

**JOINT SPECIAL COMMON COUNCIL/COMMUNITY DEVELOPMENT
AUTHORITY MEETING**

**Lincoln Center
1519 Water St**

**September 7, 2010
7:00 p.m.**

Mayor Andrew Halverson, Presiding

Council

Roll Call: Alderpersons Mallison, Suomi (8:10 p.m.), O'Meara, M. Stroik, Slowinski, Trzebiatowski (7:06 p.m.), Molski, R. Stroik, Brooks, and Moore.

Excused: Alderperson Wiza.

Mr. Hamilton called the roll of the CDA Board of Commissioners.

CDA Members Present:

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

Member(s) Not Present:

Mr. Hans Walther
Mr. Paul Adamski

Also

Present: Mr. Michael Ostrowski, Director, Office of Community Development; Mr. James R. Hamilton, Executive Director/Secretary, Community Development Authority and Mr. Louis Molepske, City Attorney, City Clerk Moe, Director Lemke, Reid Rocheleau, Mathew Brown, Ward Wolff, David Senfeld, Cathy Dogan, Gary Dreier, Carol Laskowski, Shari Laskowski, Eric Belke, Eric Hofmeister, Pam Kolasinski, Paul Wachowiak, Rich Sommer, Sarah Robinson, Sarah Wallace, Jim Belke, Brian Kowalski.

2. Consideration of the August 16, 2010 meeting minutes of the Community Development Authority.

Ms. Kranig moved to approve the minutes from August 16, 2010. Mr. Hanson seconded the motion.

All ayes, nays none.

3. Public Hearing – Application for Community Development Block Grant (CDBG) Funds - The City of Stevens Point will conduct a public hearing regarding its proposed

application for Community Development Block Grant (CDBG) funds for downtown area redevelopment and/or revitalization projects. The public is invited to attend to learn about the CDBG program, to help identify additional local housing and community development needs, and to comment on the activities proposed to be included in the CDBG application.

The agenda for the public hearing is:

- a. Identification of total potential funds.**
- b. Eligible CDBG activities**
 - i. Economic Development**
 - ii. Public Facilities**
 - iii. Housing**
 - 1. Rehabilitation**
 - 2. Homebuyer Assistance**
 - 3. Special Housing Projects**
- c. Presentation of identified housing and community development needs.**
- d. Identification of housing and community development needs by public.**
- e. Presentation of activities proposed for CDBG application, including potential residential displacement.**
- f. Citizen input regarding proposed and other CDBG activities.**

Before declaring the public hearing open, Chairman Halverson gave a brief overview of the agenda for the public hearing. Mr. Ostrowski said the Finance Committee and Common Council approved the submission of an \$800,000 grant request in June of this year. However, the Council needs to approve a resolution and hold a public hearing prior to submitting the grant application. This grant application will also include additional projects not originally included in June. Chairman Halverson opened the public hearing.

Identification of total potential funds.

Mr. Ostrowski explained that the maximum award limit is \$750,000, although seldom is more than \$500,000 or 50 percent of the local share of the costs (whichever is less) awarded. The City did receive \$750,000 in 2009 for well #11. The \$750,000 will be what the City will be applying for.

Eligible CDBG activities.

Mr. Ostrowski said the Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of unique community development needs.

He said there are three main categories:

Housing - loans for low to moderate income families for necessary repairs and loans to landlords to make improvements to their buildings with the condition that the building be available to moderate and low income families.

Economic Development - grants to communities to create a revolving loan fund to assist with business expansion and creation of living-wage jobs.

Public Facilities - an aid program for public facilities.

With regards to the Public Facilities category, the program is done on an on-demand basis and has a matching fund requirement. Projects must benefit moderate to low income households either through removing blight, targeting a specific area that has a concentration of moderate to low income, or has a community-wide benefit. The City's project qualifies under the removing blight section.

He said under the Public Facilities category, the program that the City will apply through, there is a section for Downtown Revitalization Grants.

Presentation of identified housing and community development needs.

Mr. Ostrowski outlined the housing and community development needs for the City, many of which came from the City's Comprehensive Plan. The following needs were addressed:

- The City has a higher representation in the young and elderly population, and a lower representation in the typical higher wage-earner segment of the population than the Village of Plover or Portage County.
- The City has roughly a 50/50 split between family households and non-family households.
- The City has a higher representation in the lower income brackets compared to our peer communities, and has a lower representation in the upper income brackets compared to our peer communities.
- The City has a higher percentage of households below the poverty rate than the Village of Plover or Portage County.
- The City has a higher percentage of renter occupied housing than the Village of Plover or Portage County.
- The City has a much older housing stock compared to the Village of Plover or Portage County.

Identification of housing and community development needs by the public.

Chairman Halverson asked if anyone wished to address the Council.

The first to testify was Catherine Dugan, 615 Sommers Street, Stevens Point. Ms. Dugan suggested the City should convert multi-family housing to single-family housing. She said there should be assistance provided for buyers who will convert such housing as an incentive.

She said the City should restore some of the older, larger buildings such as the Castle, Fox Theater, and Belke Lumber building. She suggested the Castle or Belke could be used for

boutique apartments or a museum. She said the City should concentrate on developing vacant land for low-density condos with a “period” theme. Ms. Dugan said the City should look at allowing on-street parking or even a parking ramp. She said new construction should have underground parking.

Ms. Dugan said housing development should be for all income groups. She said there should be a grocery store, indoor recreation and that architecture should be a mix of old and new.

The next to testify was Rich Sommer, 4224 Janick Circle, Stevens Point. Mr. Sommer said there should be more emphasis on creating jobs than building apartments. He said much of the property the CDA is looking to buy is contaminated and will require remediation. He said there should be a market study if more housing is being considered.

The next to testify was Reid Rocheleau, 408 Cedar Street, Whiting. Mr. Rocheleau said he felt all of the low-income housing needs had been met. He said we need more and better jobs. He said he felt the Belke property should be turned into a museum. He said there should be more green space and a community garden. He also said there should be something developed that pays taxes.

Next to speak was Paul Wachowiak, 1620 Meadow View Lane, Stevens Point. Mr. Wachowiak said there should be an emphasis on rehabbing older, owner-occupied housing. He said as a banker, he sees a lot of properties that need rehab. He said generally there should be more done to improve the existing housing stock.

That concluded the public comments on the CDBG needs identification.

Presentation of activities proposed for CDBG application, including potential residential displacement.

Chairman Halverson then asked Mr. Ostrowski to specifically identify what was going to be asked for in the CDBG application.

Mr. Ostrowski said the CDBG application includes the potential acquisition and clearance of six (6) properties:

- 1016 Third St (Belke House)
- 1013 Second St (Belke Lumber)
- 1008 Union St (Dunrite)
- 1105 Second St (Jerry's Auto)
- 1043 Union St (RDS)
- 1220 Briggs Ct (Sorenson's)

He said the application is also asking for potential environmental testing and remediation of six (6) properties:

- 1013 Second St (Belke Lumber)
- 1008 Union St (Dunrite)

- 1105 Second St (Jerry's Auto)
- 1043 Union St (RDS)
- 1220 Briggs Ct (Sorenson's)
- 1017 Third St (Lullaby)

Mr. Ostrowski concluded by saying the application also asked for site/building improvements of the Centerpoint Marketplace area. He said with the cooperation of the Centerpoint Marketplace owners, potential projects include the re-establishing of Third Street, parking lot improvements, and activities to make the site more marketable.

He said it is not anticipated that there will be any residential displacement. The only current residential home that may be acquired is located at 1016 Third Street, and it is believed to be vacant. If not vacant, then the City/CDA will follow the proper relocation procedures, as outlined in state statutes and the relocation plan.

Mr. Ostrowski completed his remarks by saying the estimated total cost of activities is \$1,511,000 (\$750,000 grant and \$761,000 local share). He directed those present to the application for an outline of the estimated costs and the specifics in terms of costs and project narratives.

Citizen input regarding proposed and other CDBG activities.

Chairman Halverson then asked if any citizens wished to comment on the CDBG activities.

The first to speak was Reid Rocheleau, 408 Cedar Street, Whiting. Mr. Rocheleau said he did not believe the properties identified in the application were blighted. He said the application assured the owners of the properties to be acquired would get top dollar for property. He said they were worth far less than the proposed purchase price.

Mr. Rocheleau urged the City not to buy Sorenson's (1220 Briggs Court) or Belke's (1013 Second Street). He said a private buyer would buy them and certainly not pay what the City is contemplating.

He said the City says it wants to make the properties "buyer ready". He said the City's definition of "buyer ready" is to tear everything down and then offer it to a developer for \$1.00.

Mr. Rocheleau said all that is being proposed is to build more low-income housing and he did not feel we needed more of that housing.

He concluded by saying the Council should just say no to the application, the property is polluted, and that the private sector will take care of it.

The next speaker was Jim Belke, 3319 Linwood Springs, Stevens Point. Mr. Belke gave a history of the Belke family and the building located at 1013 Second Street. He complained that he never saw any plans for the area and that he feels his uncle (the owner of 1013 Second Street) is being taken advantage of. He said the property his uncle owns is worth \$900,000 but that the City is only offering \$113,000. He said he felt the City was trying to steal it from his family.

He also asked the City to reject the application.

As a point of clarification, Alderman Trzebiatowski asked Chairman Halverson if all of the information about the CDBG application was on the City's web site. Mr. Halverson replied, yes.

Alderman O'Meara followed-up by asking if all of the property owners, whose property was involved in the application, were notified of the application. Mr. Halverson said a letter was provided to all property owners of the properties that the City was wishing to acquire, along with a copy of the public hearing notice and the Wisconsin relocation pamphlet.

The next to testify was Paul Wachowiak, 1620 Meadow View Lane, Stevens Point. Mr. Wachowiak said he did not believe there was enough of a plan for the entire area to warrant buying the properties identified in the application. He said the City needs to get its ducks in a row by including the mall, before it moved ahead with the application.

He said as far as the Lullaby site (1017 Third Street) was concerned, he felt the City's purchase was too sweet of a deal for the previous owner. He said there are environmental issues that the City must deal with, and the previous owner should have been held accountable for. He said in terms of the other properties involved he felt the City will pay too much for those properties too, because it is the only buyer. He said the properties would sell for much less with the City out of the picture.

Chairman Halverson asked if anyone else wished to address the Council on the CDBG application. No one else from the public wished to be recognized. The public hearing was declared closed.

4. Discussion and possible action on a resolution authorizing the submission of a Community Development Block Grant application for downtown area redevelopment and/or revitalization projects.

Mr. Halverson asked for a motion to authorize the submission of a Community Development Block Grant application for downtown area redevelopment and/or revitalization projects.

Ald. R. Stroik **moved**, Ald. Brooks seconded, to move forward with the resolution authorizing the submission of a Community Development Block Grant application for downtown area redevelopment and/or revitalization projects.

Mr. Halverson asked if any Council member had any questions or comments on the resolution.

Alderman Stroik asked how the cost of the environmental work was determined.

Mr. Halverson said a local firm provided the estimates for the project. These estimates were based off of their best guess on what they believed the contamination level to be on each of these properties.

Alderman O'Meara asked if he correctly understood that the resolution was for authorizing the submission of a CDBG application, not necessarily the individual components.

Mr. Halverson replied that that was correct; the resolution was authorizing the submission of an application.

Alderman Brooks ask how much flexibility the City would have if the application was approved.

Mayor Halverson said that the grant was property specific, so that properties could be subtracted from the project but ones not identified in the application, could not be added later.

Alderman Stroik asked how the value of the properties was determined.

Mr. Ostrowski indicated that the fair market value of the property as established by the City Assessor's Office was used to determine the amount.

Mr. O'Meara asked how the appraisal approach worked for securing property.

Mr. Halverson said the owner and City would agree on having an appraisal done and if the owner was satisfied with the value, a deal would be struck. He said the owner could ask for a second appraisal if he felt the first one was deficient. He said if all else failed, the City might need to condemn the property through eminent domain, but that he did not want to use this method to acquire the properties.

Alderman Stroik said he did not see anyone from the private sector stepping forward to develop these properties, so he felt the project should move forward.

Alderman Moore said he did not want to use condemnation or eminent domain to acquire properties.

Mr. Halverson said he hoped good faith negotiations would secure the properties but they may not be able to avoid condemnation altogether.

Alderman O'Meara said he is confident the process will be fair.

Alderman Mallison said the resolution should be approved but that he wants to look more closely at the specific properties when it comes time to act. If the application is approved by the State, he asked, how long does the City have to spend the money?

Mr. Ostrowski said the project will likely be completed within two years from the time it is approved.

Alderman Slowinski asked which body, the Council or CDA, will ultimately approve the project if the application is approved.

Mr. Halverson said the CDA will decide what will be done, but that the City will control the grant money.

There being no further discussion the vote was taken.

Roll Call: Ayes: Mallison, O'Meara, M. Stroik, Slowinski, Trzebiatowski, Molski, R. Stroik, Brooks, and Moore.
Nays: None.
Obstain: Suomi. Motion adopted.

5. Review for Approval: Resolution 10-5: Transfer of the Community Development Authority of the City of Stevens Point's Section 8 Voucher Program to the Portage County Housing Authority.

The next item on the agenda was review for approval, transfer of the Community Development Authority of the City of Stevens Point's Section 8 Voucher Program to the Portage County Housing Authority.

Chairman Halverson asked Mr. Hamilton to brief the Board and answer any questions.

Mr. Hamilton said about twenty (20) years ago The Stevens Point Housing Authority (SPHA) entered into an agreement with the Portage County Housing Authority (PCHA) to have the County manage the City's Section 8 Vouchers. He said he feels they have done an excellent job running "our" vouchers, but that continued inefficiencies could otherwise be eliminated if we simply transferred the vouchers to the County once and for all.

He said PCHA must, for instance, prepare a separate budget, and keep separate records and reports, for both voucher programs. He said the CDA must pay to have the voucher program audited each year because we maintain bank accounts for receiving and dispersing voucher funds. He said there is no advantage for us to keep this program in our name and recommended approval.

It was moved by Commissioner Molski, seconded by Commissioner Kranig, to approve Resolution 10-5: Transfer of the Community Development Authority of the City of Stevens Point's Section 8 Voucher Program to the Portage County Housing Authority. There being no further discussion the Chair called the question.

Ayes all, nays none

6. Community Development Authority consideration of Valley Sales request for a partial mortgage release.

Mr. Ostrowski said Valley sales wishes to sell off approximately 5 acres on the north side of their property to facilitate the creation of a duplex development. He said they also want to dedicate the existing southern driveway to the City of a public street.

Mr. Ostrowski said since the CDA is a mortgage holder; it must approve the partial release.

It was moved by Commissioner Cooper, seconded by Commissioner Kranig, to approve the partial release of the mortgage for the stated purpose. There being no further discussion the Chair called the question.

Ayes all, nays none

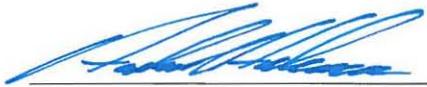
7. Motions by the Common Council and Community Development Authority to enter into executive session pursuant to Section 19.85(1)(e) & 19.85(1)(g) on the following item: conferring with legal counsel with respect to Dial-CenterPoint, et al litigation.

Ald. Trzebiatowski moved, Ald. Brooks seconded, to enter into executive session.

Roll Call: Ayes: Mallison, Suomi, O'Meara, M. Stroik, Slowinski, Trzebiatowski, Molski, R. Stroik, Brooks, and Moore.
Nays: None. Motion adopted.

On behalf of the CDA, the item was so moved by Ms. Molski, seconded by Mr. Hanson. The Secretary called the roll.

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



Chairman



Date



Secretary



Date