one wishing to comment of the Plan at 5:07, Chairman Halverson closed the public hearing.

The next item on the agenda was the review for approval – Resolution 10-6: Capital Fund Plan 2011. Mr. Hamilton went on to explain that the Capital Fund Plan process began in May with a solicitation for work items and management improvements suggestions from our tenants and staff. Then, it went on to the Capital Fund Advisory Committee who reviewed it and made suggestions and prioritized work items. Finally, it went to Stevens Point Housing Advisory Committee who reviewed it and gave it preliminary approval at their August 10th meeting. He said the preliminary approval began a 45-day public comment period. Mr. Hamilton said no comments had been submitted to date.

Mr. Hamilton said that the plan reflects a great deal of energy conservation improvements for the eighty (80) Scattered Sites units, and thirty-two (32) apartments at Madison View. He said the Plan is to replace hot water heaters and furnaces in those units and then seal them up as much as possible. He said he is anticipating receiving about \$90,000 in incentive-rebates from Focus on

Energy for this work. Mr. Hamilton said the work on the bathroom remodels has been pushed back to the 2012 Capital Fund grant.

Mr. Hamilton asked if there were any questions. There being no further questions, the Chairman called for a motion. Ms. Molski moved to approve Capital Fund Plan for 2011 and place it on file. Mr. Cooper seconded the motion.

The Chair asked Ms. Bella to call the roll.

Mr. Andrew J. Halverson	Aye
Mr. George Hanson	Aye
Mr. Dave Cooper	Aye
Ms. Barbara Kranig	Aye
Ms. Marge Molski	Aye

The next item on the agenda was the Review for Approval – Resolution 10-7: Operating Budgets; Hi-Rise Manor, Edgewater Manor, Madison View, and Scattered Sites. Mr. Hamilton deferred to Ms. Bella for explanation. Ms. Bella referred to her memo, which basically outlined the major budget issues for 2011. She asked if anyone had any questions. Chairman Halverson asked what would happen if HUD no longer offered an operating subsidy or reduced it; would there be any exposure to the city. Ms. Bella replied that there is no exposure to the city because the Authority does not receive funds from the City to operate, nor does the City have any obligation to do so. She said depending on how much the subsidy would be reduced, would determine the action required. Ms. Bella said there would be a couple of things that they could do if the operating subsidy was cut; 1) cut costs and rely on the rents collected as much as possible to supply the funds needed; 2) use their capital fund operations monies to the fullest extent; and, 3) last but not least, rely on the reserves that have accumulated. She said number 3 would be the last option she would use.

Mr. Hanson asked if we used a 3% vacancy for the public housing budget, why it appeared Edgewater's budget used 5%. Mr. Hamilton replied that was correct because Edgewater has seen more vacancy for longer periods of time than the public housing sites. Ms. Bella commented that with the economy in the state that it is we have seen less vacancy in our family units than at our Edgewater Manor, elderly facility. Mr. Hansen moved to approve Resolution 10-7: Operating Budgets; Hi-Rise Manor, Edgewater Manor, Madison View, and Scattered Sites and place it on file. Ms. Molski seconded the motion. There being no further questions or comments, the Chair called for a roll call vote.

Mr. Andrew J. Halverson	Aye
Mr. George Hanson	Aye
Mr. Dave Cooper	Aye
Ms. Barbara Kranig	Aye
Ms. Marge Molski	Aye

The next item on the agenda was the Discussion and Possible Action on the Process for the Creation /Modification of a Redevelopment Plan. Mr. Ostrowski handed out copies of the 1983 redevelopment plan and the state statutes that apply to redevelopment plans. He indicated that the 1983 plan included the plan to create the mall. Mr. Ostrowski said that since the city is now looking at other areas to do redevelopment initiatives in, that it is time to look at a new plan or modify the current plan.

Mr. Halverson said that while the current plan is adequate for the mall, he would like to see the creation of a separate plan that would include the properties north of the mall. Mr. Ostrowski said that the statutes allow for a Comprehensive Plan and a Comprehensive Redevelopment Plan, which can include smaller area plans.

Ms. Kranig said that in the near future the CDA may have to deal with some of the properties on Water Street and asked if that meant a new plan would have to be created for that area. Mr. Halverson replied that the properties on Water Street could be looked at a later time, on an individual basis. Mr. Hanson commented that he agrees with Ms. Kranig that there might be properties on Water Street or other areas to deal with in the future, and asked how that would be handled. Mr. Ostrowski commented that this would be covered through a new redevelopment area plan. Mr. Hanson replied that based on the last comment he would rather see two new plans. Mr. Halverson commented that this would be a modification to the 1983 plan and a new plan for the area north of the mall.

Mr. Ostrowski asked if the Authority wanted staff to go ahead with starting the new plan and the modification of the 1983 plan, if needed. Mr. Hanson made a motion to proceed with a new plan to include the boundaries mentioned in Mr. Ostrowski's memo, and modifying the 1983 plan, if needed, and then bring them back for approval. Ms. Molski seconded the motion. The Chairman called for the vote.

All ayes, nays none.

At 5:20 Ms. Kranig moved to adjourn to closed session pursuant to Wisconsin Statutes 19.85 (1)(e) Considering the Sale of Community Development Authority Property. Mr. Cooper seconded the motion.

All ayes, nays none.

The Chairman declared the meeting adjourned to closed session.

Chairman

Date

Secretary

Date



Memo

Michael Ostrowski, Director
Community Development
City of Stevens Point
1515 Strongs Avenue
Stevens Point, WI 54481
Ph: (715) 346-1567 • Fax: (715) 346-1498
mostrowski@stevenspoint.com

City of Stevens Point – Department of Community Development

To: Community Development Authority
From: Michael Ostrowski
CC: Director Hamilton
Date: 11/12/2010
Re: Developer's Agreement with Arc Central and Possible Action on Razing the Building at 1000 Third Street

At the August 16, 2010 Community Development Authority (CDA) meeting, the Authority approved a development agreement with Arc Central Inc. (please see the attached agreement). As of today, the developer has failed to meet the security requirement of \$75,000, and consequently, the developer's agreement has not been executed.

With this being the case, the condition of the building continues to deteriorate, and further action needs to be taken to secure or demolish the building. On November 8, 2010 I received a memorandum from the City's Risk Manager indicating his concern for the building. He requested that the City building inspectors inspect the building and report back their findings. Please see the attached memorandum.

On November 10, 2010, the building inspectors made an inspection of the building at 1000 Third Street and they observed several conditions indicating that that building is deteriorating and in an unsafe condition. Their recommendation is to raze the structure. Their report is attached.

As the owner of the building, the CDA should take action of either securing the building or demolishing it to ensure the safety of the general public. In order to raze the structure, the Authority needs to be issued a razing permit, which will need to be reviewed by the Historic Preservation/Design Review Commission. With the changing weather conditions, it is of great importance to deal with this matter immediately. With freezing temperatures just around the corner, there is a great probability for increased damage to the building and creating unsafe conditions. Several sections of the parapet wall on the east side of the building have already fallen onto the sidewalk, which is a significant safety concern.

I have attached recent photos of the building for your convenience.

If you should have any questions or concerns, please do not hesitate to contact me.

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is made and entered into as of the 16th day of August, 2010 by and between the Community Development Authority of the City of Stevens Point (the "Authority") and Arc Central, Inc., a Wisconsin Corporation, (the "Developer").

ARTICLE I

Section 1.01 Purpose of Agreement. The parties hereto are entering into this Development Agreement for the preparation and construction of a multiple family development within the City of Stevens Point. The parties have worked cooperatively regarding initial planning, financing, and feasibility of such a development. Further, the parties have reached an understanding regarding participation in the future development and intend to enter into this Development Agreement to record the understandings and undertakings of the parties and to provide a framework within which the development may proceed.

Section 1.02 Certain Definitions. As used in this Agreement, the following terms shall have the meanings indicated:

"Authority" means the Community Development Authority of the City of Stevens Point.

"City" means City of Stevens Point.

"Developer" means Arc Central, Inc., properties or assigns.

"Development" – Arc Central Developers.

"Development Site" - The site generally bounded by in Exhibit A.

ARTICLE II PARTIES UNDERTAKING

Section 2.01 Provision of Assistance. In order to induce the Developer to undertake the Development, the Authority hereby agrees to transfer the Development Site to the Developer for the consideration of this contract.

Section 2.02 Developer's Covenant to Develop. Subject to the satisfaction of the pre-closing conditions set forth in Article III hereinafter, the Developer shall use its reasonable efforts to proceed with due diligence to complete the Development substantially in accordance with Developer's plans and specifications, which plans and specifications shall be subject to such review and approval by the Authority as may be normal, customary or required in order to proceed with the Development in accordance with all applicable rules, codes, regulations, ordinances and laws. The Developer shall incur Development costs of not less than three hundred thousand dollars (\$300,000), which costs shall include Development hard and soft costs, and preparation. Notwithstanding the foregoing, the Developer shall be required to complete construction of the Development within the scheduled plan of the date of Closing, unless delayed by labor disputes, fire, unusual delay in transportation, adverse weather conditions not reasonably anticipated, unavoidable casualty, flood or acts of God unless such date is extended by the Authority.

Section 2.03 Development Schedule Plan.

- i) The construction of seven (7) one-bedroom apartment units pursuant to the development building plan on file in the Office of the Community Development Department having a total assessed value of Three Hundred Seventy Thousand Dollars (\$370,000.00) for the entire development site, within twelve (12) months of the execution of this Development Agreement. In that regard, the parties understand that the assessed value as determined by the City of Stevens Point Assessor, although it will not appear on the tax roll until the year of 2013, such requirement shall be deemed satisfied upon the City of Stevens Point Assessor valuing the property for fair market value purposes and then adjusted for assessed value within the one-year period.

ARTICLE III
CONDITIONS PRECEDENT TO CLOSING

Section 3.01 Purpose. The parties acknowledge that the Development will require substantial financial resources. While each party is willing and prepared to perform its obligations hereunder, the parties recognize that each must begin its performance under this Agreement and continue it up to the point of Closing without absolute assurance that the others will be able to raise and commit all the funds necessary for Closing.

Section 3.02 Pre-Closing Undertakings of the Developer. Prior to Closing, the Developer agrees that it shall:

- a. Cause to be organized one or more groups of individuals or corporate investors who collectively are committed to make the necessary equity investment in the Development;
- b. Prepare architectural drawings, plans and specifications for the Development which are acceptable to the City and Authority;
- c. Obtain all necessary zoning approvals for the Development;
- d. Cooperate with the Authority so as to facilitate its performance under Sections 3.03.
- e. Obtain a letter of commitment from a financial organization showing funds in an amount sufficient to provide for the construction of the Development.

Section 3.03 Pre-Closing Undertakings of the Authority. Prior to closing, the Authority agrees that it shall:

- a. Cooperate with the Developer to facilitate its performance under Sections 3.02.
- b. Cooperate with Developer in applying for zoning and other permits necessary for the intended Development.

Section 3.04 Authority Performance Subject to Required Government Approvals. The

Developer acknowledges that various undertakings of the Authority described in Sections 3.03 require approvals from the City's Common Council and/or Planning Commission as well as from governmental bodies external to the Authority, some of which approvals may require public hearings and other legal proceedings as conditions precedent thereto. The Authority's agreements under Section 3.03 are conditioned upon the obtaining of all such approvals in the manner required by law. The Authority cannot assure that all such approvals will be obtained; however, they agree to use their best good faith efforts to obtain them on a timely basis.

ARTICLE IV - SECURITY

Section 4.01 Developer shall grant to the Community Development Authority a Development Security in a form and manner acceptable to the Authority, cash or equivalent, in an amount of \$75,000 in accordance with this Agreement, to ensure the completion of the project as outlined in Section 3.04 by the Developer. Upon completion of the project, the Authority will release such Security.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF AUTHORITY

Section 5.01 The Authority and represents and warrants to the Developer that it has the power, authority and legal right to enter into all of the transactions and to perform all of the covenants and obligations required to be entered into or performed by the Authority, as the case may be, under this Agreement.

Section 5.02 The Authority represents and warrants to Developer that it is empowered and authorized to execute and deliver this Agreement and any other agreements and documents if any required hereunder to be executed and delivered by the Authority. This Agreement has been and each such document at the time it is executed and delivered will be duly executed and delivered on behalf of the Authority. When executed and delivered to Developer, all such agreements shall constitute a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF DEVELOPER

Section 6.01 Developer represents and warrants to the Authority that it is a Wisconsin corporation duly organized and existing under the laws of the state of Wisconsin and that all proceedings of Developer necessary to authorize the negotiation and execution of this Agreement and the consummation of the transaction contemplated by this Agreement have been taken in accordance with applicable law.

Section 6.02 Developer represents and warrants to the Authority that this Agreement and all other documents required to be executed and delivered by Developer at closing have been duly and validly authorized, executed and delivered by Developer and will be enforceable against Developer in accordance with their terms except as limited by bankruptcy, insolvency or similar laws of general application affecting the enforcement of creditor rights.

Section 6.03 Developer represents and warrants to the Authority that the execution and delivery of this Agreement, the consummation of the transactions contemplated in this

Agreement, and the execution and delivery of the documents required to be executed, delivered or acknowledged by Developer at the closing will not violate any provision of Developer's articles or bylaws or any applicable statute, rule, regulation, judgment, order or decree of the state of Wisconsin or a court having jurisdiction over Developer or its properties.

ARTICLE VII ASSIGNMENT

The rights, duties and obligations of the Developer hereunder may be assigned by Developer provided that prior to any such assignment Developer procures the written consent of the Authority to the assignment, which consent shall not be unreasonably withheld and which shall be deemed granted if not withheld by written notice to Developer from Authority given on or before 45 days after Developer requests in writing that Authority consent to an assignment of this Agreement. This provision shall not apply to assignments by partners, shareholders or members of the Developer to other partners, shareholders or members of the Developer nor shall it apply to a sale or transfer of less than a majority interest of the Developer.

ARTICLE VIII DEFAULT PROVISIONS

Section 8.01 Notice of Default. In the event ,either party is in default hereunder (the "Defaulting Party"), the other party (the "Non-defaulting Party") shall be entitled to take any action allowed by applicable law by virtue of said default provided that the nondefaulting party first gives the Defaulting Party written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than thirty (30) days in which the default may be cured by the Defaulting Party.

Section 8.02 Remedies Upon Developer's Default. In the event Developer defaults under the terms of this Agreement and fails to cure the default after a notice within the time period provided pursuant to Paragraph 8.01. above, then Authority without prejudice to any other rights or remedies afforded Authority by applicable law may compel conformance of this Agreement by bringing an action for a specific performance hereof and/or under Article IV make a claim for the security, or retain the same.

ARTICLE IX NOTICES

All notices, demands, certificates or other communications under this Agreement shall be sufficiently given and shall be deemed given when hand delivered or when mailed by first class mail, postage prepaid, property addressed as indicated below:

To the Developer:
Arc Central, Inc., or assigns
132 1st Street North
Wisconsin Rapids, WI 54494

To the Authority:

Community Development Authority Executive Director
1300 Briggs Court
Stevens Point, WI 54481

Any party may, by written notice to the party(s), designate a change of address for the purposes aforesaid.

ARTICLE X NONDISCRIMINATION

The performance of work under this Agreement, the Developer agrees not to discriminate against any employee or applicant for employment nor shall the development or any portion thereof be sold to, leased or used by any party in any manner to permit discrimination or restriction on the basis of race, religion, marital status, age, color, sex, sexual orientation, physical condition, disability, national origin or ancestry and that the construction and operation of the Development shall be in compliance with all effective laws, ordinances and regulations relating to discrimination on any of the foregoing grounds.

Nothing in this section shall prohibit discrimination based on age or family status with respect to housing for older persons as permitted by applicable federal and state law.

ARTICLE XI NO PERSONAL LIABILITY

Under no circumstances shall any officer, official, commissioner, director, member, partner or employee of the Authority, have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability. The limitation on personal liability included in this Section shall extend to Developer's assignment of this Agreement to a partnership or to a limited liability company consistent with Article VII.

ARTICLE XII MISCELLANEOUS PROVISIONS

Section 12.01 Cooperation With Grants. If necessary, Developer shall work with and cooperate with Authority in providing data and information necessary for Authority to comply with the provisions or requirements in connection with a State or Federal grants applicable to and benefiting the Development.

Section 12.02 Entire Agreement. This document contains the entire agreement between Developer and the Authority and it shall inure to the benefit of and shall be binding upon the parties hereto and the respective heirs, executives, successors and assigns. This Agreement may be modified only by a written Amendment signed by the parties, which Amendment shall become effective upon the recording in the Office of Register of Deeds for Portage County.

Section 12.03 Survival of Warranties, Representations and Agreements. Any warranty, representation or agreement herein contained shall survive the Closing.

Section 12.04 Governing Law. The internal laws of the state of Wisconsin shall govern

this Agreement.

Section 12.05 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions of this Agreement.

Section 12.06 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 12.07 Severability. If any provisions of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section 12.08 Termination. This Agreement and all obligations, hereunder, shall terminate upon the construction of the project as set forth in Section 2.03.

Section 12.09 Authority Authorization. The execution of this Agreement by the Authority was authorized by resolution of the Community Development Authority adopted 16th day of August, 2010.

IN WITNESS WHEREOF, the parties have duly executed this Agreement, or caused it to be duly executed, as of the ____ day of _____, 20__.

By: _____

Date: _____

By: _____

Date: _____

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

By: _____

Date: _____

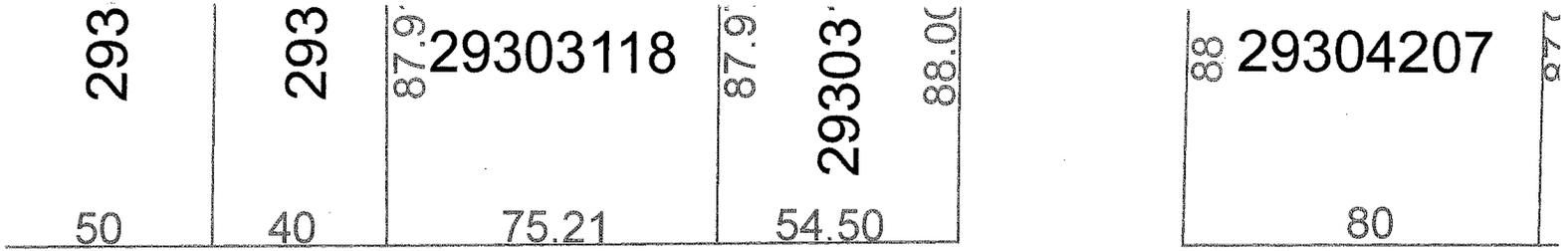
Andrew Halverson, Chairperson

Attest: _____

Date: _____

James Hamilton, Secretary

Exhibit A



PORTAGE ST



City of Stevens Point
1515 Strongs Avenue
Stevens Point, WI 54481-3594
FAX 715-346-1683



John J. Schlice
Comptroller/Treasurer
CMFA-CMTW

715-346-1573

e-mail: jschlice@stevenspoint.com

November 9, 2010

To: Director Michael Ostrowski
From: C/T Schlice
Re: 1000 Third St

As risk manager for the City of Stevens Point I am greatly concerned with the property condition of 1000 Third St which is owned by the City of Stevens Point. The City currently has barricades posted outside the building because the building is literally falling apart. My concern is what will happen when the winter rains penetrate parts of the building and freeze which has the potential for additional building deterioration.

I request that you send the building inspectors to the site for a complete evaluation of the integrity of the building and safety concerns of the building deteriorating and falling onto the sidewalk which causes a great exposure to injury of bypassing pedestrians and vehicles.

From my perspective as risk manager I feel the best current alternative for this building would be immediate demolition.

Michael Ostrowski

From: Jim Zepp
Sent: Wednesday, November 10, 2010 11:49 AM
To: Michael Ostrowski
Subject: Inspection of Eagle Plumbing building
Attachments: IMG_0294.JPG; IMG_0295.JPG; IMG_0296.JPG; IMG_0297.JPG; IMG_0298.JPG; IMG_0299.JPG; IMG_0300.JPG; IMG_0301.JPG; IMG_0302.JPG; IMG_0303.JPG; IMG_0304.JPG; IMG_0305.JPG; IMG_0306.JPG; IMG_0307.JPG; IMG_0308.JPG; IMG_0309.JPG; IMG_0310.JPG

November 10, 2010

Michael,

As per our inspection today at 1000 Third St. (former Eagle Plumbing Building) we observed the following conditions:

- 1) Exterior foundation cracking and deteriorating
- 2) Exterior parapet wall deteriorated and in an unsafe condition
- 3) Exterior walls show structural cracking in several locations
- 4) Exterior chimney in an unsafe and deteriorated condition
- 5) Numerous holes in walls and roof
- 6) Some roof rafters have been cut and are in an unsafe condition
- 7) Interior walls, plumbing and electrical in an unsafe and deteriorated condition
- 8) Windows not in a sound and weather tight condition
- 9) Interior stairs in an unsafe condition
- 10) Interior floor not in a sound condition in certain locations

Overall evaluation: The building is in an unsafe and deteriorated condition and would require more than fifty percent of its assessed value to repair and reconstruct to meet the requirements of the International Existing Building Code. Our recommendation is to raze the structure to avoid liability and ensure the safety of the general public.

Jim Zepp
Building Inspector
City of Stevens Point
Point

Brent Curless
Building Inspector
City of Stevens



