

**FINANCE COMMITTEE
JULY 9, 2019 AT 6:08 P.M.
POLICE DEPARTMENT - 933 MICHIGAN AVENUE**

PRESENT: Ald. Phillips, Slowinski, Morrow, and Johnson

EXCUSED: Ald. Shorr

ALSO

PRESENT: C/T Ladick; Mayor Wiza; City Attorney Beveridge; Clerk Piotrowski; Director Ostrowski, Lemke, Kremer, Beduhn; Fire Chief Finn; Police Chief Skibba; Deputy C/T Freeberg; Ald. Kneebone, Dugan, Nebel, Jennings, Dalton, and Zarazua; Brandi Makuski; Alan Hovorka; Joe Bachman; Kristeen Skibba-Carne

ITEM #1 - PAYMENT TO THE REDEVELOPMENT AUTHORITY, HOUSING TRUST FUND, FOR 281 WASHINGTON AVENUE.

Director Ostrowski stated the City had a loan (approximately \$22,000) on the property for redevelopment purposes under the CDBG funds that are administrated through CAP Services. The Redevelopment Authority also had a loan out on this property through the Housing Trust Fund in the amount of \$27,800. We have received the property back in the form of a deed in lieu of foreclosure since we had the primary mortgages on the property. This request is for the City to pay the Redevelopment Authority for their loan.

Ald. Johnson questioned if we were going to rent it and questioned if we are ever going to look at selling it. Director Ostrowski stated they are planning to rent it and stated they are analyzing that now as this property is just north of where the boat landing is and the City owns several other properties there. The area has been identified in several plans as potential redevelopment options.

Ald. Nebel questioned what the value of the house is and questioned the status of property taxes. C/T Ladick stated that the property taxes were paid through the April installment, July still being due. He also stated that since it was owned by a private person as of January 1, 2019, there would be another tax bill coming in December, which we would be responsible for, but after that it would become tax exempt. Director Ostrowski stated the value of the property is \$58,000, improvements are valued at \$45,500 and the land is valued at \$12,500 and the real estate taxes are about \$1,300.

Mayor Wiza stated we will likely make more in rental income, even with paying a management company, than we would collect in property taxes.

Motion made by Ald. Slowinski, seconded by Ald. Johnson, to approve making a payment to the RDA Housing Trust Fund for 281 Washington Avenue, in the amount of \$27,800.

Ayes: All

Nays: None

Motion carried.

ITEM #2 - CONTRACT WITH CANDLEWOOD PROPERTY MANAGEMENT FOR MANAGING 281 WASHINGTON AVENUE.

Director Ostrowski stated as with several other property owned by the City, they are looking at using Candlewood Property Management to take care of the property at 281 Washington Avenue. They charge 7% of rents collected and they charge us an hourly fee for maintenance in which they do the repairs. He recommended proceeding with the contract as they have not had any problems with Candlewood and it does help standardize things. He stated he will have the contract at Council as he just received it and some modifications are being made.

Ald. Johnson questioned if the home needs any additional work before renting it out. Director Ostrowski stated that it may, they are looking into it.

Ald. Slowinski stated he is not a fan of taking on property and competing with the private sector. He questioned what other properties we own on Washington Avenue, he only recalled one. Director Ostrowski stated this is a block consisting of Washington, Forest, and Franklin and the boat landing to the west, which the City owns. We have had several studies done that have called for this block as a potential redevelopment block. Some other properties we own on it are a site formerly used for community gardens and we just purchased one right next to the boat landing, so this will be the third property in this block.

Ald. Slowinski questioned if this would come back to us at some point, to determine if we need to keep it or sell it. Director Ostrowski stated it can if they so choose, but are looking at leasing it for a year.

Ald. Slowinski questioned the repairs, realizing that we are contracting with Candlewood for maintenance, but what about repairs. Director Ostrowski replied that once we know what is needed, there is a specified amount in the contract, but if there are larger repairs, that would come out of a property management account which would use rent money to offset it.

Ald. Dugan and Nebel both spoke in favor of Candlewood and recommend approval.

Motion made by Ald. Johnson, seconded by Ald. Morrow, to approve the contract with Candlewood Property Management for managing 281 Washington Avenue.

Ald. Slowinski stated that since we own the property, he would like to see us do an assessment of the property first to get it narrowed down as to what is needed before approving this. He would like to see it postponed a month, so he will not be supporting this motion.

Ayes: Ald. Phillips, Morrow, and Johnson Nays: Ald. Slowinski Motion carried.

ITEM #3 - MODIFICATION TO DEVELOPMENT AGREEMENT WITH D-J RICE DEVELOPMENT, LLC (FORMER GRANT SCHOOL SITE, BOUNDED BY FREDERICK STREET, WASHINGTON AVENUE, GRANT STREET, AND FOURTH AVENUE).

Director Ostrowski stated the agreement originally had 10 twin homes, totaling 20 units, for this property and they are looking at modifying it to change out 2 of the twin homes that face Frederick Street, to single family homes. It will be a little less value, but relatively mild and will diversify the housing stock in this area and makes a good fit for the transition. He stated they are recommending approval and the Plan Commission also recommended approval.

Motion made by Ald. Johnson, seconded by Ald. Slowinski, to modify the development agreement with D-J Rice Development, LLC, for the Grant School property.

Ald. Morrow stated he likes the idea of the single family homes and believes it will help the area and be a good fit.

Ayes: All Nays: None Motion carried.

ITEM #4 - CONSIDERATION OF CLAIM - CORINA ALDERMAN - DAMAGE TO VEHICLE WINDOW.

C/T Ladick stated the claim was for a rock that hit her vehicle window. Typically, when this happens the person will stop and talk to the crew and get them to substantiate what happened, which was not the case in this situation. There was no memory of anything happening from the crew, so the insurance company is recommending denying the claim.

Motion made by Ald. Johnson, seconded by Ald. Slowinski, to deny the consideration of claim for Corina Alderman for damage to vehicle window.

Ayes: All Nays: None Motion carried.

ITEM #5 - APPROVAL OF CLAIMS PAID.

Motion made by Ald. Johnson, seconded by Ald. Morrow, to approve the claims paid in the amount of \$658,593.02.

Ayes: All Nays: None Motion carried.

Adjournment at 6:23 P.M.