



# MINUTES

## REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

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| <b>Date and Time:</b> | August 28, 2018<br>3:00 PM | <b>Location:</b> | Police Department (Room 122)<br>933 Michigan Avenue<br>Stevens Point, WI 54481 |
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**Present:** Chairperson Schlice, Commissioner Phillips, Commissioner Gardner, Commissioner Kemmeter, Commissioner Sawyer, and Commissioner Segura.

**Also Present:** Executive Director Ostrowski, Alderperson Kneebone, and Brandi Makuski.

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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, 2018
5. Financial reports, claims, and statements from prior month(s)
6. 2018 Audit
7. Purchase 1013 Second Street and 1016 Third Street (Parcel IDs 281240832200418 and 281240832200414)
8. Options for 101 Georgia Street
9. Purchase and sale of tax deeded or foreclosed properties
10. Agreement for Targeted Area Master Plans (Downtown and Division Street) with Vandewalle & Associates
11. Establishing redevelopment related programs
12. Resolution - Modify the 2018 budget for redevelopment related programs
13. 2019 Budget
14. Establishing an occupancy license for the property north of 1136 Main Street
15. Director's Update.
16. Adjourn.

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1. Roll call.

**Present:** Schlice, Phillips, Gardner, Kemmeter, Sawyer, Segura

**Excused:** Cooper

Mr. Gene Kemmeter was introduced as a new commissioner.

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.

No one registered to speak.

3. Public comment for pre-registered individuals for matters appearing on the agenda.

Aldersperson Kneebone, on behalf of Aldersperson Nebel, asked for clarification on possibly providing a \$35,000 grant for a redevelopment related program, to which Executive Director Ostrowski explained that only two programs provided grants, of which the maximum for the Residential Structure Demolition grant program was \$15,000, and Neighbor Helping Neighbor grant program was \$1,000.

Aldersperson Kneebone noted that the concern was more so having one individual receive a large grant amount which would dilute the pool of funds.

Discussion and possible action on the following:

4. Minutes and actions of the Redevelopment Authority meeting(s) of July 10, 2018

**Motion by Commissioner Sawyer to approve the minutes and actions of the Redevelopment Authority meeting(s) of July 10, 2018; seconded by Commissioner Phillips.**

Commissioner Kemmeter abstained.

**Motion carried 5-0.**

5. Financial reports, claims, and statements from prior month(s)

Executive Director Ostrowski noted that no major activity had occurred, and stated that there was a little over \$570,000 in the Housing Trust Fund.

**Motion by Aldersperson Phillips to approve the reports, claims, and statements from prior month(s) and place them on file; seconded by Commissioner Sawyer.**

**Motion carried 6-0.**

6. 2018 Audit

Executive Director Ostrowski summarized that there had been no significant findings within the 2018 Audit by Baker Tilly. An item that had been addressed from a previous audit was making sure that the authority had implemented additional controls over outstanding loan balances to ensure no allowance for uncollectible loans would be needed. The Executive Director made himself available for questioning.

Commissioners had the following comments:

1. Recommendation clarification for Page 6 - Information Technology, of the audit report.
2. Inquiry on how it was determined if loans were collectible, to which it was noted that delinquent utility and tax bills would be used.
3. Page 49/91 Staff Packet: Concerns over capital asset line items, and possibility of having asset costs inflated, especially since they would most likely not recoup those costs with reselling. It was noted that Assessor values were used, not purchase prices, and accumulated depreciation were taken into account.

4. Inquiry of those assets, specifically Redevelopment Authority owned parking lots, and whether they were leased to the City, to which it was explained that they did not, as the City had fronted the funds for the land purchase.

**Motion by Commissioner Gardner to approve the 2018 Audit report and place it on file; seconded by Commissioner Sawyer.**

**Motion carried 6-0.**

7. Purchase 1013 Second Street and 1016 Third Street (Parcel IDs 281240832200418 and 281240832200414)

Executive Director Ostrowski summarized that the board had authorized the exercising of their Option to Purchase for the properties contingent upon environmental findings. Contamination findings during Phase I testing had necessitated a Phase II, of which preliminary results showed contamination levels above enforcement standards. While there would have to be some additional costs to address the contamination prior to a development, staff did not see huge concerns with moving forward, adding that their Option to Purchase was set to expire in 3 days. Sampling results for deeper borings were projected to be completed within the following days.

Commissioner Sawyer asked whether they would be taking on additional liability in exercising the Option to Purchase, or if they would end up cleaning the site either way, to which Executive Director Ostrowski confirmed that they would still most likely spend funds to clean up the site prior to redevelopment.

Commissioner Sawyer asked whether the previous owners could be held responsible for cleanup costs, to which Executive Director Ostrowski briefly noted that they may be able to invoke a local government liability exemption.

Commissioner Gardner asked whether the findings affected the purchase price, to which Executive Director Ostrowski stated that the authority had the ability to renegotiate, although noting that doing so would release their Option to Purchase and allow other interested parties to possibly acquire the property.

Chairperson Schlice asked whether the new owners would need to clean up the property, to which it was noted that the disposal or remediation would likely occur with the development of the site.

There was a brief discussion on how to proceed, and whether the Redevelopment Authority should wait for further test results, or whether they could explore the possibility of exercising the Option to Purchase contingent on certain levels of contamination.

Executive Director Ostrowski stated that the City and Redevelopment Authority would still need to be active partners in getting the site cleaned up for redevelopment even if higher levels of contamination were found. He recommended proceeding with exercising the Option to Purchase, adding that if the deeper boring results came back prior to the expiration and indicated a significant presence of contamination, they could withhold signing it.

Aldersperson Phillips asked what would occur if they did not exercise the Option to Purchase, to which staff noted that they would lose an estimated \$1,500.

**Motion by Commissioner Sawyer to authorize exercising the Option to Purchase 1013 Second Street and 1016 Third Street (Parcel IDs 281240832200418 and 281240832200414) contingent upon further environmental results; seconded by Commissioner Gardner.**

**Roll Call:**

**Yeas: Schlice, Phillips, Gardner, Kemmeter, Sawyer, Segura**

**Nays: None**

**Motion carried 6-0.**

## 8. Options for 101 Georgia Street

Executive Director Ostrowski summarized that staff had not received any valid proposals for a single family home for the now vacant lot. He was looking to explore other potential options, whether it would be to remove the owner-occupied requirement, relisting the lot with a real estate agent, or if they should look at experimenting with tiny homes. He invited feedback regarding the options, to which the following comments were made:

1. Strong support for tiny homes noting that it could provide the ability to build wealth for certain individuals, and allow them to step into the ownership market.
2. Possibility of teaming up with Habitat for Humanity to build up the lot.
3. Interest in knowing more about price point ranges and square footage of tiny homes, to which \$20,000 was estimated.
4. Tiny homes could provide a path out of poverty due to the low cost of construction.
5. Possibility of creating an area/subdivision for tiny homes rather than one or two individual ones in an existing neighborhood, as well as the positives and negatives of each scenario.
6. Concerns with distinguishing between a mobile home and tiny home.
7. Brief discussion about needing to address and implement Zoning Code changes to allow tiny homes in the City considering the current minimum width and size requirements.
8. Interest in working with a developer or contractor to look at an area/neighborhood with only tiny homes.
9. Citing the need to address the differences between mobile homes, and dealing with occupancy considering the reduced size of tiny homes.
10. Habitat for Humanity would provide a greater value for the property.
11. Potentially involving the local university to complete initial research, perhaps as student project.
12. Stressed that the commission seriously considering allowing tiny homes as it would provide additional opportunity and ability to citizens.

Executive Director Ostrowski stated that he would take feedback into consideration when exploring additional options. No action was taken.

## 9. Purchase and sale of tax deeded or foreclosed properties

Executive Director Ostrowski explained that there were several dilapidated houses that would be coming up on tax deed which could provide an opportunity for the City to acquire and address them, also noting however that they would not go into a bidding war to purchase. Teaming up with CAP Services could be an option to explore as they also had some funding that could be used to purchase and renovate the tax deed or foreclosed homes. He summarized the process that Portage County would take once the properties were on tax deed, and recommended that the authority discuss whether to participate in the bidding for the properties as well. Commissioners made the following comments:

1. Inquiry as to who would own the properties, to which it was clarified that the Redevelopment Authority would first acquire, then transfer or sell the properties to CAP Services.
2. General consensus to partner with CAP Services to address the properties, and to pursue the potential acquisition of properties.

No action was taken.

#### 10. Agreement for Targeted Area Master Plans (Downtown and Division Street) with Vandewalle & Associates

Executive Director Ostrowski explained that the commission had authorized going into an agreement with Vandewalle & Associates for Targeted Area Master Plans. That agreement was before them, and he was looking for any additional comments or feedback so it may be incorporated into that agreement.

Chairperson Schlice inquired on whether there were plans to solicit public comment from City tax payers, to which Executive Director noted that he would recommend to them additional public engagement items for the community. The following were also suggested for involving the public:

1. Kick off meetings/Open Houses
2. City website engagement/comments
3. Surveys
4. Involve local TV station programs/radio

Executive Director Ostrowski asked that any additional comments be sent him.

No action was taken.

#### 11. Establishing redevelopment related programs

Executive Director Ostrowski provided the revised program guidelines per feedback received during the previous meeting. He would be looking to approve a budget for the redevelopment related programs in the following agenda item pending any additional comments. There were several comments as described below:

- a. Neighbor Helping Neighbor Grant Program
  - i. Additional Requirements section: Add 'if applicable' to end of bullet point 3 to clarify inconsistency between point 3 and point 6.
  - ii. Clarification that labor charges would not be covered.
- b. Residential Structure Demolition Grant Program
  - i. Require minimum value to new build of \$120,000.
  - ii. Inquiry as to whether accessory buildings would be eligible.
  - iii. Eligible Properties section: Clarify first bullet point with '*Intended use must be residential in nature*'.
  - iv. Don't want to deter individuals who have delinquent payments.
  - v. Require proof of financing prior to grant approval?
- c. Curb Appeal Enhancement Loan Program
  - i. Clarification on differences between CAELP and HMRLP, specifically shorter payback periods and more focused on exterior work for curb appeal.

- ii. Dwelling build date requirement, rolling 20-year window.
  - iii. Apply 80% loan to value ratio.
  - iv. Strike Design standards.
  - v. Clarify loan due date.
  - vi. Clarify owner-occupied requirement.
- d. Housing Modernization and Rehabilitation Loan Program
- i. Focus on longer payback periods and interior improvements.
  - ii. Dwelling build date requirement, rolling 20-year window.
  - iii. Apply 80% loan to value ratio.
  - iv. Strike Design standards.
  - v. Clarify loan due date.
  - vi. Clarify owner-occupied requirement.

**Motion by Commissioner Segura to approve the following programs: Neighbor Helping Neighbor Grant Program, Residential Structure Demolition Grant Program, Curb Appeal Enhancement Loan Program, and Housing Modernization and Rehabilitation Loan Program; seconded by Commissioner Sawyer.**

**Motion carried 6-0.**

12. Resolution - Modify the 2018 budget for redevelopment related programs

Executive Director Ostrowski reviewed the 2018 Budget item amendments for the redevelopment related programs. He recommended that the Redevelopment Authority approve the modifications to the 2018 Budget.

Commissioner Gardner asked if a line item for the Residential Demolition Program would need to come back for approval, to which staff explained that it did not so long as the bottom line budget total was not exceeded.

Commissioner Segura asked whether all line items were coming out of the same fund, to which it was confirmed that they would be coming out of a similar account.

**Motion by Alderperson Phillips to approve the modifications to the 2018 Budget for redevelopment related programs; seconded by Commissioner Segura.**

**Roll Call:**

**Yeas: Schlice, Phillips, Gardner, Kemmeter, Sawyer, Segura**

**Nays: None**

**Motion carried 6-0.**

13. 2019 Budget

Executive Director Ostrowski summarized the 2019 Budget items, projected values, and noted that a formal budget would be back for approval at a later date.

No action was taken.

14. Establishing an occupancy license for the property north of 1136 Main Street

Executive Director Ostrowski briefly summarized that a representative for the property owner of 1136 Main Street was seeking the use of land north of their business, adding that their current area was being used for

parking when it was actually an access point for their business. If they would be granted the license, they would be able to limit the use of the property by other users. If the Redevelopment Authority was agreeable, he would bring forward a map and overall agreement back for review at a later date.

There was a general consensus to move forward in establishing an occupancy license for the property north of 1136 Main Street. No action was taken.

15. Director's update.

- a. September Redevelopment Authority meeting may not occur.

16. Adjourn.

**Meeting adjourned at 4:20 PM**

**Approved:**

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**John Schlice, Chairperson**

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**Date**

**Attest:**

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**Michael Ostrowski, Executive Director**

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**Date**