

FINANCE COMMITTEE
SEPTEMBER 9, 2019 AT 6:37 P.M.
POLICE DEPARTMENT - 933 MICHIGAN AVENUE

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

ALSO

PRESENT: C/T Ladick; City Attorney Beveridge; Clerk Piotrowski; Directors Lemke, Kremer, Beduhn; Interim Director Schneider; Fire Chief Finn; Police Chief Skibba; Deputy C/T Freeberg; Planner Kearns; Ald. Kneebone, Nebel, Jennings, Dalton, and Zarazua; Brandi Makuski; Michael More; Sarah Jo More; Sara Brish; Leah Knights; Katrina Shankland; Andrea Olson; Chai Moua; Phong Vang; Jane Graham Jennings; Christopher Jennings; Caitlin Shuda; Elliott Zell; Jenny Riggenbach; Jim Radford; Fanni Bartnik; Lee Bartnik; Kelly Adlington; Zach Strenger; William Koepke Jr; Matt Williams; Thomas Leek; Annalise Keaton; Cal Straub; Madeline Mueller; Sydney Rall; Amber Hederer; Thomas Maberres; Thomas Dailing; Diane Bywaters; Bill Scholfield; Carie Winn; Beverly West; Karin Sieg; Monica Anderson; David Worzella; David Woitczak; Zechary Sweet; Celia Sweet; Abi Solin; Jeremy Solin; Melissa Haack; Emma Kiel

ITEM #1 - PRESENTATION OF 2020 CAPITAL BUDGET AND CAPITAL IMPROVEMENT PLAN FOR 2021-2024.

C/T Ladick gave a presentation of the 2020 capital budget and capital improvement plan for the years of 2021-2024. He stated that we had over \$11 million in requests, and the capital budget is only \$5.8 million, so we had to cut it roughly in half. He also noted that requests for the years 2021-2023 are already well over the available capital budgets for those years. He covered the various capital budget recommendations for 2020, and noted an increase in road construction funding.

C/T Ladick also identified 3 specific ongoing concerns regarding funding capital; the fact that the overall size of the capital budget is only sufficient for replacing existing assets, and doesn't make any allowance for new projects or acquiring new assets, the fact that the current capital budget size does not make any allowance for catching up on the backlog of deferred projects, and increases in construction costs. He provided possible solutions for each of the 3 problems.

Ald. Johnson suggested that we start to list the various needs, so that we can start to understand the enormity of it. She stated that she likes the idea of building in additional capital budget.

C/T Ladick agreed that there are a lot of items on the list, and that we need to have those discussions so that we can set priorities and have candid discussions regarding what can happen with capital.

Ald. Slowinski asked if the aerial photography was related to GIS.

Director Lemke responded that it is, and they have several different ways that they use it.

Ald. Slowinski stated that he is concerned about including funding for Emerson Park, since numerous other new parks and projects have been supported with fundraising.

ITEM #2 - REQUEST FOR FUNDING FROM CREATE PORTAGE COUNTY FOR ITS "A NEW FOX" CAPITAL CAMPAIGN.

Interim Director Schneider stated that they have had several conversations regarding the Fox and the raze order has been put out. The Fox does have a list of items that if they can get the 4 or 5 items taken care of, he would suspend the raze order until May 1, 2020. The list includes shoring up a truss that is in question, the roof leak, along with a few other sagging members. There seems to be a disconnect as to what the building is going to be versus what it is. He feels that is Create's responsibility to convey what the building is going to be used for and what portions need to stay there. If the structure is safe, he is ok with it standing.

Ald. Johnson questioned if the request from Create went to his office or if it went to former Director Ostrowski. C/T Ladick stated it was sent to Director Ostrowski and then forwarded.

Ald. Johnson stated she has attended several meetings at the Idea Center, where other leaders from Plover and Portage County also attended, to discuss the parcel. She stated in each meeting, the leaders from Plover were ready to go, along with support from Portage County with regards to grants, among other things. This Council has also indicated support.

Ald. Phillips stated that he felt what was going to be done was just a band-aid. He stated that the roof is going to have to go and does not understand why we would put money into that building if it all has to go. He questioned why the building is not just being demolished.

Interim Director Schneider stated that is where it gets conflicting with his positions. He stated that from a safety standpoint, he would recommend that as it would take care of a large portion of the structural issues. **He stated with regard to the façade, there** are still some roof issues, but feels those are on the outer layers, so it could be fixed relatively inexpensively. His recommendation would be to get rid of the back portion, where the structural issues are, figure out how to seal the roof, and then secure the back-end until they can figure out what they are going to do from a financial standpoint.

Greg Wright, 1217 Franklin Street, Executive Director of Create Portage County, stated they are asking for the money to do what has been suggested, which is address the building. The plan that is being submitted is for two chunks of money, each being \$250,000. One of those needs to be now and the other would be next year or the year after, even over two years, if necessary. The first chunk of money would be to have the demolition work that is necessary to get the building ready for a construction project. That would be addressing the roof, taking care of the fallen truss, taking a lot of the building down, gutting it, taking care of the water issues, **masonry issues, façade issues,** and putting a final period on that phase of the building so that the building can be ready for construction in the spring. He is hoping that gives them enough time to do the fundraising they need to do in order to do the construction project that is planned. He stated that if they were not successful in fundraising efforts, that would then position the City to work with them to find someone to redevelop that **space as to not lose the historic façade. This first chunk would help them get started while they would** continue with their fundraising efforts. The second set of \$250,000 that they are asking for is an investment in the economic development work that they have been doing. The number of new projects and businesses that are being run out of the space that have an economic impact on the City. It would be a positive investment in the future project of the work they are doing. He discussed a few projects that other communities are doing and how the Cities and Counties have helped them.

Ald. Slowinski questioned how accurate the \$250,000 for Phase 1 is and where that number came from. Greg Wright replied that they have been talking with architects and done some estimating with Ellis Construction to get a sense of where that demolition could fall and they have gotten a low-end number of \$200,000 and the high-end was about \$400,000, it would just depend on how careful we are with the demolition and whether or not we save materials. He stated they are confident with this amount and the funds they have collected, they can complete the demolition.

Ald. Morrow questioned how much money has been pledged so far. Greg Wright stated they are at about \$1.2 million. Ald. Morrow questioned what the goal was. Greg Wright stated \$3.5 million.

Interim Director Schneider stated that if the additional fundraising does not go through, there could still be a portion that would need to be razed after the completion of phase 1. He estimated that this could end up being an additional \$150,000 in exposure for the City.

Director Lemke stated that if TIF money is used, it could be competing with other important TIF projects in the City, and that is something that we should keep in mind.

Ald. Kneebone stated that after hearing the capital budget presentation, and that there may be a need for increases in the future to take care of capital expenditures. She stated that she has constituents in her district that are worried about being taxed out of their homes, and that \$500,000 could go a long way to fixing alleys and roads. She stated that her constituents do not support this, they think it is good money after bad and that their tax dollars should not go to pay for this. She stated that nothing has been done on this building for a long time, and that a lot could have been done to raise money over the years that it has been sitting.

Tim Siebert stated that the City is going to expend this money anyway, so since we will spend it regardless, why not spend it on something positive.

Karen Sieg asked the finance committee to approve funding for the project. She stated this is more than a building, it is about Create Portage County and their programming. She stated that they have partnered with them on various projects through Recycling Connections.

Ald. Morrow asked what is different this time with the project, since people have been working on this project for years and years.

Greg Wright stated that this is the first that someone has actually tried to raise money for this building. He stated that the initial thought was to renovate the theater, but that concept didn't work. He stated they did some fundraising to do a structural study, but that this is the first time they are doing a large fundraising initiative.

Tommy Marquardt stated that he goes to the IDEA center for things like Tinker Time and to learn about 3-d printers, and that he dreams of being an author and illustrator and hopes that the Fox renovation will help make that possible.

Barry Callnan stated that he came to the City as a plus-one, and that there are a lot of people who come to Stevens Point because their spouse gets a job here, and that the IDEA center is a great way for people who come here as plus-ones to make connections and find resources.

Paula Schlice stated that she supports the requests for both phases.

Ryan Kernosky stated that our area lacks a business incubator. He stated that Create fills that need. He stated that the return on investment far exceeds the requested dollar amount.

Leah Knights stated that she sees the tremendous value that this brings to the community. She stated that this brings big city features to a smaller community.

Serena Millant stated that she encourages the City to support the New Fox development. She stated that she is excited that we can move the IDEA center from a rather hidden area to a very visible Main Street location.

Keith Beezak stated that he is a new transplant to Stevens Point. He stated that there is a reason we keep **beautiful things around, and that the façade is symbol of cultural significance. He stated that the opportunity** to make this happen is truly significant, and will give people a greater reason to stroll around downtown.

Carie Winn stated that she loves the vibrancy and creativity of Stevens Point, and that Create elevates all of those things, and that this is about more than just saving a building.

Laura West stated that she supports this project, and that she has found great use for the facilities and programs that Create provides.

Greg Luedtke stated that he facilitates a monthly event at the IDEA center. He stated that a wide variety of community members participate. He stated that the program would benefit by a move to the Main Street location.

Matt Vollmer stated he always thought the Fox was an awesome building and that it is time to put it to use. He stated that he has a software business that he created while operating out of the IDEA Center. He stated that his company is growing at over 100% per year, and that he does business with other businesses that he met at the IDEA Center.

Dawn Brandt stated that she was introduced to Create when she was looking for something to do, and that she thinks that this group is really going to do things in the community, and that it is a great thing for the community.

Matt Williams stated that he thinks the biggest mistake would be to tear that building down, and that Create Portage County is the best option in everything that he has seen them do.

Beverly West stated that she thinks we need to keep the Fox Theater. She encouraged supporting the Fox to improve it and restore it, not tear it down.

Tom Dailing stated that the Fox has been a blight on downtown for a long time, but that the changing of hands allows for something new. He stated that if anyone could make this a go, Create would be the ones to do it.

Thomas Millberg stated that he has been incredibly supported by Create Portage County, and that if we let Create Portage County make this platform the City will have a huge retention of students in the community.

Michael More stated that Create Portage County helped him develop an idea and pursue it. He stated that the team at Create has gained his trust and confidence.

Sarah Jo More stated that the IDEA Center has created numerous events in the community, and has provided opportunities for her business.

Sara Brish stated that she urges the City to approve the funding request, and that the alternative venue space that the project would create is important, especially for some of the various groups that come to Portage County, and that group sales are a key component of tourism development for Portage County.

Zach Strenger stated that he runs a video production business, that he is a user of the IDEA Center, and that it has been helpful for his business and has encouraged him to stay in the community.

Jim Featherson stated that he is the President and CEO of Worzella Publishing. He stated that the highest and best use of the space is for the extension of the IDEA Center and Create Portage County. He stated that if the City stands behind this, then the business community will rally, and that the \$3.5 million will flow, but the City has to go first.

Danny Ruhowski stated that this is an investment that will have a return, and if you do nothing you will not have a return.

Phong Vang stated that Create Portage County has helped two Hmong businesses and that they do a lot of networking and have events at the IDEA Center.

Chai Moua stated that this is not just investing money in a building, but investing money in a building. She stated that she witnessed what Create has done for her, and what the relationships have done for her community, and that there are economic and personal impacts that Create is making.

Jim Radford stated that he is a consultant who did work on the feasibility study. He stated that this is an economic development project. He stated that during their study, they found that idea of raising \$6 million for renovation wasn't going to happen, and that this was never about saving the Fox, but about the IDEA Center.

Melissa Hack stated that they are really excited about the impact that the IDEA Center can make in the community and that she supports the funding for the IDEA Center.

Emma Kiel stated that spaces like this are accessible to people of all economic backgrounds, and that is something that will make project very successful.

Katrina Shankland stated that she is very supportive of Create's work, and that employee recruitment and retention is an important issue. She stated that she has seen tremendous economic growth related to things that Create has supported. She stated that the City's vote of confidence in the project is important.

Angela Schenck stated that she supports the cause and that she didn't plan to stay in Stevens Point until she started engaging with the work that Create does.

Tom Corcoran stated this is about leadership, and that management is about doing things right, and leadership is about doing the right things.

Andrea Olson stated that she is concerned that this space is not large enough for the long-term needs of the facility. She stated that the City should give them the money, but not for this space, and questioned if saving **the façade is the best use of the money. She stated that there are numerous other large buildings that would be more appropriate and possibly cheaper to acquire.**

Monica Anderson asked if the City is supporting this, because that is the question that she is constantly being asked when working on the capital campaign.

Oren Jakobsen stated that in deciding to live here in Stevens Point, he lucked out on connecting with Create and the IDEA Center, and the connections that he has made as a result are what is going to keep him and his partner staying in this community and putting down roots here.

Amber Hederer stated that she is an arts student, and that this is something that the students here really do care about this project, and that this has been an opportunity to see arts education and engagement at work.

Ald. Zarazua read a letter from Trevor Roark supporting the project. She also stated that she would like to know where the money could potentially come from.

Chief Finn stated that he is concerned about the potential impact on the capital budget, and that right now we are just maintaining what we have and what was requested in capital to advance the fire department has been cut. He stated that we are just keeping our heads above water, and urged support for the departments so that they can provide the services that citizens deserve.

Ald. Jennings stated that she supports what Create is doing, but questioned if Create needs to be in that location. She stated that she is uneasy about two things going on, savings the building and Create, and those aren't one in the same thing. She also asked if Create is Greg Wright, and if Create exists without Greg Wright. She asked if the funding would come from TIF incentive, and noted that many of the supporters have been some of the most vociferous critics of this Council and use of TIF incentives.

Director Beduhn questioned if this is the best use of money, and stated that in order to get the budget to balance he needed to remove about half a mile of road reconstruction this year. He stated that he wants Create to succeed, but questioned if this is the best use of money, and suggested that it appears that Create already has enough support in the community to fund this on their own.

Chief Skibba stated that the more we can provide wonderful thing for our youth to be doing is a great thing. He stated that the PD facility has needs, many of which have been pushed back. He stated that he understands that there are only so many dollars, but that we are going to have to make hard decisions.

Ald. Johnson read letters from Ann Vang and Vinnie Mlresse supporting the project.

C/T Ladick gave an overview of the finances and how we could pay for this. He stated that we could transfer \$250,000 from TIF 5 to TIF 6, and then use that money to pay for this as a TIF project. He stated that the TIF District 6 project plan **does include references to several relevant components, including façade projects, main street, and economic development.** He stated that for the full request of \$500,000 it will be difficult to come up with the extra \$250,000. He did not recommend taking it from other capital projects, but said that raising property taxes for this would be an option if that is the Council's desire.

Ald. Shorr stated that it does seem like the first half of the request is easier to do. He asked what the relationship is between the punch-list of items that need to be completed and what else we could be responsible for.

C/T Ladick suggested a strategic approach where we release the funds at different times in order to ensure that we don't release all of the funds until we know for sure that we will not have to pay to raze any part of the structure.

Ald. Johnson stated that if something doesn't happen the City may be on the hook anyway. She stated that the real question is if we support this, and that she does support it. She stated that this is in our front yard, and that she likes the idea of using TIF for something that started in our own community.

Ald. Morrow stated that he doesn't think that most people would debate what Create is and what it is able to do. The real debate is the \$250,000 and not wasting taxpayer money. He stated that he would be against using the money from any source other than TIF, and that we have used TIF to support a lot of other projects. He stated that he would be in support if we can get an adequate development agreement.

Ald. Slowinski stated that we keep hearing about community, and asked if the group has met with Portage County.

Greg Wright stated they have been in communication with both Portage County and the Village of Plover.

Ald. Slowinski stated that he is in support of the project, but that he does have to answer to his constituents regarding financing. He stated that he would support it as long as there are others on board with us, and that

he doesn't think that we should have to fork out \$250,000 on the first initial phase. He stated that he would like to see a developer's agreement with benchmarks.

Ald. Johnson stated that usually benchmarks would be hammered out in a development agreement. She suggested that staff should work with Create on bringing back an appropriate development agreement.

C/T Ladick confirmed that the feedback from the committee is that although the request is for \$500,000 the feedback seems to be that we are comfortable with up to \$250,000 and asked if we wanted to do half on each phase.

Ald. Johnson stated that she is not opposed to the other \$250,000 but that she would like to revisit that at a later. She stated that there is going to have to be some fairly quick movement to do something.

Interim Director Schneider agreed that time is not on our side, and that the October 18th deadline is not an arbitrary deadline, it is partially based on the amount of time that it would take to get a contractor. He stated that if the project isn't fully completed we could end up wasting a lot of money.

Ald. Johnson stated that is why incorporating specific benchmarks is important. She stated that given the sense of urgency, she would be willing to support \$250,000 as long as it is tied to a specific development agreement.

Ald. Morrow asked how long it would take to create a development agreement.

Planner Kearns indicated that we should be able to get something together by next month.

Ald. Phillips stated that he thinks Create is a great idea, and he is okay with doing the project, but that they will probably outgrow it and be back for more money. He stated that he would be okay as long as it does not raise taxes on his constituents.

Ald. Slowinski stated that he is concerned about providing the \$250,000 upfront, and that he would like to see more skin in the game from other entities, so he would rather provide \$125,000 for each phase and allow other entities to step up to the plate.

Ald. Shorr stated that those concerns make him feel uncomfortable with providing anything above \$250,000. He stated that because of the urgency with some of the structural issues he would be comfortable with putting all of the money towards phase 1.

Ald. Johnson moved, seconded by Ald. Morrow, to use up to \$250,000 of TIF money in order to accomplish **phase 1 of the project, which is the partial demolition and saving the façade, and ask staff to put together a developer's agreement to bring back to the Finance Committee next month, and work with Create.**

Ald. Slowinski stated that he does not want to vote no on this, and clarified that it will also be discussed at Council, because he is getting the sense that we have a different vision on how this should work.

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

A short recess was taken from 9:55 p.m. - 10:05 p.m.

ITEM #3 - FUNDING FOR THE COMPLETION OF "HOUSING AFFORDABILITY ANALYSIS " AND "NEW HOUSING FEE " REPORTS.

C/T Ladick stated that this was a request from the Community Development Department. It is a new statutory requirement imposed by the State that we complete these two reports and the Community Development Department is requesting \$2,000 in order to complete this. Funding would come from contingency.

Motion made by Ald. Slowinski, seconded by Ald. Morrow, to approve funding for the completion of the Housing Affordability Analysis and New Housing Fee reports, with the funding of \$2,000 to come from contingency.

Ayes: All Nays: None Motion carried.

ITEM #4 - EXTENSION OF OPTIONS TO PURCHASE LAND IN EAST PARK COMMERCE CENTER.

C/T Ladick stated these are the options to purchase that we have for East Park Commerce Center, which would be renewing the options at the same price; however there are some that do have a re-negotiation after three years. It does not cost anything to have these options, it just gives us some site control in that if we want to do something or have a potential development, it allows us to purchase those properties at a set price, which guarantees us the ability to buy them if we choose to.

Planner Kearns clarified that MS&S Enterprises was still in negotiations when the packet was printed, and after working with the property owners representative, Mr. Scholfield, it was determined that MS&S Enterprises encompasses about 200 acres of the East Park Commerce Center, and they are willing to extend the options for a one year deal at the same price. He stated that they have worked with the City Attorney and have drafted the option amendments, which will be before Council next week.

Motion made by Ald. Slowinski, seconded by Ald. Phillips, to extend the options to purchase land in the East park Commerce Center.

Ayes: All Nays: None Motion carried.

ITEM #5 - PURCHASE OF LAND IN EAST PARK COMMERCE CENTER (PARCEL IDS 2308.01.1200.02 AND 2308.01.1300.01).

C/T Ladick stated that there are two parcels with this request, one to the immediate east of Service Cold Storage, and one immediately to the east of Lands End. Service Cold Storage has indicated that they would like to secure the property for future expansion. It would be a simultaneous purchase in which if we buy one, we have to buy both, with Service Cold Storage paying for their portion and we would retain the remaining portion. The purchase would be out of TIF funds that are available in TIF 9.

Planner Kearns noted that the conversation is continuing with regards to the developer's agreement that is in place with Lineage as it may require an amendment to the development agreement because it did not previously include this land and this new parcel. That being said, this may return in October or November.

Motion made by Ald. Johnson, seconded by Ald. Shorr, to approve the purchase of land in East Park Commerce Center with the identified parcels.

Ayes: All Nays: None Motion carried.

ITEM #6 - THE SALE OF LAND LOCATED WITHIN EAST PARK COMMERCE CENTER (A PORTION OF PARCEL ID 281230801120002) TO LINEAGE SCS WI, LLC.

C/T Ladick stated this is the sale mentioned earlier. with 13.1 acres, which would be the portion immediately to the east of their current facility.

Motion made by Ald. Phillips, seconded by Ald Johnson, to approve the sale of land located within East Park Commerce Center to Lineage SCS WI, LLC.

Ayes: All Nays: None Motion carried.

ITEM #7 - REQUEST FROM SCOTT RASCHKA TO HARVEST HAY FROM CITY-OWNED PROPERTY LOCATED NORTH OF HIGHWAY 10 EAST OF BADGER AVENUE (FORMER BICKFORD PROPERTY, PARCEL ID 020240836-01.02).

C/T Ladick stated Mr. Raschka would pay us \$30/acre to harvest the hay.

Ald. Johnson questioned if this was the same guy as last year. C/T Ladick replied yes, but last year it ended up being too wet so he did not get to harvest the hay.

Motion made by Ald. Slowinski, seconded by Ald. Morrow, to approve the request from Scott Raschka to harvest hay from city-owned property located north of Highway 10 East of Badger Avenue, the former Bickford property.

Ayes: All Nays: None Motion carried.

ITEM #8 - REQUEST TO HIRE A NEW POLICE OFFICER WITH A START DATE ON OR CLOSE TO OCTOBER 1ST.

C/T Ladick stated that the Police Department is requesting two new officers for the 2020 budget and they are requesting to hire one with a start date of around October 1st because it does take about three months to get a new officer trained. At that point, come January, the new drug officer can start right away. The Police Chief does have this in his 2019 budget, due to some savings. He also stated that this will commit us to the one new officer, so he wanted to make sure that was understood. Typically we would not make this sort of commitment this far in advance of the budget process; however the planning for the 2020 budget has put us in a position where we can make this sort of commitment. He wanted to disclose that he is comfortable doing it for this year, but this is not going to set a precedent.

Ald. Johnson stated last year we agreed to new positions would be added for 2020, including the positions for the PD. She supports the additional training time.

Motion made by Ald. Johnson, seconded by Ald. Slowinski, to approve the request to hire a new police officer with a start date on or close to October 1st.

Ayes: All Nays: None Motion carried.

ITEM #9 - APPROVAL OF PAYMENT OF CLAIMS PAID.

The claims were discussed.

Motion made by Ald. Shorr, seconded by Ald. Morrow, to approve the claims paid in the amount of \$8,036,194.75.

Ayes: All Nays: None Motion carried.

Adjournment at 10:20 p.m.