

Meeting Minutes

Finance Committee Minutes

August 8, 2005 at 6:30 P.M.

City Water Department - 300 Bliss Ave.

PRESENT: Chairman Barr, Ald. Molski, Walther, Moore and Stroik

ALSO PRESENT: C/T Schlice; Mayor Wescott; City Attorney Molepske, Admin. Asst. Ostrowski; Directors Euclide, Halverson, Gardner; Personnel Specialist Jakusz; Police Chief Morris; Capt. Dowling; Deputy C/T Wroblewski; Ald. Sevenich, Wiza, Barber, Robinson, Hanson, Trzebiatowski; Gene Kemmeter (Portage County Gazette); Mike Wimpe (Stevens Point Properties); Karl Pnazek (CAP Services); Jami Gebert

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1. Assessor's report.
  2. Activate special assessment - 4825 Norway Pine Drive.
  3. Consideration of claim - SBC.
  4. Consideration of claim - Kenneth Bundick.
  5. Restrictive Covenant - Southeast corner of Krembs Avenue and Heffron Court - Jeff Filtz.
  6. Developers Agreement TIF V - Scorpio Properties LLC - 200 Division Street.
  7. Developers Agreement TIF V - Stevens Point Properties LLC - 500 Vincent Court.
  8. Approval of the payment of claims.
  9. Adjournment.
- 1 - ASSESSOR'S REPORT

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

Ayes: All Nays: None Motion carried.

#### 2 - ACTIVATE SPECIAL ASSESSMENT - 4825 NORWAY PINE DRIVE

C/T Schlice stated this property is now being annexed and we need to activate the special assessment that is on it.

Motion made by Ald. Moore, seconded by Ald. Stroik to approve the activating the special assessment at 4825 Norway Pine Drive.

Ayes: All Nays: None Motion carried.

#### 3 - CONSIDERATION OF CLAIM - SBC

C/T Schlice stated that Sentry has recommended denial of the claim.

Motion made by Ald. Barr, seconded by Ald. Molski to deny the consideration of claim by SBC.

Ayes: All Nays: None Motion carried.

#### 4 - CONSIDERATION OF CLAIM - KENNETH BUNDICK

C/T Schlice stated that Sentry has recommended denial of the claim.

Motion made by Ald. Walther, seconded by Ald. Moore to deny the consideration of claim by Kenneth Bundick.

Ayes: All Nays: None Motion carried.

#### 5 - RESTRICTIVE COVENANT - SOUTHEAST CORNER OF KREMBS AVENUE AND HEFFRON COURT - JEFF FILTZ

C/T Schlice stated he received a voice mail this morning from Mr. Filtz stating that he is getting plans reviewed by State level right now and once those are approved, he will come in for a building permit and be building on the property. He recommends giving him a 90 day extension prior to the enforcement of the restrictive covenant.

Motion made by Ald. Molski, seconded by Ald. Walther to approve a 90 day extension on the restrictive covenant for the southeast corner of Krembs Avenue and Heffron Court, but if the building has not started within 90 days that we take action at that time.

Ald. Stroik questioned if we are setting a precedence by doing this and what sort of recourse will we have if we extend this again.

City Attorney Molepske stated that by giving him a 90 day extension, we will not be setting a precedence and that if he does not build within the 90 day extension that the restrictive covenant is very clear in which we will take the land back.

Ald. Moore questioned how the 90 days were arrived at.

C/T Schlice stated that Mr. Filtz stated the building would start between 30-60 days and when he was asked if 90 days would be enough time, he stated it would.

Ald. Barber questioned when this started.

C/T Schlice replied that the property was purchased on 6-26-98.

Ald. Barber stated that he should not be allowed an extension.

Ayes: Ald. Barr, Molski and Walther Nays: Ald. Moore and Stroik  
Motion carried.

#### 6 - DEVELOPERS AGREEMENT TIF V - SCORPIO PROPERTIES - 200 DIVISION STREET

C/T Schlice stated that the documents were just finalized today and that developers would like to get going on their projects. We have two agreements and this is two out of the three agreements that we had discussed when we created the TIF district on the north side. We have Scorpio Properties for the Northpoint Shopping Center and also the Stevens Point Properties building for Klasinski Clinic. Under the new TIF law, developers agreements are now allowed, they were not previously. That is providing that the project would not happen without the assistance from the TIF and the City has been pushing these developers to expand their project and do more than what they originally planned. Both proposals are a pay as you go. In previous TIFs, the City would do Public Works projects, we would borrow the money and then collect the increments and pay it back. With this, the developer actually goes out and borrows the money. The City would guarantee that we would pay the amount of increment generated from the new development. In a TIF, there is a tax base created that generates taxes that is still split with the five taxing jurisdictions. Any new development on this property would generate additional taxes, same as if they were or were not in a TIF, there are no tax breaks. With these two cases what would happen would be that we would pay to their bank, through an agreement, the amount of increment collected until the loan is paid or the expiration of the district. There is no liability to the City on this and if we do not collect it, they do not get it and they can not come back after the City to collect this increment. This is just a tool to help them build a bigger, better project. The City Attorney and the Developers Attorneys have reviewed the documents and have approved them. The maximum commitment for Stevens Point Properties would be \$800,000 and Scorpio Properties is \$625,000. It is basically calculated at 25% of their project that they are putting in as an increment. We are looking for an approval on the agreements.

Ald. Stroik questioned how the \$625,000 would work.

C/T Schlice replied that would be our commitment to them. If they generate a project worth 2.4 million dollars, that would generate about \$600,000 worth of increment that the developer could have. The developer would borrow the money, the City is not borrowing it or advancing it to them, the increment that is above the base value when we started the project, that would be the only thing used for repayment. We would make an agreement with their bank to transfer that money as we collect it, not in advance.

Ald. Stroik stated that if they do not live up to the entire value of their project, we are only going to give them the increment on what is completed, they will not get the entire increment if the project is not completed.

C/T Schlice stated that there is no risk and it really is a new way of doing a TIF district. The difference from before is that there is developer incentives.

Motion made by Ald. Stroik, seconded by Ald. Barr to approve the developers agreement on TIF V for Scorpio Properties LLC at 200 Division Street.

Ayes: All Nays: None Motion carried.

#### 7 - DEVELOPERS AGREEMENT TIF V - STEVENS POINT PROPERTIES LLC 500 VINCENT COURT

Motion made by Ald. Molski, seconded by Ald. Walther to approve the developers agreement on TIF V - Stevens Point Properties LLC - 500 Vincent Court.

Karl Pnazek, CAP Services, 5499 Hwy. 10 East, questioned if there was going to be an ambulatory surgery department in this new building.

Mike Wimpe, 2411 Shadowview Circle, Stevens Point Properties LLC, stated that there would be an ambulatory surgery department.

Karl Pnazek stated that 21% of Portage County residents are on Badgercare or Medicare and not necessarily in Stevens Point, but nationwide, those people are having an increasingly difficult time accessing medical care. Nationwide, freestanding ambulatory surgical centers have a tendency to not take badgercare, medicare, or medicaid people. There is a concern that there is going to be a clinic that is going to be accessing public dollars that has that potential. He suggested that as part of the TIF agreement that it be required that a percentage of the patients be medicare or medicaid patients. Otherwise what happens is that we take all those patients on medicare and medicaid to St. Michael's Hospital which would put St. Michael's under increasing pressure to start restricting that same possibility. There is the ability to do this with the TIF agreement. If 21% of the people in Portage County, which the majority of them are living in the City of Stevens Point, are on some sort of medical assistance, it would seem to require a patient load of 12-15% in the new clinic with the same population, would be reasonable. We do not want to be in the situation of building a clinic using TIF dollars to have them in three to five years start singling out people and say they are not going to serve medicare and medical assistance anymore. He encourages revising the TIF agreement to include some level, some threshold of service to medicare/medicaid recipients. Then we can be assured that those TIF dollars, which are valuable public resources, are going to be used at the maximum benefit to not only the tax point of the view, but also from the community benefit point of view.

Mike Wimpe, stated that a stipulation like that would be highly unfair. It is not required for any other business to audit their tenants business activities to qualify for this TIF money and to single one group out and not another is highly unfair. When this project was investigated this project, one of the reasons that we looked into the TIF funding was that there was several different sites that this facility could be located at, one of them was in Plover and another was a freeway site and those were much less expensive sites to build the facility with no restrictions, but the TIF funding was an incentive to keep a clinic in a community that has been there over 30 years and continue to provide quality care to the north side of Stevens Point. There is no idea on what could happen down the road, so it would be highly unfair to put restrictions on it. The Klasinski Clinic has been there for 35 years and has provided quality care. If this were to be rejected for any reason, we would move to a different site. The advantages of the TIF were to reconstruct buildings that were aged and improve the neighborhood and make it more desirable for other businesses to come in. The quality of a high-tech, state of the art facility up there would just bring more quality businesses to that part of town. On the flip side, the Klasinski Clinic has been providing medicare and medicaid services to patients. Over 30% of the patients are medicare patients, so we are over the numbers now and we are not going to tell patients that they can not come to us.

Ald. Robinson stated that Central Wisconsin and Stevens Point is a very aggressive area and there is great resources out there, but he would like to insure that as the population grows that these services are there for everyone. He supports the documentation being part of the TIF district with the patient load to be up to 20% of medicare/medicaid.

Ald. Sevenich stated that she is a resident and neighbor to the clinic and she has been going to the clinic for the past four months for her shoulder, and has seen that most of the people that go there are her age and older. So, she knows that they are already taking those people on medicare and medicaid. It is also been a wonderful, warm clinic. Dr. Klasinski, who is who started it, has never denied anybody any care whether they could pay or not and she is sure that the current people are just as caring and concerned as he was.

Karl Pnazek stated that he is not stating that Klasinski Clinic would do that, but historically it does happen. Ambulatory Surgical Center is a

significant expansion to the current clinic, so it will be a new addition. With public subsidy you need public access to services.

Ayes: All Nays: None Motion carried.

#### 8 - APPROVAL OF PAYMENT OF CLAIMS

Motion made by Ald. Barr, seconded by Ald. Molski to approve the payment of claims in the amount of \$658,917.12.

Ayes: All Nays: None Motion carried.

Adjournment at 6:58 P.M.

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