Members

- Chairperson Schlice
- Vice-Chairperson Gardner
- Alderperson Kneebone
- Commissioner Cooper
- Commissioner Kemmeter
- Commissioner Ladick
- Commissioner Barrett

AMENDED 11-4-2022

AGENDA

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

Date and Time: November 9, 2022
3:00 PM

Location: **933 Michigan Avenue**
Community Room
Stevens Point, WI 54481

Zoom Teleconferencing

Meeting ID:83002395452 | Passcode: 747687
By Computer: https://us02web.zoom.us/j/83002395452?pwd=R1JBT2Mwa0hDU1FtTWVCM1RLM0FCZz09
By Phone: +1-312-626-6799 (US Chicago)

Opening Section

1. Roll Call
2. Persons who wish to address the Board on specific agenda items other than a “Public Hearing” must register their request at this time. Those who wish to address the Board during a “Public Hearing” are not required to identify themselves until the “Public Hearing” is declared open by the Chairperson.
3. Public comment for pre-registered individuals for matters appearing on the agenda.

Discussion and Possible Action on the Following:

1. Request from Merge Urban Development for a Partial Assignment of Amended and Restated Development Agreement for Phase III for the North Side Yard Development at 1017 Third Street.
2. Request from Opera House, LLC for a Second Amendment to the Development Agreement for the property at 1124 Main Street.

PLEASE TAKE NOTICE that any person who has special needs while attending these meetings or needs agenda materials for these meetings should contact the City Clerk as soon as possible to ensure that a reasonable accommodation can be made. The City Clerk can be reached by telephone at (715) 346-1569 or by mail at 1515 Strongs Avenue, Stevens Point, WI 54481.

Maps further defining the above area(s) may be obtained from the City of Stevens Point Department of Community Development, 1515 Strongs Avenue, Stevens Point, WI 54481, or by calling (715) 346-1567, during normal business hours.

PLEASE TAKE FURTHER NOTICE that a quorum of the Common Council may be in attendance at this meeting.

3. Request from Community Development Staff on the Housing Modernization Loan Program.

4. Enter into closed session pursuant to Wisconsin Statutes 19.85(1)(e) for deliberating or negotiating the purchasing of public properties, investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, relating to the following:

   A. Discussion and update on possible development agreement for a property located within Tax Increment Finance District #10 (Parcel ID 281240832200425).

   B. Request from Merge Urban Development for an amendment to the Development Agreement for the property at 1009 Portage Street, 1017 Third Street, 1020 Centerpoint Drive, and 1060 Centerpoint Drive.

   C. ******Negotiating the terms for a possible development agreement for the property at 1200 Main Street and the Redevelopment Authority-owned parking lot.***

5. Adjourn *(Note: The Redevelopment Authority will adjourn in Closed Session).*

PLEASE TAKE NOTICE that any person who has special needs while attending these meetings or needs agenda materials for these meetings should contact the City Clerk as soon as possible to ensure that a reasonable accommodation can be made. The City Clerk can be reached by telephone at (715) 346-1569 or by mail at 1515 Strongs Avenue, Stevens Point, WI 54481.
Maps further defining the above area(s) may be obtained from the City of Stevens Point Department of Community Development, 1515 Strongs Avenue, Stevens Point, WI 54481, or by calling (715) 346-1567, during normal business hours.
PLEASE TAKE FURTHER NOTICE that a quorum of the Common Council may be in attendance at this meeting.

City of Stevens Point
1515 Strongs Avenue
Stevens Point, WI 54481-3594

Department of Community Development
Redevelopment Authority
Ryan J. Kernosky, Director
Ph: (715) 346-1567
Fax: (715) 346-1498

MEMORANDUM

To: Redevelopment Authority

From: Ryan Kernosky, Director of Community Development

Date: November 9, 2022

RE: Partial Assignment of Amended and Restated Development Agreement for Phase III of the North Side Yard Development (1017 Third Street)

Background: In October 2020, the City and Redevelopment Authority amended and restated the development agreement for the North Side Yard mixed-use project in downtown with Merge Urban Development (Developer). Part of that amendment and restatement included splitting the project into four separate phases:

Phase I: 4-story mixed-use building at 1060 Centerpoint Drive
Phase II: 4-story mixed-use building at 1020 Centerpoint Drive
Phase III: 3-story apartment building at 1017 Third Street
Phase IV: 11 townhomes at 1009-1079 Portage Street

Phase I and II are completed and have occupancy permits. The developer has begun Phase III (footings and underground plumbing permits have been issued). As part of the regular occurrence of major development, the Developer has provided a partial assignment of the amended and restated development agreement.

The assignment agreement assigns the pay-go incentive payment (referred to in the assignment agreement as the 'tax rebate payment') to the bank as collateral for the loan the Developer is taking out as part of the development project.

Financial Impact: There is no expected financial impact to the City.

Staff Recommendation: I would recommend **APPROVAL** as presented.

Encl.
Partial Assignment of Amended and Restated Development Agreement Pertaining Solely to Phase 3 of the North Side Yard Project within the City of Stevens Point, Wisconsin

Open Records Rider: The City of Stevens Point is subject to Wisconsin Statutes relating to public records. Communication, such as this document, sent or received by City employees are subject to these laws. Unless otherwise exempted from the public records law, senders and receivers of City communication should presume that the communications are subject to release upon request, and to state record retention requirements.

PREPARED BY AND WHEN RECORDED RETURN TO:
Bob Douglas, Davis Brown Law Firm, 4201 Westown Parkway, Suite 300, West Des Moines, Iowa 50266 (515) 288-2500

PARTIAL ASSIGNMENT OF AMENDED AND RESTATED DEVELOPMENT AGREEMENT PERTAINING SOLELY TO PHASE 3 OF THE NORTH SIDE YARD PROJECT IN THE CITY OF STEVENS POINT, WISCONSIN

THIS PARTIAL ASSIGNMENT OF AMENDED AND RESTATED DEVELOPMENT AGREEMENT PERTAINING TO PHASE 3 OF THE NORTH SIDE YARD PROJECT IN THE CITY OF STEVENS POINT, WISCONSIN (the "Assignment") is made as of the 23rd day of September, 2022, North Side Yard Condo 3 LLC, a Delaware limited liability company (the "Company") and North Side Yard, LLC, a Delaware limited liability company ("Developer"), in favor of West Bank, an Iowa state banking corporation ("Assignee").

RECITALS

A. Company proposes to borrow from Assignee, up to $5,700,000 (the "Loan") for the purpose of developing the real property described in Exhibit A attached to this Agreement, which is Phase 3 of the North Side Yard development in Stevens Point, Wisconsin with a street address of 1017 Third Street, Stevens Point, Wisconsin, and also known as PIN 281-24-0832200304 (the "Phase 3 Project"). The Loan will be evidenced by a promissory note from Company (the "Note") payable to Assignee in the total principal sum of the Loan and is secured, in part, by a mortgage ("Mortgage") and an assignment of leases and rents ("ALR") executed by Company, for the benefit of Assignee which are liens on the Project owned by Developer

B. The City of Stevens Point, Wisconsin ("City"), the Redevelopment Authority of the City of Stevens Point, Wisconsin ("RA") and North Side Yard, LLC, a Delaware limited liability company have entered into an Amended and Restated Development Agreement dated October 22, 2020 (the "Development Agreement") pursuant and subject to which the City agrees to provide annual property tax rebate payments to Company through 2041 (and payable through 2042) based on the amount of the additional taxable property valuation created by construction of the completion of the 4 separate phases of the North Side Yard development. The Company is a special purpose entity contemplated under the Development Agreement which has been formed by the Developer for the sole purpose of developing the Project (i.e. Phase 3 of North Side Yard).

C. As additional security for the Loan the Assignee requires an (i) assignment of the Company's and the Developer's rights to the TIF Revenues to be paid pursuant to the Development Agreement pertaining to Phase 3 of the North Side Yard development (PIN 281-24-0832200304 (individually a "Payment" and collectively the "Payments").

NOW, THEREFORE, in consideration of Assignee's agreement to make the Loan, Developer, hereby covenants for the benefit of Assignee as follows:

1. Developer and Company hereby assign, grant, transfer and set over to Assignee all of Developer's right, title and interest in and to the Development Agreement solely as it pertains to Phase 3 Project, including but not limited to receipt of the TIF Revenues, and Payments thereof to the Developer. Notwithstanding the above, the Developer/Company shall remain responsible for performance of all obligations under the Development Agreement until such time as Assignee, its successor or assigns becomes the owner of the Phase 3 Project pursuant to the mortgage.

2. Developer and Company agree that prior to the first Payment being received hereunder, pursuant to Assignee's direction, it shall direct the City to make each annual Payment either jointly payable to Developer and Assignee, wire such annual Payments to an account under the control of Assignee, or to make such payment directly to the Assignee until such time as Developer and Assignee jointly notify the City in writing to make the Payments to Company.

3. Developer and Company hereby represent and warrant to Assignee that:

2.1 It has the right to make this assignment pursuant to Section 9.12 of the Agreement;

2.2 It has not heretofore assigned or pledged the Development Agreement or the Payments of TIF Revenues thereunder solely as to the Phase 3 Project to any other person or entity and will not further pledge or assign the Development Agreement or the Payments to the Phase 3 Project.

4. Developer and Company will indemnify Assignee against and hold Assignee free and harmless from any and all claims, demands, lawsuits, judgments, awards, costs and expenses, including, but not limited to, reasonable attorney fees, actually incurred by Assignee and arising by reason of any loss or impairment of the availability of the TIF Revenues, and Payments of the TIF Revenues for Phase 3 due under the Development Agreement, except to the extent such claims, demands, lawsuits, judgments, awards, costs and expenses have been incurred due to the negligent or willful misconduct of Assignee.

5. Developer and Company hereby covenant:

5.1 Neither will execute any other assignment of their interest in the Development Agreement or the Payments;

5.2 Nor alter, amend or modify their rights under the Development Agreement as to Phase 3 without the prior written consent of Assignee;

5.3 Not to release or forego their right under the Development Agreement or to the Payments as to Phase 3 without the prior written consent of Assignee; and

5.4 To promptly deliver to Assignee true and correct copies of all notices or other documents or communications received by Developer from City with regard to or relating in any way to the Development Agreement or the Payments.

6. This Assignment is irrevocable and shall remain in full force and effect until such time as the earlier of the Loan and all other amounts due under the Loan Agreement shall have been repaid in full or all Payments have been made in accordance with the Development Agreement.

7. Assignee shall have and possess with respect to the Development Agreement and the Payments as to Phase 3, and any notes, instruments or proceeds as to which a security interest is granted to Assignee pursuant to this Assignment, a security interest in such collateral, which security interest shall include, without limitation, any and all rights and remedies of a secured party under the Iowa Uniform Commercial Code, or otherwise provided by law. Developer and Company shall execute any and all other documents necessary or desirable to perfect Assignee's security interest under this Assignment.

8. This Assignment, together with the agreements, covenants and warranties contained in this Assignment, shall inure to the benefit of Assignee and any subsequent holder of the Notes and the Mortgage securing the Notes, and shall be binding upon Developer, or any subsequent owner of the Project or any interest therein.

9. This Assignment may be executed in any number of counterparts by the parties to this Assignment. Each of said counterparts shall be deemed to be an original, and all such counterparts shall constitute but one and the same instrument.

10. This Assignment and the transactions contemplated under this Assignment shall be governed by and construed in accordance with the laws of the State of Iowa.

11. All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States certified mail or other established express delivery service (such as Federal Express) that guarantees overnight delivery, postage or delivery charge prepaid, addressed to the appropriate party at the address set forth below:

Developer and Company:	North Side Yard, LLC/North Side Yard Condo 3, LLC c/o Brent Dahlstrom PO Box 128 Cedar Falls, Iowa 50613 Email: brentdahlstrom@gmail.com (319)-505-3609
Assignee:	
	West Bank 1601 - 22nd Street West Des Moines, Iowa 50265 Attn.: Dana Jergenson, Vice President Email: djergenson@weastbankstrong.com (515)-222-5758

Notices shall be effective upon receipt or refusal.

IN WITNESS WHEREOF the parties have executed this Assignment on the day and year above stated.

North Side Yard, LLC

Merge, LLC Managing Member of North Side Yard, LLC

By: ______________________

Brent Dahlstrom, Manager of Merge, LLC

North Side Yard Condo 3 LLC

North Side Yard, LLC its Member by Merge, LLC Managing Member of Norh Side Yard, LLC

By: ______________________

Brent Dahlstom, Manager of Merge, LLC

West Bank

By: ______________________

Dana Jergenson, Vice President

STATE OF IOWA, COUNTY OF Black Hawk, ss:

This record was acknowledged before me on the 23 day of September, 2022, by Brent Dahlstrom, as Manager of Merge, LLC as Managing Member of North Side Yard, LLC, on its behalf.

NOTARIAL SEAL IOWA JILL L KRAAYENBRINK Commission Number 797477 My Commission Expires July 29, 2025

Notary Public in and for said State.

STATE OF IOWA, COUNTY OF Black Hawk, ss:

This record was acknowledged before me on the 23 day of September, 2022, by Brent Dahlstrom, as Manager of Merge, LLC as Managing Member of North Side Yard, LLC as Member of North Side Yard Condo 3, LLC on its behalf.

NOTARIAL SEAL IOWA JILL L KRAAYENBRINK Commission Number 797477 My Commission Expires July 29, 2025

Notary Public in and for said State.

STATE OF IOWA, COUNTY OF POLK, ss:

This record was acknowledged before me on the 23rd day of September, 2022, by Dana Jergenson, as vice president of West Bank, on its behalf.

Notary Public in and for said State.

NOTARIAL SEAL IOWA ERIN CAMPBELL Commission Number 768267 My Commission Expires May 31, 2023

EXHIBIT A

Unit 3 of North Side Yard Condominium, together with said unit's undivided interest in the common elements and exclusive use of the limited common elements appurtenant to said unit, in North Side Yard Condominium, a condominium declared and existing under and by virtue of the Condominium Ownership Act of the State of Wisconsin and recorded by a Declaration of such condominium in the office of the Register of Deeds for Portage County, Wisconsin on November 18, 2020, as Document No. 868961, said condominium being located in the City of Stevens Point, Portage County, Wisconsin on real estate described in said Declaration, Incorporated herein by this reference thereto.

PIN 281-24-0832200304

ACKNOWLEGEMENT AND ESTOPPEL CERTIFICATE

COMES NOW, the City of Stevens Point, Wisconsin ("City") and the Redevelopment Authority of the City of Stevens Point Wisconsin ("RA") and hereby state for the benefit of West Bank ("Lender"), which is making a first mortgage loan to North Side Yard Condo 3, LLC in the amount of $5,700,000 (the "Loan") for the purpose of developing the real property which is Phase 3 of the North Side Yard development in Stevens Point, Wisconsin with a street address of 1017 Third Street, Stevens Point, Wisconsin, and also known as PIN 281-24-0832200304 (the "Phase 3 Project"), and has taken an assignment of the Amended and Restated Development Agreement dated October 22, 2020 (the "Development Agreement") by and among the City, the RA and North Side Yard, LLC ("Developer"), and states as follows:

1. The Development Agreement is in full force and effect, and there are no signed amendments to the Development Agreement, and neither the City or RA are aware of any defaults outstanding under the Agreement by Developer or any SPE owning any portion of the Project.

2. North Side Yard Condo 3, LLC is the SPE for the development of Phase 3 of the Project pursuant to the Development Agreement.

3. We have received a copy of the signed Assignment by Developer and North Side Yard Condo 3, LLC for Phase 3 under the Development Agreement to West Bank, and neither the City or RA are aware of the assignment of the TIF Revenues which may be payable for Phase 3 to any other party other then West Bank.

IN WITNESS WHEREOF, this Acknowledgment and Estoppel Certificate is executed and delivered subject to the provisions of section 9.16 of the Development Agreement this ______ day of September, 2022.

City of Stevens Point, Wisconsin

By: ______________________________
Mike Wiza, Mayor

By: ______________________________
Kari Yenter, City Clerk

Redevelopment Authority of the City of Stevens Point, Wisconsin

By: ______________________________
John Schlice, Chairperson

By: ______________________________
Ryan Kernosky, Executive Director

City of Stevens Point
1515 Strongs Avenue
Stevens Point, WI 54481-3594

Department of Community Development
Redevelopment Authority
Ryan J. Kernosky, Director
Ph: (715) 346-1567
Fax: (715) 346-1498

MEMORANDUM

To: Redevelopment Authority

From: Ryan Kernosky, Director of Community Development

Date: November 9, 2022

RE: Second Amendment to Development Agreement with Opera House, LLC

Background: In September 2020, the City entered into a development agreement with the Opera House, LLC to redevelop the former Fox Theatre at 1124 Main Street. In June 2022, the City and the RA amended the original development agreement to extend the deadline to obtain occupancy to December 31, 2022. Due to supply-chain, labor challenges, and overall challenges redeveloping a 100+ year-old property, Opera House, LLC is seeking to extend the final occupancy agreement from December 31, 2022 to December 1, 2023.

Although the City does have a 'claw back' provision of the development agreement (wherein the City would purchase the property back for $1 if the requirements of the development agreement are not met), I don't believe that we currently have the desire to do so.

Staff Recommendation: Staff recommends **APPROVAL** as proposed. Thank you.

Open Records Rider: The City of Stevens Point is subject to Wisconsin Statutes relating to public records. Communication, such as this document, sent or received by City employees are subject to these laws. Unless otherwise exempted from the public records law, senders and receivers of City communication should presume that the communications are subject to release upon request, and to state record retention requirements.

SECOND AMENDMENT OF DEVELOPMENT AGREEMENT

This SECOND AMENDMENT OF DEVELOPMENT AGREEMENT (this "Second Amendment") is made as of the _______ day of _________________________, 20____ by and between the City of Stevens Point, Wisconsin ("City"), The Redevelopment Authority of the City of Stevens Point ("RA") and The Opera House, LLC ("Developer").

RECITALS

The City, RA, and Developer acknowledge the following:

A. The Developer, City, and RA entered into that certain Development Agreement dated as of the 2nd day of September, 2020 (the "Development Agreement") regarding the redevelopment and repurposing of certain real property legally described within Exhibit A attached hereto (the "Property").

B. The Developer, City, and RA entered into that certain Assignment and First Amendment to the Development Agreement as of the 16th day of June, 2022. All capitalized terms not defined in this Second Amendment shall have the meanings assigned to them in the Development Agreement and the subsequent Assignment and Amendment to the Development Agreement.

C. The Developer, City, and RA understand the financial and building materials supply-chain challenges brought on by the Coronavirus Pandemic, which has continued to negatively impact real estate development.

D. The Developer, City, and RA understand that the project would not happen but for the proposed second amendment contained herein.

AGREEMENT

In consideration of the Recitals, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The terms of the Development Agreement, as amended, remain unmodified and in full force and effect. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. This Agreement may be executed via email or facsimile transmission and all PDF (or similar electronic format) or facsimile signature shall be deemed originals for all purposes.

AMENDMENTS

In consideration of the Recitals, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Developer, City, and RA hereby amend the Development Agreement, as follows:

    a. Article IV, Section 4.1(3) is hereby amended to read the following:

        (2) Following commencement of work outlined in Article IV Section 4.1(2), Developer shall obtain final occupancy no later than ~~December 31, 2022~~ December 1, 2023.

- *Signatures on Next Page -*

The Opera House, LLC

Dated: _________________________ BY ___________________________

Gregg Gokey
Manager

STATE OF _____________)
) ss.
______________ COUNTY)

Personally came before me this _______ day of _________________, 202___, the above-named ____________________________________, to me know to be the person who executed the foregoing instrument and acknowledge the same, as the act and deed of The Opera House, LLC, by its authority.

____
Notary Public, State of _______________ (seal)

My Commission expires: ____________________

CITY OF STEVENS POINT, WISCONSIN

Dated: _________________________ BY ____________________________
Mike Wiza
Mayor

Dated: _________________________ BY ____________________________
Kari Yenter
City Clerk

STATE OF WISCONSIN)
) ss.
PORTAGE COUNTY)

Personally came before me this _______ day of _________________, 202___, the above-named Mike Wiza, and Kari Yenter, the City Mayor and Clerk, respectively of the City of Stevens Point, a Wisconsin municipal corporation, to me known to be the persons who executed the forgoing instrument and acknowledged the same, as the act and deed of said municipality, by its authority.

____
Notary Public, State of Wisconsin (seal)

My Commission expires: ____________________

THE REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT, WISCONSIN

Dated: _________________________ BY ___________________________
John Schlice
Chairman

Dated: _________________________ ATTEST:___________________________
Ryan J. Kernosky
Executive Director

STATE OF WISCONSIN)
) ss.
PORTAGE COUNTY)

Personally came before me this _______ day of _________________, 202___, the above-named John Schlice, and Ryan J. Kernosky, the Chairman and Executive Director, respectively of the Redevelopment Authority of the City of Stevens Point, to me known to be the persons who executed the forgoing instrument and acknowledged the same, as the act and deed of said municipality, by its authority.

____
Notary Public, State of Wisconsin (seal)

My Commission expires: ____________________

Exhibit A

Legal Description

1116 Main Street Stevens Point, WI 54481 described as follows:

Lot 1 of Portage County Certified Survey Map No. 011409 recorded in the Office of the Register of Deeds for Portage County, Wisconsin on September 28, 2020 as Document No. 855837, being part of Lots 6, 7,16, and 17 of Block 28 of Valentine Brown's Addition to the City of Stevens Point, and all of Lot 1 of Portage County Certified Survey Map No. 011321, located in the NE ¼ of the NW ¼ of Section 32, Township 24 North, Range 8 East, City of Stevens Point, Portage County, Wisconsin.

Parcel Identification No.: 281-24-0832202973

www.wildcardcorp.com
715.869.3440

WILDCARD
Cybersecurity • Web Development • IT Solutions

1300 College Ct.
Stevens Point, WI 54481

October 21st, 2022

TO: Director Ryan Kernosky and Staff
Stevens Point Community Development Department
1515 Strongs Avenue
Stevens Point, WI 54481

FROM: Gregg Gokey
Director of Operations
Wildcard Corp.
P.O. Box 1004
Stevens Point, WI 54481

Jeanna Trzebiatowski
Venue Director
Opera House llc
1124 Main St
Stevens Point, WI 54481

RE: Extension to completion Date of the Opera House

Director Kernosky and Staff,

We are writing to you today to request an extension of the completion date of the Opera House. From the beginning, we understood the challenges we would encounter updating and providing a lasting solution for the Opera House property. During the process of laying out the future use for this property, we have made great strides but unfortunately, have not been able to get as far as we had previously expected. Our architect, Stacy Ness from Key Search Studios, put it best when he said that in normal projects you have one or two challenges involving deep research whereas in this project you have one every fifty feet.

Currently, we have been working through finalizing plans in order to start making greater physical progress and reinforcing the building. This has proven to be a larger task and challenge than expected. Though we have finally gotten a great team working on this project, it has culminated later than we had hoped.

This year alone, we have accomplished almost all of the demo needed to begin reinforcing and building structure inside the building. In addition, we have also accomplished the following:

- Patched ceiling and installed fire barrier to ballroom
- Measured and ordered windows that we now has the majority of, ready for installation
- Replaced the roof
- Replaced the roof drains to ensure the roof is water-tight
- VPL Variance has been completed
- Biergarten and patio area is prepared for installation
- Sealed and removed protrusions from the North face of the building
- Along with much decluttering and clearing out of the space

We are working tirelessly through the planning stage and getting all concerns raised and resolved before we will officially submit completed plans. We have finally gotten some strategic timelines together involving our Architects, General Contractor and Owner to make sure we can take the appropriate steps to complete this building in an efficient manner moving forward. Some of the hurdles we have encountered that have affected our timeline are as follows:

- Extra review to plans and permit submissions to ensure all pieces are completed correctly and remain within the guidelines of the historic nature of the building
- Ensuring the Historic Review Committee is notified and questioned if we encounter pieces that need their consideration
- Communicating as much as possible with the building inspection department to make sure each piece is inspected before the next
- Needing to demo as much as we could to get a full understanding of the challenges we need to specifically plan for due to the age and deterioration of the building
- Timelines meshing with the city/contractors/supplies and financials to accomplish the large pieces for a foundation to work on going forward
- Also, all of the challenges other had to fight through the pandemic years

Our request for the extension would be until December 1st of 2023, with the expectation to be done prior to the date. We are asking for this specific length to ensure that we do not need to request any additional time.

We greatly appreciate your cooperation and support as we navigate through this unique project. We are still excited to continue seeing progress, albeit slow at this time, towards a beautiful finished icon on Main Street, Stevens Point.

Regards,

Gregg Gokey
Director of Operations
Wildcard Corp.

Jeanna Trzebiatowski
Venue Director
Opera House, LLC

Chris Klesmith
Neighborhood Planner / Economic Development Specialist
City of Stevens Point
1515 Strongs Avenue
Stevens Point, WI 54481
(715) 341-4171 | cklesmith@stevenspoint.com

Memo

To: The Redevelopment Authority of the City of Stevens Point
From: Chris Klesmith
CC: Ryan Kernosky
Date: 11/3/22
Subject: Housing Modernization Loan Program

To the Redevelopment Authority Members,

The 2017 City of Stevens Point Housing Study identified several mechanisms to revitalize the city's housing stock, one of which being a low or no-interest loan program. This mechanism is highly popular in other urban centers in Wisconsin and well-documented as an effective tool. The Neighborhood Improvement Coordinator and I have sought counsel from peer communities the past few months to design the program which is now being presented for discussion.

This program is designed to fill a gap in available financing for Stevens Point residents. Financing tools such as Home Equity Lines of Credit exist for residents who are earning above the common 80% area median income (AMI) threshold, but interest rates and costs of services continue to rise and the housing stock continues to depreciate. Below are several highlights of the structure of the Housing Modernization Loan Program:

- Establishes 80-120% household AMI and owner occupancy as the main eligibility requirements for the program
- Offer loans at a 2% interest rate city wide; a 1% interest rate should be offered to Neighborhood Improvement Areas
- Allow a maximum loan of $35,000 to accommodate rising costs of materials and labor
- Allow for title review and recording fees to be rolled into the loan
- A loan management software shall be selected before program launch
- Allow for a one-time, maximum 6-month deferral of loan payments

A full draft of the program will also be provided to you. Administration of the loan program will be retained by Community and Economic Development and supported by Treasury Staff. Staff have discussed diligently with the City of Wausau to identify gaps in program processes and are confident in the program launch as early as December 1st, 2022 pending your approval.

Cheers,

Christopher Klesmith

Housing Modernization Loan Program

Please read and fill out the application in its entirety, ensuring all relevant attachments are included upon submittal. Question about the application process and pre-application meeting requests may be sent via email to cklesmith@stevenspoint.com or by calling the office at (715) 341-4171 any time M-F, 7:30am-4:00pm. Completed applications and attachments may be sent to cklesmith@stevenspoint.com or mailed to **Community Development Department, 1515 Strongs Avenue, Stevens Point, WI 54481.**

Program Overview

This program is designed to provide property owners with a financial mechanism to update major components of their properties to ensure they stay in good condition and increase their utility efficiency. Loans are provided to applicants as funding becomes available. Loans have a fixed rate for 5-year or 10-year term.

- Option 1: Loans are set at a fixed 2% rate and available city-wide.
- Option 2: Loans are made available city-wide for 2%, and targeted neighborhoods qualify for 1% interest loan.

Eligible Program Participants

The Housing Modernization Loan Program is available to owner-occupied households who earn between 80% and 120% of the county median income. The following table summarizes the range of eligible incomes. Residents who earn less than 80% of HOME limits qualify for other sources of funding, such as the Neighbor Helping Neighbor grant and CDBG loans through CAP Services and the Central Housing Region Community Development Block Grant administered by the Juneau County Housing Authority.

Household size	1	2	3	4	5	6	7	8
Income Range	$50,350 - $75,600	$57,550 - $86,400	$64,760 - $97,200	$71,900 - $107,800	$77,700 - $116,600	$83,450 - $125,200	$89,200 - $133,800	$94,950 - $142,425

In addition, the applicant must:

- Provide proof of property ownership or have an accepted offer to purchase. If property is owned as an LLC, names of all members of the LLC shall be provided.
- Be current on municipal taxes, charges, and utility payments.

Eligible Properties

- Any owner-occupied residential property within the City of Stevens Point built on or before 1980 with a current assessed value of all structures on the parcel of less than $200,000.

Eligible Improvements

- Any exterior improvements to the primary residential structure, such as roofing, siding, gutters, and windows.
    - Luxury improvements such as patios, hot tubs, swimming pools, and decorative landscaping unrelated to resolving drainage issues **do not qualify**.
- Reconstruction, repair, or expansion of an existing garage.
- Driveways and fencing as a part of a larger overall project.

- Major interior renovations and foundation repair.
- Improvements to the building efficiency, such as insulation.
- Replacement or upgrade to more efficient HVAC systems and water heaters.
- Electrical and plumbing system upgrades.
- Installation of renewable energy production and/or storage systems.

Terms

Below are the general terms that will apply for each loan:

- Up to one $35,000 loan for each property. Following successful inspection of completed work, funds will be distributed directly to the identified contractor(s). A mortgage for the total amount disbursed will be recorded on the property.
- Recipient shall be responsible for paying $$$ in loan preparation fees. These funds may be included in the total loan amount or paid immediately by the recipient. These fees include:
    - Mortgage Recording ($30)
    - Title Review (McDonald Title to check)
- Recipient must pay the loan back to the City of Stevens Point on a monthly payment schedule. Payment will be collected on the 15th day of each month.
    - The City of Stevens Point will establish a recurring ACH withdrawal from the recipients account of choice. If recipient is unable to establish ACH payments, payments may be made online at "site" or checks may be made to "City of Stevens Point" with the memo "Housing Modernization Loan". Checks can be delivered to 1515 Strongs Ave, Stevens Point, WI 54481, ATTN: City of Stevens Point Treasury.
    - If recipient will become unable to fulfill payments, it is the responsibility of the recipient to inform Community and Economic Development staff as soon as possible.
        - If a payment is delinquent by at least 15 days, a late fee of $20 will be assessed.
        - Non-Sufficient Fund fees ($30) will be passed to the applicant.
        - Payments may be deferred one time for up to a total of 6 consecutive months.
        - Applicants are **strongly encouraged** to reach out to Community and Economic Development staff. Community and Economic Development staff will connect recipients with financial planning assistance to recorrect loan payments.
- Loan payments begin after all funds have been distributed.
- Loan must be repaid in full before sale of the property.

Additional Requirements

- Applicants shall submit all required wage, mortgage, and property information to the Community and Economic Development Department prior to a pre-application meeting.
- If an applicant's property lies within the flood plain (as determined by FEMA), the applicant must carry an amount of insurance equal to or greater than the value of the first mortgage and awarded loan.
- A pre-application meeting to review eligibility requirements, loan amount and terms, and project specifics is required with City staff prior to a formal application being submitted. The scope of work, expected change in assessed value, and cost estimates must be reviewed and approved by the City of Stevens Point Community Development staff.
- Funds cannot be applied to improvements that have already been started or completed.
- All change orders must be approved by the City.

- All work requiring a contractor must be performed by licensed and insured contractors, with the applicant having acquired a minimum of two cost estimates from two different contractors. If work is being performed by the homeowner, cost estimates from two suppliers are required.
- If applicable, permits must be obtained prior to starting any work.
- Owners (LLC members) or owners' direct relatives cannot be compensated for their labor or time on the project.
- After loan disbursements are complete, applicant must add the City of Stevens Point as a mortgagee to their home insurance policy.

Project Selection

- Applications will be accepted on a first-come, first-served basis. Loan funds are limited, and funding is not guaranteed even for projects that otherwise qualify.
- If an applicant is approved before funds are available, they will be added to a queue. As funds are replenished, applicants will be notified in order of project need based on position in the queue and project cost.
- The City of Stevens Point reserves the right to apply scoring methods at any point in the life of this program. Projects will be ranked by:
    - Immediacy of project need based on risk to resident health or property damage.
    - Evidence of owner's ability to finance and complete the project.
    - Impact to the neighborhood.
    - Whether or not the property is in a Neighborhood Improvement Area.
    - Increase in assessed value of the property.
    - Projected increase in energy efficiency.

Application & Loan Process

- Applicant completes the "Eligibility Verification and Loan Preparation" form and delivers to the Community & Economic Development Department at City Hall, 1515 Strongs Ave, Stevens Point WI 54481.
- Community & Economic Development Department reviews eligibility information and calls applicant to arrange a pre-application meeting.
- Applicant prepares:
    - Two cost estimates from licensed contractors or approved suppliers.
    - Proof of current homeowners' insurance.
    - Any outstanding mortgages and/or liens on the property.
    - Bank information for automatic payments.
    - Proof of no outstanding municipal taxes or charges, or utility payments.
    - If property is owned as an LLC, members LLC shall be provided.
- Applicant prepares the following application and submits it with all necessary documents.
- Applicant signs Borrower Certification and Mortgage Note. Staff records Mortgage Note at Register of Deeds.
- Applicant and/or contractors may pull applicable building permits and begin work.
- Applicant may request payment to contractors after permitted work is complete and passes inspection.
- Once all permitted work passes inspection, repayment of the loan begins.

The Redevelopment Authority may grant exceptions to any of the requirements for this program.

Application Number (*Office Use Only)*

Eligibility Verification and Loan Preparation

Applicant Information

Name of Applicant:

Social Security Number	Contact Phone	Email

Name of Co-Applicant(s)

Note: If owned by an LLC, attach articles of incorporation, including a list of all members and operating agreements

Social Security Number	Contact Phone	Email

Property Address	Build Date and Assessed Value (City-provided)

Liability Information

List all financial obligations that are recorded against the property, such as mortgages, liens, and delinquent taxes.
Attach the most recent mortgage or loan summary.

Lienholder / Bank Name	Debt Purpose	Current Balance	Monthly Payment	Date Closed	Interest Rate (%)	Loan Type
	Totals					

Is the most recent mortgage or loan summary attached?

Do you Escrow for Property Taxes?

Sources of Income

Please provide the following information for any amount of income household members 18+ years old can reasonably expect to receive during the next 12 months. ***Attach previous two (2) tax returns and four (4) pay stubs.***

Applicant Current Employment Income:

Employer/Business Name: ______________________________________ **Gross Monthly Income:**

Start Date: ____ / ____ / ____ Phone: ____________________________

Are you the business owner / Self-Employed?

Co-Applicant Current Employment Income:

Employer/Business Name: ______________________________________ **Gross Monthly Income:**

Start Date: ____ / ____ / ____ Phone: ____________________________

Are you the business owner / Self-Employed?

Household Member Age 18+ Current Employment Income:

Employer/Business Name: ______________________________________ **Gross Monthly Income:**

Start Date: ____ / ____ / ____ Phone: ____________________________

Are you the business owner / Self-Employed?

Household Member Age 18+ Current Employment Income:

Employer/Business Name: ______________________________________ **Gross Monthly Income:**

Start Date: ____ / ____ / ____ Phone: ____________________________

Are you the business owner / Self-Employed?

Tax Returns and Pay Stubs Attached?

Income from Other Sources

If you receive additional income from one the sources below, please provide the annual income source and amount.

- Alimony
- Capital Gains
- Child Support
- Disability
- Foster Care
- Interest & Dividends
- Public Assistance
- Retirement (Pension, IRA)
- Royalty Payments
- Separate Maintenance
- Social Security
- Trust
- Unemployment Benefits
- VA Compensation
- Other

Income Source	Monthly Income
	$
	$
	$
Total	$

Application & Loan Terms

Date of Application: ________________________ Date of Pre-Application Meeting/Call: _____________________

Application Number: _______________________ Pre-Application Meeting By: _________________________

The applicant must provide the following information

Requirements:

	Yes	No	N/A
Proof of Homeowners Insurance (Attach homeowners insurance policy)			
Is the home situated within a flood plain? (City attach FEMA verification)			
Proof of Property Ownership / Offer to Purchase (Attach valid & signed commitment or Offer to Purchase)			
Verified No Municipal Taxes or Utility Fees (Attach signed utility release)			
Two cost estimates from contractors/suppliers (Attach estimates with clearly identified contractors/suppliers)			
Preferred Payment Account (Provide bank account for automatic ACH transactions and email for reminders)			

After Approval and/or Construction:

- Mortgage Recorded ☐
- Final Inspection & Occupancy Approval ☐
- Updated Home Insurance Policy ☐

Project Summary

Attach additional sheets if necessary for all sections below

Describe the scope of work being performed to update the property:

Provide the names of the contractor(s) or supplier(s) who would provide estimates and complete the labor or materials for this conversion:

Contractor/Supplier Name	Work Being Performed or Supplies Sold	Contact Number

Provide a list of contractor or supplier cost estimates:

Contractor/Supplier Name	Estimated Costs
Loan Total (will not exceed $35,000)	

Estimated Completion Date: ________________________________

Loan Payment & Terms

Loan payments will be collected on the 15th of each month following final inspection. Please provide account information to set up automatic withdrawals. For a detailed account of the payment terms, see the attached Mortgage Note and Borrower Certification.

Payment Information

Bank Name	Routing Number	Account Number

Monthly Payment Amount: **Estimated Length of Loan**

I will elect to pay in-person or mail by check:

____ ____

Applicant Signature Date Co-Applicant Signature Date

____ ____

Print Name Print Name