



# MINUTES

## REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

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<b>Date and Time:</b>	February 13, 2018 3:00 PM	<b>Location:</b>	City Conference Room 1515 Strongs Avenue Stevens Point, WI 54481
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**Present:** Chairperson Schlice, Alderperson Phillips, Commissioner Cooper, Commissioner Sawyer, and Commissioner Gardner.

**Also Present:** Executive Director Ostrowski, Comptroller / Treasurer Ladick, Alderperson Nebel, and Alderperson Dugan.

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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 October 24, 2017
5. Election of officers – Chairperson
6. Election of officers – Vice Chairperson
7. Financial reports, claims, and statements from September through November 2017
8. Loan write-off for 1433 West River Drive (Mabel Kvatek)
9. Establishing redevelopment related programs
10. Releasing a Request for Qualifications for Master Plans for Targeted Areas (Downtown and Division Street).
11. Razing of the structures at 101 Georgia Street (Parcel ID 281240830400103)
12. Selling and/or transferring the 101 Georgia Street property
13. Proposal for environmental services relating to the former Normington Drycleaners (downtown location)
14. Proposal for environmental services relating to the former Dun-Rite Cleaners and Mid-State Technical College
15. Director’s update
16. Adjourn.

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1. Roll call.

**Present:** Schlice, Phillips, Cooper, Gardner, Sawyer

**Excused:** 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.

Chairperson Schlice stated that individual comments would be allowed under the corresponding agenda item, to which there was no objection.

Discussion and possible action on the following:

4. Minutes and actions of the Redevelopment Authority meeting(s) of October 24, 2017

**Motion by Alderperson Phillips to approve the minutes and actions of the Redevelopment Authority meeting(s) of October 24, 2017; seconded by Commissioner Sawyer**

**Motion carried 5-0.**

5. Election of officers – Chairperson

**Motion by Commissioner Gardner to nominate John Schlice as the Chairperson for the Redevelopment Authority; seconded by Alderperson Phillips.**

**Motion carried 5-0.**

6. Election of officers – Vice Chairperson

**Motion by Commissioner Gardner to nominate Mike Phillips as the Vice Chairperson for the Redevelopment Authority; seconded by Commissioner Sawyer.**

**Motion carried 5-0.**

7. Financial reports, claims, and statements from September through November 2017

Executive Director Ostrowski stated that there had been no significant changes. Aside from some loan payoffs, there had been no real activity. They also had a little under \$500,000 in the Housing Trust Fund.

**Motion by Commissioner Sawyer to approve the financial reports, claims, and statements from September through November 2017; seconded by Commissioner Cooper.**

**Motion carried 5-0.**

8. Loan write-off for 1433 West River Drive (Mabel Kvatek)

Executive Director Ostrowski briefly explained that a person had purchased the dilapidated foreclosed property. The property in question had received loans from both the Redevelopment Authority and City, but there had been no dollars left over after the investor had purchased it.

Alderperson Phillips asked who had administered the Redevelopment Authority loan, to which it was stated that CAP Services had.

Commissioner Sawyer asked for the current status of the property, to which Executive Director Ostrowski explained that while the home had been rehabilitated, there had been a significant amount of public funds put into the project.

Commissioner Gardner asked for clarification if the property improvements had been performed, but that the owner had let the property go to waste, to which it was confirmed that it was correct.

Commissioner Sawyer asked for clarification on the several mortgages listed for the property, and further wondered why any additional loans would have been issued after already receiving initial funds.

Executive Director Ostrowski noted that the Redevelopment Authority loan had been recorded first.

Commissioner Gardner speculated that the multiple mortgages was a result of CAP Services bringing in money from multiple sources or fund programs, and that often time each program had different mortgages associated with the individual loans.

Commissioner Sawyer questioned why the City would be named as the entity on the mortgage if that was the case, to which Commissioner Gardner could not say for certain as he was not aware on how the document had been written.

**Motion by Commissioner Gardner to approve the loan write-off for 1433 West River Drive (Mabel Kvatek); seconded by Commissioner Cooper.**

**Roll Call:**

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

**Nays: None**

**Motion carried 5-0.**

9. Establishing redevelopment related programs

Executive Director Ostrowski summarized the proposed redevelopment related programs and invited comment from the Commission throughout his summary.

There were several comments as described below:

- a. General
  - i. Inquired whether the loan held the same legal structure as the water bill it would be included on, and whether it could become delinquent and if there would be any penalty provisions.
  - ii. Concerns about water bill payments being made, but loan portions going unpaid.
  - iii. Concerns about disbursing funds only once construction was completed as it could pose a financial burden on the contractor or owner.
  - iv. Properties should remain taxable regardless of owner.
  - v. Who would pick up the costs for the closing costs of the loan?
  - vi. Don't want to replicate bank services, or CAP Services.
  - vii. Property values should increase when work is performed, such as prioritizing exterior improvements rather than interior.
- b. Curb Appeal Enhancement Loan Program
  - i. Possible restriction based on income level.
  - ii. What would include an eligible improvement beyond smaller repairs?
  - iii. Additions shouldn't be an eligible improvement, but rather improvements to the existing structure.
- c. Housing Modernization and Rehabilitation Loan Program
  - i. Mirroring the Curb Appeal program.
- d. Multi-family Rental Conversion Grant Program

- i. Preference for a loan rather than a grant, and if the property sold prior to pay-off, the City would need to collect the full amount.
  - ii. Possibility of a deed restriction with a time limit to prevent the property from selling as anything other than a single family home.
  - iii. Concerns with limiting the program to one specific area.
  - iv. \$25,000 would not be enough funding to convert a non-confirming multi-family rental.
  - v. Program cost too high when compared to how large of an impact it would have on the area.
- e. Neighbor Helping Neighbor Grant Program
  - i. Could have a positive impact when coupled with specific project selection and targeted neighborhoods.
- f. Residential Structure Demolition Grant Program
  - i. General consensus to move forward.
  - ii. Commercial properties should be eligible, especially if vacant or dilapidated.
  - iii. Clarify that the applicant must be current on all municipal taxes, whether it's the purchaser or contractor.

Aldersperson Nebel expressed concern that the demolition program did not require the property to stay a single family residence.

Aldersperson Nebel asked for clarification between non-conforming and confirming rentals.

Aldersperson Nebel expressed concern over the possible future definition of family, and how that could affect the amount of individuals allowed in a rental.

Aldersperson Nebel stated her preference for low income homes to receive grant funds.

Aldersperson Dugan was pleased with the forward movement of implementing redevelopment programs.

Commissioner Gardner suggested providing CAP Services with funds for them to administer instead of duplicating what they're already doing. Additionally, they should fund the Demolition and Neighbor Helping Neighbor program. He lastly added that they should be targeting individuals who cannot afford to make repairs or are on a fixed income.

Chairperson Schlice stated that they have had reconciliation issues with CAP Services in the past, and preferred not to partner with them.

Commissioner Sawyer, while agreeing that there were individuals who needed more assistance, questioned what the task of the Redevelopment Authority was seeing as their initial intention was to redevelop blighted properties, improve curb appeal, and modern properties. He asked whether they could do both without spending all their funds.

Executive Director Ostrowski agreed that they had the ability to work with low income individuals, but that the recent Housing Study had stated that they needed to fix their entry corridors and preferred areas. Even so, there could be a path to fund smaller exterior improvements.

Aldersperson Nebel reiterated that they needed to focus on projects that would help raise property values and bring in new workers. She noted that the City was losing incoming residents to Plover.

Aldersperson Dugan summarized United Way's ALICE (Asset Limited, Income Constrained, Employed) Program and noted that their recommendation was for public and private entities to both provide assistance to low income individuals.

Executive Director Ostrowski asked the commissioners to keep in mind how the Redevelopment Authority could incentive their programs in ways that banks could not, to which Commissioner Cooper briefly explained that they may have to do something riskier if they want to do something the banks weren't already doing, and especially if they were going to be dealing with individuals with higher debt-to-income ratios.

Commissioner Gardner suggested a deferment of the initial payment for a period of time, or possibly years. There was a mutual agreement that while an incentive, it could cause issues in payments being made after being deferred for a time.

Chairperson Schlice noted that escalating payments over time could also be an option.

Commissioner Gardner noted that CAP Services was under federal guidelines so if they fixed something in the house, they had to make sure the rest of the home was in a decent and sanitary state. Often times this could act as a deterrent for some owners that were in need of a small project, such as a replacement furnace.

Commissioner Gardner noted that if they were to focus on corridors, other than Main Street, they would mostly be looking at commercial properties.

Executive Director Ostrowski stated that several Main Street and Clark Street structures could be improved. While some of the owners could afford to purchase the home, it was possible they didn't have the funds for upgrades to that home, to which Commissioner Gardner questioned whether that meant they couldn't afford the property in the first place.

Commissioner Sawyer asked how individuals would find that there is an alternative to getting a loan from the bank, especially if they did not qualify at the bank, that there could be another way. He also agreed in seeing the corridors as being mostly commercial in nature, such as Division Street.

Executive Director Ostrowski noted that there seemed to be a general consensus for moving forward with the Demolition and Neighboring Helping Neighbor programs, with the remaining three needing further discussion or refinement to possibly achieve different goals.

Commissioner Gardner reiterated that the rental conversion program would not be cost effective, especially when they had alternative programs to fund.

Aldersperson Phillips asked whether they wanted to attempt to convert one property to see how it did, to which Commissioner Gardner suggested that staff take a recent sale and do a workup of what it would cost to convert that property into a single family.

Executive Director Ostrowski asked whether they were thinking of the program being tailored only for nonconforming rental properties, or a blanket rental conversion to owner-occupied program.

Commissioner Gardner asked for clarification if they were not focusing on student rentals being converted back into single family homes. He noted that a workup would still be helpful in seeing cost estimates.

Executive Director Ostrowski expressed concern with working on a previously licensed rental property that was nonconforming today, but could be conforming tomorrow if the definition of family were to ever change.

Commissioner Sawyer asked if the Redevelopment Authority could have their own definition of family, and whether they could not follow the Zoning Ordinance if the definition was written into the program itself, to which Chairperson Schlice added that requiring owner-occupied homes could be part of a deed restriction.

Executive Director Ostrowski explained that the Redevelopment Authority could not determine the definition of family as it was dictated in the Zoning Ordinance through the Common Council.

Commissioner Gardner suggested targeting properties that used to hold a rental license as of January 1, 2015.

Aldersperson Phillips didn't see a concern with the definition now, stating that if the definition changes in the future, they could just revisit the program requirements on their end.

Executive Director Ostrowski agreed that instead of focusing an area, they could look at properties off the previous license list that used to be for a single family unit, but now housed 8 or 9 people.

Commissioner Sawyer asked whether there were any enforcement techniques that were available to staff in order to clean out the noncompliance properties, to which it was explained that if it was an illegal nonconforming property, the City could take action against the property, but if it was a legal nonconforming property, they were grandfathered in and could remain as is.

Aldersperson Phillips also agreed with using the previous rental license list for the rental conversion program.

Executive Director Ostrowski stated that he would create a workup of properties that had been converted, and that it would be provided at a future meeting.

Aldersperson Phillips asked if they would be focusing on an area around the university, to which Executive Director Ostrowski noted that while not specifically focusing on that area, most of the properties that were to focus on were already around the university.

Chairperson Schlice noted that Housing Modernization should be further looked into.

Executive Director Ostrowski summarized the amount of funds accessible to the Redevelopment Authority, totaling to approximately \$650,000, with a potential to access to \$1.17 million of City funds if approved by the Common Council. He also summarized initial cost estimates for the projects under each program for the first year.

Commissioner Gardner asked if proposals for the Neighbor Helping Neighbor and Residential Structure Demolition Grant Program would be reviewed by the Redevelopment Authority or staff, to which staff review was confirmed.

Commissioner Gardner reviewed the income requirements for the Residential Structure Demolition Grant Program on page 46 of the staff packet, to which Executive Director Ostrowski explained that there would be no income requirements for the demolition program, but rather time restrictions on when the home must be rebuilt.

Commissioner Gardner questioned the importance of whether the single family property would be owner-occupied or rented, to which Executive Director Ostrowski added that while preferred, the ultimate priority would be remove dilapidated structures, not control occupancy.

Chairperson Schlice suggested placing a condition in where the property would need to become owner-occupied within a set timeline, to which it was argued that it would be very difficult to enforce the requirement from an administrative perspective.

Commissioner Sawyer suggested adding occupancy to the ranking criteria for a project. While not a hard requirement, it could assist in prioritizing projects.

Executive Director Ostrowski agreed, stating that if they received more requests than they had the funds for, he would come back before the Redevelopment Authority for additional funding. They didn't want to turn away good projects, he added.

Commissioner Gardner did not foresee any issues, or have any concerns with allowing rental occupancy seeing as it would be for a single family unit.

Commissioner Cooper agreed with Commissioner Gardner, reiterating that their goal was to get the dilapidated home removed and replaced.

Executive Director Ostrowski asked whether the \$75,000 cap for assessed value was agreeable, to which there was a general consensus that it was acceptable.

Commissioner Sawyer noted that an exception to the cap assessed value rule would be ideal, especially for commercial properties, to which Executive Director Ostrowski confirmed that anything assessed higher would be brought back before the Redevelopment Authority.

Commissioner Gardner asked what the required two cost estimates were for, to which Executive Director Ostrowski explained the quotes were to be from the demolition contractors, not for the construction of the new home.

Executive Director Ostrowski further stated that he would look into providing a workup for the rental conversion program, and also inquire about additional funds from the Common Council. He noted that any additional guidance for the remaining programs would be appreciated.

There was a brief discussion about the possibility of the City providing additional funds to implement the remaining programs not approved at the meeting.

**Motion by Commissioner Gardner to approve funding for the Neighbor Helping Neighbor Program and Residential Structure Demolition Grant Program with the following:**

- 1. Neighbor Helping Neighbor Grant Program - \$30,000 a year.**
- 2. Residential Structure Demolition Grant Program - \$50,000 a year with a \$15,000 cap per property.**
- 3. Program marketing expenses not to exceed \$5,000 for the two programs.**

**seconded by Alderperson Phillips.**

**Roll Call:**

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

**Nays: None**

**Motion carried 5-0.**

**10. Releasing a Request for Qualifications for Master Plans for Targeted Areas (Downtown and Division Street).**

Executive Director Ostrowski briefly explained the request to partner with a firm in creating Master Plans for Target Areas which would assist with redevelopment project plans so they could see which areas they would need to focus on. Once a Master Plan was approved by the Plan Commission and Common Council, the Redevelopment Authority would have the full authority to carry out its own projects without having to go back for approval. Many areas, he noted, had great potential.

Commissioner Gardner expressed interest in moving straight to implementation for the downtown area, noting that staff was knowledgeable enough in this area to move forward. The Division Street corridor, he

noted, would most likely require additional studying. He also suggested the possibility of including residential areas off the main commercial corridors.

Executive Director Ostrowski, in regards to the Division Street corridor, asked whether they wanted to redevelop the entire corridor. He further explained that the north, middle, and south portions of the corridor differed completely. Any plan moving forward would need to take into account the adjacent properties, he stated, and a firm could assist them in defining that scope. A rough estimate for the project would be \$80,000, with totals potentially being TIF expenses due to the Downtown and Division Street corridor being in TIF Districts.

Aldersperson Phillips asked why there seemed to be interest on the northern portion of Division Street as opposed to the whole corridor south to Church Street.

Executive Director Ostrowski explained that the Division Street corridor was complex due to the areas differing greatly between the north, middle, and south. While they weren't dismissing the redevelopment of the entire corridor, they were looking to focus and capitalize on the recent energy and redevelopment occurring in that area currently. Division Street, he stated, had the potential to develop into a second downtown-type area due to the density in that area.

Comptroller / Treasurer Ladick excused himself for a prior commitment.

**Motion by Commissioner Gardner to approve the request for Qualifications for Master Plans for Targeted Areas (Downtown and Division Street), with Division Street extending to College Avenue; seconded by Commissioner Sawyer.**

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

**Nays: None**

**Motion carried 5-0.**

11. Razing of the structures at 101 Georgia Street (Parcel ID 281240830400103)

Aldersperson Phillips asked whether the contractor had previously razed a structure, to which it was confirmed that they had.

**Motion by Commissioner Gardner to approve the razing of the structures at 101 Georgia Street (Parcel ID 281240830400103); seconded by Aldersperson Phillips.**

**Roll Call:**

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

**Nays: None**

**Motion carried 5-0.**

12. Selling and/or transferring the 101 Georgia Street property

Executive Director Ostrowski briefly stated that once the structure was removed, they would need to decide on how to dispose of the property, whether it was to enlist a realtor, promote the site themselves, or issue a request for proposals for the property. He stated his preference in seeing another single family home rebuilt on the property.

**Motion by Commissioner Gardner to approve the releasing a request for proposals for the selling and/or transferring the 101 Georgia Street property; seconded by Commissioner Cooper.**

**Roll Call:**

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

**Nays: None**

**Motion carried 5-0.**

13. Proposal for environmental services relating to the former Normington Drycleaners (downtown location)

Executive Director Ostrowski reminded the commission that they did not authorize the amendment in October, but rather requested that they go back to AECOM for a new proposal that would take them to case closure. He explained that in addition to requesting a quote from AECOM, he had also requested one from Stantec, another company. While Stantec had come in lower than AECOM, AECOM's quote covered additional items and contained more detail such as DNR closure fees and requests.

**Motion by Commissioner Gardner to approve the proposal for environmental services relating to the former Normington Drycleaners (downtown location); seconded by Commissioner Cooper.**

**Roll Call:**

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

**Nays: None**

**Motion carried 5-0.**

14. Proposal for environmental services relating to the former Dun-Rite Cleaners and Mid-State Technical College

Executive Director Ostrowski explained that the amendment reflected the soil removal under the Great Lakes Parking lot, its storage at the Mason Street site for venting the piles, and the subsequent dumping of soil to a landfill. Since then, Mid-State's system had been shut off due to it providing clean vapors, and they were now going through the process of case closure. He briefly stated that he had not obtained a second quote due to them being so close to case closure, thus it not being cost effective to change service providers.

**Motion by Commissioner Gardner to approve the proposal for environmental services relating to the former Dun-Rite Cleaners and Mid-State Technical College; seconded by Commissioner Sawyer.**

**Roll Call:**

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

**Nays: None**

**Motion carried 5-0.**

15. Director's update

Executive Director Ostrowski had no further updates.

16. Adjourn.

**Meeting adjourned at 4:48 PM.**

**Approved:**

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**John Schlice, Chairperson**

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**Date**

**Attest:**

\_\_\_\_\_  
**Michael Ostrowski, Executive Director**

\_\_\_\_\_  
**Date**