

**FINANCE COMMITTEE
FEBRUARY 13, 2012 AT 6:23 P.M.
LINCOLN CENTER – 1519 WATER STREET**

PRESENT: Alderpersons Moore, Molski, Stroik, Brooks and Suomi
ALSO

PRESENT: C/T Schlice; Mayor Halverson; Clerk Moe; Ald. Wiza, Slowinski, Trzebiatowski, M. Stroik, Beveridge; Directors Lemke, Halverson, Schrader, Ostrowski; Assessor Siebers; Asst. Chief Skibba; City Palnner Kearns; Deputy C/T Freeberg; Asst. to the Mayor Pazdernik; Paralegal Kalata; Matthew Brown; Brian Kowalski; Ray Nenpert; Barb Jacob; Irene Sroda; Warren Sroda; Nannette Martineau; Paul Belschner; Rod Fisk; Mildred Neville; Mary Ann Laszewski; Armin Nebel, Cindy Nebel; Bob Fisch; Jack Negaard; C. J. Ross; Henry Korger; Lori Beggs; Krista Olson; Jeffrey May; Joe Senn; Dave Eschenbauch; Paul Wachowiak; Tom Patterson; Harry Rice; Gary Oudenhoven; Paul Katz; Rich Sommer; Santha Bickford; Robert Wierzba; Jim Tanguay; Chad Murphy; David Brandt

ITEM #1 – DEBT SERVICE RATE QUOTES.

C/T Schlice stated he sent out twelve requests for proposals and received five quotes. The rates varied from 1.86% to 3.92%. He recommended we go with the proposal for Peoples Bank for the 1.86%.

Motion made by Ald. Stroik, seconded by Ald. Brooks to approve the quote from Peoples Bank for 1.86%.

Ayes: All Nays: None Motion carried.

ITEM #2 – RESOLUTION AUTHORIZING AND PROVIDING FOR THE SALE AND ISSUANCE OF \$3,990,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2012A AND ALL RELATED DETAILS.

C/T Schlice stated that included in the packet was a sheet explaining what the resolution was going to be used for and the actual resolution. It is the standard resolution that is used for the sale of notes. If approved, it will be closed on February 22, 2012.

Ald. Stroik asked how the \$3.9 compared to prior years.

C/T Schlice replied that it is close to the same every year, could be a million either direction. Sometimes there are a number of notes done through a year and other times, just one is done.

Motion made by Ald. Molski, seconded by Ald. Brooks to approve the resolution authorizing and providing for the sale and issuance of \$3,990,000 General Obligation Promissory Note, Series 2012A and all related details.

Ayes: All Nays: None Motion carried.

ITEM #3 – DEBT SERVICE REVIEW.

C/T Schlice updated the Committee on the debt service schedule and payments. He gave a snapshot in time of where we are with TIF debt and General Obligation debt.

Ald. Stroik questioned that since we are going to borrow about 1.8 million every year to cover those things, how much debt do we typically retire a year.

C/T Schlice replied that typically we retire about 2 – 3 million. The way we want to structure the debt is to keep the principal and interest relatively level so that the tax rate can remain stable.

No action needs to be taken, for informational purposes only.

ITEM #4 – DEVELOPMENT AGREEMENT WITH STEVENS POINT HOUSING SOLUTION, LLC, FOR THE PROPERTY LOCATED AT 532 DIVISION STREET AND THE ADJACENT SOUTHERN LOT – PARCEL #'S 2408-29-4010-24 & 25.

Director Ostrowski stated he had a couple corrections on the Agreement. On page 5 and 10, there are a few places where it says 0 and it should read Exhibit B. When the pages were updated, it erased that text. He gave a brief summary stating this Agreement is for the former Cooper Motors site, the developer has guaranteed a 100 bedroom student housing facility, the construction of 10,000 square feet of retail office space and a guaranteed assessed value of the buildings of at least \$3.25 million within 36 months of the signed Agreement. The City would be providing a \$50,000 grant to be used solely for the demolition of the current site or any environmental clean-up. He did speak with developer and they would be willing to guarantee that first phase, the student housing facility, would be built within the first 12 months, so that change can also be made. This would generate \$90,000 in taxes based on a \$3.75 - \$4 million assessed value, which is \$70,000 over the current taxes. In terms of security for the project, we would expect a \$50,000 security cash or equivalent, so there would be very little risk. If the developer defaulted on anything within the Development Agreement, we could take the security. They have estimated that the cost of the clean-up and demolition is about \$150,000, to which the City is putting a maximum of \$50,000 in for that purpose.

Ald. Suomi questioned where the grant money coming from.

Director Ostrowski replied that it would come from the TIF district and then the funds that are recouped through the increment that would go back to pay for the financing of the project.

Ald. Stroik stated what he heard during the Plan Commission was that we would front \$50,000 and if they did not do Phase 2, we would fine them \$50,000 and recoup our money.

Director Ostrowski stated that is correct, if the Developer defaults in any part of the Agreement, including not building the commercial component, the City would receive the \$50,000 back. The funds come are paid after they submit paid invoices, they do not just get the \$50,000.

Ald. Stroik questioned if we could incentivize and give them a rebate check when Phase 2 breaks ground, that way they can develop Phase 1 on their nickel and all the Apartment Association people would not be able to say it was not the City's skin that was in the game. He stated that at the Plan Commission, the Apartment Association stated they would be ok with the project if it was the Developers skin in the game and not the City. He believes we are putting the \$50,000 to incentivize the commercial/retail portion of this.

Director Ostrowski stated that one of the things we realized is that property needs to be cleared and environmentally remediated and that is the main reason the City is putting in the \$50,000. If they do not go through with Phase 2, we can just recoup our funds through the security, it is cash or equivalent so basically it is no risk.

Ald. Stroik questioned if we will front them the money to clear the site to which Director Ostrowski replied yes, we do after they pay to have the site demoed and turn in paid receipts, for up to \$50,000.

Ald. Stroik stated he is uneasy about that.

Director Ostrowski stated that is what the funds are supposed to be used for, demolition and clearance of the site.

Ald. Stroik questioned if there is no contamination and it only costs \$15,000 to put that building in the landfill, that is all we will pay, it is not a solid check of \$50,000. Director Ostrowski stated that is correct, it is for the building demolition and environmental remediation only.

Mayor Halverson stated that testing and results that we have from the developers do indicate there is contamination that needs to be dealt with. The total cost they have been given is \$150,000 and that cost is going to be there no matter what project may or may not be there in the future. The City will have to participate financially because of contamination.

Ald. Stroik stated that explanation helped and basically it is being done so that it makes the site is easier to sell. He stated he would like to see the Agreement take back the \$50,000 and also include the interest that would be lost from having \$50,000 for three years or however long it is, if they decide not to do Phase 2. He would like to see an incentive by calculating interest.

Mayor Halverson stated that we could also add additional penalty clauses within the Developers Agreement. If they do not build the commercial component of it, which it requires, you could add additional monies to it.

Ald. Stroik stated that is the key, the City is not putting anything in the game to put in the 100 beds in, we would instead be taking a challenged property and make it better. Providing that money is only being used to demo the site and environmentally remediate it, he thinks it is a wise investment for the City and supports it.

Ald. Trzebiatowski commended the Mayor on the videos regarding TIF projects and how they work. They are on the City website and encouraged people to take a look at them. He questioned if we would be eligible for Brownfield grants for remediating the site and if it could also be eligible as a Brownfield TIF.

Mayor Halverson stated that the Brownfield TIF would have to be recreated over a larger area that has very significant contamination. The former WPS site by the river would be the most applicable site that we have for an actual Brownfield TIF, it is a little bit longer and broader and allows for the most aggressive uses within it. With regards to Brownfield Grants, one of the initiatives that Director Ostrowski is working on this year it to reach out to the EPA to do an area wide site assessment for contamination in a lot of the key areas. Most of that is primarily going to be used at the WPS site. This particular site is not quite large enough for this intervention.

Ald. Trzebiatowski stated the Cooper Motors site had two businesses on it, the Darbys Car Wash and Cooper Motors. He questioned if we know what contaminates are and how easily the disposal will be.

Mayor Halverson answered, primarily petroleum based and there is potential for hydraulic fluid relating to the hoists and lifts, so basically gas, oil and overall petroleum, which is generally easy to remediate.

Ald. Wiza questioned why the City would be liable for site of contamination on a site we do not own or caused. Director Ostrowski stated the current owner has a closure letter on the site, which means he can operate the site as it stays as is, if it is disturbed, the agreement is voided.

Ald. Wiza wanted confirmation that the initial development is going to be done in about a year. Director Ostrowski stated they would like to have the student housing facility open by August 1st and would be willing to change the agreement to read 12 months for the student housing facility.

Ald. Wiza questioned what the minimum of the student part of the development would be of the \$3.2 million. Director Ostrowski stated it would be \$2.5 million. Ald. Wiza then stated that we would be in the ballpark for getting that \$50,000 recouped in the first twelve months. Director Ostrowski agreed.

Ald. Wiza questioned if they still wanted the 36 months to do the business part of it. Director Ostrowski stated yes.

Ald. Wiza stated he agrees with Ald. Stroik, that we need to issue a penalty or some other sort of punishment for not completing Phase 2. He would like to make sure the City taxpayers dollars are covered. He also asked for clarification on Dwight Fisk and whether or not he is involved in this project at all. Director Ostrowski stated he not sure if it is Dwight Fisk as he has been working with Grant and Rod, but they are not involved in the financial aspect of this project. Ald. Wiza stated his legal name is Dwight Roderick Fisk, but he is not involved with this project at all. Director Ostrowski said no, not with the financials.

Ald. Beveridge stated he would like to see a minor change happen. On the top of page 8, under the section PILOT, he said the last sentence states that "the total PILOT shall not exceed the value of the tax incremental financing grant, CPI adjusted, outlined in Section 3.01.01." He would like the PILOT indexed to the guaranteed assessed value rather than the tax incremental financing grant. He would like to see it indexed to the guaranteed assessment of the \$3.2 million assessed value.

Mildred Neville, 1709 Jefferson Street, wants to know if Dwight Roderick Fisk is the person here at the meeting and the same Mr. Fisk that is related to this project. It was said that he is not related to any financials, but is he the same one that is presenting this project. She stated that usually a developer has money in a project.

Mayor Halverson stated no, he is not involved financially, he does not know who Dwight Fisk is, as he has only dealt with Rod and Grant.

Mildred Neville asked the Finance Committee to ask if Mr. Rod Fisk lives at 349 Brantwood Court in Neenah. She stated at if this is the person and he is the same person and is not connected to the financials, then she would like the Committee to find out how someone can propose a development and not be connected to the financials.

Recess to City Council at 6:50 p.m.

Reconvene to Finance Committee at 6:54 p.m.

Henry Korger, 3200 Water Street, raised concerns over allowing this develop to proceed as it will infringe on his rentals that he uses as investments for his retirement. He stated that the City is putting the squeeze on the landlords and it is not fair as the apartment complex is not needed in Stevens Point and the taxpayers of Stevens Point should not help them build it. The rest of the landlords did not get handouts so neither should these people.

Edith Pankowski stated her main concerns with the development is cash flow for the current landlords. If a rental or commercial property cannot be rented, the cash flow decreases along with the value of the property. She feels that the increase in property value will be balanced with the decrease in other properties. She agreed with others that said commercial development is of great importance and that it should be first on the development and housing second.

Paul Wachowiak, 1620 Meadowview Lane, complained about not being able to hear anything in the back of the room and would like something done to help with that. He stated he has concerns over the Developers Agreement, something is lacking in regards to the commercial development, he feels it is just in the agreement to pacify people, but not actually going to happen. The developer is a student housing developer, not a commercial developer, so he is concerned that Phase 2 will not take place. He would like to see the City promote the commercial development. He stated the Developers Agreement lacks personal guarantees.

Cindy Nebel, 1100 Phillips, stated she is concerned about financing. She would like to see retail developed first, then residential on top as it utilizes the land better. She believes that if the construction company eliminates Phase 2, it really doesn't hurt them to pay \$50,000 and a fine. The City still has an investment and could be left with an eye sore if not developed. She believes it is the responsibility of the City to determine how an additional development, with TIF money, would affect economics of the City, residents and taxpayers. She stated they are not in favor of the City financing this project because it will hurt the town economically.

Rich Sommers, 4224 Janick Circle N., listed off items that the City should have in their hands before approving this project, a performa on the property, a personal guarantee, projected rents and how it fits with the market right now, and a Phase 1 Environmental Site Assessment. He also questioned who the developer is because the name last week was Development Partners, LLC and tonight it is Stevens Point Housing Solutions LLC. He stated we should know exactly who the developer is before the project continues. He stated we should know what the projected market is compared to what they are now.

Mary Ann Laszewski, 1209 Wisconsin Street, stated she thinks the City should have proof of their financial underwriting for the whole project of \$3.25 million, not just for the apartments. She asked if everything that has been brought up by others has been looked into. She feels that we do not have a strong commitment for the whole package and is concerned they may stop after they get their 100 bedrooms. She is also concerned with the structure and stated that the open garages that face Division Street will fill up with unsightly junk, storage and garbage. She stated that this could put student rentals in neighborhoods out of business. She stated that she feels as though the City is using TIF only as leverage so we can borrow a lot of money, but feels it is destroying the economy. Also feels as though the City should do their own screening of their applicants and not leave it up to the bank. She would like to see this Developers Agreement denied.

Jeffrey May, 21 Oakcrest, is concerned about the financial plan and which company we are dealing with since the name has changed since last week at the Plan Committee. Agrees with

Mr. Wachowiak on possibly getting some type of amplification system so people in the back can hear. He questioned if the Mayor stated at the Plan Committee meeting that TIF was not to be used for 100% student housing complexes.

Mayor Halverson stated he could have.

Jeffrey May then stated it will be a 100% student housing complex if they do not do the commercial side. He would like to see the commercial part of the project done first since that is what is generally in that area and stated a 3 story building in an area that basically only has 1 and 2 story buildings does not fit in. Would like to see the owner clean up the property and put it up for sale as it would be more marketable rather than the City getting involved. He has concerns on what this will do to rental market now and is worried about the extra foot traffic crossing Division Street. When he added extra occupancy by 18, one of the Alderman wanted him to put up a fence along the back of his property to stop the people to walk across and wonders where the fence would fit in on Division Street and stated standards are not fair. He encouraged the City to actually look at the building they want to put up in person before approving it. He asked the Finance Committee to vote no until all issues are resolved.

Armin Nebel, 1100 Phillips, commented that with regards to the \$50,000, when it is calculated out with the \$2.5 million, it is a 2% incentive to have them complete Phase 2, which is not much of an incentive. He would like to see a larger fine and a penalty if Phase 2 is not completed. He also has concerns with the amount of foot traffic.

Ald. Suomi would like to see some evidence for reason why commercial is not the priority on the agreement. She stated that TIF's are to get jobs as one of the options for development.

Mayor Halverson replied that job creation is not priority for a rehabilitation TIF district. Job creation is something we want to prioritize in any TIF district, but the downtown TIF district and the North Division Street TIF district are revitalization TIF districts. The main reason for those is to be able to capture the increment within those TIF districts to revitalize aging, decrepit, blighted properties and those that would be environmental contaminated. The Cooper Motors site is exactly that and it is going to need our involvement to facilitate what that turns into. He stated that it is up to the Finance Committee to do what they see fit for the Developers Agreement, if they want it prioritized differently, they need to change it. SMET construction has been involved with a lot of construction projects that are tremendously larger than this. He stated that the priority is speed with the student housing side of the agreement, they can get that done and start renting immediately. He feels that having 100 individuals on a property would make the approach to commercial property high. The ability for a successful commercial perspective is extremely high. He said if the Finance Committee so desires they can put in a different time frame, they can ask for more money to be held or they could engage with the principals of the LLC and find other ways that could insure that more development happens. The worst that could happen is that we have a \$3 million project that we have no money in. The added increment in the Division Street TIF District would be extremely sizeable.

Ald. Suomi questioned if the City offered the \$50,000 up front or was it offered during negotiations. She questioned if the developer would be interested if we didn't give them the \$50,000.

Mayor Halverson stated no, they knew the property was in a TIF district and they qualified. We have committed financials from their bank. If they build the building the way they said, we have no other obligations. We have a new project that is developing tax dollars.

Ald. Suomi asked if we would see increased tax dollars if building is not 100% occupied.

Mayor Halverson replied that values are based on a 20% vacancy automatically.

Assessor Siebers stated that all commercial properties are bought and sold based on income approach. He was asked to do a projection for the project and based the value on 80% occupied the first year, 90% the second and 100% for the third. He also stated that based on income approach, it would validate the numbers that the developer is projecting.

Paul Belschner, SMET Construction, clarified that the developers are Rod and Grant Fisk. He stated that although Mr. Fisk does source these student housing opportunities for them, his group is committed to the retail component. He stated he has about a million and a half square feet of properties that they own, lease and manage that crosses a lot of industry types. They like the student housing sector but they also own retail, strip malls, etc. The most cost effective way for them to do the retail component for this project is to do it right away because they will be on site working. The retail market and office market has not been vibrant for the last couple of years and he is proud of how they have managed through these times with our portfolio and with their construction company, which has grown over the last couple of years. He does not want to over promise construction for a retail development that he has no tenants for; this is where the 36 months comes from.

Ald. Stroik questioned what they plan to do with the property during the transition as it would not look appropriate without the retail in front. He is concerned over debris and garbage forming.

Paul Belschner stated they would probably plant grass if needed, but the hope is to continue with the construction.

Ald. Stroik stated that the company is out of Green Bay and questioned if they do anything to be a good corporate citizens.

Paul Belschner replied that they pride themselves in community involvement, they sponsor many local events and they have employees that are on boards for local entities. He plans on being good corporate citizens with the City of Stevens Point also.

Ald. Stroik questioned if this or the other project, would potentially create any jobs or have a management crew that would reside here.

Paul Belschner replied that a management company, BMOC (Best Management on Campus) that would be managing the property. They would be hiring the onsite resident advisor. He stated they do not manage the properties, they hire the appropriate management company.

Ald. Stroik questioned if they would consider reducing the term from 36 months to 24 months for total increment of the project.

Paul Belschner replied that is what it was. He stated that the people who negotiated on our end needed to be commended as they stood up for the City very well. He does not want to over promise and under deliver on the retail.

Ald. Moore questioned if he would compromise at 30 months to which Paul Belschner stated he would be fine with that.

Ald. Brooks stated at first he was excited about project, it is a great use of something that needs redevelopment but stating that the big appeal is the retail side of it. He stated if they are

concerned over not having renters, then we do not want the project. He understands the concern, but he is uncomfortable with the lack of guarantee for the retail/office buildings.

Ald. Molski stated she would think retailers would jump at the opportunity to put themselves right in front of 100 students. She feels it would probably be some type of food service or something that would cater to them but she feels there would not be a problem filling the retail space.

Ald. Moore also stated he was excited about the project, but would like more of a guarantee where the retail is concerned. He thought it was going to be retail first with the apartments as an afterthought to help finance the whole project and make it work. He is disappointed in the final agreement as he has heard the concerns about the number of apartments and competition. He also stated he is concerned with pedestrian traffic on that street. He agrees that the Developers Agreement is a decent agreement but next Monday night will be the discussion of whether it is appropriate or not.

Ald. Stroik commented that under 4.01 Security, it says that, "The developer shall grant the City a Development Security in a form and matter acceptable to the City, cash or equivalent, in an amount of fifty thousand dollars (\$50,000)." This why the Mayor said we don't need a personal guarantee because this would be in the form of cash or something liquid that if they choose not to develop, we would take that. He questioned if we should only pay them out checks in the amount of \$15,000 for remediation of the site and demolition because we find that by removing the topsoil, it is gone. He stated the agreement makes it sound like we will pay out \$50,000 no matter what the actual cost is, so maybe it needs to be stated differently because it doesn't state, "or equal to the sum that the City invested."

Director Ostrowski stated that the security would be \$50,000 because we do not know how much it will cost until they start doing it. We would get the \$50,000 first.

Ald. Stroik reiterated that it was agreed upon to take down the 36 months to 12 months for Phase 1. Director Ostrowski stated that was correct and it was under 3.02.02 in the Agreement. It will be changed to 12 months for the student housing component and if so agreed upon, the 36 months for the retail/office (Phase 2) portion would read 30 months.

Ald. Stroik agreed with the developer that there is no better time to build than doing it all at once. He has heard all the citizens and property owners state that if they spent their own money for student housing, it would be acceptable, so he would like to change the securities to read that we would keep the \$75,000 and if they do not develop in 30 months, we would hold \$75,000. That would cover all of our interest. The change would be on page 9, section 4.01, making it so that if the business retail is not achieved within 30 months, we would take hold of \$75,000. He feels that with those two issues being resolved, we are being good stewards for City taxpayers.

Motion made by Ald. Stroik, seconded by Ald. Moore to approve the Developers Agreement with Stevens Point Housing Solution, LLC, for the property located at 532 Division Street and the adjacent southern lot, parcels 2408-29-4010-24 & 25, with the following changes. Change completion of Phase 1 within 12 months, change Phase 2 to 30 months and if not completed in 30 months, we would take \$75,000 in assets.

Ald. Suomi asked how he came up with the \$75,000 figure.

Ald. Stroik replied the maximum amount we would expend is \$50,000. A 50% return on a 30 month investment would never happen. It would then put the incentive on them to make the

development happen or they would go into the hole. This is also under the assumption that if this project went away, we would probably be offering Coopers or any potential site up to \$50,000 to clean this site and make it ready for development so at that point, we would not lose anything.

Mildred Neville, 1709 Jefferson Street, questioned if Mr. Belschner is associated with River Boardwalk Development Corporation. She also stated that her earlier question as to whether Dwight Roderick Fisk is the same person as Rod Fisk.

Paul Belschner replied they just filed 42 tax returns this past couple of months and the ones that will show up are River Broadway and Belview Taco Johns LLC. He stated he is not associated with River Boardwalk Development Corporation but Scott and Chad Smet are. The three that he was involved with are all closed cases and were all because of tenants that stop paying rent and with some of them were partners in a development. He admits the last couple of years have been challenging years and he is proud of how they have come through.

Ayes: Ald. Moore, Molski, R. Stroik and Brooks
Motion carried.

Nays: Ald. Suomi

ITEM #5 – TRANSITIONING THE COMMERCIAL REHABILITATION LOAN PROGRAM TO A FAÇADE IMPROVEMENT GRANT PROGRAM.

Director Ostrowski stated approximately two years ago the City borrowed \$300,000 to establish a revolving loan program to rehab older buildings and to date there has not been any loans made from this program. The Central Wisconsin Economic Development fund, that we partner with for the revolving loan fund, has created a similar loan program that has similar requirements. He would like to transition our current Commercial Rehabilitation Loan Program to a Grant Program to facilitate additional investments into the downtown area and specific corridors throughout the City. He detailed the proposed grant program as described in his memo that was included in the Finance packet.

Ald. Brooks questioned why the original program never took off to which Director Ostrowski stated that with interest rates at 2%, its was competitive, but people do not want to take out loans to just spruce up the just the exterior of their buildings. They are working hard to keep their business afloat and it is difficult to take out additional loans just for façade implements. Our goal is to see more businesses do what the downtown businesses have done as it looks very good.

Director Ostrowski also stated that the projects would be submitted to the Historical Preservation Design and Review Commission for approval and they would be basically rank the project based off from criteria that are in the program description and ultimately approve those projects based off the available funds within the accounts.

Ald. Suomi clarified that this was originally borrowed money to which Director Ostrowski agreed. She then questioned when a person applies for a grant, they would not have to pay anything back, to which Director Ostrowski also agreed.

Ald. Suomi asked how the word is going to get out. Director Ostrowski replied by mailings and advertising.

Ald. Suomi commended Director Ostrowski on his grant paperwork. She would like to know if it would be possible to add the word "local" so that any renovations are done by local businesses. Director Ostrowski replied that he would not put it in there are a requirement because a lot of

the façade work is specialized and we may not have local contractors. We do encourage local contractors, but not always possible.

Ald. Stroik stated this is a good opportunity for people to spruce up their businesses.

Motion made by Ald. Stroik, seconded by Ald. Brooks to approve the transition of the Commercial Rehabilitation Loan Program to a Façade Improvement Grant Program.

Barb Jacobs, 1616 Depot Street, stated she thinks it is a fantastic program but she does not think it should be limited to downtown. There are other businesses in Stevens Point, including herself, that would take advantage of this, even as a loan basis rather than a grant and it should be spread through the City.

Mayor Halverson stated this loan program as it exists today does include the southside business district within it, so Ms. Jacobs property would be able to apply for said loan right now.

Director Ostrowski stated there are projects that can be approved outside the district as long as there is historical significance in returning those back to historical façade.

Ald. Suomi stated it is called the Downtown Design Review District for the Grant Program, so should that be changed. Director Ostrowski stated the reason it is done that way is because they are using the downtown design guidelines as the basis for approving the projects.

Ayes: All

Nays: None

Motion carried.

ITEM #6 – OPERATION AND MANAGEMENT AGREEMENT FOR THE MCDILL DAM.

Mayor Halverson reviewed the Operation and Maintenance Agreement for McDill Dam. He stated that basically, the City of Stevens Point would operate and maintain the McDill Dam on behalf of the McDill Lake District, who would own that structure. The Lake District, at their meeting last week, approved a transfer agreement with the Village of Whiting along with a very generous donation by Mr. Bob Spoerl in honor of his mother, which would allow for the payment to go to the Village of Whiting, the Village of Whiting whereby would agree to transfer the dam. The Lake District has agreed to that process to accept the ownership. The discussions have been very intensive with the Lake District to get to this agreement. The highest frequency with these structures throughout the State has 60% of the Lake Districts own the dams, who normally partner with other agencies who operate and maintain them. The Lake District owners get the benefit on the day to day basis, but the requirement becomes involved when the City needs the property value preservation for the entire community. He stated there will be another agreement, which will be a 4 way agreement between the Village of Whiting, the County of Portage, City of Stevens Point and the Lake District whereby the remaining local share of the repair project, will be split 3 ways between the City, County and the Lake District. The repair project will then fully restore the dam to its operational condition. After that, it will mainly be in-kind staff time to remove light brush, removing obstructions and electronically monitoring of the dam gates. He reviewed Exhibit B stating the City would pay up to \$3,000 of any event, if it is over \$3,000 up to \$20,000, it gets split equally between the Lake District and the City, if it is over \$20,000, it will go back to Public Works Committee.

Ald. Brooks questioned Exhibit B, letter F, with regards to the abandonment issue, it talks about equally sharing expenses, what sort of costs would there be with abandonment. The Mayor replied that the physical costs associated with removing the gates and structure or modifying the structure, post engineering review and environmental assessment by the DNR as to how to

proceed with abandonment and what would be involved. Basically, the costs would be any permit fees, other fees assessed by the DNR and costs to having the structure dismantled.

Ald. Stroik questioned how County Road HH that runs over the top of the dam is going to play into it. Basically, this means nothing without addressing who is going to take care of something that is caused by County Road HH to which the Mayor stated that will come later in a larger agreement.

Ald. Moore asked if this agreement needs to be done before the larger agreement can be done. Mayor Halverson stated that the County wants ownership taken care of and laid out how it is going to be run and maintained. The County Highway and Finance Committees have met and already authorized a range of between \$90,000 and \$150,000 for their participation in repairing the dam. The agreement would then be divided by the 3 entities, Lake District, City and County.

Ald. Molski questioned if that amount was their share to which the Mayor replied yes, they just wanted to make sure they had enough. They are anticipating around \$100,000 to \$110,000.

Motion made by Ald. Brooks, seconded by Ald. Suomi to approve the Operation and Management Agreement for the McDill Dam.

Ald. Slowinski stated his strong support in this Agreement and encouraged the Committee to do so also. He also questioned how often the dam inspections have to be done that costs about \$3500 to \$5000. Mayor Halverson replied every three to four years. Jack Negaard also stated it could be longer depending on the classification of the dam after the repairs are completed.

Ayes: All

Nays: None

Motion carried.

ITEM #7 – AUTHORIZATION TO EXCEED CONTRACT PAYMENT FOR HH & R PROJECT WITH REIMBURSEMENT AT A LATER DATE.

Director Lemke stated this project is a 1/3, 1/3, 1/3 project with the City, County and Plover, who is the lead agency. Our third of the project is from some remaining TE (Transportation Enhancement) money from Business Park Drive. We have to wait before we can actually apply for those funds so we are looking for permission to pay the bills that are going to go above what we would have had for out of pocket expenses.

Ald. Moore stated this money is guaranteed, it is just not timely. Director Lemke stated that is correct, we have to get to the point where enough has been spent to request the reimbursement.

Director Lemke also stated that the State has requested that the Village of Plover and the Engineering firm make that application because they are the lead agency, but it would be credited to the City.

Motion made by Ald. Brooks, seconded by Ald. Stroik to approve the authorization to exceed contract payment for HH & R Project with reimbursement at a later date.

Ayes: All

Nays: None

Motion carried.

ITEM #8 – TRANSIT OPERATING AND TRANSIT FACILITY CONTRACTS: 2007 AND 2011 FEDERAL SECTION 5311 TRANSIT CAPITAL ASSISTANCE CONTRACT AND 2012 PARATRANSIT AIDS CONTRACT UNDER WISCONSIN SECTION 85.205.

Director Lemke stated that the 2008 section 5311 has already been signed and approved, which was the first application for the Transit facility funding. The 2007 and 2011 are there for information. The 2011 would have been the same as 2008, \$2,000,000. We had an earlier version of the 2011 grant and they asked us to hold off on that and they rewrote a 2007 and put it together with the 2011 to make up the \$2,000,000. The 2012 Paratransit Aid is also newer aid that is a result of some cuts that Transit saw earlier in the year, it makes up for those funds. The local share of this is in the borrowing.

Ald. Stroik stated that transit aid was potentially threatened with the lack of collective bargaining and the Governor pulled that back. He questioned at what point this can evaporate or is it solid, regardless of collective bargaining.

C/T Schlice stated that he talked to DOT and has been assured that the funds are currently available and committed and will not be pulled.

Motion made by Ald. Stroik, seconded by Ald. Moore to approve the Transit Operating and Transit Facility Contracts for 2007 and 2011 Federal Section 5311 Transit Capital Assistance Contract and 2012 Paratransit Aids Contract under Wisconsin Section 85.205.

Ayes: All Nays: None Motion carried.

ITEM #9 – APPROVAL OF PAYMENT OF CLAIMS.

The claims were discussed.

Motion made by Ald. Molski, seconded by Ald. Suomi to approve the payment of claims in the amount of \$825,348.41.

Ayes: All Nays: None Motion carried.

Adjournment at 8:38 p.m.