

**City of Stevens Point  
SPECIAL JOINT COUNCIL/REDEVELOPMENT AUTHORITY MEETING**

**Lincoln Center  
1519 Water Street**

**June 9, 2014  
5:30 P.M.**

**Mayor Andrew J. Halverson, presiding**

**Council**

**Roll Call:** Ald. Doxtator, Wiza (5:32), M. Stroik, Slowinski, Trzebiatowski, Patton, R. Stroik, Phillips, Moore, O'Meara.

**Excused:** Ald. Suomi.

**Redevelopment  
Authority**

**Roll Call:** Mayor Halverson, S. Sawyer, M. Molski, R. Stroik, C. Dugan

**Also Present:** City Atty. Beveridge, City Clerk Moe; Comptroller/Treasurer Ladick; Directors Schrader, Ostrowski and Schatschneider; Interim Chief Finn; Asst. Chief Zenner; Human Resource Manager Jakusz; Assessor Shepro; Deputy Comptroller/Treasurer Freeberg; Jeremy Sloins; Scott Gulan; Barb Jacob; Sari Lesk; Nate Ewald, Thomas Valenta.

**Discussion of maintenance needs and financial projections of Edgewater Manor (Discussion Only).**

Mayor Halverson said the Redevelopment Authority owns and operates the Edgewater Manor; however, the Common Council has the authority to weigh in on this proposal. Financial projections are an item that needs to be discussed to determine how this moves forward.

Dir. Michael Ostrowski stated the Redevelopment Authority approved a temporary fix at last month's meeting. There are concerns with the façade as it is pulling away from the structural frame of the building. An engineer reviewed the status. One recommendation was complete removal of the façade while another advised selective replacement as needed. The Redevelopment Authority was willing to go through with some of the selected repairs; however, the Wisconsin Director of the National Masonry Institute noted this was the worst he has seen in years. This prompted the Redevelopment Authority to act on a temporary solution, which was essentially taking fasteners and fastening the façade to the building. This will buy the City/RDA about 1 to 2 years. After this time, the recommendation is to remove the façade. There were several options discussed including repairing just the façade, repairing the façade and windows, and selling the facility. Estimates have been received from an architect and range anywhere from \$800,000 to approximately \$3.2 million. If consideration is given to selling the property, there would need to be a caveat that the buyer is aware of the current state of the facility. There are some tax credit options available however there are some disadvantages to these.

Ald. Wiza asked how long would it take to put out an RFP to get other opinions.

Dir. Ostrowski stated that an RFP could be prepared but the cost is unknown and the City would probably have to pay for another estimate. He said he was very comfortable with the architect that they had been working with.

Ald. Phillips stated that Edgewater has had more than its share of problems. The City needs to consider its options including cutting our losses or bringing the facility up to as good as possible.

Dir. Ostrowski stated that Candlewood has been in there for approximately 6 months and they have done a phenomenal job. There have been no real complaints and everybody likes them. The facility is well kept and clean. The amount of investment that is needed to bring the building up to a marketable condition would be challenging as the City would need to realize about a 95% occupancy rate. He feels that even getting to this point the City would see some significant losses every year.

Ald. Phillips asked if residents receiving vouchers can use them anywhere.

Dir. Ostrowski replied that he is correct. About half of Edgewater's residents have vouchers and they could take those vouchers to any property within Portage County.

Ald. Phillips stated he looked at the appliances and believes the cost estimates presented are not accurate numbers. He said that he went to a reputable appliance dealer here in Stevens Point and looked at appliances for an apartment: a stove, refrigerator, dishwasher, a stackable washer and dryer; the total comes up to \$3,000.

Dir. Ostrowski responded saying that his numbers include the wall pack that would be installed for the air conditioning unit and is similar to that of a hotel room. This is a major cost.

Ald. Phillips questioned if each unit has a washer and dryer.

Dir. Ostrowski answered no.

Ald. Phillips believes the appliance costs are suspect and that the total cost should be lower than the \$3.1 million.

Ald. R. Stroik stated the City had several bids to purchase the building where the individuals did an inspection before they submitted an offer. None of the bidders noted any concern with the façade. He would like to see more than opinion in order to truly understand what the City is dealing with. He would like to have a second opinion.

Dir. Ostrowski said we had W.J. Higgins, the engineer, went through it twice and the Wisconsin Director of the International Masonry Institute went through it as well. He said hiring another engineer to go through the facility could be put on another agenda. There are other benefits besides a new façade, such as insulation and windows.

Mr. Sawyer asked about the age of the building.

Dir. Ostrowski responded that it was built between 1978-1979.

Dir. Ostrowski stated that the windows were caulked. When they drilled it, some water was released but they did caulk it. When talking about the facade, we are talking about everything from the top down.

Ms. Dugan stated that with major work of approximately \$3 million, the City needs to ask if we can afford it and what is our borrowing power as well as why we should keep it. The reasons remain the same, it is for an elderly, low income population who want to live independently in their own small apartments, but also want to be communal. This particular location is directly across from the street from the senior center, close to the library, bus, churches and the river.

Mayor Halverson stated that the only way this would work is if the City had some significant tax credit partners where we could create multiple subsets, very similar to what we did with the High Rise. But in this case the competitiveness of the tax credits that are out there, the way that they would be structured, and the time to be able to do that would be quite remarkable. He said he does not think the City is in a position to engage in subsidized senior housing without any tax credit participation or HUD participation. He believes this does not make sense given the amount of debt the City would need to take on to do this project. For the building to be successful he believes the City would have to lift the senior restriction. At that point, we are talking about an apartment building and he does not think the City has any business being in the market rate apartment business.

Ald. Wiza believed Ald. Stroik brought up good ideas and that putting out an RFP would not do any harm. He feels the City does not need to hire an architect or engineer since through the RFP process the Council could see what alternatives might be available. Ald. Wiza suggested the City put out an RFP for a repair and/or replacement to the façade to set everyone's minds at ease that the City is thoroughly inspecting the building and exploring all of the options before a decision is made.

Ald. R. Stroik asked how much time would be involved.

Dir. Ostrowski stated that the City would have to pay for an opinion from a structural engineer on whether or not the façade needs to be replaced. The Council can get the replacement costs per square footage for replacement windows, insulation, etc., but would likely need to hire another engineer to do an evaluation on the facility and write a report indicating what they felt was occurring and their recommendations.

Ald. O'Meara stated getting a structural engineer to look at the whole building is a good idea as the Council should know what is happening with the entire building.

Ald. Trzebiatowski said he agreed.

Ald. R. Stroik stated the company with the highest bid to purchase the property is still interested in the building, but would not go through another RFP process. He asked the City Attorney or the Director if there would be any reason why the City couldn't reconsider the original bid and allow them to do their own structural analysis and come back with an offer.

Mayor Halverson said the City would have to open it up for any and all offers.

Ald. Stroik suggested a motion to reconsider, but knows the motion could not be made at this meeting as it is for discussion purposes only.

Mayor Halverson said the City tried that once and he disagrees with Ald. Stroik.

Ald. O'Meara stated he would still like to have a structural engineer review Edgewater. If the building needs to be razed, it is better for the City to raze it and keep the riverfront and redevelopment. It's much better if everybody knows its condition.

Mr. Sawyer said he is concerned with the idea of allowing the previous high bidder to come in and not put forward any new information as new issues have developed since their last proposal. While a company might be willing to overlook and take a gamble on it, he does not know if that is best for the City. He said he is interested in knowing what the other possibilities are and feels it is not always about money. He believes the Council has to factor in the real benefit to the community as a whole in having this facility. There is a social and cultural value that you cannot necessarily put a dollar figure on.

**Adjournment.**

Meeting adjourned at 6:06 p.m.