

Community Development Authority of the City of Stevens Point Minutes

Meeting Date: August 16, 2010

Board Members Present: Mr. Andrew J. Halverson, Chairman, Mr. Hans Walther, Mr. Dave Cooper, Mr. Paul Adamski, Ms. Barbara Kranig Ms. Marge Molski and Mr. George Hanson.

Board Member(s) Not Present: None

Also Present: Mr. Michael Ostrowski, Director, Office of Community Development, Mr. James R. Hamilton, Executive Director, Community Development Authority and Mr. Louis Molepske, City Attorney.

The meeting, held in the Council Chambers at the County/City Building, was called to order by Chairman Halverson at 6:00 p.m.

Mr. Hamilton called the roll. The members listed above were in attendance.

The first item on the agenda was the approval of the May 26, 2010 meeting minutes. Mr. Hanson moved to approve the minutes from May 26, 2010. Ms. Molski seconded the motion.

All ayes, nays none.

The next item on the agenda was the Public Hearing to determine whether the properties located at 1000 Third Street and 941 Portage Street meet the definition of blighted, according to the definition outlined in 66.1333(2m)(bm) of the Wisconsin State Statutes. Parcel IDs 2408-32-2004-01 and 2408-32-2004-02.

Before declaring the hearing open for public comment, Chairman Halverson addressed the Board about their roll in community development activities going forward. He said in the recent past the CDA has focused primarily on housing issues affecting the City, but that he feels it needs to shift its emphasis to redevelopment issues. He said this new emphasis is reflected in the properties under consideration tonight.

Chairman Halverson declared the Public Hearing opened and asked if anyone wished to address the Board.

The first to testify was Mr. Ken Lepak, 3016 Channel Dr., Stevens Point, former owner of the building at 1000 Third Street. He said he owned the building for a number of years, but that before he bought it, it had been vacant for 10 years. He said he had visited the building just prior to the hearing to see what if anything had changed. He said the building has numerous problems, including no electrical or plumbing service, no heating for the last 16 years, no insulation, water damage in the basement, mold, and bat and bird droppings throughout the building. He said the roof has always leaked, even though he patched it numerous times. Mr. Lepak said to his knowledge none of the doors nor windows were operable. He said there were 62 windows in the building and that many of them had been bricked-up. He said the mortar was shot and powdery

and did not feel the brick could be re-pointed. He said the east side parapet was dangerous because it was so deteriorated. He said the lean-to probably lacked a footing and could collapse.

Mr. Lepak, who is also a contractor, concluded by saying in his opinion it is not feasible to rehab the building. He said he put it up for sale a one point but had no takers because of its poor condition. He said he feels the building is blighted.

The next to testify was Bernice Sevenich, 1324 4th Ave., Stevens Point. Ms. Sevenich said she did not think the building was blighted and could be restored. She said she and her husband did repairs similar to the ones needed on the building at 1000 Third St. She said she spoke to a contractor who said it could be saved.

She said that many buildings had been lost in the past that people felt should have been saved and now people were regretting that they were gone.

Chairman Halverson reminded the audience that the hearing was to take testimony on the current condition of the building and not speculate on what should be done with it in the future.

The next to testify was Catherine Dugan, 615 Sommers Street, Stevens Point. Ms. Dugan said she felt the building did meet the definition of blighted under the law. She said she believed it was blighted even prior to Mr. Lepak buying the property.

Next to speak was Reid Rocheleau, 408 Cedar St., Whiting. Mr. Rocheleau said the public hearing was in violation of state law. He said state law says the City shall send a notice to the owner of the property twenty days prior to the hearing that it intends to find the owners property blighted. He said because the city failed to do so, improper notice was given so the hearing should not be held until that is done. He said he would sue if they did not do it according to state law.

Chairman Halverson said that because the City already owned the property, giving a notice to itself was unnecessary. He said he had discussed this with the City attorney and was so advised. He said the procedures in the state law were there to protect owners who were otherwise unaware to the action being contemplated, not for a city who already owned a property. He said the City at the August 9, 2010 Common Council meeting, passed a resolution waiving the notice requirement for the public hearing.

Mr. Rocheleau then commented on the vacant lot at 941 Portage Street. He said that the property was not blighted as it had grass growing on it. He said there may be an argument for finding 1000 Third Street blighted, but that 941 Portage was just a grass covered lot.

Chairman Halverson said a vacant lot can be considered blighted because of obsolete platting, improper zoning or is necessary for carrying out a redevelopment plan.

Chairman Halverson asked if anyone else wish to be heard. There were no additional comments and the public hearing was declared closed at 6:22 p.m.

The next item on the agenda was discussion and possible action to determine whether the properties located at 1000 Third Street and 941 Portage Street meet the definition of blighted,

according to the definition outlined in 66.1333(2m)(bm) of the Wisconsin State Statutes. Parcel IDs 2408-32-2004-01 and 2408-32-2004-02.

The Chairman asked Mr. Ostrowski to summarize his memo to the Board on this subject. Referring to his memo, Mr. Ostrowski said he felt the properties at 1000 Third Street (also known as the Eagle Plumbing building) and 941 Portage Street met the definition of “blighted property” under 66.1333(2m)(bm) of the state statutes.

Mr. Adamski asked what the advantage of such a finding would be. Mr. Ostrowski said in order for any redevelopment to occur on the site, it must first be deemed “blighted”. He said even though these properties are currently not located within the boundary of the redevelopment plan, State Statutes allow for the acquisition of blighted property if all of the conditions of the statute are met.

Chairman Halverson said in order for there to be any development on the site the CDA Board must declare the property blighted and accept the property from the City. He said he felt both of the properties met the definition.

Ms. Kranig asked why the City acquired the properties and not the CDA in the first place. Chairman Halverson said that that was a mistake and that in hind site they should have been acquired by the CDA. He said he felt the City did the right thing but used the wrong method.

In light of Mr. Rocheleau’s comment, Mr. Adamski asked about the legality of the notice. Mr. Molepski said because the City already owns the properties, the notice to the owner was not necessary. He said the statute was there to protect the owner but that the City was the owner. He said that in his opinion the issue was properly noticed.

It was moved by Mr. Halverson to declare the properties located at 1000 Third Street and 941 Portage Street Parcel, IDs 2408-32-2004-01 and 2408-32-2004-02, as meeting the definition of blighted, according to the definition outlined in 66.1333(2m)(bm) of the Wisconsin State Statutes. Seconded by Mr. Walther.

There being no further discussion the Chairman call for a roll call vote. The Secretary called the roll.

Halverson	aye
Molski	aye
Kranig	aye
Hanson	aye
Cooper	aye
Adamski	aye
Walther	aye

The next item on the agenda was Discussion and possible action on the Community Development Authority's acceptance of the properties located at 1000 Third Street and 941 Portage Street from the City of Stevens Point, conditioned upon Common Council approval. Parcel IDs 2408-32-2004-01 and 2408-32-2004-02.

It was moved by Mr. Adamski to accept of the properties located at 1000 Third Street and 941 Portage Street, Parcel IDs 2408-32-2004-01 and 2408-32-2004-02, from the City of Stevens Point, conditioned upon Common Council approval. Seconded by Mr. Hanson.

Ms. Kranig asked what the City paid for the properties. Mr. Ostrowski said they were purchased separately for a total of \$157,000. Ms. Kranig said she had spoken to several people in the community who question purchasing the property with tax dollars and then giving them to developers.

Chairman Halverson said that was really an issue for the City as the CDA was not paying for the property.

There being no further discussion the Chairman called for the vote. The Secretary called the roll.

Halverson	aye
Molski	aye
Kranig	aye
Hanson	aye
Cooper	aye
Adamski	aye
Walther	aye

The next agenda item was discussion and possible action on a developer's agreement with Arc Central for the properties located at 1000 Third Street and 941 Portage Street. Parcel IDs 2408-32-2004-01 and 2408-32-2004-02.

Chairman Halverson asked Mr. Ostrowski to summarize his memo for the Board. Mr. Ostrowski said the Developers Agreement laid out what the developer was required to do with the property in exchange for acquiring it from the CDA. He said the developer must construct seven (7) one-bedroom apartments having a total assessed value of Three Hundred Seventy Thousand Dollars (\$370,000.00) for the entire development site, within twelve (12) months of the execution of the Agreement. He said the developer shall also incur development costs of at least \$300,000.

Mr. Adamski asked how the value was determined. Mr. Ostrowski said the value was arrived at by simply looking at the proposed use. He said it could be higher or lower once the final numbers are in. He said ultimately the assessed value as determined by the City of Stevens Point Assessor, would determine the value.

Mr. Adamski said that the quid pro quo for the developer being given the land was the agreement to develop the property according to the Agreement. Mr. Ostrowski said yes.

Mr. Molepske said the project would probably be a break-even proposition. He said without the Agreement the CDA would bear the cost of having to tear the building down.

Ms. Kranig said in her opinion it was still a disturbing deal and that she felt she was speaking for the tax payers. She said she considers giving the developer the property for \$1.00 to be a

handout. She also said the fact that the Agreement says the developer won't pay property taxes until 2013 makes her unhappy with the deal.

Chairman Halverson reiterated that the purchase price was an issue for the City Council not the CDA and that the CDA was constituted to consider redevelopment options. He said he anticipated that there will need to be more deals like this if the downtown area was to be redeveloped. He said this is a practical approach to redevelopment given the alternative of doing nothing. He said to do that would be to allow the area to deteriorate.

Ms. Kranig reminded the Chairman that she did vote for blight elimination but that she just did not like this deal.

There being no further discussion the Chairman called for the vote. The Secretary called the roll.

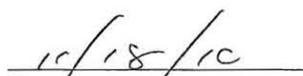
Halverson	aye	
Molski	aye	
Kranig		nay
Hanson	aye	
Cooper	aye	
Adamski		Abstain
Walther	aye	

There being no other business to come before the Board, the Chairman adjourned the meeting at 6:56 p.m.


Chairman


Date


Secretary


Date