



MINUTES

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

Date and Time:	May 13, 2014 4:00 PM	Location:	County/City Building City Conference Room 1515 Strongs Avenue Stevens Point, WI 54481
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Present: Chairperson Halverson, Alderperson R. Stroik, Commissioner Adamski, Commissioner Molski, Commissioner Schlice and Commissioner Dugan

Excused: Commissioner Sawyer

Also Present: Executive Director Ostrowski, Comptroller / Treasurer Corey Ladick, Gary Labs, Shea Gorzelanczyk, Travis Haines, Jon Bailey, and Joshua Brandt.

Index

1. Roll call.

Discussion and possible action on the following:

2. Approval of the minutes from the April 8, 2014 Redevelopment Authority meeting.
 3. Approval of financial reports, claims, and statements from February, March, and April 2014.
 4. Edgewater Manor façade and window project.
 5. Award contract for Edgewater Manor needs analysis.
 6. Recommendation of Plan Commission of May 5, 2014 relating to granting of easements to AT&T and Charter Communications.
 7. Motion to enter into closed session under 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, relating to:
 - a. Request from AT&T for an easement to the east of Third Street extended for the purposes of extending utilities.
 - b. Request from Charter Communications for an easement to the west of Strongs Avenue extended for the purposes of extending utilities.
 8. Reconvene into open session (approximately 15 minutes after entering into closed session) for possible action relating to the above.
 9. Executive Director's update (informational purposes only)
 10. Adjourn.
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1. Roll call.

Present: Halverson, Stroik, Adamski, Molski, Schlice, Dugan

Discussion and possible action on the following:

2. Approval of the minutes from the April 8, 2014 Redevelopment Authority meeting.

Motion by Alderperson R. Stroik to approve the minutes; seconded by Commissioner Molski. Motion carried 6-0.

3. Approval of financial reports, claims, and statements from February, March, and April 2014.

Motion by Commissioner Schlice to approve financial reports, claims, and statements from February, March, and April 2014; seconded by Commissioner Adamski. Motion carried 6-0.

4. Edgewater Manor façade and window project.

Director Ostrowski explained that with the Edgewater Manor project, we have received reports including one from W.J. Higgins that a complete façade removal will likely be necessary. In addition, another company has come in and did some analysis on the building as well, and recommended selective brick replacement and sealant of windows, but not necessarily a complete façade replacement. After Director Ostrowski drafted and released the RFP for selective brick replacement and caulking, no proposals were submitted. Director Ostrowski then spoke with an architect that previously submitted a bid and it was the architect's recommendation to contact an individual at the International Masonry Institute for a recommendation on the façade situation. The response from the Wisconsin Director was included in the packet, and it was indicated that the façade movement is one of the worst that he has seen. Director Ostrowski then contacted W.J. Higgins to take another look at the facility. Director Ostrowski also had security fencing placed around the building as a precaution, which was a recommendation by W.J. Higgins. While there was no evidence that any bricks were ready to fall, he wanted to take all the necessary precautions.

Josh Brandt, with W.J. Higgins, said during our initial investigation we found areas where the brick veneer seemed to be displaced. Digging into it further, there was a piece within the wall that was installed incorrectly and the mortar has fallen off and is filling up the weep hole area, preventing water from being released. Over time, the moisture would remain in the walls and the freeze and thaw cycle has caused the separation from the structure. It is also made worse with some of the window and caulking issues on the building. The separations and large gaps around the windows are letting large amounts of water into the cavity, which isn't being effectively drained. He believed this is happening for the most part in the winter months.

Mayor Halverson stated what the most alarming thing was when the Director Ostrowski shared an email from the Wisconsin Director of the International Masonry Association and the intensity of his summary and the tone of the summary is why we took all of the precautionary steps. The short term fix is to drill through the façade, reinforce to the studs, and hold the brick in place, which will give it about a year to two years. Mr. Brandt agreed this would be a temporary fix until the building could be assessed further.

Commissioner Schlice asked if there was an estimated cost for all the steps. Director Ostrowski answered we do not have the estimated cost for the caulking around the windows but the cost for the fasteners is about \$21,500. For a long term fix, there are two options for the exterior materials. The first being to remove the façade and replace it with brick veneer at a cost around \$665,000 or option two would be to install an E.F.I.S. as opposed to brick, which is approximately \$440,000. However, when doing that you will likely replace the windows as well, and the estimated cost of window replacement is \$430,000 with either option. That brings us to \$800,000-900,000 on the low end to \$1.1 million on the upper end.

Alderperson Stroik asked when we contemplated selling the building, each of the developers did a site visit and did any of them acknowledge this to be an issue, to which Director Ostrowski answered the way this was discovered, is from noticing that the flashing below the windows was starting to come up.

Mayor Halverson explained if the building would have been sold previously, we would not have had an issue as we and the buyers would have been unaware of the problem. Where now, we know about the issue and we have to deal with it in the short term as well as what will we do in the long term, and how do we deal with the building, how much do we put into it, do we continue to run it, or do we sell it. In the proforma presented, the amount of money invested has increased due to these repairs. We are going to have to look at how we want to proceed.

Director Ostrowski stated the cost he has for the fasteners is approximately \$21,500 including labor, one of the things we have to do first is declare this as an emergency situation because of the bidding requirements.

Mayor Halverson asked the City Attorney if he is comfortable with the responses from the Masonry Institute as well as W.J. Higgins. Attorney Beveridge responded he was alarmed when he was presented the information and stated we can rely on the accuracy of the response from the Masonry Institute.

Motion by Mayor Halverson to recognize this as an emergency situation and authorize the Executive Director to move forward with the temporary repairs to the facility; seconded by Commissioner Schlice.

Director Ostrowski also pointed out that one of the requirements in the Higgins' report indicated the need for canopies over the doorways. Now if we are able to fasten the façade to the building, are those canopies need. He did speak with a company who estimated the work at \$800-900 per doorway with 8 doorways. The canopies could be installed in about a week.

Mayor Halverson asked in terms of Decker starting on the temporary fix, how long it will take to complete, to which Director Ostrowski answered a week to two weeks. Mr. Brandt stated if it will only take a week to two weeks to complete, if the contractor starts around the entrances that would be a solution which the canopies would not need to be installed for the duration of the one or two year period.

Mayor Halverson also explained that if there is asbestos present, he would like to see the estimate for removal prior to proceeding on what the variable cost increase will be. Mr. Brandt added regarding the caulking, this is also considered to be temporary and not long term and there will be little to no disruption of any material that is currently in place. Commissioner Schlice suggested an amendment to the motion of the cost not to exceed a certain amount without having to come back before the board.

Mayor Halverson amended his motion to proceed with the repairs at this point in time which would include the fasteners to the building, the caulking around the windows, not to exceed \$50,000; seconded by Commissioner Schlice.

Alderperson Stroik asked if this assumed that every single brick would have to come off the building and put back on, do we have evidence that every single wall has these traits. Director Ostrowski stated this won't go in every single panel of the wall; there are selective areas on the wall where the fasteners would need to be installed. The long term fix is going to be to rip it all off, and at that time there is efficiency in doing that for replacing the windows and installing air conditioning units to save on utility costs, and that would have to be competitively bid.

Attorney Beveridge pointed out that if you put it in the fasteners, it will not have to be put out for bids, but if you add on the caulking not to exceed the \$50,000, then you will have to put it out for bids. Mayor Halverson asked even from an emergency point of view, to which Attorney Beveridge answered there is the emergency provision. Alderperson Stroik asked if the caulk could be included at cost and done at the same

time, would that be able to meet the emergency provisions, and if not then the caulking would have to be put out for bids.

Roll Call: Yeas - Halverson, Stroik, Adamski, Molski, Schlice, Dugan

Nays - None

Motion carried 6-0.

5. Award contract for Edgewater Manor needs analysis.

Aldersperson Stroik suggested postponing this agenda item, to which Commissioner Schlice stated he disagreed because we will need to know what total cost is, before we make a decision on a long term solution, or whatever we decide before we approve fixing the outside and then there is another issue that arises. Commissioner Adamski pointed out that one of our directions might be on staff recommendations if we would consider selling, then why spend the money and let whoever will buy it incur the cost. Maybe what we need is to have staff come in with recommendations as to what our options will be.

Director Ostrowski explained out of the bids provided, there are two that stand out. Gill Group and Dave Johnson who has worked on other projects, and has supplied the information regarding the cost estimates and has done a great job on all the other projects.

Commissioner Schlice asked if a 10% sampling gives us enough room, to which Director Ostrowski stated it is fairly standard.

Motion by Commissioner Schlice to approve Architects Group Limited as the consultant for the Edgewater Manor needs analysis; seconded by Commissioner Dugan.

Aldersperson Stroik commented he will be voting in the negative feeling we need to pause and wait to see where this fix is and to wait until next month to see what else may be found. Commissioner Schlice stated that is why we want a company to look at the building and get all the numbers.

Mayor Halverson asked Director Ostrowski in terms of where we are with the estimates for the aesthetic improvements specifically in the units, where did these come from. Director Ostrowski stated these numbers came from estimates with the former Maintenance Supervisor and himself. Flooring by square feet, appliances including the wall pack for the air conditioning unit, sink, garbage disposals, and cabinets are pretty standard. Common areas based on square feet, exterior doors, HVAC control systems and what we would need to do. Mayor Halverson stated can't we just assume plus or minus a few percentages, this is what has to be done to the building to truly have it be marketable and appropriate.

Aldersperson Stroik asked if we wanted to market as market rate for top dollar, or we still looking at senior citizen apartments. Director Ostrowski stated that will need to be decided.

Aldersperson Stroik asked the managers what type of experience they have been having with the tenants. Travis Haines of Candlewood answered the tenants have been extremely happy with the changeover. With us being on site more often, and dealing with maintenance requests, that has been very positive for the tenants. As far as changing the age requirement, he would be against that due to the possible loss of current residents. Director Ostrowski also suggested there may be the option of reducing the age requirement by five to ten years to get a larger population of interested persons. Aldersperson Stroik added he has gotten all positive feedback regarding the management of the complex.

Roll Call: Yeas - Schlice, Dugan

Nays – Halverson, Stroik, Adamski, Molski

Motion failed 2-4.

Mayor Halverson stated we will continue to assess the situation and work with the current property managers as well as the contractors doing the temporary fix.

6. Recommendation of Plan Commission of May 5, 2014 relating to granting of easements to AT&T and Charter Communications.

Director Ostrowski explained the Plan Commission recommend approval of the easements for both AT&T and Charter Communications with the exception that we do not need to their approval to do any improvements.

Alderperson Stroik clarified the Plan Commission approved a recommendation on what we the Redevelopment Authority had discussed last month, to which Director Ostrowski stated yes.

Motion by Alderperson R. Stroik to accept the recommendation of Plan Commission; seconded by Commissioner Dugan. Motion carried 6-0.

7. Motion to enter into closed session under 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, relating to:
 - a. Request from AT&T for an easement to the east of Third Street extended for the purposes of extending utilities.
 - b. Request from Charter Communications for an easement to the west of Strongs Avenue extended for the purposes of extending utilities.

Motion by Commissioner Schlice to enter into closed session; seconded by Commissioner Molski.

Roll Call: Yeas - Halverson, Stroik, Adamski, Molski, Schlice, Dugan

Nays - None

Motion carried 6-0.

8. Reconvene into open session (approximately 15 minutes after entering into closed session) for possible action relating to the above.

Motion by Commissioner Schlice to enter into open session; seconded by Commissioner Adamski.

Roll Call: Yeas - Halverson, Stroik, Adamski, Molski, Schlice, Dugan

Nays - None

Motion carried 6-0.

Motion by Mayor Halverson to authorize the Executive Director and the City Attorney to draft license agreements with AT&T and Charter Communications to allow the placement of utilities within the required areas with the following conditions:

- **If in the first ten years the utilities need to be relocated for development needs of the RA, that the Redevelopment Authority would be required to pay for the cost to relocate;**
- **After ten years, AT&T and Charter Communications would be required to pay for the costs; and**
- **Specific parameters should be worked out by the City Attorney and Executive Director;**

seconded by Commissioner Schlice.

Roll Call: Yeas - Halverson, Stroik, Adamski, Molski, Schlice, Dugan

Nays - None

Motion carried 6-0.

9. Executive Director's update (informational purposes only).

10. Adjourn.

Meeting adjourned at 5:07 PM.

Approved:

Andrew J. Halverson, Chairperson

Date

Attest:

Michael Ostrowski, Executive Director

Date