



# MINUTES

## REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

---

<b>Date and Time:</b>	August 16, 2016 4:00 PM	<b>Location:</b>	City/County Building City Conference Room 1515 Strongs Avenue Stevens Point, WI 54481
-----------------------	----------------------------	------------------	--

---

**Present:** Chairperson Schlice, Alderperson Phillips, Commissioner Cooper, Commissioner Molski, Commissioner Sawyer, Commissioner Gardner, and Commissioner Jahn.

**Also Present:** Executive Director Ostrowski, Alderperson Dugan, and Nate Enwald.

---

### Index

1. Roll call.
2. Persons who wish to address the Board on specific agenda items other than a “Public Hearing” must register their request at this time. Those who wish to address the Board during a “Public Hearing” are not required to identify themselves until the “Public Hearing” is declared open by the Chairperson.
3. Public comment for pre-registered individuals for matters appearing on the agenda.  
Discussion and possible action on the following:
  4. Report of the June 21, 2016 and July 11, 2016 Redevelopment Authority meetings.
  5. Financial reports, claims, and statements from June 2016.
  6. Amending the Option to Purchase for the property at 1117 Centerpoint Drive (Parcel ID 2408-32-2029-70) with Cobblestone Hotel Development, LLC.
  7. Authorizing the assignment and assumption of the Option to Purchase for the property at 1117 Centerpoint Drive (Parcel ID 2408-32-2029-70) from Cobblestone Hotel Development, LLC to Hotels of America, LLC.
  8. **Public Hearing** - The sale/transfer of real property in a project area for private uses, specifically, the sale/transfer of 1117 Centerpoint Drive (Parcel ID 2408-32-2029-70) to Cobblestone Hotel Development, LLC, Hotels of America, LLC, or its/their assigns for the purposes of constructing a hotel.
  9. Action on the above.
  10. Allowing the Central Wisconsin Children’s Museum to hold the annual Healthy Halloween Hoedown on Redevelopment Authority owned land located north of the Children’s Museum (Parcel ID # 2408-32-2029-66).
  11. Amending the Brownfields Grant contract with the Wisconsin Economic Development Corporation.
  12. Enter into closed session pursuant to 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 negotiating of the refinancing terms for a loan with the Children’s Museum.

13. Reconvene into open session (approximately 10 minutes after entering into closed session) for possible action on the above.
  14. Director's Update (informational purposes only)
  15. Adjourn.
- 

1. Roll call.

**Present: Schlice, Phillips, Cooper, Molski, Sawyer, Gardner, Jahn.**

2. Persons who wish to address the Board on specific agenda items other than a "Public Hearing" must register their request at this time. Those who wish to address the Board during a "Public Hearing" are not required to identify themselves until the "Public Hearing" is declared open by the Chairperson.
3. Public comment for pre-registered individuals for matters appearing on the agenda.  
No one registered to speak.

Discussion and possible action on the following:

4. Report of the June 21, 2016 and July 11, 2016 Redevelopment Authority meetings.

**Motion by Alderperson Phillips to approve the reports of June 21, 2016 and July 11, 2016 Redevelopment Authority meetings; seconded by Commissioner Jahn.**

**Motion carried 7-0.**

5. Financial reports, claims, and statements from June 2016.

Executive Director Ostrowski stated the balance of the interest account was approximately \$380,000, and that they were starting to accrue a lot of cash within that account, adding there would be further discussion on how to proceed with cash and principal accounts.

Commissioner Molski asked if the first four items on page 24 were rehab loans, to which Executive Director Ostrowski confirmed that they were, adding that some were being paid off monthly.

**Motion by Commissioner Molski to approve the financial reports, claims, and statements from June 2016; seconded by Alderperson Phillips.**

**Motion carried 7-0.**

6. Amending the Option to Purchase for the property at 1117 Centerpoint Drive (Parcel ID 2408-32-2029-70) with Cobblestone Hotel Development, LLC.

Executive Director Ostrowski explained the need to make an amendment to line 256 of the Option to Purchase as Cobblestone was looking to split and assign the option and development agreement to two different LLC's, which would then be in conflict with the option purchase. He explained that the line currently indicates "buyer" which would mean that the same LLC would have to exercise the option and agreement.

Commissioner Molski asked whether they were a part of the same LLC.

Executive Director Ostrowski confirmed there were 3 different LLCs: Cobblestone Developments and Hotels of America, who would hold the property and operate the hotel, and BriMark, who would have the development agreement.

Chairperson Schlice remarked that it was typical of the industry, to which Commissioner Jahn reiterated that it was a common practice.

Executive Director Ostrowski added that their security was that they would not give them the development incentive until the building was ready for occupancy.

Commissioner Sawyer expressed concern over language on page 12 of the development agreement that could be left open to interpretation that would allow them to get out of the Redevelopment Authority and city's 60 day consent. He also noted the amendment they were making did not necessarily effect it.

Executive Director Ostrowski stated that the development agreement had already been approved by the Redevelopment Authority and City Council, and added that there was common ownership between all three entities.

Commissioner Molski asked when they were going to exercise the option, to which Executive Director Ostrowski explained that they had already indicated their willingness to exercise the option. He had also informed them of the need for an amendment to the option of purchase if they wanted to hold them in two separate LLCs, adding that the intent would be to close during the week.

**Motion by Commissioner Molski to amend the Option to Purchase for the property at 1117 Centerpoint Drive (Parcel ID 2408-32-2029-70) with Cobblestone Hotel Development, LLC; seconded by Commissioner Cooper.**

**Roll Call:**

**Yeas: Schlice, Molski, Cooper, Jahn, Phillips, Gardner, Sawyer**

**Nays: None**

**Motion carried 7-0.**

7. Authorizing the assignment and assumption of the Option to Purchase for the property at 1117 Centerpoint Drive (Parcel ID 2408-32-2029-70) from Cobblestone Hotel Development, LLC to Hotels of America, LLC.

Commissioner Gardner expressed concern about parking, to which Executive Director Ostrowski explained there would be no building of an additional parking lot, and that public parking would be utilized.

**Motion by Commissioner Jahn to authorize the assignment and assumption of the Option to Purchase for the property at 1117 Centerpoint Drive (Parcel ID 2408-32-2029-70) from Cobblestone Hotel Development, LLC to Hotels of America, LLC; seconded by Commissioner Molski.**

**Roll Call:**

**Yeas: Schlice, Molski, Cooper, Jahn, Phillips, Gardner, Sawyer**

**Nays: None**

**Motion carried 7-0.**

8. **Public Hearing** - The sale/transfer of real property in a project area for private uses, specifically, the sale/transfer of 1117 Centerpoint Drive (Parcel ID 2408-32-2029-70) to Cobblestone Hotel Development, LLC, Hotels of America, LLC, or its/their assigns for the purposes of constructing a hotel.

Executive Director Ostrowski stated that per Wisconsin Statute, he had to present the terms of the development agreement. He went on to summarize the transfer of the property for \$1 to the LLC for their plan to build a 61-room hotel with a restaurant attached, with it having an approximately \$5,000,000 construction value, as well as the city providing an incentive of \$850,000. He went on to state that they had guaranteed a minimum tax payment.

**Chairperson Schlice declared the public hearing open.**

**Chairperson Schlice declared the public hearing closed.**

9. Action on the above.

Executive Director Ostrowski recommended moving to approve the transfer of property per the Wisconsin Statue requirement.

Commissioner Sawyer asked what the guaranteed tax would be, to which Executive Director Ostrowski stated \$102,500.

**Motion by Commissioner Cooper to approve the sale/transfer of real property in a project area for private uses, specifically, the sale/transfer of 1117 Centerpoint Drive (Parcel ID 2408-32-2029-70) to Cobblestone Hotel Development, LLC, Hotels of America, LLC, or its/their assigns for the purposes of constructing a hotel; seconded by Commissioner Sawyer.**

**Roll Call:**

**Yeas: Schlice, Molski, Cooper, Jahn, Phillips, Gardner, Sawyer**

**Nays: None**

**Motion carried 7-0.**

10. Allowing the Central Wisconsin Children's Museum to hold the annual Healthy Halloween Hoedown on Redevelopment Authority owned land located north of the Children's Museum (Parcel ID # 2408-32-2029-66).

Executive Director Ostrowski summarized the Children's Museum annual Healthy Halloween Hoedown event in which they would utilize a portion of the Redevelopment Authority's property. He added that the board had approved it the year prior with the condition that they be covered as an additional insured under the museum's insurance policy. He recommended approval and asked if future events could be approved by staff if it continued to be an annual event.

**Motion by Commissioner Sawyer to allow the Central Wisconsin Children's Museum to hold the annual Healthy Halloween Hoedown on Redevelopment Authority owned land located north of the Children's Museum (Parcel ID # 2408-32-2029-66) with the addition that staff be allowed to approve this in the future; seconded by Commissioner Jahn.**

**Roll Call:**

**Yeas: Schlice, Molski, Cooper, Jahn, Phillips, Gardner, Sawyer**

**Nays: None**

**Motion carried 7-0.**

11. Amending the Brownfields Grant contract with the Wisconsin Economic Development Corporation.

Executive Director Ostrowski explained that the Brownfields Grant contract with WEDC would expire by the end of 2016, and that he had reached out to them for a one year extension which they had already agreed to, but was being brought forth for approval by the board. He stated that the grant was for environmental remediation dealing with the mall redevelopment project, and explained that while two out of the five cells remained, extraction had become harder at lower levels which caused regular modifications to the system and delayed remediation.

Commissioner Sawyer asked if there was any downside, to which Executive Director Ostrowski stated that there was no issue, and only that the board needed to approve it due to it being a grant.

Commissioner Cooper asked if they would allow further amendments if needed, to which Executive Director Ostrowski they would, but it would be dependent on the circumstances.

Chairperson Schlice questioned whether the remediation would get done within the anticipated time frame.

Executive Director Ostrowski stated that while he had already hoped for completion, the following steps once clear results were received at the Mason Street site, would be to decommission the system and have it moved to the area north of Mid-State where they already had everything in place to hook up the same system for a similar extraction. He added that Mid-State's vapor mitigation system was coming out with lower readings and hoped that it could also be decommissioned relatively soon.

Commissioner Sawyer asked if there were potential liabilities where they were listed as the Community Development Authority of Stevens Point rather than the Redevelopment Authority of Stevens Point, to which Executive Director Ostrowski stated there were none. He went on to explain that when they dissolved the CDA, they had created the Housing Authority and Redevelopment Authority. The Redevelopment Authority had taken on all assets and liabilities related to the CDA, except for the ones related to the HA.

**Motion by Commissioner Sawyer to amend the Brownfields Grant contract with the Wisconsin Economic Development Corporation; seconded by Alderperson Phillips.**

**Roll Call:**

**Yeas: Schlice, Molski, Cooper, Jahn, Phillips, Gardner, Sawyer**

**Nays: None**

**Motion carried 7-0.**

12. Enter into closed session pursuant to 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 negotiating of the refinancing terms for a loan with the Children's Museum.

**Motion by Commissioner Cooper to enter into closed session pursuant to 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 negotiating of the refinancing terms for a loan with the Children's Museum; seconded by Commissioner Sawyer.**

**Roll Call:**

**Yeas: Schlice, Molski, Cooper, Jahn, Phillips, Gardner, Sawyer**

**Nays: None**

**Motion carried 7-0.**

13. Reconvene into open session (approximately 10 minutes after entering into closed session) for possible action on the above.

**Motion by Alderperson Phillips to reconvene into open session for possible action on the above; seconded by Commissioner Gardner.**

**Roll Call:**

**Yeas: Schlice, Molski, Cooper, Jahn, Phillips, Gardner, Sawyer**

**Nays: None**

**Motion carried 7-0.**

**Chairperson Schlice stated no action would be taken on Agenda Item 13 as Executive Director Ostrowski would be bringing a potential agreement back to the board at a future date.**

14. Director's Update (informational purposes only)

Executive Director Ostrowski explained that the Blenker option would be expiring on August 30<sup>th</sup>. They had indicated that they would be pursuing the option, but were currently looking into getting new market tax credits and the allocation would not be known until later this year. He also brought up the audit in which \$161,000 worth of loans had been written off. He explained he had been gathering information on these cases in order to have them reviewed individually by the board at an upcoming board meeting.

15. Adjourn.

**Meeting adjourned at 4:44 PM.**

**Approved:**

\_\_\_\_\_

**John Schlice, Chairperson**

\_\_\_\_\_

**Date**

**Attest:**

\_\_\_\_\_

**Michael Ostrowski, Executive Director**

\_\_\_\_\_

**Date**