



MINUTES

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

Date and Time:	April 17, 2018 3:00 PM	Location:	City Conference Room 1515 Strongs Avenue Stevens Point, WI 54481
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Present: Chairperson Schlice, Alderperson Phillips, Commissioner Cooper, Commissioner Gardner, and Commissioner Sawyer.

Also Present: Executive Director Ostrowski, and Liz McDonald.

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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 February 13, 2018.
5. Financial reports, claims, and statements from December 2017 – March 2018
6. Loan write-off for 2924 Oak Street (Jennifer and Dave Thompson)
7. Assignment of lease for Great Lakes Educational Loan Services, Inc. to Nelnet Diversified Solutions, LLC
8. Establishing redevelopment related programs
9. Master Plans for Targeted Areas (Downtown and Division Street)
10. Director’s update
11. Adjourn.

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1. Roll call.

Present: Schlice, Phillips, Cooper, Gardner, Sawyer

Absent: 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.

Liz McDonald, local Stevens Point resident, briefly introduced herself and commended the authority for implementing several Redevelopment Programs, noting that there were many areas and residences that

were in need of repair and conversions. She hoped that future rental conversions would aid in the shortage of single family housing in Stevens Point.

Discussion and possible action on the following:

4. Minutes and actions of the Redevelopment Authority meeting(s) of February 13, 2018

Motion by Commissioner Cooper to approve the minutes and actions of the Redevelopment Authority meeting(s) of February 13, 2018; seconded by Alderperson Phillips.

Motion carried 5-0.

5. Financial reports, claims, and statements December 2017 – March 2018

Executive Director Ostrowski stated that there had been nothing out of the ordinary. Aside from some loan payoffs, there had been no real activity.

Motion by Commissioner Gardner to approve the financial reports, claims, and statements from December 2017 – March 2018; seconded by Chairperson Schlice.

Motion carried 5-0.

6. Loan write-off for 2924 Oak Street (Jennifer and Dave Thompson)

Executive Director Ostrowski briefly explained that the property had sold in a sheriff sale for \$76,000. There were not enough funds left in the purchase to cover the Redevelopment Authority loan for \$15,000 or the City loan for \$10,000 since the costs had exceeded what they had been bid on it.

Chairperson Schlice asked what the condition of the home had been, to which it could not be confirmed, but Executive Director Ostrowski noted that it couldn't have been that bad.

Commissioner Gardner asked if the bank had been the winning bidder, and if the property was on the market, to which Executive Director Ostrowski stated that the winning bidder had been the Wisconsin Economic Development Association (WEDA), and that someone was currently living in the home.

Alderperson Phillips, being familiar with the property, stated that while old, the structure had been sound.

Executive Director Ostrowski added that WEDA had sold the property in a nonmarket sale to a buyer after taking it on foreclosure for \$79,000.

Commissioner Sawyer asked what the terms of the Redevelopment Authority loan had been, and if they were being paid. He also noted that having reoccurring loans could provide an earlier indication that there may be a problem with the loan.

Executive Director Ostrowski explained that they typically steered away from periodic payments due to its challenges from an administrative perspective, and that their loans were typically due in full when the property was no longer the principal residence. He further explained that the Treasurer's department had recently identified properties with loans that were having difficulty paying their taxes per an audit recommendation made several years ago in order to identify potential problem properties earlier. He noted that looking into a form of periodic payment could be beneficial as it wouldn't put so much pressure at the end of the loan if it got to foreclosure.

Alderperson Phillips asked if the home loan had been dealt through CAP Services.

Commissioner Gardner noted that CAP Services was not the issue, but rather the loan to value ratio issued. He stressed the need to be more conservative with their loan standards and asked what the market standard was, to which Commissioner Cooper briefly noted that WEDA could issue 100% across two loans.

Executive Director Ostrowski stated that they hadn't been issuing any new loans, and when beginning to look at the new programs, they could set a loan value. Regarding 2924 Oak Street, the property had been assessed at \$88,700 prior to the revalue and \$108,400 after the revalue.

Commissioner Gardner noted that based on the purchase price versus the assessment, it could be advantageous for the Redevelopment Authority to purchasing similar properties as there could still be equity to be gained.

Motion by Commissioner Cooper to approve the loan write-off 2924 Oak Street (Jennifer and Dave Thompson); seconded by Commissioner Gardner.

Roll Call:

Yeas: Schlice, Phillips, Cooper, Gardner, Sawyer

Nays: None

Motion carried 5-0.

7. Assignment of lease for Great Lakes Educational Loan Services, Inc. to Nelnet Diversified Solutions, LLC

Executive Director Ostrowski briefly explained that the Redevelopment Authority owned the building and that they were looking to assign the lease to a new business that had recently acquired Great Lakes. Seeing as they didn't have any outstanding payments or amounts owed to the City or Redevelopment Authority, staff saw no issues in assigning the lease.

Chairperson Schlice asked if the lease could be extended, to which Executive Director Ostrowski further explained that they were cautious of the volatility of the student loan market, thus they did not like to go too long in lease terms.

Aldersperson Phillips asked for clarification on a line item that stated the landowner had inspected the property regarding any repairs or replacements. He also asked if the roof was still leaking.

Executive Director Ostrowski stated that while the roof had been redone, there were still some issues concerning the cupola. A thought to remove the cupola had been previously rejected by the commission.

Aldersperson Phillips asked if the roof was still under warranty, to which Director Ostrowski confirmed a 10 year warranty on the roof.

Motion by Aldersperson Phillips to approve the assignment of lease for Great Lakes Educational Loan Services, Inc. to Nelnet Diversified Solutions, LLC; seconded by Commissioner Sawyer.

Roll Call:

Yeas: Schlice, Phillips, Cooper, Gardner, Sawyer

Nays: None

Motion carried 5-0.

8. Establishing redevelopment related programs

Executive Director Ostrowski summarized that the Finance Committee and Common Council had approved access to additional funds in the amount of \$1.2 million, with the condition that the Redevelopment Authority work within the approved program guidelines. Any major changes to any program, or their intent, would need to be brought back before the Common Council. Executive Director Ostrowski invited comment from the Commission regarding the Redevelopment Programs.

There were several comments as described below:

- a. Neighbor Helping Neighbor Grant Program

- i. Did not want to disqualify neighbors or family members of the owner from providing assistance based on the technical language of the program.
- ii. Possibility of a pay-on-progress method with the involvement of a title company rather than internal staff.
- iii. How to make sure that the adequate prep work has been performed prior to a project beginning, and to make sure funds spent on items such as paint, last.

Motion by Commissioner Gardner to make minor modifications to the Neighbor Helping Neighbor Grant Program with the following:

1. Amendment to language under Terms, bullet point one, to include ‘owner, neighbor, family or local community based organization’ in place of ‘local community based organization’.
2. Allow staff the flexibility to work with the applicant, owner, or organization for when funds will need to be dispersed to a maximum of \$1,000.
3. Amendment to language under Eligible Properties, bullet point two, to clarify that a property must be owner-occupied in either instance.
4. Include a statement for following generally accepted procedures for material application.

seconded by Commissioner Cooper.

Motion carried 5-0.

- b. Residential Structure Demolition Grant Program
 - i. Properties that have been subject to an insurance claim are ineligible.
 - ii. Up to \$15,000 grant, not to exceed the actual cost of demolition.
 - iii. General consensus to not move forward with allowing mobile home parks to access the program.
 - iv. Possibility to extend, or create a separate program to commercial properties, and the need to go back to Common Council due to the major change.

Motion by Commissioner Gardner to approve the Residential Structure Demolition Grant Program per staff recommendations; seconded by Alderperson Phillips.

Motion carried 5-0.

- c. Curb Appeal Enhancement Loan Program
 - i. Lack of difference between eligible improvements between Curb Appeal and Housing Modernization, aside from some unique interior or exterior items.
 - ii. Push Curb Appeal Program due to its focus on the exterior property which would benefit the surrounding neighborhood more.

- iii. Possibility of looking at total debt to income ratio rather than percent of monthly income.
- iv. Possibility of looking into allowing refinancing.
- v. Don't want to price anyone out of the market due to large amounts of land.

Motion by Commissioner Sawyer to approve and amend the Curb Appeal Enhancement Loan Program with the following:

1. Add 'insulation' to the list of Eligible Improvements.
2. Add requirement to maintain occupancy and ownership of home while loan is being repaid and allow for title changes in the instance of marriage or divorce.
3. Change 30% max of total monthly income to 45% total debt ratio.
4. Clarify language under Terms, bullet point one.
5. Eligible Properties may not exceed \$170,000 fair market value of the property as established by most recent City of Stevens Point Assessment published.
6. Require checks to be 2-party, rather than reimbursing the owner fully.
7. Require lien waivers.

seconded by Commissioner Gardner.

Motion carried 5-0.

- d. Housing Modernization and Rehabilitation Loan Program
 - i. Mirroring the Curb Appeal program.
 - ii. Clarification on maximum amount of eligible loan as it seems high for housing modernization when there is already an existing mortgage.
 - iii. Possibility of allowing the refinancing of first mortgage.
 - iv. Clarification that Curb Appeal, Housing Modernization, and the Rental Conversation Program would require board review.

Motion by Commissioner Sawyer to approve and amend the Housing Modernization and Rehabilitation Loan Program with the following:

1. Add 'insulation' to the list of Eligible Improvements.
2. Add requirement to maintain occupancy and ownership of home while loan is being repaid and allow for title changes in the instance of marriage or divorce.
3. Change 30% max of total monthly income to 45% total debt ratio.
4. Clarify language under Terms, bullet point one.
5. Eligible Properties may not exceed \$170,000 fair market value of the property as established by most recent City of Stevens Point Assessment published.
6. Require checks to be 2-party, rather than reimbursing the owner fully.
7. Require lien waivers.

seconded by Commissioner Gardner

Motion carried 5-0.

Motion by Commissioner Gardner to amend the Curb Appeal Enhancement Loan Program and Housing Modernization and Rehabilitation Loan Program with the following:

1. Add a 90% loan to value clause.

seconded by Alderperson Phillips

Motion carried 5-0.

- e. Multi-family Rental Conversion Grant Program
 - i. The need to focus on certain areas or type of rentals, such as boarding houses.
 - ii. Concerns with landowners with multiple properties taking advantage of the program.
 - iii. Possibility of postponing the program, even just for a year.
 - iv. Market is starting to impact rentals, plus there is a lack of inventory for single family homes.
 - v. Concerns about artificially inflating the sale price of a home.
 - vi. The need to address the 'worst house on the block'.
 - vii. Rather than setting a maximum grant amount, leaving the program on a case by case basis.

There was a general consensus to rework the program in order to bring it back to the board for review.

- f. General Comments
 - i. Look into a budget amendment to identify the allowable funds for each program once they're all established.
 - ii. Don't want to replace banks with programs.
 - iii. Have a discussion with CAP Services when more expenses or fixes are requested by them than initially requested by the applicant if partnering with them in the future.
 - iv. There is not a great difference between RA interest rates and market rates, incentive is not there, nor is it competitive.

Chairperson Schlice asked if they needed to take any additional steps in order to access funds, to which Executive Director Ostrowski stated the funds could be accessed at any time, and that they could also make minor changes to the programs.

Commissioner Gardner asked who would administer the programs, to which Executive Director Ostrowski stated that existing staff would. They had looked into partnering with a financial institution, but they had refused. He noted that they may look into an administrator in the future.

Commissioner Gardner asked how much in funds were left, to which Executive Director Ostrowski stated that there was \$1.2 million available in the Subdivision Fund, and \$400,000-\$500,000 in the Redevelopment

Authority's savings account, with the average loan being approximately between \$25,000-30,000. He noted that the programs may take a bit to get started, and whether they should look into working with another organization like CAP Services.

Alderson Phillips asked for clarification regarding an administrator, to which Executive Director Ostrowski explained that depending on the task, some items would be done by internal staff.

Commissioner Gardner noted that it would be a large commitment and work to administer the programs, to which Executive Director Ostrowski stated that they could revisit it if the work became overwhelming.

Alderson Phillips noted that perhaps they needed to set a limit of what to spend within the first year, to which Executive Director Ostrowski stated that while their program needs may change over time, it may be a good idea to set a limit which in turn could assist in ranking particular projects.

9. Master Plans for Targeted Areas (Downtown and Division Street).

Executive Director Ostrowski briefly stated that they had released a request for qualifications regarding firms to take on creating Master Plans for Target Areas which would assist with redevelopment project plans. Staff, in collaboration with Parks Director Schrader and Public Works Director Beduhn, had ranked the firms based on several different criteria items and were looking at proceeding with interviews of the top 6 firms. Once the interviews were complete, they would re-rank the firms.

Alderson Phillips stated his preference for the firm RDG Planning & Design. Regardless of working with SEH in the past, he felt their submittal lacking.

Executive Director Ostrowski noted that MSA Professional Services was the only firm that referenced state statute items and requirements.

Commissioner Gardner stated that he would have liked to see examples of Master Plans as their submittals were mostly qualifications. He felt there was not enough information to place rankings.

Chairperson Schlice stated that he would have liked to see costs for their work, to which Executive Director Ostrowski noted that the scope of work was susceptible to change, which could increase or decrease hours, thus affect cost.

Executive Director Ostrowski further added that the interview process could become lengthy in time, and they could look at blocking out an hour here or there for individual interviews. Recording the sessions could be a possibility as well.

Chairperson Schlice asked how the Master Plans for Targeted Areas would be funded, to which Executive Director Ostrowski stated that they would try and use TIF funds and/or leftover funds from the Zoning Code rewrite.

Alderson Phillips asked how the 2008 Downtown Plan played into the current project, and who had worked on it.

Executive Director Ostrowski stated that PDI had drafted the 2008 study. While there had been good recommendations within the study, many things had already changed over time in regards to the economy and city development. With this approach, he explained, they would not only look at conceptual plans, but look at marketing initiatives, and creating a statutory defined Redevelopment Plan which would allow the Redevelopment Authority to carry out that plan. In summary, it would be more in depth as opposed to the PDI concept oriented study.

Alderson Phillips asked how much the PDI study had cost, to which Commissioner Gardner could not recall.

Commissioner Gardner floated the idea of having two different firms for the two different areas. While it could create an air of competitiveness, the possibility of them not working together at all was also a potential issue.

Chairperson Schlice suggested that staff run through interviews for their top 6 firms, and once re-ranked, bring the top 3 back before the Redevelopment Authority.

Commissioner Gardner noted that it may be useful to have staff, the Mayor, and representation for the Redevelopment Authority and Common Council at the interviews, to which Executive Director Ostrowski agreed.

There was a general consensus to interview the top six firms and to have a representative from the Redevelopment Authority and Common Council present.

10. Director's update

Executive Director Ostrowski stated that the structures on 101 Georgia Street had been demolished, and that the Common Council had approved the reduced setbacks for the property. They would be releasing a request for proposals for the lot which would be due at the end of May. Additionally, staff had also received information regarding approved Wisconsin Opportunity Zone designations from WEDA. Out of 120 Opportunity Zones across 44 counties in Wisconsin, Stevens Point had two areas identified. The areas would provide investors with certain tax incentives when they re-invested unrealized capital gains in the designated areas. Executive Director Ostrowski noted that the opportunity zones would be very relevant when discussing the Master Plans as it could spur additional development within those areas.

11. Adjourn.

Meeting adjourned at 4:34 PM.

Approved:

John Schlice, Chairperson

Date

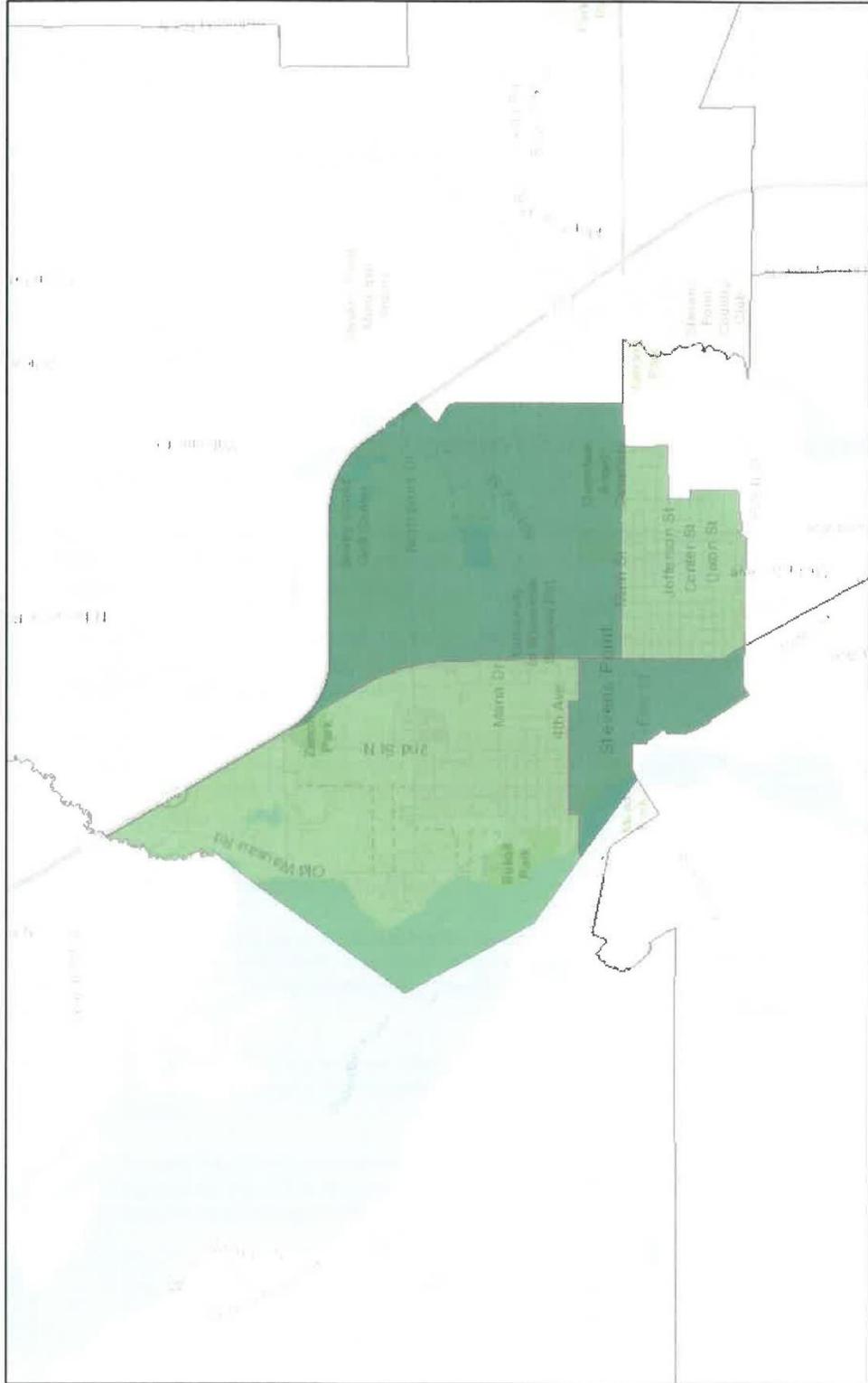
Attest:

Michael Ostrowski, Executive Director

Date

Attachment Pertaining to Item 10: Director's Update - Stevens Point Opportunity Zones

Opportunity Zones (Dark Green)



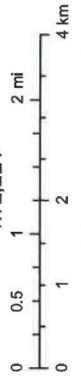
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2011-2015 Census Tracts

-  Census Tracts
-  NMTC Qualified Tracts
-  Designated Opportunity Zone Tracts
-  State Census Boundaries



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Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBasis, IGN, Kadaster NL, Ordnance Survey, Esri