



MINUTES

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

Date and Time:	March 28, 2017 4:00 PM	Location:	City/County Building City Conference Room 1515 Strongs Avenue Stevens Point, WI 54481
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Present: Chairperson Schlice, Commissioner Phillips, Commissioner Cooper, Commissioner Gardner, Commissioner Jahn, Commissioner Kundinger, and Commissioner Sawyer.

Also Present: Executive Director Ostrowski and Comptroller / Treasurer Ladick.

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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. Minutes and actions of the January 31, 2017 Redevelopment Authority meeting.
5. Financial reports, claims, and statements from December 2016 and January 2017.
6. Monitoring well transfer agreement with Ron Hanson LLC.
7. Housing Trust Fund investment option with the City of Stevens Point.
8. Housing Trust Fund loan write off for 532 Meadow Street.
9. Housing Trust Fund loan short sale (settle mortgage for less than full balance) of the property at 717 Frederick Street.
10. Explanation on Housing Trust Fund loan write offs as part of the 2015 Audit.
11. Amendment No. 8 - AECOM agreement for environmental services relating to soil venting piles on Mason Street (former Dun-Rite Cleaners), and/or related expenses incurred by the City of Stevens Point for the disposal of soil and related activities.
12. Director's Update (informational purposes only)
13. Enter into closed session pursuant to Wisconsin Statutes 19.85(1)(e) for deliberating or negotiating the purchasing of public properties, investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, relating to the following:
 - a. Negotiating the purchase of properties in TIF District 6 (Downtown TIF District).
 - b. Negotiating the potential sale of Redevelopment Authority owned property in TIF District 6 (Downtown TIF District).
14. Reconvene into open session (approximately 20 minutes after entering into closed session) for possible action on the above.

15. Adjourn.

1. Roll call.

Present: Schlice, Phillips, Cooper, Gardner, Jahn, Kundinger, Sawyer

Chairperson Schlice announced briefly that if there were to be a meeting in early May, he would be absent due to medical reasons and that Vice Chairperson Phillips would lead the meeting.

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. Minutes and actions of the January 31, 2017 Redevelopment Authority meeting.

Motion by Commissioner Cooper to approve the minutes and actions of the January 31, 2017 Redevelopment Authority meeting; seconded by Commissioner Sawyer.

Motion carried 7-0.

5. Financial reports, claims, and statements from December 2016 and January 2017.

Director Ostrowski reported that there hadn't been any significant items within the reports, claims, and statements other than some pay-offs and accumulated interest. He did note that the Children's Museum loan had taken out a large chunk of their funds, but that it would be replenished with cash from the Housing Trust Fund investment accounts, adding that they would later discuss investment options with the City.

Motion by Commissioner Sawyer to approve the financial reports, claims, and statements from December 2016 and January 2017; seconded by Commissioner Phillips.

Motion carried 7-0.

6. Monitoring well transfer agreement with Ron Hanson LLC.

Executive Director Ostrowski explained that they were nearing case closure with the Lullabye site, and they had a few monitoring wells installed just south of the Dun-Rite Cleaners property. Ron Hanson had agreed to take over ownership of those wells due to contamination originating from the Dun-Rite property at 1008 Union Street, noting that the wells could be used for further monitoring until the site was closed or the DNR no longer needed them for testing. While they would keep access to the wells until they were abandoned, all costs associated with the abandonment would be on Mr. Hanson and not the Redevelopment Authority.

Commissioner Sawyer noted concern with the language and grammar within the monitoring well transfer agreement, asking that minor modifications be made without changing the substance of the agreement.

Motion by Commissioner Jahn to approve the monitoring well transfer agreement with Ron Hanson LLC, and to give staff the ability to make minor modifications to the transfer agreement language; seconded by Commissioner Sawyer.

Roll Call:

Yeas: Schlice, Phillips, Cooper, Gardner, Jahn, Kunding, Sawyer

Nays: None

Motion carried 7-0.

7. Housing Trust Fund investment option with the City of Stevens Point.

Comptroller / Treasurer Ladick briefly explained that there was an option to refinance a 10-year general obligation loan. The reason why it was before them, he explained, was because it was a taxable issue in that municipalities could issue two types of debts; tax exempt or taxable. For tax exempt, they could get good rates whereas taxable rates were typically higher since investors would have to pay taxes on it. The rate they could finance to would be 3.5% for approximately \$538,000, and amortized over 10 years. He noted that they already were getting principal payments back from the Children's Museum, and if they had the additional 10-year loan, they could continue to reinvest the principal payments back into the market.

Chairperson Schlice asked whether it would be callable, to which Comptroller / Treasurer Ladick stated that there would be no need to have it callable as it was related to a TIF 6 development agreement.

Commissioner Gardner noted concern over tying up too much of the funds, to which he asked if they saw them needing liquid cash in the near future for things such as projects.

Executive Director Ostrowski explained that the cash being invested is what they typically held in the investment portion of the Baird account, and they were now sitting in the money market related to the Housing Trust Fund. The interest revenue, he noted, would act as the liquid cash.

Commissioner Sawyer asked if it had been kept in a money market account as liquid cash in order to be able to withdraw from it.

Executive Director Ostrowski explained that it was one of the reasons they switched investment accounts from Baird to the City in that they were able to invest faster, monitor it better, and were able to seek additional investments that would be more beneficial to them that may also not be callable at certain times.

Commissioner Sawyer asked whether they had been spending cash that had come from interest off investments, to which Executive Director Ostrowski confirmed that historically, the Redevelopment Authority had spent the interest revenue on various projects, but that they had recently held off on doing anything until the Edgewater Manor project was dealt with, as well as getting results from the Housing Study prior to moving forward.

Commissioner Gardner asked what the interest rate was from the current investment, to which it was confirmed that it was less than 1%.

Chairperson Schlice commented that he saw no issues with moving forward.

Commissioner Sawyer asked whether they needed a strategy moving forward with how to handle principal payments, to which Director Ostrowski explained that they would invest it while following their investment policy.

Commissioner Sawyer asked whether 3% was a good rate given the risk that the City could face, to which Chairperson Schlice confirmed that it wasn't bad.

Motion by Chairperson Schlice to approve the Housing Trust Fund investment option with the City of Stevens Point; seconded it by Commissioner Phillips.

Roll Call:

Yeas: Schlice, Phillips, Cooper, Gardner, Jahn, Kunding, Sawyer

Nays: None

Motion carried 7-0.

8. Housing Trust Fund loan write off for 532 Meadow Street.

Executive Director Ostrowski explained that the property in question had been taken on tax deed, with the notice being given in 2009, and the borrower had been deceased since 2012. Therefore, they had lost the ability to collect on a loan of \$8,500. He noted that the property had since been sold and changed hands.

Commissioner Sawyer asked whether their lien had been ignored when sold, to which, Executive Director Ostrowski added that it had been cleared out when taken on tax deed.

Commissioner Gardner asked if there were a lot of those similar situations, to which Executive Director Ostrowski stated that they would be discussing similar properties in further agenda items.

Motion by Commissioner Gardner to approve the Housing Trust Fund loan write off for 532 Meadow Street; seconded by Commissioner Cooper.

Roll Call:

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

Nays: None

Abstain: Kunding

Motion carried 6-0.

9. Housing Trust Fund loan short sale (settle mortgage for less than full balance) of the property at 717 Frederick Street.

Executive Director Ostrowski reported that the loan borrower had passed, and they were now looking at doing a short sale of the property. The costs had been broken down and were available within the staff packet. He noted that both the City and Redevelopment Authority had loans on the property, with the Redevelopment Authority's being just over \$14,000. Rather than allowing the property to go into foreclosure and the Authority collecting nothing, he asked that they move forward with the short sale in order to collect \$4,558.37 from the proceeds that would remain.

Motion by Commissioner Jahn to approve the Housing Trust Fund loan short sale (settle mortgage for less than full balance) of the property at 717 Frederick Street; seconded by Commissioner Sawyer.

Roll Call:

Yeas: Schlice, Phillips, Cooper, Gardner, Jahn, Kunding, Sawyer

Nays: None

Motion carried 7-0.

10. Explanation on Housing Trust Fund loan write offs as part of the 2015 Audit.

Executive Director Ostrowski explained that as part of the 2015 audit, they had written off approximately \$161,000 dollars, many of which had not been loans, but grants that were never intended to be repaid, or properties that had been sold at a sheriff sale. A listing of loans within the write-off had been provided and it elaborated on dates, payees, check information, property and customer information, and write-off notes. He noted a property of interest, 3232 Coon Avenue, which he explained they still may be able to collect on the loan. The CAP Services note for the property stated that it should have been written off in 2007, but the current property owner was still on the mortgage, so they may still be able to collect. A second item of

interest was for 316-320 Fifth Avenue, which the Redevelopment Authority had purchased with the condition that they were to be reimbursed by the state from CDBG funds, but they never were.

Commissioner Gardner commented that the rental property had caused a lot of neighborhood issues, and they had wanted to rehab it and place two habitat houses on the property. He could not recall the financial agreement from 1999.

Executive Director Ostrowski reported that there had been a check for \$61,000 for the property, and they were to be reimbursed by the state in the amount of \$38,250, but that there was no record of it. He did note that there seemed to be a payment in 1999 for \$30,500, so they still had \$30,500 outstanding.

Commissioner Gardner asked if there were two properties, to which Executive Director Ostrowski confirmed that there was and they were addressed 316 and 320 Fifth Avenue.

Commissioner Gardner added that it had been a friendly arrangement.

Commissioner Jahn asked if it was possible that the \$8,000 difference between the \$30,500 and \$38,250 could have been the cost of demolition.

Commissioner Gardner and Commissioner Jahn agreed that it would have been the appropriate cost for the demolition.

Commissioner Gardner asked if there was a mortgage on the property, to which Executive Director Ostrowski confirmed that there was not.

Commissioner Sawyer asked for clarification if they had been paid for half of the total cost, to which Executive Director Ostrowski confirmed that they had.

Commissioner Gardner reiterated that he recalled the overall situation, but not the financials.

Commissioner Sawyer asked for clarification on the excel spreadsheet details, and asked if they had been receiving regular payments on the loans, to which Executive Director Ostrowski confirmed that they made no payments until it was longer the principal residence of the borrower.

Motion by Chairperson Schlice to accept the report and Housing Trust Fund loan write offs as part of the 2015 Audit; seconded by Commissioner Sawyer.

Roll Call:

Yeas: Schlice, Phillips, Cooper, Gardner, Jahn, Kunding, Sawyer

Nays: None

Motion carried 7-0.

11. Amendment No. 8 - AECOM agreement for environmental services relating to soil venting piles on Mason Street (former Dun-Rite Cleaners), and/or related expenses incurred by the City of Stevens Point for the disposal of soil and related activities.

Executive Director Ostrowski explained that the soil venting piles at the Mason Street site were made up of the soil that had been removed from the mall area where the current parking lot south of Great Lakes is located. From that soil they had created three soil venting piles. These piles contained five total cells, three of which they were able to get cleaned, one which was partially clean, but the bottom left cell was not able to be cleaned and still contained the highest level of contaminants. He further explained that AECOM had proposed several options in proceeding, but after reviewing found that they would most likely need to dispose of the soil in a landfill. If they were to allow some amendment to the contract, they may be able to

use city crews rather than contracting out the work and therefore saving additional costs normally included within AECOM's contract.

While they would still need them to do some consulting work, the City could likely do most of the work, noting that city crews had already taken down the first two piles and a quarter of the third pile. Another reason it was advantageous to move quickly, he explained, was to take the soil venting machine that was currently on the site is intended to be used in at the other contamination location in the Mid-State parking lot. The goal would be to start remediation in April and hopefully have it completed and below enforcement standards by the end of the year. Executive Director Ostrowski reminded the commissioners that their grant would expire at the end of the year, and they had already received a one-year extension. If the work continued into the following year, they would have to go back for another one-year extension. That being the case, they wanted to get the soil venting machine over to the site as quickly as possible. Staff recommended approval of the amendment, as well as allowing the Chairperson and Executive Director to make modifications to the agreement in order to try and reduce costs that would not exceed the total of \$89,750.

Commissioner Sawyer asked if there were health concerns having city employees involved in moving the piles, or having equipment contaminated.

Executive Director Ostrowski they would have to send a city worker to training in order to do the work.

Commissioner Sawyer asked what the area was used for when not remediating soil, to which Executive Director Ostrowski explained that it was historically used for snow storage.

Chairperson Schlice asked whether they were contributing to the problem since they were bringing in additional items that came off the streets with the snow.

Executive Director Ostrowski explained that the piles that had already been taken down were still on the site, and that there were plans to potentially use the soil to pour fill for a proposed waste water treatment garage just north of the site. The soil that was above enforcement standards had to be taken to a landfill.

Motion by Commissioner Gardner to accept the amendment No. 8 - AECOM agreement for environmental services relating to soil venting piles on Mason Street (former Dun-Rite Cleaners), and/or related expenses incurred by the City of Stevens Point for the disposal of soil and related activities, as well as to allow the Chairperson and Executive Director to make modifications; seconded by Commissioner Sawyer.

Roll Call:

Yeas: Schlice, Phillips, Cooper, Gardner, Jahn, Kundinger, Sawyer

Nays: None

Motion carried 7-0.

12. Director's Update (informational purposes only)

Executive Director Ostrowski reported that the Housing Study was moving along and would be ready for a preview between May and July. The study would be completed in the early summer and would provide them with good recommendations for housing related initiatives so they could start using Housing Trust Fund revenue to move forward. He added that in a previous meeting that they had started to look into properties that had been sitting and deteriorating for long periods of time and whether they wanted to purchase them. Some of the homes discussed had already been purchased, and it seemed like the market was taking care of them. He recommended that they wait for the Housing Study to see what MSA's

preliminary recommendations were. Lastly, he reported that they had closed their Baird account and had their funds transferred to Schwab, which was being aided in management by Comptroller/Treasurer Ladick.

13. Enter into closed session pursuant to Wisconsin Statutes 19.85(1)(e) for deliberating or negotiating the purchasing of public properties, investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, relating to the following:
 - a. Negotiating the purchase of properties in TIF District 6 (Downtown TIF District).
 - b. Negotiating the potential sale of Redevelopment Authority owned property in TIF District 6 (Downtown TIF District).

Motion by Commissioner Gardner to enter into closed session pursuant to Wisconsin Statutes 19.85(1)(e) for deliberating or negotiating the purchasing of public properties, investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, relating to the following:

- a. **Negotiating the purchase of properties in TIF District 6 (Downtown TIF District).**
- b. **Negotiating the potential sale of Redevelopment Authority owned property in TIF District 6 (Downtown TIF District).**

seconded by Commissioner Sawyer.

Roll Call:

Yeas: Schlice, Phillips, Cooper, Gardner, Jahn, Kunding, Sawyer

Nays: None

Motion carried 7-0.

14. Reconvene into open session (approximately 20 minutes after entering into closed session) for possible action on the above.

Motion by Commissioner Sawyer to reconvene into open session for possible action on the above; seconded by Commissioner Jahn.

Roll Call:

Yeas: Schlice, Phillips, Cooper, Gardner, Jahn, Kunding, Sawyer

Nays: None

Motion carried 7-0.

Motion by Commissioner Sawyer to authorize the Executive Director to secure options to purchase on the properties that were discussed in closed session; seconded by Commissioner Jahn.

Roll Call:

Yeas: Schlice, Phillips, Cooper, Gardner, Jahn, Kunding, Sawyer

Nays: None

Motion carried 7-0.

15. Adjourn.

Meeting adjourned at 5:09 PM.

Approved:

John Schlice, Chairperson

Date

Attest:

Michael Ostrowski, Executive Director

Date