

Meeting Minutes

Finance Committee

June 9, 2008, 6:00 p.m.

Lincoln Center, 1519 Water St.

Present: Alderpersons Molski, Walther, Moore, Stroik and Hanson

Also Present: Mayor Halverson; C/T Schlice; City Attorney Molepske; Clerk Moe; Directors Euclide, Gardner, Schrader; Assessor Siebers; Fire Chief Barnes; Deputy Fire Chief Zinda; Personnel Specialist Jakusz; Police Chief Morris; Captain Dowling; Officer Dean; Ald. Wiza, Slowinski, Trzebiatowski, Heart, Myers, Brooks; Gene Kemmeter; Reid Rocheleau; Amy Eddy; Danielle Andrews; Diane Keller; Jami Gebert; Mary Ann Laszewski; Cathy Dugan; Leslie DeBauche; Joe DeBauche; David Henry; Wayne Bushman; Matthew Kovalaske; Sally DeBauche; Kristie Cecil; Peter Henry; Susan Henry; Sarah Robinson; Anna Harris; Tom Barrett; Bill Berry; Alec Linde; Sara Windjue; Gary Flick; Jen Knade; Carrie Ziolkowski; Jeremy Beaundry; Eric Olson; Todd Ernster; Lynn Markham; Katie Kloth; Erika Wolf; Kay Matthai; Mark Hiliker

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6. Approval of payment of claims.
7. Adjournment.

1. ASSESSOR'S REPORT.

Motion made by Ald. Stroik, seconded by Ald. Hanson to approve the report of the Assessor and place it on file.

Ayes: All Nays: None Motion carried.

2. AUTHORIZATION FOR SHORT TERM BORROWING FROM THE TRUST FUND LOAN PROGRAM.

C/T Schlice stated this is the short term borrowing we are looking at for the balance of the year. \$1,500,000 is for the Water Department, which will not affect our levy directly because that is paid through the Water and Sewer fund. \$1,500,000 is for Goerke Park field, which was approved last month and may come in a little under. The salt shed is in really bad shape and we are still looking at options on what to do with it, but are estimating the cost to be \$350,000. There are a few options that we are still looking at for the fuel system. He stated there are some concerns if we take it out, but we are looking to see if there is a more cost effective way, for example, buying from local vendors. We need to have all items listed in the original list that is submitted to the state. The Police Radio Tower will help with the problem of coverage in the City and the Lullabye land is on the agenda tonight. We are looking for authorization to apply for the loan and we will fine tune anything from it between now and next month and bring it back before the actual borrowing.

Motion made by Ald. Molski, seconded by Ald. Moore to approve the authorization for the short term borrowing from the trust fund loan program in the amount of \$4,360,000.00.

Ald. Stroik questioned how this relates to past years as far as borrowing, have we borrowed more this year than prior years.

C/T Schlice replied we are on track. What we are looking for is borrowing for the needs that are immediate that we need to take care of and also keep the debt service payments relatively level so it does not have a negative impact on the tax rate.

Ald. Stroik asked if that is what is happening right now.

C/T Schlice stated yes. The Lullabye land would be a TIF expenditure that we may have to advance a little bit so the area can get going but it will be reimbursed at a later date.

Ayes: All Nays: None Motion carried.

3. PURCHASE OF LAND - 1000 BLOCK OF CENTERPOINT DRIVE.

Ald. Stroik questioned if we spend \$560,000 on the land and in five or ten years from now the Museum decides they have to close, what happens to the land that the City donated. If they were to sell that building to a retail business and get \$2 million for the building and property, would we get the \$560,000 back or is that just a donation of ours and they would get to keep the money.

C/T Schlice stated that we have to put together a developer's agreement that covers a lot of those aspects and bring it back to committee.

Mayor Halverson commented that if it were to fail, we would either want the land and building to revert back to the City because it is sitting on the land that we are either leasing to them for 99 years or if it were to sell, we would at least get the cost of the land back. There will be security measures put in the developer's agreement to prevent any of those things happening.

Ald. Stroik questioned if the developer's agreement comes to Finance or some other committee.

C/T Schlice stated that it will come back to Finance.

Reid Rocheleau stated concern over buying the land and selling it the same night and questioned why it is going so quickly. He asked why the public has been so uninvolved and uninformed with regards to the negotiations of the property.

Ald. Wiza commented that the parcel is assessed at just over \$500,000 and there was an appraisal done a few years back by the owners who valued it at more than what we are purchasing it for. Purchasing the property is something that we have talked about for a considerable amount of time, so he feels purchasing the property was not rushed through. He stated he believes we are getting a good price.

Ald. Molski stated that it was some time ago that the Finance Committee and the Common Council approved the Mayor and Comptroller-Treasurer to negotiate the properties that became available north of Centerpoint Drive.

Ald. Slowinski questioned why we are having a Special Council meeting tonight to approve the purchase and sale of the land.

Mayor Halverson replied that the critical need for the speed here is the need for the Children's Museum to begin their campaign on this site. This was the site that they chose and the need for speed is the need to speak to their timeline. They wanted to move forward about two to three weeks ago with an announcement as to where their future would be and the ability to say this was the site and these are some concepts as to what the building is going to look like and this is what we need to do for the children of Central Wisconsin. We are not going to turn over the land simultaneously to them tonight for a dollar. We need authorization to be able to move forward with the concept to sell it for a dollar based on a developer's agreement that we are going to create with them. So the need for speed and the need to execute it briskly is primarily the need for that entity to move forward with their planning process and to start their capitol campaign appropriately with a site location and mind set of this is the location we are going to be for the next 100 years. The Council can delay that action for an additional amount of time as that is within their authority. He stated that he also feels like we got a good price on the land because it was on the market three years ago for \$525,000 and we were going to buy it anyway. We now have a great use for it that is something that could have a huge potential impact on downtown. This administration feels like it is at an appropriate speed and the right way to bring it to the public's attention. He stated that the feedback that he has received from the public has been positive.

Ald. Molski added that seeing the large number of people that make use of the Children's Museum in its present location shows it's needed and used. The uncertainty of the Mall makes it more obvious that they have to start making plans at this time in the event that they lose their present quarters.

Ald. Moore stated this has been talked about for years.

Motion made by Ald. Moore, seconded by Ald. Stroik to authorize the purchase of the land at the 1000 block of Centerpoint Drive for the sum of \$550,000.00.

Ayes: All Nays: None Motion carried.

4. SALE OF PORTION OF LAND - 1000 BLOCK OF CENTERPOINT DRIVE.

Reid Rocheleau, 408 West Cedar, Whiting, stated concern over the Children's Museum buying the property because the public does not know much about this group. He stated that someone from the City should be on the Board of the Children's Museum to keep an eye on things. He would like to see the developer's agreement before this is approved.

Amy Eddy, President of the Children's Museum Board, stated a number of their Board Members were in attendance and they were going to give a presentation and would answer any questions. She stated this has been years in the making.

Kay Matthai, Executive Director of the Children's Museum, gave a presentation on what the Children's Museum offers. She stated it is a play-together with your children to learn through class. It is not a drop off center or a daycare. They opened in May of 1997 and are currently located in the Centerpoint Marketplace in the Mall. The entry fee is \$3.00 and members and infants under 1 are free. From January through May of 2008 they served nearly 9,000 visitors, while in the Mall and not much visibility. They serve a variety of groups including serving many daycares. They have exhibit areas that are offered, which are hands on opportunities for parents to engage in with their children and they have weekly and monthly programs for children and their parents. They serve a wide area of Central Wisconsin.

Mark Hiliker, Board of Directors with the Children's Museum, stated they are just getting started with the capital campaign for the Central Wisconsin Children's Museum. He has been on the Board of Directors for seven years and has served as President twice in those years. They are excited about the project and are grateful of the consideration of this project. This project is not something that was just thrown together. It has been in the works for a number of years and they have been very deliberate in their planning and as a non-profit, we need to be good stewards of the resources that we are given from our donors and funders. Most recently they have completed a feasibility study which was done by a consultant that was hired by them and over 88% of those folks that were surveyed as part of the study recommended that we move forward with the capital campaign for this new project. The major goals of the fundraising effort for the new Children's Museum is to secure a permanent and visible 15,000 square foot location for the new facility, provide for expanded programming and operational expenses and also provide for operational costs in the future. The first step is to determine a location, which is why they are here at the meeting tonight. They would like to put together an agreement that is beneficial to the City and the Children's Museum. The next step would be to identify a builder and put together a design for the site and then to put together the public phase of the capital campaign. They think the downtown setting is a good location because of public transportation, highly visible and generally museums need their surrounding businesses to help them survive and they feel that being downtown would help them with that. There is also potential for collaboration. They feel they can help the downtown revitalization and by bringing in an estimated 50,000 visitors a year to the Museum, as it would be a tourist destination for families traveling across our region.

Mary Ann Laszewski, 1209 Wisconsin Street, stated concerns and would like a design review. The property will be directly facing the front yards of the properties on Portage Street and she stated if the design of the building or the landscaping does not fit in with the neighborhood, we need to be aware of that. This building will be the footprint of the long range plan for redesigning our downtown so it needs to fit into the plans that PDI and the Main Street Program have recommended. She also stated that we need the first right to protect our investment so we can retain our interest in it and she hopes that the developer's agreement will be addressing that.

Ald. Wiza questioned how many of those 9,000 visitors from this year are repeat visitors.

Kay Matthai replied that they have daycares that come every day, but they are different daycares. She estimated about 40% are repeat visitors, but are also members, who join our organization at a higher level. One of the benefits by being a member is that they can come as often as they chose.

Ald. Wiza questioned how many times a specific daycare came during those dates.

Kay Matthai stated not all of the daycares come to the Museum, but there are three that come often. The YMCA has different daycare classes so once a month it rotates, so the same children may come once a month.

Ald. Wiza stated he had been to a couple of Children's Museums when his daughter was younger. They would stop at them on their vacations, but they were not the actual destination. He feels that the Museum is not going to be a "destination," it is not going to draw people up here from Chicago, etc. It is a good thing, but feels that it will not be the only reason someone comes to the area. They may stop because they are in the area, but not make a special trip just to come. The 9,000 visitors to date may be a little inflated as we may only be talking about 4,000 or 5,000

actual single visitors. He also stated that since we are selling it for a dollar and it has been talked about looking into a 99 year lease. That would change our investment because we are contributing to a non-profit organization. In the last month, if this goes through, we will have given away almost two million dollars of the taxpayers money between this and the AIG project. The AIG project is creating many jobs, but this project is not creating that many jobs. Since they are not paying any property taxes, what are we getting for our \$550,000 investment, not to mention the cost of the borrowing. If we did a long-term lease with them, we would be sure to get our investment back, rather than to risk selling it to them and having the chance be there to sell it from underneath us. He believes the Museum is a good idea and feels like it will be a "sub-destination" for the people who come to Stevens Point for a variety of other reasons. He also would like to make sure that the building review would come back to us for approval and that we would have some say in the building.

Mayor Halverson stated that we are not investing \$550,000 in the Children's Museum, we are investing \$280,000 and the remaining balance would be held by the City to be used for private use or sale. The concept is being lost when it is being defined as a destination. The Children's Museum itself is not at the level of being a destination in itself. The Museum will become a micro-destination within the greater area, to pull people into the downtown area for a variety of reasons. The argument of lease versus sale is purely semantics, the use is the same and the issues will be dealt with in the developer's agreement so that it would revert back to the City in either circumstance. He asked Director Gardner to go over the building review side of this.

Director Gardner stated this was brought up at Plan Commission and that it is in the Design Review District and subject to their review. If the Council wants to be a part of the review, they could be added to the list.

Mayor Halverson stated this is not a TIF project, this is an investment on the City of Stevens Points behalf for \$280,000. There is no intent to recover in a TIF, hopefully its other increment is generated in the TIF because of this investment, there will be other infrastructure investments that could happen, but no TIF dollars will be used for this particular project. It is purely a \$280,000 investment from the City's perspective.

Ald. Wiza asked if we had a ballpark estimate of how much the downtown businesses could benefit from this. They estimate 50,000 visitors annually, how much will that benefit the downtown business district.

Mayor Halverson replied that a family that goes to the Museum may then go to eat at a restaurant downtown.

Ald. Wiza stated if there is no difference between a lease and a sale, maybe we should look at a lease.

City Attorney Molepske stated that whether or not we lease it or if we sell it, there are problems with both. He suggests that we get a developer's agreement and bring it back.

Motion made by Ald. Stroik, seconded by Ald. Moore to authorize the Mayor to negotiate the sale or lease of land based upon an approved developer's agreement that would be brought back before Council and the design review process be resent through the Plan Commission and then approved by the Common Council.

Ayes: All Nays: None Motion carried.

5. FUNDING FOR COMMUTER TRAIL UNDER INTERSTATE 39.

C/T Schlice stated that quite a bit of the money has been raised already but in order to sign the contract we need to have authorization for the full funding of the project. We are going to continue to look for other funding sources to reduce the City's contribution, but for now we are looking for authorization to fund the project so that it can get underway.

Ald. Molski questioned if the amount we are referring to is the \$20,742.10.

Mayor Halverson stated he had a conversation with the County Executive and he stated that the County may be willing to pay more. The maximum the City would have to pay is \$20,742.10.

Motion made by Ald. Hanson, seconded by Ald. Walther to fund the commuter trail under Interstate 39 not to exceed \$20,742.10 for the City's contribution.

Ayes: All Nays: None Motion carried.

6. APPROVAL OF PAYMENT OF CLAIMS.

Motion made by Ald. Molski, seconded by Ald. Stroik to approve the payment of claims in the amount of \$548,219.30.

The claims were discussed.

Ayes: All Nays: None Motion carried.

Adjournment at 6:49 p.m.

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