



MINUTES

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

Date and Time:	November 18, 2014 4:00 PM	Location:	Lincoln Center 1519 Water Street Stevens Point, WI 54481
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Present: Chairperson Halverson, Alderperson Phillips, Commissioner Adamski, Commissioner Molski, Commissioner Schlice, Commissioner Sawyer, and Commissioner Dugan

Also Present: Comptroller Treasurer Corey Ladick, City Attorney Logan Beveridge, Travis Haines, Mary Ann Laszewski, Barb Jacob, Mary Meyer, Barbara Scheke, Janet Boatman, Celia Kurszewski, Tom Hetzel, Lori Giese, Stephen O'Donnell, and Frank Klish

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1. Roll call.

Discussion and possible action on the following:

2. Approval of the minutes from the October 1, 2014 and October 20, 2014 Redevelopment Authority meetings, and the minutes of the October 20, 2014 joint City Council / Redevelopment Authority meeting.
3. Approval of financial reports, claims, and statements from August and September 2014.
4. Amendment No.1 - AECOM Agreement for Environmental Services – Remedial Action Services – Former Lullabye Furniture Site, 1017 Third Street, Stevens Point, WI 54481.
5. Modifying the age restriction requirement for tenancy at Edgewater Manor.
6. Extending the contract for property management services for Edgewater Manor with Candlewood Property Management, LLC.
7. Award contract for Edgewater Manor property condition assessment services.
8. Consideration of a request to the Stevens Point Common Council to borrow the needed funds to repair, rehab, and upgrade of Edgewater Manor.
9. Approval of the 2015 budget.
10. Review and modification of Redevelopment Authority bylaws.
11. Election of Redevelopment Authority officers.
12. Adjourn into closed session (approximately 4:45 PM) pursuant to Wisconsin Statutes 19.85(1)(g) to confer with legal counsel with respect to litigation in which the Redevelopment Authority is or is likely to become involved, and Wisconsin Statutes 19.85(1)(e) for the 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 the following:

- a. At tenant lease violation at Edgewater Manor, and
- b. Negotiating the terms of a development agreement for 1017 Third Street.

13. Reconvene into open session (approximately 5:00 PM) for possible action on the above.

14. Adjourn.

1. Roll call.

Present: Halverson, Phillips, Molski, Schlice, Sawyer, Dugan

Discussion and possible action on the following:

2. Approval of the minutes from the October 1, 2014 and October 20, 2014 Redevelopment Authority meetings, and the minutes of the October 20, 2014 joint City Council / Redevelopment Authority meeting.

Motion by Commissioner Schlice to approve the minutes from the October 1, 2014 and October 20, 2014 Redevelopment Authority meetings, and the minutes of the October 20, 2014 joint City Council / Redevelopment Authority meeting; seconded by Alderperson Phillips. Motion carried 6-0.

3. Approval of financial reports, claims, and statements from August and September 2014.

Motion by Commissioner Schlice to approve the financial reports, claims, and statements from August and September 2014; seconded by Alderperson Phillips. Motion carried 6-0.

4. Amendment No.1 - AECOM Agreement for Environmental Services – Remedial Action Services – Former Lullabye Furniture Site, 1017 Third Street, Stevens Point, WI 54481.

Executive Director Ostrowski explained when we first approved the agreement with AECOM for the environmental remediation services for the Lullabye property, they had indicated that there would be an amendment for the excavation of the soil. Requests were sent to several excavators and one had responded with a proposal of \$113,937.00.

Motion by Commissioner Molski to approve Amendment No.1- AECOM Agreement for Environmental Services – Remedial Action Services – Former Lullabye Furniture Site, 1017 Third Street, Stevens Point, WI 54481 (total contract amount of \$173,746); seconded by Commissioner Adamski.

Alderperson Phillips asked if there was an issue excavating in the cold temperatures, to which Executive Director Ostrowski answered that the excavation will be completed fairly quickly.

Motion carried 6-0.

Commissioner Sawyer arrived at 4:04 PM.

5. Modifying the age restriction requirement for tenancy at Edgewater Manor.

Executive Director Ostrowski explained currently Edgewater Manor requires you be 55 years old or older for leasing. One of the options discussed prior was to possibly modify the age requirement. Under the Fair Housing Law, reducing the age would not be allowed, so our option would be either no age restriction or it be 55 years old and above. Currently, the property is at a 30% vacancy rate.

Commissioner Molski stated she feels the occupancy should be kept at 55 and feels the Common Council based their decision on keeping the property based on keeping it rented for senior housing.

Commissioner Adamski asked what the implications of violating the Fair Housing Act. Chairman Halverson answered 55 is the lowest allowable under the law, otherwise there cannot be an age restriction. Executive

Director Ostrowski stated the reason for removing the age restriction was to get a larger population to draw from to increase occupancy. Commissioner Adamski pointed out that if we want any cash flow at all, why would limit ourselves.

Commissioner Sawyer stated that the commission must look at more than just the money, but look at the history of use. The issue with trying to rent the units may also have been caused by the recent uncertainty of ownership.

Chairman Halverson expressed his concerns in that the Redevelopment Authority is here for the practical decisions of the property and feels that they should use all means possible to try and rent the apartments before using or borrowing funds from the city. He is supportive of lifting the age requirement to have the opportunity to fill the building.

Commissioner Adamski agreed and pointed out that the dynamic of seniors has changed over the generations and there is a means to co-mingle with the younger population. We screen the tenants fully before entering into a lease.

Commissioner Molski feels that a more aggressive advertising may help with rentals. Executive Director Ostrowski pointed out that Candlewood Property Management has assumed the cost for advertising, as opposed to charging the Redevelopment Authority.

Travis Haines, owner of Candlewood Property Management, stated they have advertised in numerous websites, Craigslist, Nationwide websites, materials in Wood and Portage County Aging and Disability Resource Centers, booths at trade shows, banners, fliers, and the Stevens Point Journal and Buyers Guide.

Chairperson Halverson explained it is not only a marketing issue, but a renaming and re-focus issue as to what the property is and what the new business model should be. There is only so much you can do with the smaller units, and the rental market having larger units for equal or less rent. Commissioner Sawyer pointed out the size of the unit and amenities are not all there is, there is a sense of community and location is very important to the residents and future tenants.

Travis Haines, owner of Candlewood Property Management gave his opinion in that he is torn and would like to lease to the 55 and older residents without all the stuff that has been going on. He does not feel there was a fair timeframe given when there was a façade issue, then the possible sale again. Since the decision to keep the property, he has seen five applications with two leases and two pending leases. From a business perspective there is a benefit to a larger pool of renters, but it can work for and against the property. He is open to try any suggested and new marketing.

Commissioner Dugan pointed out that some cannot afford the market rate apartments; the demographic is largely single females on a fixed budget.

Commissioner Schlice suggested the option to table the issue for a trial period of six months. This would allow for more and new marketing, and if that does not work then bring the option back. Commissioner Adamski agreed but suggested a 12 month timeframe.

Motion by Commissioner Adamski to leave the 55 and over age restriction in place for a trial period of 12 months; seconded by Commissioner Dugan. Motion carried 6-1 with Halverson voting in negative.

6. Extending the contract for property management services for Edgewater Manor with Candlewood Property Management, LLC.

Executive Director Ostrowski stated this item is regarding the renewal of the managing contract with Candlewood Property Management. IF we would like to cancel the contract, we need to provide them a 30

day notice. Mr. Haines has indicated that the rates will stay the same. Staff recommends approval of the contract renewal.

Motion by Commissioner Schlice to approve the extension of the contract for property management services for Edgewater Manor with Candlewood Property Management, LLC; seconded by Alderperson Phillips.

Commissioner Sawyer asked if the property management agreement is negotiable, to which Attorney Beveridge stated yes there are provisions which can be addressed if Candlewood is willing to negotiate. Mr. Haines stated the contract is standard to all the properties his company manages and he is very willing to work with the city to make it more specific for Edgewater Manor. Mr. Sawyer pointed out several areas that could be addressed including insurance, mortgage, repairs, mold and lead based paint issues, attorney fees, tenant screening, and assign ability.

Roll Call: Yeas- Halverson, Phillips, Molski, Sawyer, Schlice, Dugan

Nays- None

Abstention- Adamski

Motion carried 6-0-1.

7. Award contract for Edgewater Manor property condition assessment services.

Executive Director Ostrowski stated he has contacted Architects Group Limited and they are checking to see if the pricing will stay the same from the energy consultant.

Motion by Chairman Halverson to award the contract for the Edgewater Manor property condition assessment services to Architects Group Limited in an amount not to exceed \$11,000.00; seconded by Commissioner Sawyer.

Commissioner Sawyer asked if they are only going to look at 10% of the units, or can we have an overall assessment. Executive Director Ostrowski answered they can look at all of them, but it would cost more and what we choose to upgrade after the survey is completed is up to the board.

Chairman Halverson amended his motion to the following:

Motion by Chairman Halverson to award the contract for Edgewater Manor property condition assessment services to Architects Group Limited in an amount not to exceed \$11,000.00 and to survey a minimum of 20% of each kind of the different units; seconded by Commissioner Sawyer.

Commissioner Schlice asked how do you determine what units will be surveyed. Executive Director Ostrowski stated they will work with staff to look at units on several different floors as well as the currently vacant units.

Roll Call: Yeas- Halverson, Phillips, Adamski, Molski, Sawyer, Schlice, Dugan

Nays- None

Motion carried 7-0.

8. Consideration of a request to the Stevens Point Common Council to borrow the needed funds to repair, rehab, and upgrade of Edgewater Manor.

Executive Director Ostrowski explained this was a request from a commissioner to make a request to the Common Council to see if they would be willing to fund the needed repairs based off of what our needs assessment determines.

Commissioner Schlice stated he was the commissioner that made the request. He said to have the council follow through with their determination to keep Edgewater Manor.

Motion by Commission Schlice to postpone this request to borrow the needed funds to repair, rehab, and upgrade Edgewater Manor from the Stevens Point Common Council until the needs assessment survey is concluded; seconded by Commissioner Sawyer. Motion carried 7-0.

9. Approval of the 2015 budget.

Executive Director Ostrowski pointed out the major changes outlined with the red cells. There is an extra \$5,000 for marketing for Edgewater; building repairs increased \$60,000 to get some of the vacant units ready to be leased. We are looking at a net profit with 30 % vacancy of \$2,700 but that does not include any other extra expenses that may be incurred.

The budget for the Housing Trust Funds is shown as well. We are anticipating about \$76,000 worth of interest revenue and loan payments of approximately \$10,000.

Commissioner Sawyer asked about a line item regarding payments in lieu of taxes, to which Director Ostrowski explained this is a payment made to the City in lieu of taxes.

Motion by Commissioner Sawyer to approve the 2015 budget; seconded by Commissioner Schlice.

Motion by Chairperson Halverson to amend the motion to include an additional \$20,000 to the loan distribution line item for the housing Trust Fund budget; seconded by Adamski. Amendment carried 7-0.

Motion by Commissioner Sawyer to approve the 2015 budget as amended; seconded by Commissioner Schlice.

Roll Call: Yeas- Halverson, Phillips, Adamski, Molski, Sawyer, Schlice, Dugan

Nays- None

Motion carried 7-0.

10. Review and modification of Redevelopment Authority bylaws.

Executive Director Ostrowski stated there are no changes in the bylaws from the past year.

Commissioner Sawyer stated he has reviewed the bylaws and believes they are a mirror image to the former Community Development Authority except for changes in the titles.

11. Election of Redevelopment Authority officers.

Executive Director Ostrowski stated there are two officer positions that need to be nominated and voted on, the Chairperson and Vice Chairperson.

Chairperson Halverson nominated Commissioner Schlice for chairperson; seconded by Commissioner Adamski. Commissioner Schlice accepted the nomination. Commissioner Molski motioned to close nominations; seconded by Commissioner Phillips. Motion carried 7-0.

Commissioner Phillips nominated Commissioner Molski for Vice Chairperson and to cast a unanimous ballot; seconded by Commissioner Dugan. Motion carried 7-0.

12. Adjourn into closed session (approximately 4:45 PM) pursuant to Wisconsin Statutes 19.85(1)(g) to confer with legal counsel with respect to litigation in which the Redevelopment Authority is or is likely to become involved, and Wisconsin Statutes 19.85(1)(e) for the 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 the following:

- a. A tenant lease violation at Edgewater Manor, and
- b. Negotiating the terms of a development agreement for 1017 Third Street.

Motion by Commissioner Adamski to adjourn into closed session pursuant to Wisconsin Statutes 19.85(1)(g) to confer with legal counsel with respect to litigation in which the Redevelopment Authority is or is likely to become involved, and Wisconsin Statutes 19.85(1)(e) for the 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 the following:

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seconded by Commissioner Phillips.

Commissioner Halverson recused himself from this item due to a potential conflict with item 12 b.

Roll Call: Yeas Phillips, Adamski, Molski, Sawyer, Schlice, Dugan

Nays- None

Motion carried 6-0. Entered into closed session at 5:07 PM.

- 13. Reconvene into open session (approximately 5:00 PM) for possible action on the above.
- 14. Adjourn.

Meeting adjourned at 5:29 PM.

Approved:

John Schlice, Chairperson

Date

Attest:

Michael Ostrowski, Executive Director

Date