

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

Wednesday, January 23, 2013, 12:00 PM
City Conference Room
1515 Strongs Avenue, Stevens Point, WI 54481

PRESENT: Chairperson Halverson, Commissioner Adamski, Commissioner Hansen, Commissioner Molski, Commission Cooper, and Commissioner Onstad.

Excused: Alderperson Beveridge.

ALSO PRESENT: Executive Director Michael Ostrowski, Public Housing Manager Donna Bella, Economic Development Specialist Kyle Kearns, Maintenance Supervisor John Neidbalski , Alderperson M. Stroik, Alderperson Slowinski, Barb Jacob, Jim Mendyke, Krista Mendyke, Nancy Thiede, Janet Zander, and Sam Levin.

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1. Roll call.

Discussion and possible action on the following:

2. Allowing the refinance of a mortgage for Christopher and Tonya Kowalski, 619 Franklin Street.
3. Authorization to use a portion of the funds received from Marshfield Clinic, to construct the utilities as per the development agreement.
4. Authorization to use the remaining balance of the funds received from Marshfield Clinic to construct the parking lot and green area to the south of the former Dunham's building, east of Third Street, north of Main Street, and west of Shopko.
5. Authorization to use the funds received from the sale of the former Dunham's property and adjacent property to construct the parking lot and green area to the south of the former Dunham's building, east of Third Street, north of Main Street, and west of Shopko.
6. Authorization to apply for, and accept if awarded, Brownfield Remediation and additional Site Assessment Grant funds.
7. Determination of the future status of Edgewater Manor, including the potential selling, bidding, and/or marketing of the property.
8. Adjourn.

1. Roll call.

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

Not Present: Beveridge.

2. Allowing the refinance of a mortgage for Christopher and Tonya Kowalski, 619 Franklin Street.

Director Ostrowski stated that typically subordination agreements are reviewed at the staff level, however, due to the specifics and details surrounding this request, mainly the inclusion of

delinquent taxes, it is provided to the Board for their consideration. Furthermore, the request incorporates the escrow of taxes in a new loan with a lower interest rate.

Nancy Thiede, CAP services, commented on the applicant's financial stability at this time.

Commissioner Molski asked when the property was purchased, to which Nancy Thiede, CAP Services, responded it is unknown.

Motion by Commissioner Adamski approve the request to refinance the mortgage with the inclusion of delinquent taxes; seconded by Commissioner Hanson. Motion carried 6-0.

3. Authorization to use a portion of the funds received from Marshfield Clinic, to construct the utilities as per the development agreement.

Chairperson Halverson summarized the developer's agreement between the City and Marshfield Clinic.

Director Ostrowski said the estimated cost for the extension of utilities is \$40,000.

Motion by Commissioner Molski to authorize the use of a portion of the funds received from the Marshfield Clinic to construct the utilities as per the development agreement; seconded by Commissioner Onstad. Motion carried 6-0.

4. Authorization to use the remaining balance of the funds received from Marshfield Clinic to construct the parking lot and green area to the south of the former Dunham's building, east of Third Street, north of Main Street, and west of Shopko.

Motion by Commissioner Molski to authorize the use of a the remaining balance of the funds received from Marshfield Clinic to construct the parking lot and green area to the south of the former Dunham's building, east of Third Street, north of Main Street and west of Shopko; seconded by Commissioner Cooper. Motion carried 6-0.

5. Authorization to use the funds received from the sale of the former Dunham's property and adjacent property to construct the parking lot and green area to the south of the former Dunham's building, east of Third Street, north of Main Street, and west of Shopko.

Motion by Commissioner Molski to authorize the use of funds received from the sale of the former Dunham's property and adjacent property to construct a parking lot and green area to the south of the former Dunham's building, east of Third Street, north of Main Street, and west of Shopko; seconded by Commissioner Hanson. Motion carried 6-0.

6. Authorization to apply for, and accept if awarded, Brownfield Remediation and additional Site Assessment Grant funds.

Director Ostrowski reviewed the site assessment project funds that were already granted by the Wisconsin Economic Development Corporation (WEDC) and explained the potential for additional site assessment and brownfield remediation funds available through the WEDC.

Commissioner Hanson asked for a summary of the testing performed on the site thus far, to which Director Ostrowski responded by stating initial vapor and soils sampling has been performed.

Motion by Commissioner Adamski to authorize the application for and acceptance of, if awarded, Brownfield Remediation and additional Site Assessment Grant funds; seconded by Commissioner Hanson. Motion carried 6-0.

7. Determination of the future status of Edgewater Manor, including the potential selling, bidding, and/or marketing of the property.

Director Ostrowski said that the Finance Committee and Common Council denied the development agreement with Seramur Family Limited Partnership. Therefore, this item is being brought back to the Board for further consideration.

Commissioner Hanson displayed his interest to sell the property. Commissioner Molski added that sealed bids outlining improvements and project value should be taken. Chairperson Halverson responded by providing bid requirements, which include purchase price, use, added investment for renovations, proposed future value, parking accommodations, City incentives, financial guarantees, and current tenant accommodations.

Executive Director Ostrowski stated that if the CDA were to maintain ownership and remodel the building it would cost approximately \$1.8 million of borrowed money with at a likely interest rate of 2.5%-3%. He indicated that in the early years, the CDA may see some losses, but in later years, he projects that the CDA would likely make money.

Commissioner Adamski commented that he is in agreement to accept sealed bids with a time frame of no less than 30 days or up to 45 days. A letter of credit should also be submitted along with the bid.

Chairperson Halverson stated that for the building to be marketable, the senior restriction would most likely have to be lifted. Furthermore, he stated that if the property remains within the hands of the CDA, for the first 6 or 7 years all interest income earned off of the trust funds will be lost investment due to the renovation and remodel costs that the building requires.

Public Housing Manager Bella commented that she spoke with the head of the state's Division of Housing , as well as the Wisconsin Housing and Economic Development Authority in order to try to receive funds to subsidize the housing for Edgewater Manor, however was rejected by both because those funds are not available or the property and City do not qualify for them.

Chairperson Halverson cited the housing study, stating that it identified the need for public housing and provided recommendations as how to best provide that housing, mainly working with private the sector.

Director Ostrowski stated that we should at least provide 60 days for the submittal period, as it may take some time for potential purchasers to put together a response to the RFP.

Motion by Commissioner Molski to open a 60-day bid period, using the request for proposals method which would outline the submittal requirements of bid packages, for the purchase and redevelopment of the property known as Edgewater Manor; seconded by Commissioner Cooper. Motion carried 6-0.

9. Adjourn.

Meeting adjourned at 12:31 PM.

Chairperson

Date

Secretary

Date