



MINUTES

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

Date and Time:	September 12, 2017 4:00 PM	Location:	City Conference Room 1515 Strongs Avenue Stevens Point, WI 54481
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Present: Chairperson Schlice, Commissioner Phillips, Commissioner Cooper, Commissioner Sawyer, and Commissioner Jahn.

Also Present: Executive Director Ostrowski, Comptroller / Treasurer Ladick, City Attorney Beveridge, Alderperson Jennings, Alderperson Nebel, Alderperson Kneebone, and Travis Haines

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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 Redevelopment Authority meeting(s) of July 10, 2017.
 5. Financial reports, claims, and statements from June 2017 and July 2017.
 6. City of Stevens Point Housing Study
 7. Establishing redevelopment related programs.
 8. 2018 Redevelopment Authority Budget
 9. Acknowledge Plan Commission’s recommendation from September 5, 2017 relating to the option to the option to purchase 1105 Second Street (Parcel ID 281240832200409), formerly Jerry’s Auto Service.
 10. Option to purchase 1105 Second Street (Parcel ID 281240832200409), formerly Jerry’s Auto Service.
 11. Director’s Update
 12. Enter into closed session pursuant to Wisconsin Statute s 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 potential purchase of properties in TIF District 6 (Downtown TIF District).
 - b. Negotiating the terms of a development agreement in TIF District 6 (Downtown TIF District).
 - c. Negotiating the potential purchase or acquisition of property in Aldermanic District 4.
 - d. Negotiating the terms of a development agreement for a project in Aldermanic District 4.
 13. Reconvene into open session (approximately 30 minutes after entering into closed session) for possible action on the above.
 14. Adjourn.

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1. Roll call.

Present: Schlice, Phillips, Cooper, Jahn, Sawyer

Excused: Gardner

Executive Director Ostrowski noted that Eric Kundinger was no longer on the Redevelopment Authority due to moving out of the City.

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 Redevelopment Authority meeting(s) of July 10, 2017.

Motion by Commissioner Cooper to approve the minutes and actions of the Redevelopment Authority meeting(s) of July 10, 2017; seconded by Alderperson Phillips

Motion carried 5-0.

5. Financial reports, claims, and statements from June 2017 and July 2017.

Executive Director Ostrowski stated that nothing significant had occurred, noting that there had been some payoffs for Housing Trust Fund loans, with larger payments expected the upcoming month, and a balance of about \$400,000 within the Housing Trust Fund account.

Motion by Commissioner Sawyer to approve the financial reports, claims, and statements from June 2017 and July 2017; seconded by Alderperson Phillips

Motion carried 5-0.

6. City of Stevens Point Housing Study

Executive Director Ostrowski summarized the Housing Study's process, intent, and recommendations. He noted their focus as the Redevelopment Authority would revolve around a number of recommendations for establishing redevelopment related programs and initiatives throughout the City, and that they would be discussing some conceptual ideas in the following agenda item. While Commissioner Gardner was excused, he asked that it be reiterated that based on the study, there was a section that addressed the need for additional programs for the low to moderate income bracket and senior populations within the community.

Commissioner Sawyer asked if the study dated July 5, 2017 was the final version, to which it was confirmed that it was the final version of the study.

Motion by Alderperson Phillips to approve the City of Stevens Point Housing Study and place it on file; seconded by Commissioner Jahn.

Motion carried 5-0.

7. Establishing redevelopment related programs.

Executive Director Ostrowski explained that the recommendations began in Chapter Four of the Housing Study and in looking at the most important findings in what type of housing was needed in the community, there was no specific type that was lacking as there was a wide range that was needed such as single family detached homes, row housing, town homes, and condos. In regards to price points, it is all over the board with what was needed. It was clear that there was a lack of adequate supply within the community.

Commissioner Jahn attested to the lack of supply, explaining that anything priced under \$300,000 was selling as fast as they could list them. The first time home buyer price range was now around \$125-170,000, but there was no inventory on the market for that range. With Sentry constructing a new building and the possibility of Skyward expanding, she noted that the need would only get worse.

Commissioner Sawyer asked if the Redevelopment Authority should be looking into creating homes within that price point, or mid-level homes.

Executive Director Ostrowski stated that they should, but to a point as there were multiple ways in creating additional housing in order to attract first time home buyers. One of which would be to look at dilapidated homes within the community that were substantially bringing down neighborhood values, buy it, raze it, and sell the lot for a new home to be constructed. Additionally, they could focus on conversion from rentals to single family homes.

Commissioner Sawyer asked what incentive a builder had in constructing a home within that first time buyer price point as opposed to building one with a higher profit margin.

Executive Director Ostrowski explained that a lot of things came into play when working with a developer, such as location, density, and lot size. They could also sell a lot with the condition that a new home be constructed as opposed to having a neighbor buying the land in order to expand their own lots. He noted that they were not in it to make money, but rather to break even so they could attempt to keep funds revolving in order to keep programs going.

Chairperson Schlice asked if any areas had been identified with the need for redevelopment, to which Executive Director Ostrowski confirmed that some areas had been identified within the Housing Study where new housing should be located and areas that should be redeveloped, adding that programs approved by the Plan Commission and Common Council based on Redevelopment Authority recommendations would assist in carrying out their goals.

Chairperson Schlice asked whether Habitat for Humanity had identified areas where they were looking to build, to which Executive Director Ostrowski stated that they were only interested in constructing new homes, not doing remodels, and that their general price point of their builds may not be the best fit for a young professional or family above the income limitations.

Commissioner Phillips stated for clarification that they seemed to only build one home a year, to which it was confirmed that they have historically built one per year.

Commissioner Sawyer noted that they most likely needed to look at new development with multiple businesses bringing in new people to the area, and based on the Housing Study, they needed to consider expanding the City. With expansion there would be the requirement for new infrastructure, and that could become a liability on the City to maintain, adding that there had to be a balance of cost in order to maintain it. He asked whether that pointed to a desire for higher end housing as opposed to the lower end.

Executive Director Ostrowski explained that there were a lot of things they could do to combat the issue of cost for additional infrastructure when expanding into other areas, such as making sure they had appropriate density to have the tax revenue offset infrastructure and service related costs. Additionally, smaller lots and commercial types often meant less services.

Commissioner Phillips pointed to a map on page 21 of the Housing Study that showed an area on the outer east side that was being recommended for housing, as well as additional areas within the town.

Executive Director Ostrowski expanded that the recommend circled sections identified areas for new housing and those different areas could dictate or determine what type of housing would be located within those areas, such as housing along the Division Street corridor differing from housing in the area east of I-39. He also reiterated in making sure that infrastructure costs were offset, or that they were paid for, through the revenue generated and the developments themselves, while also keeping up with sustainable development patterns. Getting back to the recommendations, he noted that he had removed some as they seemed reserved more so for the City in how they could handle multi-family being a Conditional Use, allowing overnight parking, and addressing other matters. In regards to the Redevelopment Authority related programs, he explained that they could start looking into programs that would provide assistance to low to moderate income individuals, first time home buyers, people looking at step-up housing, rental conversions, and turning over properties that acted as impediments to surrounding neighborhoods, or even projects that could be a larger scale development area.

Commissioner Sawyer asked how the Redevelopment Authority would take title of a property, to which Director Ostrowski confirmed that there were a number of ways such as taking it on tax deed after 4 years, owners willing to sell and walk away, or sometimes purchasing a property.

City Attorney Beveridge explained that six properties had been foreclosed, and only two have been sold, and the remaining four had been sitting with a judgement that had not been executed, to which Executive Director Ostrowski added that instead of just letting them sit there, they could perhaps work with the financial institution in going through the foreclosure process and obtain it for a small cost. Additionally, they could perhaps assist in providing it to a developer so they wouldn't have to take title of the property.

Commissioner Sawyer asked if there was a way they could guarantee a builder a level of profit if they built within the desired first time home buyer price range.

Director Ostrowski stated that they could set the terms in any program or agreement that they would enter into. A thought was to provide them with a larger margin by offsetting the cost of the property or demolition.

Aldersperson Phillips asked if the Executive Director was aware of any areas or blocks that could be purchased and then demolished to make room for a larger project such as a complex.

Aldersperson Nebel (Third District) mentioned that she had brought a property to the Executive Director's attention near the University, and noted that several homes in that area had been converted successfully from rentals to single family homes.

Aldersperson Phillips clarified that he was looking for a much larger project.

Executive Director Ostrowski stated that they would be getting into redevelopment plans that could take many years before they even finished buying a block. While they could go through the process of condemnation, he recommend against it. He suggested picking an area to focus on and work on redeveloping it, whether it was to increase density, or looking at housing along the downtown area.

Chairperson Schlice noted that relocation costs for condemnation could end up costing them more.

Aldersperson Phillips asked if they had checked into the property Aldersperson Nebel had described, to which it was confirmed that they had.

Director Ostrowski commented that with the market tightening, developers and builders were getting creative with what they could build with the space they had.

Aldersperson Jennings (First District) asked if the Executive Director could speak on TIF District 5.

Executive Director Ostrowski explained that the Division Street corridor, or TIF District 5, had a lot of potential, noting that the Housing Study had talked about looking at the entry corridors. The Division Street corridor, he explained, could become very dense and serve almost as a second downtown area for the City due to its walkability, pedestrian nature, and its high density of employers and schools. He further stated that they had been working on some larger redevelopment projects in that area.

Commissioner Sawyer commented for clarification that single family homes most likely would not be desirable in that area, and as such would result in multi-family housing, to which Executive Director Ostrowski agreed as single family wouldn't be ideal for density and tax revenue purposes. They would focus on multi-family housing and possibly mixed-use units where there would be commercial on the first floor and residential on the second. The Executive Director continued that while multi-family housing was important, at a certain point they would have to start looking at single family considering the need within the community.

Commissioner Sawyer asked if anything was being done to the area between Trigs and Division Street, to which Executive Director Ostrowski stated that they were in conversations with the owner of those properties, adding that a larger project or two could transform the entire corridor.

Chairperson Schlice noted that there had been a larger project slated for the former Cooper's Motor, but that there had been no follow through with the seller or buyer, to which Commissioner Jahn agreed that they had missed the opportunity.

Commissioner Sawyer agreed that a larger project could generate the momentum for further redevelopment in that corridor.

Executive Director Ostrowski explained that they were looking at establishing some redevelopment related programs and the ones presented within their packets were there for discussion purposes only. He summarized the outlined recommendations for the following programs and invited comment from the Commission throughout his review:

- a. Property Purchase Program
- b. Demolition Program
- c. Rental Conversion Program
- d. Residential Façade Improvement Loan Program
- e. Commercial Façade Improvement Grant Program

Commissioner Jahn asked how the demolitions would be funded, to which Executive Director Ostrowski stated that the funding would be sourced from the Housing Trust Fund or Subdivision Fund, adding that while grants were an option, once the money was spent it was gone, so they needed a way to revolve funds. He lastly stated that they had approximately \$400,000 in the HTF, and \$1.5 million in outstanding loans.

Aldersperson Nebel (Third District) suggested approaching local businesses for while providing incentives, such as tax write-offs for the material donations. She also explained that another city had a fixup program for registered rental properties where they would provide 100% matching funds to a certain amount.

Commissioner Sawyer asked if there was any kind of enforcement in making sure that the property remained owner occupied for a certain number of years, to Executive Director Ostrowski stated that they could place the condition on the deed, as well as perform check-ups with the property to make sure it remained the principal residence.

Executive Director Ostrowski also explained that they could look into creating low or zero interest loan programs for individuals to aid in sprucing up their façade, which in turn could become grant programs for properties located in a locally designated historic district due to specific façade requirements. However, he reiterated that it would be more beneficial to have revolving funds rather than a grant. Their previous façade grant, he explained, had matched 50% up to a certain amount, but said it could be reduced to a 30% match and still hold a lot of interest. He further continued that brochures and program overviews from Oshkosh had been provided within their packets and they detailed several programs for first time home buyers, curb appeal, external improvements, owner-occupied rehabilitation, and renter-occupied rehabilitation. He reminded the commission that while the ones provided were solely recommendations, he asked that they be reviewed relatively quickly in order to prepare for implementation in the following year, if not sooner.

Aldersperson Kneebone (Seventh District) explained People Helping People, a program within the City of Dallas' Housing Department, specifically assisted senior or disabled citizens when they ran into code compliance issues, such as exterior paint or deteriorated garage. As an example, the Texas American Planning Association painted a house in one of the lower income neighborhoods. This program, she explained, relied on donations from contractors and volunteers in assisting people on a fixed income.

There was a general consensus that a similar program for the City would be very good.

Chairperson Schlice stated that the City had a similar program which had run out of money, to which Commissioner Jahn added that the program had been fully funded by City money, whereas they were discussing about a group effort in trying to coordinate free labor and donations.

Travis Haines (1317 College St) noted concerns in accepting extra paint from contractors since they couldn't be sure they were lead-free. Additionally, he stated that it would be a great time to work on the rental conversion program with landlords struggling to keep their places leased throughout the school year. A lot of the owners, he mentioned, were trying to get rid of the larger rooming houses as the student market had changed significantly in what they were looking for.

Commissioner Jahn commented that a lot of the larger student rental properties would make excellent single family homes, adding that they would sell easily.

Aldersperson Nebel (Third District) stated that Sentry used to have a renter program for employees relocating to the area and summarized how they had provided incentives such as paying their property tax for a year. She also mentioned that Lacrosse had a County Acquisition and Demolition Program, similar to one of the recommended ones provided. She reiterated that partnering with outside companies or organizations could provide incentives, such as tax write-offs, in place of fixing properties or doing conversions.

Executive Director Ostrowski noted that while the meeting had been an introduction to the recommended programs, he asked that commissioners and Alders in attendance provide feedback, concerns, or things they liked about the programs, as well as requested that they be prioritized.

Chairperson Schlice reiterated that getting the recommendations from the Redevelopment Authority to the Finance Committee would give them a starting point.

Aldersperson Phillips asked on eliminating programs they felt wouldn't work, to which Executive Director Ostrowski suggested they prioritize them first as individual programs to see if some would self-eliminate.

Chairperson Schlice recommended that commissioners add a comment to their prioritization list for each program.

8. 2018 Redevelopment Authority Budget

Executive Director Ostrowski stated that with Edgewater Manor gone, they had one remaining fund. In regards to the preliminary budget, not much had changed from year to year. Interest had come in on notes that were out, and they had interest revenue for the Children's Museum, as well as what was anticipated for the following year. Additionally, Fund 817 was down due to taking those funds for the Children's museum loan and City loan, noting that the City loan would also be refinanced, but overall interest and expenses remained relatively the same. In terms of loan proceeds, distribution, and other programs that would be created, that would be dependent on what the Redevelopment Authority ended up doing so there was no set amount for it currently. He asked that any thoughts or concerns on the draft budget be known, and if there were none, there would be an official document before them the following month for approval.

Chairperson Schlice asked if next month's document would be balanced, to which it was confirmed that it would be.

Aldersperson Phillips asked if they were looking to place an amount down for the programs, to which Executive Director Ostrowski stated that the amount would be dependent on the programs, so they did not need an amount at the time.

Chairperson Schlice noted that budget could be amended as needs dictated.

9. Acknowledge Plan Commission's recommendation from September 5, 2017 relating to the option to the option to purchase 1105 Second Street (Parcel ID 281240832200409), formerly Jerry's Auto Service.

Executive Director Ostrowski briefly explained that after numerous discussions regarding the purchase of Jerry's Auto, they had come to an agreement in price of \$22,400 net going to the seller, and the Redevelopment Authority would cover the closing costs and taxes relating to the property. He noted that the Plan Commission had unanimously recommended approval to proceed with the purchase, and he would be looking for acknowledgment of the recommendation.

Motion by Commissioner Sawyer to acknowledge and accept Plan Commission's recommendation from September 5, 2017 relating to the option to the option to purchase 1105 Second Street (Parcel ID 281240832200409), formerly Jerry's Auto Service; seconded by Aldersperson Phillips.

Motion carried 5-0.

10. Option to purchase 1105 Second Street (Parcel ID 281240832200409), formerly Jerry's Auto Service.

Executive Director Ostrowski noted that the option to purchase was in their packet, adding that the Finance Committee had approved the purchase price at their meeting with the final sign-off for funding being sent to the Common Council, and the funds most likely coming from TID 6. A point of concern, he explained, was that there was contamination left on the property that was outlined starting on page 61 of the packets. The Executive Director explained that there were still benzene levels on the property, and if disturbed, the contamination would most likely have to be disposed of properly, in addition to being the responsibly party if they decided to purchase it in 'as in' condition.

Commissioner Sawyer asked whether the owner would no longer be held accountable in any way environmentally, or if there were federal regulations that could look back to any owner of the property.

Executive Director Ostrowski stated that they were selling the property as is, and that the Redevelopment Authority would most likely be the responsible party for any environmental contamination. He further explained that they would mainly deal with petroleum contamination.

Commissioner Sawyer asked if the contamination could create an issue in the City selling the property to a developer for a project, to which Executive Director Ostrowski stated that it would depend on what the development was, the height of the structure, and how it was constructed. While they would definitely

disclose the issue to the developer, they would most likely conduct soil testing to see what the impactation rates were through soil boring tests, similar to what Cobblestone Hotel had done.

Chairperson Schlice asked if there was a program that exempted municipalities from a lot of the regulation on how contaminated properties were dealt with if owned.

Executive Director Ostrowski explained that the program was only done if they initially followed all of the proper procedures, or if they acquired the property in an involuntary way, such as the County taking it on tax deed and then deeding it to the City, similar to what had occurred with the Normington property.

Motion by Alderperson Phillips to approve the purchase of 1105 Second Street (Parcel ID 281240832200409), formerly Jerry's Auto Service; seconded by Commissioner Cooper.

Roll Call:

Yeas: Schlice, Phillips, Cooper, Jahn, Sawyer

Nays: None

Motion carried 5-0.

11. Director's Update

Executive Director Ostrowski noted that there was nothing further, but requested that commissioners get comments relating to the redevelopment programs to him directly.

12. 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 potential purchase of properties in TIF District 6 (Downtown TIF District).
- b. Negotiating the terms of a development agreement in TIF District 6 (Downtown TIF District).
- c. Negotiating the potential purchase or acquisition of property in Aldermanic District 4.
- d. Negotiating the terms of a development agreement for a project in Aldermanic District 4.

Motion by Commissioner Sawyer 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 potential purchase of properties in TIF District 6 (Downtown TIF District).**
- b. **Negotiating the terms of a development agreement in TIF District 6 (Downtown TIF District).**
- c. **Negotiating the potential purchase or acquisition of property in Aldermanic District 4.**
- d. **Negotiating the terms of a development agreement for a project in Aldermanic District 4.**

seconded by Commissioner Jahn

Roll Call:

Yeas: Schlice, Phillips, Cooper, Jahn, Sawyer

Nays: None

Motion carried 5-0.

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

Roll Call:

Yeas: Schlice, Phillips, Cooper, Gardner, Sawyer

Nays: None

Motion carried 5-0.

13. Reconvene into open session (approximately 30 minutes after entering into closed session) for possible action on the above.

Motion by Commissioner Sawyer to authorize the Executive Director to secure the necessary paperwork for the acquisition of property in Aldermanic District 4 that was discussed in closed session; seconded by Commissioner Cooper.

Roll Call:

Yeas: Schlice, Phillips, Cooper, Gardner, Sawyer

Nays: None

Motion carried 5-0.

14. Adjourn.

Meeting adjourned at 5:25 PM.

Approved:

John Schlice, Chairperson

Date

Attest:

Michael Ostrowski, Executive Director

Date