

**FINANCE COMMITTEE
JUNE 11, 2012 AT 7:44 P.M.
COUNCIL CHAMBERS – 1516 CHURCH STREET**

PRESENT: Alderpersons Beveridge, R. Stroik, Slowinski, O’Meara and M. Stroik

ALSO

PRESENT: Mayor Halverson; C/T Schlice; City Attorney Molepske; Clerk Moe; Ald. Moore, Suomi, Patton, Phillips; Directors Lemke, Schrader, Ostrowski, McGinty; Human Resource Manager Jakusz; Deputy C/T Freeberg; Kelley Pazdernik; Brian Kowalski; Matthew Brown; Brandi Makuski; Barb Jacob; John Dolan; Steven Schmitz; Carie Winn; Kevin Quevillon; Dan Dobratz; Keith Pilger; Wayne Semmerling Jr.; Fritz Schierl; Cathy Dugan; Jody Andres; John Kneer

ITEM #1 – AUTHORIZATION TO DO RFP FOR ARCHITECTURAL STUDY AND FLOORPLAN OF MID-STATE FACILITY ON MICHIGAN AVENUE FOR THE FUTURE CITY HALL.

Mayor Halverson stated there has been a lot of discussion as to what the best use of the soon to be former Mid-State facility, would be for the City. There has also been long discussions with the Boys and Girls Club for the use of the Rec Center as well as potential use of the Mid-State facility. The City is also moving forward with discussions with a third party that may be able to occupy 5,000 or 6,000 square feet of that building as well. This raises the importance of taking the time to plan this out, look at the feasibility of whether or not we could lay out City Hall appropriately for this particular building, as well as the Boys and Girls Club and potentially a third party that we would like to work with. There is 36,000 square feet available in that facility and we need professional guidance to determine what sort of lay out we would be looking at. He stated that the Boys and Girls Club are here and would like to make a presentation about their organization and about what their plans are and the reasoning as to why this particular area is very important to them.

Motion made by Ald. R. Stroik, seconded by Ald. O’Meara to approve authorization to do an RFP for architectural study and floorplan of Mid-State facility on Michigan Avenue for the future City Hall.

Ald. O’Meara questioned what the deliverables are for the RFP and if cost estimates are also going to be part of it.

Mayor Halverson replied that cost estimates will be part of it and also a conceptual layout as they want to make sure the square footage is enough for us to occupy the building and can it be laid out in a way that our mission can be fulfilled there for the next 30-50 years and also to see if we can incorporate 5,000 to 7,000 square feet for the Boys and Girls Club on the southern side of the building.

Kevin Quevillon, Executive Director of the Boys and Girls Club and Carie Winn, Director of Development and Marketing for the Boys and Girls Club gave a presentation showing where they have been, where they want to head and how they got to where they are now. In 2002 John and Patty Noel set out to create a program to help the youth of Portage County, so the Boys and Girls Club was chosen as the non-profit model to fulfill that goal. They started in Downtown Stevens Point and Junction City and have grown to Plover and also occupy Jefferson School in the City, but their need for space has grown. They have approximately 1300 Club Members, which is split 50/50 for girls and boys, K-6th grade is the largest age group, 40% are from low income families and 11% of them report a disability. They have 160 teen members, but they need more space for them. Currently the Ellis Street property is where the teens are housed, but it is only roughly 2,000 square feet and with no green space, the 50-100 teens per day that visit the facility are cramped and there are no amenities for them such as a gym, computer or art rooms, etc. They like the Mid-State facility and Rec Center because it has more to offer, is

centrally located and has PJ Jacobs close by. They would like to expand and enhance existing partnerships and hope to double or triple in size with the expanded space. They offer a place for children and teens to go and feel like they belong, especially those who need to belong to something but are not necessarily in organized groups or sports and may fall through the cracks if left to fend for themselves after school or while parent(s) are working. The fee to join the Club is \$10 per year.

Dan Dobratz, Principal of PJ Jacobs for 21 years, supports the program and likes the fact that it is within close proximity of the school as the closer it is, the more the kids would be willing to go. He briefly talked about the Homework Center that they created at the school with the help of the Boys and Girls Club and stated it has been working out well.

Steve Schmitz, father of four boys that have all gone to the Boys and Girls Club, also supports it. He has been involved with the program since it opened in 2002 and all four of his boys were involved. He also stated that location is important and being this is centrally located with the City and close to schools, it would help a lot of kids who otherwise may fall through the cracks. The tennis courts, ball diamonds, etc. that are right there in Goerke Park will also be a draw for some of the kids.

Ald. Patton questioned if there will be any cost to the City if they move into the buildings being discussed. Mr. Quevillon replied that they are hoping to get enough space to meet our needs of trying to serve more teens and in doing so, they want to try to raise funds to make that space as usable as possible for our needs and to raise funds through a capital campaign.

Ald. Patton questioned if they would be renting it or purchasing it. Mr. Quevillon replied that they would be investing in the renovation and as far as the relationship with the City, they were hoping to do a long term lease with the City for \$1.00 a year.

Ald. M. Stroik questioned what the hours of operation are and Mr. Quevillon replied that all the sites are typically after school hours, during the school year, so anywhere from 3 – 8 p.m., Monday through Friday and then during the summer, it is open from 9-5 Monday through Friday, except for Plover, which starts at 7:30 a.m. because there are so many kids there. Some other sites may vary also. They would only be closing the downtown Club if they get to move in to the Michigan Avenue site, but all the others would remain open.

Ald. Slowinski reaffirmed that Jefferson School would remain open to which Mr. Quevillon replied that definitely as that is one of their target schools and it has 60-70 kids per day there. In Plover they have 160 a day during the summer months.

Ald. Suomi thanked them for their work and for meeting the need. She supports the program and location, but also wanted to point out there is another Junior High on the other side of town so she is hoping there is some plans to include kids from Ben Franklin.

Mr. Quevillon stated they have a good relationship with Ben Franklin Junior High too. They have just as many kids from that school as they do PJ. He envisions the School District providing a school bus daily from Ben to come over. They do shuttling in Plover as they have two shuttle buses.

Mayor Halverson clarified that it is the City's intent to present a resolution to the Council to officially take a stance on creating the partnership that we will want with the Boys and Girls Club. The Boys and Girls Club still have a capital campaign that they need to start embarking on and they need some direction from us as to what our plans are to participate. It will be our intention to place a resolution in front of Council, a week from today, which will formalize what the Common Council intentions are. The City cannot help operationally, but we can help with in-kind opportunities for real estate that is under our control. He stated that the agenda item is

actually for the "potential" location for the City Hall, as it is not a done deal as the Council has never said this is something that they support. He does feel that at this time, this review will be used to see what our needs are, what is current square footage that we are using, how can that be laid out in the new building and add a 30 year growth factor in. Preliminary results show there should be enough room for the Girls and Boys Club to occupy part of the building and a potential 3rd party, which will be discussed in closed session. He is very supportive of the programs and feels that it is a benefit for the community.

Ald. M. Stroik questioned where the fees to cover the study are going to come from. C/T Schlice stated we will bring back a funding mechanism depending on the amount of the contract. The actual dollar amount will come back to Council.

Mayor Halverson stated they are going to want the architect or construction company that gets this study, to sit down with each of the departments, go through their needs and analyze their square footage and how they would like their office laid out.

Ald. Phillips questioned how much square footage is currently being occupied by the City in the Courthouse building and whether or not the Mid-State building is going to be big enough. Mayor Halverson replied considerably big enough and 20,000 square feet currently. Ald. Phillips questioned how much square footage the Parks Department occupies and Mayor Halverson replied it is unclear but guessing 1,500 to 2,000 at most. Ald. Phillips stated when a 30 year growth rate is added to it, it leaves approximately 6,000 square feet for Boys and Girls Club. Mayor Halverson stated right now these are all assumptions. Ald. Phillips questioned if the Boys and Girls Club requested a certain amount of square footage that they need, Mayor Halverson stated it was made clear that our needs will be paramount and we will not know what we have till the RFPs come back. He does not see an increase in staff over the next 10 – 20 years.

Ald. O'Meara stated this is an opportunity for the City and hopes we use the study to make sure we do it right and that a lot of thought is put into it. It is important but needs to be thought through properly. Also mentioned maybe we should have the sustainability committee look at it also.

Ayes: All

Nays: None

Motion carried.

ITEM #2 – UPDATE AND DISCUSSION ON ARCHITECTURAL AND ENGINEERING REVIEW OF CENTERPOINT MARKETPLACE PROJECT.

Mayor Halverson stated he wanted to update the Committee on where we are with the Centerpoint Marketplace Project. The CDA is going to have to make some decisions as to what the future of that building is going to look like. The Rettler Corporation and SEH are going to do a presentation on what some of the cost assumptions are and what some of the choices are that the CDA are going to have to make. There is money set aside for this project and we need to decide as a Community Development Authority which path is going to make the most sense and will provide us with the most cost effective use of those dollars.

John Kneer, Landscape Architect and Project Manager with Rettler Corporation, who is the Project Manager on Phase 1 of the Mall Demolition and reconstruction of 3rd Street. They have come to a point in the design process that a decision has to be made as to how to leave the condition of the remaining Mall. Original scope of the project is to demolish a 90 ft sloth, partial demolition through the Mall space to divide the Mall from the Mid-State Technical College proposed building. (Planning Budget Summary which explains the pricing was handed out and attached to minutes) He stated the costs in the budget summary are ranges, which were determined by variables, these documents are going to be bid out with alternative bid items, base amount plus optional upgrades. Option #1, Demolish Right of Way and Vacate the Mall, range of \$625,520 up to \$1,003,744. Option #2 is to Demolish Right of Way and Occupy

Remaining Mall, range of \$711,088 up to \$1,089,312 and Option #3 is to Demolish the Entire Mall, except the "Dunham's" Building, range of \$903,056 up to \$1,488,256. Another pricing that was given is if Option #2 was chosen now and later on it was decided to demolish the entire mall, the price would range from an additional \$487,760 to \$733,152.

Jody Andres, SEH, gave a technical definition for occupied and vacate. Occupied is what is minimally required to maintain the heat and life safety facilities within the building, this would be for mall walkers, storage facility, etc. Vacate means doors are locked and building is closed, which will cause deterioration of the building in time.

Director Lemke stated a variable that exists in Options 1 and 2 and does not in Option 3 is the ongoing operational costs, which will be considerable.

Ald. Patton questioned the environmental requirements that are not part of the quote and if we have any idea what those are. Mr. Kneer stated we have no idea. We want to get the project started as there is a lot of information from the DNR with the extensive report that was done but at this time, we would be assuming. It will not be found until construction begins. Director Lemke also stated that part of the contract, whichever direction is taken, we have a scope of services for environmental services that will be part of the special conditions of the contract to address those environmental concerns as they arise in the field so that it does not shut down any portion of the construction.

Ald. Patton questioned if there was any grants available for the environmental issues. Director Ostrowski replied that any environmental concerns that come up are going to be dealt with as we are not going to shut down construction to apply and wait for a grant.

Ald. Patton questioned how many square feet is in the remaining Mall area. Mr. Kneer replied approximately 119,000 square feet.

Ald. Slowinski stated he thought with all the public input sessions that we had that it was agreed that the Mall was going to be kept, so he is confused as to why all these options are coming up. He also questioned why we would make a temporary wall instead of a permanent wall. Mr. Kneer stated it was their direction to proceed with the lowest option available for that because the actual developer has not been identified so they would provide a temporary situation at the most affordable cost but not have it be boarded up or plastic sheeted so the developer could decide.

Mayor Halverson stated we have not agreed to anything. What we had was a concept that was created with a lot of public input as to what they would like to see there. Those concepts never had an estimate for construction associated with it, they were just concepts. The key part of that is that there would have to be a private sector partner with us, ready to do what those concepts are. In order to do that, the concept that was agreed to during that public process, not only required massive demolition, it requires surgical demolition to even come close to getting to what that concept looks like. The situation now is we have to decide how we want to move forward because the money we have is not endless. The CDA needs to decide where we can invest the monies that we have now for the purposes we have before us to get us the best likelihood of success and redevelopment in the future. This is ultimately the CDA's decision.

Ald. Slowinski stated that basically you are just looking for input, we have no power as to which direction this moves in. Mayor Halverson replied that was correct.

Ald. O'Meara stated he would like to see a life cycle analysis given the present value analysis of the cost of heating and maintaining the building. He believes that a lot of the issues are not financial issues. Having a vacant building in downtown is not a great asset for a City. He likes the idea of demolishing the building because across the street is an empty Lullabye site. Look

how long that site has been empty. He feels a developer would take that site over this one. He would like to see the Mall area demolished and prep and grade it for development and in the meantime, plant grass. He feels we will have this site for some time.

Barb Jacobs, 1616 Depot Street, stated demolishing the building was the proposal in the beginning and the people spoke up and stated they didn't want it demolished. She feels the public was lead to believe that they had a good idea what all this would cost, which is why we agreed to borrow that kind of money. She stated that was like a slap in the face and a waste of time because now they are saying they don't care what the public wants.

Ald. Beveridge stated he was also at the public meetings, but ultimately, at the end of the day, we can't do a 3 million dollar project with half of that amount. This is just a presentation of the costs and the risks associated with the project.

John Dolan, 318 Washington Avenue, stated he is a professional architect and was involved with attending meetings and speaking out at the public meetings. There never was a cost analysis of anything that was looked at and what the people were asking for would never be able to afford with the money they were looking at. What he thought was going to happen was when this project moved forward, there was going to be the same process that was authorized for the Mid-State building tonight, which was an RFP to go out and ask those of us in the community and around the state, what we think you could do for the amount of money that you have, which didn't happen. There was no bidding process involved at all. He disagreed with some of the options tonight stated that the HVAC system is not going to be cut in half as it has 6 systems throughout the building and also, they only need to take a 60 foot separation, not 90, as required by State Code to have that much separation without having any separation without having to have any additional fire protection in either one of those buildings. He stated that because of the amount of time this has taken, we are out of time and we are stuck with these options.

Mayor Halverson stated Mr. Dolan was correct as he made it very clear there is not a cost estimate available with this concept. The other issue with that is we can still pursue generally a blank canvas as to what the center section would look like. The issue that the CDA is going to have is that is going to have costs associated with it. Regardless of what happens to the center of that Mall, if we just do 3rd Street, which is exactly where the CDA was (Phase 1), and we realized as ultimate trustees of those dollars that we could make issues that would cost us more money materially that we need to deal with. It is not whether or not we want to tear it down, it is spending the amount of money we have in the best way.

Ald. R. Stroik stated originally he was not going to make a discussion because this was taken out of the City Councils hands by transferring it to the CDA. Mr. Dolan is correct and the day that referendum passed, even though the Mall was in litigation, we could have been doing all these studies and we could have been making contingency plans and having far better swings than the \$600,000 - \$700,000 swing we now have. It is disappointing that the community did come out and support this and they clearly did say they wanted the Centerpoint Mall to be reused as much as possible. If the Council was wanted for their input, they should have been involved with this discussion for the last 6 or 7 months. He feels this is really unfortunate that you are asking the Council for our opinions today when the vote is tomorrow.

ITEM #3 – APPROVAL OF PAYMENT OF CLAIMS.

Motion made by Ald. O'Meara, seconded by Ald. Beveridge to approve the payment of claims in the amount of \$339,124.87.

The claims were discussed.

Ayes: All

Nays: None

Motion carried.

ITEM #4 – REQUEST FOR ADDITIONAL FUNDING – STEAM ENGINE 2713 PROJECT.

C/T Schlice stated the Board of Public Works approved the bid for soffit and ceiling for the Stream Engine 2713 Project. The Council previously approved \$45,000 for the project from the room tax account. After the paint project, architectural work and bids for the soffits, the project is \$5,059 short of being fully funded. The Friends of 2713 will offset \$4,000 of the shortfall and the request is to fund an additional \$1,059. The recommendation is to allocate the additional funds from the room tax account.

Motion made by Ald. R. Stroik, seconded by Ald. O’Meara to approve the additional funding of \$1,059 for the Steam Engine 2713 Project, with funds coming from the room tax account.

Ayes: All

Nays: None

Motion carried.

Adjournment at 9:06 p.m.

	Low	High
Demolish Right of Way and Vacate Mall (includes contingency and fees)	\$625,520	\$1,003,744
<ul style="list-style-type: none"> * Definition of "vacant building" per National Fire Protection Association (NFPA) * Fire protection, plumbing, HVAC, and electrical services partially removed / interrupted * \$254,240 (L) - \$312,032 (H) associated with building demo and temporary wall * Low end estimate based on local demo experience (\$57,792 reduction) * Low end estimate assumes asphalt roadway, no site amenities (\$320,000 reduction) * No functioning HVAC will degrade unoccupied mall facility over time (high temps., high humidity, potential for mold) * No functioning HVAC or Fire Protection in unoccupied mall present significant life/safety concerns * Environmental requirements not addressed in this estimate 		

Demolish Right of Way and Occupy Remaining Mall (includes contingency and fees)	\$711,088	\$1,089,312
<ul style="list-style-type: none"> * \$339,08 (L) - \$397,600 (H) associated with building demo and temporary wall, reconnected utilities * Low end estimate based on local demo experience (\$57,792 reduction) * Low end estimate assumes asphalt roadway, no site amenities (\$320,000 reduction) * Functioning HVAC and Fire Protection restored in remaining mall space * Restored HVAC will protect integrity of unoccupied mall facility over time (control high temps., high humidity) * Restored HVAC and Fire Protection in unoccupied mall mitigate life/safety concerns * Environmental requirements not addressed in this estimate 		

Demolish Entire Mall Except "Dunham's" Building (includes contingency and fees)	\$903,056	\$1,488,256
<ul style="list-style-type: none"> * Low end estimate based on local demo experience (\$155,792 reduction) * Low end estimate assumes asphalt roadway, no site amenities (\$320,000 reduction) * All utility service restored to Dunham's Building * Enclosure walls provided at Children's Museum, Shopko and south side of Dunham's Building * Low end estimate assumes brick veneer on Dunham's south wall is a future developer cost (\$108,976 reduction) * Environmental requirements not addressed in this estimate * Open space created by Mall demolition left as temporary gravel / grass 		

<p>Demolish Right of Way and Occupy Remaining Mall (includes contingency and fees)</p> <ul style="list-style-type: none"> * \$339,08 (L) - \$397,600 (H) associated with building demo and temporary wall, reconnected utilities * Low end estimate based on local demo experience (\$57,792 reduction) * Low end estimate assumes asphalt roadway, no site amenities (\$320,000 reduction) * Functioning HVAC and Fire Protection restored in remaining mall space * Restored HVAC will protect integrity of unoccupied mall facility over time (control high temps., high humidity) * Restored HVAC and Fire Protection in unoccupied mall mitigate life/safety concerns * Environmental requirements not addressed in this estimate 	\$711,088	\$1,089,312
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<p>Future Demolition of Balance of Mall Except "Dunham's" Building (includes contingency and fees)</p> <ul style="list-style-type: none"> * Assumes "Demolish Right of Way and Occupy Remaining Mall" option is completed * Low end estimate based on local demo experience (\$121,800 reduction) * All utility service restored to Dunham's Building * Enclosure walls provided at Children's Museum, Shopko and south side of Dunham's Building * Dunham wall; Low end - painted [\$108,976 reduction]; high end - brick veneer * Environmental requirements not addressed in this estimate * Open space created by Mall demolition left as stabilized, temporary turf surface. 	\$487,760	\$733,152
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Total Cost Partial Demolition Now - Additional Demolition at a Later Date	\$1,198,848	\$1,822,464
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Total Cost Total Demolition Now (from options summary)	\$903,056	\$1,488,256
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ADDED	\$295,792	\$334,208
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