AGENDA

REDEVELOPMENT AUTHORITY
OF THE CITY OF STEVENS POINT

Members

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

Date and Time:	August 11, 2020 3:00 PM	**Location:**	**Zoom Teleconferencing** To participate via telephone: 1) Dial on your phone: (301)-715-8592 2) When prompted dial the Meeting ID: 860 3846 4646 # 3) Press # again to be a participant in the meeting. 4) Hold until the meeting starts. To participate via online zoom platform: 1) Go to www.zoom.us 2) Click "Join a Meeting" in the upper right-hand corner. 3) Enter Meeting ID: 860 3846 4646 4) If you haven't downloaded the Zoom program, do so now.

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:

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.

4. Minutes and actions of the Redevelopment Authority meeting(s) of July 14, 2020

5. Financial reports, claims, and statements from June 2020.

6. Presentation of 2019 Audit Report by Baker Tilly.

7. Development Agreement for Redevelopment of the Fox Theatre.

8. Environmental Protection Agency (EPA) Community-wide Brownfield Assessment Grant activities

9. Director's update

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:

10. Negotiating an amendment to the Development Agreement for 1017 Third Street. (Northside Yard - Former Lullabye Site)

11. Purchase of Property within Tax Increment District #10.

12. Reconvene into open session (approximately 30 minutes after entering into closed session) for possible action on the above.

13. Adjourn

MINUTES

**REDEVELOPMENT AUTHORITY OF
THE CITY OF STEVENS POINT**

Date and Time:	July 14, 2020 3:00 PM	**Location:**	Zoom Teleconferencing

Present: Chairperson Schlice, Alderperson Kneebone, Commissioner Gardner, Commissioner Cooper, Commissioner Kemmeter, and Commissioner Ladick.

Also Present: Executive Director Kernosky, Secretary Mohr, Benjamin Nusz, and unidentified parties via Zoom teleconferencing.

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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:

4. Minutes and actions of the Redevelopment Authority meeting(s) of May 17, 2020
5. Financial reports, and statements from April 2020.
6. Neighbor Helping Neighbor Grant Application for 2301 Lora Street
7. Authorize Executive Director to Write-Off 3 unpaid mortgages for 281 Washington Avenue
8. Authorize Executive Director to Write-Off 2 unpaid mortgages for 2917 Water Street
9. Authorize Executive Director to seek bids and sign contract for installation of long-term Vapor Mitigation System at 1001 Center Point Drive
10. Authorization to enter into a Continuing Obligation Agreement for Vapor Mitigation System at 1001 Center Point Drive
11. Environmental Protection Agency (EPA) Communitywide Brownfield Assessment Grant activities
12. Director's update
13. 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. Negotiating an amendment to the Development Agreement for 1017 Third Street. (Northside Yard- Former Lullabye Site) Reconvene into open session (approximately 30 minutes after entering into closed session) for possible action on the above
14. Adjourn.

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1. Roll call.

Present: Schlice, Kneebone, Gardner, Cooper, Kemmeter, Ladick
Excused: Barrett

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

   No one registered to speak.

3. Public comment for pre-registered individuals for matters appearing on the agenda

   No one registered to speak.

Discussion and possible action on the following:

4. Minutes and actions of the Redevelopment Authority meeting(s) of March 17, 2020

   Motion by Commissioner Kemmeter to approve the report of the March 17, 2020 Redevelopment Authority meeting(s); seconded by Commissioner Cooper.

   Motion carried 6-0.

5. Financial reports, claims, and statements from April 2020.

   Motion by Commissioner Kemmeter to approve the financial reports, claims, and statements from April 2020; seconded by Commissioner Ladick.

   Motion carried 6-0.

6. Neighbor Helping Neighbor Grant Application for 2301 Lora Street

   Executive Director Kernosky provided the following updates:

   1. Applicant was under orders to repair a dilapidated fence. While the repairs had not yet been completed, the materials had already been purchased.
   2. All program conditions and income qualification had been met, with the exception of material purchase prior to the application being approved.
   3. Applicant was asking for $920 for materials for the project, which would be reimbursed after the project was completed if approved.
   4. With the commission's ability to deviate from standards on a case by case basis, staff recommended approval of the grant application.

   Motion by Commissioner Ladick to approve the Neighbor Helping Neighbor Grant Application for 2301 Lora Street; seconded by Commissioner Kemmeter.

   Motion carried 6-0.

7. Authorize Executive Director to Write-Off 3 unpaid mortgages for 281 Washington Avenue

   Executive Director Kernosky stated that staff was looking for authorization to write-off 3 unpaid mortgages for 281 Washington Avenue and provided the following details:

   1. Owner passed away in 2015. To prevent the City from foreclosing, the personal representative provided the City the process through a deed in lieu of foreclosure in 2019.
   2. CAP Services, who managed several of the City's zero-to-low interest loan programs, was requesting the formal write-off of the remaining loans as a loss in the amount of $50,148.04.

3. The City owned the property and would continue to retain ownership as a 12” water pipe ran off of the west property line of the lot.

Commissioner Ladick inquired how the write-offs worked if the City owned the property, and how they took title without getting rolled into the mortgage in the first place, to which Executive Director Kernosky could not provide any additional information as the retainment of ownership had occurred prior to his time with the City.

Commissioner Barrett joined the meeting at 3:05 PM.

Motion by Commissioner Kemmeter to authorize the Executive Director to Write-Off 3 unpaid mortgages for 281 Washington Avenue; seconded by Alderperson Kneebone.

Roll Call:
Yeas: Schlice, Kneebone, Gardner, Cooper, Kemmeter, Ladick, Barrett
Nays:
Motion carried 7-0.

8. Authorize Executive Director to Write-Off 2 unpaid mortgages for 2917 Water Street

Executive Director Kernosky stated that staff was looking for authorization to write-off 2 unpaid mortgages for 2917 Water Street and provided the following details:

1. Property went into foreclosure in 2018 and was subsequently purchased by Atlas Apartments LLC.
2. CAP Services, who managed several of the City’s zero-to-low interest loan programs, was requesting the formal write-off of the remaining loans as a loss in the amount of $5,833.83.

Commissioner Ladick inquired on the reasons they were seeking to be written off, to which staff explained that the former property owner, the City, and a third party was sued by Portage County Bank for foreclosure action. Since the City was second to third for liens on the property, they had not received any funds since there had been so much owed on the property.

Motion by Commissioner Cooper to authorize the Executive Director to Write-Off 2 unpaid mortgages for 2917 Water Street; seconded by Commissioner Kemmeter.

Roll Call:
Yeas: Schlice, Kneebone, Gardner, Cooper, Kemmeter, Ladick, Barrett
Nays:
Motion carried 7-0.

9. Authorize Executive Director to seek bids and sign contract for installation of long-term Vapor Mitigation System at 1001 Center Point Drive

Executive Director Kernosky briefly recalled prior discussions regarding attempts to move to case closure for the former Center Point Market Place, now known as Mid-State Technical College, with the Wisconsin DNR. After submitting the preliminary case closure documents, the WI-DNR had indicated that case closure was not recommended, and additional samples should be collected due to an upward trend in vapor levels from a few sample wells. As a result, staff was now seeking authorization to seek bids and sign a contract for the installation of a long-term vapor mitigation system at 1001 Center Point Drive to satisfy WI-DNR requirements. The following additional details were provided:

1. Due to requiring more sample, AECOM suggested the installation of a long-term vapor mitigation system within the MSTC building where they could utilize existing pipes.
2. After speaking with the WI-DNR, they agreed that the continued mitigation system would satisfy their items towards case closure.

3. Staff was seeking approval to garner bids from authorized companies to install and maintain the vapor mitigation system. After installation, they could then work towards case closure with the WI-DNR.

Chairperson Schlice inquired on whether the previous system's fan had been working there previously, to which staff noted that it had been removed in 2016 when the system had been shut off.

Motion by Commissioner Ladick to authorize the Executive Director to seek bids and sign contract for installation of long-term Vapor Mitigation System at 1001 Center Point Drive; seconded by Alderperson Kneebone.

Roll Call:
Yeas: Schlice, Kneebone, Gardner, Cooper, Kemmeter, Ladick, Barrett
Nays:
Motion carried 7-0.

10. Authorization to enter into a Continuing Obligation Agreement for Vapor Mitigation System at 1001 Center Point Drive

Executive Director Kernosky explained that the current item was a continuation of Agenda Item 9, in that the agreement outlining the continuing obligations for maintenance and upkeep of the vapor mitigation system was before them for approval. He noted that the system installation was estimated to cost between $12-15,000 prior to turning it over to MSTC. Additional repairs or ongoing maintenance items would also still be required to be paid by the Redevelopment Authority.

Motion by Commissioner Ladick to authorize entering into a Continuing Obligation Agreement for a Vapor Mitigation System at 1001 Center Point Drive; seconded by Commissioner Cooper.

Roll Call:
Yeas: Schlice, Kneebone, Gardner, Cooper, Kemmeter, Ladick, Barrett
Nays:
Motion carried 7-0.

11. Environmental Protection Agency (EPA) Communitywide Brownfield Assessment Grant activities

Executive Director Kernosky provided the following update:

a. ShopKo Contaminants:
   i. Phase 1 complete, looking to move into Phase 2 for the parking lot.
   ii. Phase 2 running into issues with the owner not allowing Stantec to perform soil borings. Have addressed concerns with property owner over existing contaminant plume, and the need in mitigating the program to move forward with redevelopment.

No action was taken.

12. Director's update

Executive Director Kernosky provided the following updates:

1. Downtown Targeted Area Master Plan: Redrawn Riverfront plans had been completed. A presentation by Vandewalle was expected late Summer/early Fall.
2. 1009 Second Street: Closed on property the previous Friday. Looking at demolishing buildings on the block in the Fall, and was staff was working with Wanta & Sons regarding costs. The Belke site had unfortunately become a hot spot for squatters, crime, and additional issues.

3. City Loan Program Administration: Staff was looking into how to encourage utilization of the program, and how administration would work. There was potential for staff to move into a new permitting system for 2021 which could potentially provide a module to utilize the program.

Alderperson Kneebone recalled that there had been attempts on a project that could salvage architectural items or materials from the Belke residence, to which staff briefly explained that Wanta & Sons would be working with their contractor on the specifics of the demolition.

No action was taken.

13. 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. Negotiating an amendment to the Development Agreement for 1017 Third Street. (Northside Yard- Former Lullabye Site) Reconvene into open session (approximately 30 minutes after entering into closed session) for possible action on the above

Motion by Alderperson Cooper to enter 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. **Negotiating an amendment to the Development Agreement for 1017 Third Street. (Northside Yard- Former Lullabye Site) Reconvene into open session (approximately 30 minutes after entering into closed session) for possible action on the above**

Seconded by Commissioner Kemmeter.

Roll Call:
Yeas: Schlice, Kneebone, Gardner, Cooper, Kemmeter, Ladick, Barrett
Nays:
Motion carried 7-0.

14. Adjourn

Meeting adjourned at 3:32 PM

Approved: ______________________________ ____________________

John Schlice, Chairperson **Date**

Attest: ______________________________ ____________________

Ryan Kernosky, Executive Director **Date**

Report Criteria:
Print Outstanding Checks and Deposits and Bank and Book Adjustments

HOUSING TRUST FUND INTEREST ACCOUNT (HTF CHECKING) (6)
June 30, 2020

JUL 20 2020

[redacted]

Bank Statement Balance:	195,236.86	Book Balance Previous Month:	229,572.47
Outstanding Deposits:	.00	Total Receipts:	3,072.65
Outstanding Checks:	.00	Total Disbursements:	37,408.26
Bank Adjustments:	.00	Book Adjustments:	.00
Bank Balance:	195,236.86	Book Balance:	195,236.86

Outstanding Deposits

No outstanding deposits found!
Deposits cleared: 2 items Deposits Outstanding: 0 items

Outstanding Checks

No outstanding checks found!
Checks cleared: 3 items Checks Outstanding: 0 items

Bank Adjustments

No bank adjustments found!

Book Adjustments

No book adjustments found!

REVIEWED AND APPROVED
JUL 20 2020

Report Criteria:
Include transaction count
Journal Code.Journal code = "CRHTF"

Date	Reference Number	Payee or Description	Account Number	Account Title	Debit Amount	Credit Amount
CRHTF						
06/09/2020	1	VANG	246.49.00100.56	PRINCIPAL PAYMENTS		-173.27
06/09/2020	2	HINTZ	246.49.00100.56	PRINCIPAL PAYMENTS		-60.42
06/09/2020	3	CENTRAL WI CHILDRENS MUSEUM	246.48.19900.51	MISC UNCLASSIFIED REVENUE		-1,043.66
06/09/2020	4	CENTRAL WI CHILDRENS MUSEUM	246.48.00120.56	INTEREST ON NOTES		-1,786.34
06/09/2020	5	CASH RECEIPT BANK REC.	246.11101	OTHER CASH ACCOUNTS	3,063.69	
06/30/2020	6	INTEREST FOR JUNE 2020	246.48.00110.56	INTEREST ON CHECKING ACCTS		-8.96
06/30/2020	7	CASH RECEIPT BANK REC.	246.11101	OTHER CASH ACCOUNTS	8.96	
Total CRHTF:					3,072.65	-3,072.65
Grand Totals:					3,072.65	-3,072.65

REVIEWED AND APPROVED
JUL 20 2020

Report Criteria:
Include transaction count
Journal Code.Journal code = "CDHTF"

Date	Reference Number	Payee or Description	Account Number	Account Title	Debit Amount	Credit Amount
CDHTF						
06/15/2020	1	ACCOUNT ANALYSIS STLMNT CHG	246.56.00600.5950	GEN ADMIN CHARGES	2.46	
06/15/2020	2	Auto Batch Total	246.11101	OTHER CASH ACCOUNTS		-2.46
Total CDHTF:					2.46	-2.46
Grand Totals:					2.46	-2.46

Report Criteria:
Include transaction count
Journal Code.Journal code = "CDHTF"

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

(A Component Unit of the City of Stevens Point, Wisconsin)

COMMUNICATION TO THOSE CHARGED
WITH GOVERNANCE AND MANAGEMENT

As of and for the Year Ended December 31, 2019

REDEVELOPMENT AUTHORITY OF THE
CITY OF STEVENS POINT
(A Component Unit of the City of Stevens Point, Wisconsin)

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REQUIRED COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS IDENTIFIED IN THE AUDIT TO THOSE CHARGED WITH GOVERNANCE

To the Authority Board
Redevelopment Authority of the City of Stevens Point
Stevens Point, Wisconsin

In planning and performing our audit of the financial statements of the Redevelopment Authority of the City of Stevens Point, Wisconsin (the Authority) as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of its internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in the Authority's internal control to be a material weakness:

> Internal Control Over Financial Reporting

This communication is intended solely for the information and use of management, the Authority Board, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 14, 2020

Auditing standards require that we perform procedures to obtain an understanding of your government and its internal control environment as part of the annual audit. This includes an analysis of significant transaction cycles and an analysis of the year-end financial reporting process and preparation of your financial statements.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- There is adequate staffing to prepare financial reports throughout the year and at year-end.
- Material misstatements are identified and corrected during the normal course of duties.
- Complete and accurate financial statements, including footnotes, are prepared.
- Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered material weakness surrounding the preparation of financial statements and footnotes and an independent review of financial reports.

Management has recorded the Authority's annual activity on the Authority's general ledger in accordance with generally accepted accounting principles (GAAP), however, has not prepared financial statements for the Authority, which would include required disclosures under GAAP. The Authority engaged the auditors to prepare the financial statements in conformity with generally accepted audit principles. As a result of this, and because of the material misstatement, we are reporting a material weakness.

OTHER COMMUNICATIONS TO THOSE CHARGED WITH GOVERNANCE

TWO WAY COMMUNICATION REGARDING YOUR AUDIT

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.

b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:

   > Identify types of potential misstatements.

   > Consider factors that affect the risks of material misstatement.

   > Design tests of controls, when applicable, and substantive procedures.

   We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs.

c. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

We are very interested in your views regarding certain matters. Those matters are listed here:

a. We typically will communicate with your top level of management unless you tell us otherwise.

b. We understand that the Authority has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.

c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.

d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?

e. Have you had any significant communications with regulators or grantor agencies?

f. Are there other matters that you believe are relevant to the audit of the financial statements?

TWO WAY COMMUNICATION REGARDING YOUR AUDIT (cont.)

Also, is there anything that we need to know about the attitudes, awareness, and actions of the Authority concerning:

a. The Authority's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?

b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of October-December, and sometimes early January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

COMMUNICATION OF OTHER CONTROL DEFICIENCIES, RECOMMENDATIONS AND INFORMATIONAL POINTS TO MANAGEMENT THAT ARE NOT MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES

PRIOR YEAR RECOMMENDATIONS

Information Technology

As part of our audit, we look at the Authority's controls over information technology. There are a number of areas that we recommend the city, as fiscal agents of the Authority, review to determine if information technology controls could be strengthened:

- The city, who oversees the information technology controls of the Authority, does not require strong passwords for the network and financial software applications. Best practices state that passwords should be changed every 90 days, require a minimum of 6 characters, require complexity (numbers, letters, and special characters), and passwords should be remembered so users cannot reuse recent passwords.
- We noted that while the city backs up its data, it does not test the system to ensure the backups can be restored.
- No one is reviewing access rights annually to determine if employees have the appropriate rights for their job duties.

Status 12/31/19

These recommendations still pertain.

REQUIRED COMMUNICATIONS BY THE AUDITOR TO THOSE CHARGED WITH GOVERNANCE

To the Authority Board
Redevelopment Authority of the City of Stevens Point
Stevens Point, Wisconsin

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

We have completed our audit of the financial statements of Redevelopment Authority of the City of Stevens Point, Wisconsin ("Authority") for the year ended December 31, 2019 and have issued our report thereon dated June 14, 2020. This letter presents communications required by our professional standards.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or the Authority Board of their responsibilities.

As part of the audit we obtained an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. The audit was not designed to provide assurance on internal control or to identify deficiencies in internal control.

Other Information in Documents Containing Audited Financial Statements

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to and have not performed any procedures to corroborate other information contained in client prepared documents, such as official statements related to debt issues.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in the 2018 Communications to those Charged with Governance and Management dated July 29, 2019.

Qualitative Aspects of the Entity's Significant Accounting Practices

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the Authority during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates at December 31, 2019.

Financial Statement Disclosures

The disclosures in the notes to the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Management Representations

We have requested certain representations from management that are included in the management representation letter. This letter follows this required communication.

Independence

We are not aware of any relationships between Baker Tilly Virchow Krause, LLP and the Authority that, in our professional judgment, may reasonably be thought to bear on our independence.

Relating to our audit of the financial statements of the Authority for the year ended December 31, 2019, Baker Tilly Virchow Krause, LLP hereby confirms that we are, in our professional judgment, independent with respect to the Authority in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants. We provided no services to the Authority other than audit services provided in connection with the audit of the current year's financial statements and nonaudit services which in our judgment do not impair our independence.

- Financial statement preparation
- Civic Systems software
- Human Resources assistance

None of these nonaudit services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards.*

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Authority Board and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We welcome the opportunity to discuss the information included in this letter and any other matters. Thank you for allowing us to serve you.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 14, 2020

MANAGEMENT REPRESENTATIONS

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

July 14, 2020

Baker Tilly Virchow Krause, LLP
Ten Terrace Court
P.O. Box 7398
Madison, WI 3707-7398

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the financial statements of the Redevelopment Authority of the City of Stevens Point as of December 31, 2019 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the Redevelopment Authority of the City of Stevens Point and the respective changes in financial position and cash flows in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.

2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government and all component units required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.

3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates, if any, are reasonable.

6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

7) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal and state awards.

8) All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.

9) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.

10) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of Authority Board or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) We have not completed an assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

    a) Management,

    b) Employees who have significant roles in internal control, or

    c) Others where the fraud could have a material effect on the financial statements.

14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.

15) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

16) There are no known related parties or related party relationships and transactions of which we are aware.

Other

17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

18) We have a process to track the status of audit findings and recommendations.

19) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

20) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.

21) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

22) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

23) There are no:

    a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.

    b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.

    c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.

    d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.

24) In regards to the nonattest services performed by you listed below, we have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.

a) Financial statement preparation

b) Adjusting journal entries

c) Civic Systems software

d) Human resource assistance

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

25) The Redevelopment Authority of the City of Stevens Point has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

26) The Redevelopment Authority of the City of Stevens Point has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

27) The financial statements properly classify all funds and activities.

28) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

29) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.

30) The Redevelopment Authority of the City of Stevens Point has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.

31) Provisions for uncollectible receivables, if any, have been properly identified and recorded.

32) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

33) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

34) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

35) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).

36) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.

37) We have appropriately disclosed the Redevelopment Authority of the City of Stevens Point's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.

38) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

39) With respect to the supplementary information, (SI):

a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

40) We have appropriately recorded land held for resale owned by the Authority at the lower of cost or market.

41) We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – *Fair Value Measurement*. In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.

Sincerely,

Redevelopment Authority of the City of Stevens Point

Signed: ______________________
Ryan Kernosky, Executive Director

Signed: ______________________
Corey Ladick, City Comptroller-Treasurer

Signed: ______________________
John Schlice, Chairman

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

(A Component Unit of the City of Stevens Point)
Stevens Point, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

(A Component Unit of the City of Stevens Point, Wisconsin)

TABLE OF CONTENTS
As of and for the Year Ended December 31, 2019

INDEPENDENT AUDITORS' REPORT

To the Authority Board
Redevelopment Authority of the City of Stevens Point
Stevens Point, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the Redevelopment Authority of the City of Stevens Point, a component unit of the City of Stevens Point, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Redevelopment Authority of the City of Stevens Point's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Redevelopment Authority of the City of Stevens Point's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Redevelopment Authority of the City of Stevens Point's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Redevelopment Authority of the City of Stevens Point as of December 31, 2019, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Redevelopment Authority of the City of Stevens Point's basic financial statements. The combining schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
July 14, 2020

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

MANAGEMENT DISCUSSION AND ANALYSIS
As of and for the Year ended December 31, 2019
Unaudited

The management of the Redevelopment Authority of the City of Stevens Point (the “Authority”) offers this narrative overview and analysis of its audited financial statements for the fiscal year ended December 31, 2019. The goal is for the reader to better understand the Authority’s financial activities and its overall financial position and show whether current year revenues covered current year expenses and the extent to which the Authority has invested in its capital assets. We encourage readers to consider the information presented here in conjunction with the Authority’s financial statements which begin on page 1.

FINANICAL HIGHLIGHTS

> The assets of the Authority exceed its liabilities as of December 31, 2019 by $8,565,571.
> The Authority’s investment in capital assets as of December 31, 2019 was $3,496,731.
> The Authority’s total revenue including non-operating revenues for the fiscal year ended December 31, 2019 was $96,111.
> The Authority’s total expenses for the fiscal year ended December 31, 2019 were $139,889.

USING THIS ANNUAL REPORT

The Authority’s Management Discussion and Analysis is intended to serve as an introduction to the Authority’s basic financial statements. The Authority’s basic financial statements are comprised of two components: (1) fund financial statements, and (2) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves. The Authority is a special-purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

The financial statements are designed to provide readers with a broad overview of the Authority’s finances in a manner similar to private sector business. This Management Discussion and Analysis will (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority’s financial activity, (c) identify changes in the Authority’s financial position including its ability to address the next and subsequent year challenges, and (d) identify individual fund issues or concerns.

The *Statement of Net Position* presents information on all of the Authority’s assets and liabilities, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating, or otherwise changing in a dramatic manner.

The *Statement of Revenue, Expenses and Changes in Net Position* presents information detailing how the Authority’s net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation).

The *Statement of Cash Flows* provides information about the Authority’s cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating activities, investing activities, non-capital financing activities, and from capital and related financing activities. This statement also portrays the health of the Authority in that current cash flows are sufficient to pay current liabilities.

FINANCIAL ANALYSIS

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has only one fund type, namely an enterprise fund which is a proprietary fund type. The financial statements can be found on pages 1 through 3 of this report.

Notes to the Financial Statements

Notes provide additional information essential to a full understanding of the data provided in the financial statements. Notes to the financial statements can be found on pages 4 through 14 of this report.

Statement of Net Position

The following table represents a condensed comparative Statement of Net Position as of December 31, 2019 and 2018 respectively:

	2019	2018	Increase (Decrease)
Cash and investments	$ 3,245,972	$ 3,053,745	$ 192,227
Other current assets	91,577	61,668	29,909
Capital assets	3,496,731	3,604,610	(107,879)
Other noncurrent assets	1,732,320	1,889,326	(157,006)
TOTAL ASSETS	8,566,600	8,609,349	(42,748)
Current liabilities	1,029	-	1,029
TOTAL LIABILITIES	1,029	-	(16,431)
Investment in capital assets	3,496,731	3,604,610	(107,879)
Unrestricted net position	5,068,840	5,004,739	64,101
TOTAL NET POSITION	$ 8,565,571	$ 8,609,349	$ (43,778)

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of the Authority, assets exceeded liabilities by $8,565,571 as of December 31, 2019, and $8,609,349 as of December 31, 2018.

A significant portion of the Authority's net position are invested in capital assets (e.g., land, land improvements, and buildings). The Authority uses these capital assets to provide economic development opportunities to the city; consequently, these assets are not available for future spending. The unrestricted net position of the Authority is available for future use to provide housing loans to residents or for development activities.

The decrease in noncurrent assets was due to the Authority selling land held for resale for less than the book value, resulting in a loss on sale in addition to collections on the notes and loans receivables.

FINANCIAL ANALYSIS (cont.)

Statement of Net Position (cont.)

The decrease in net position is due primarily from a decrease in capital assets due to an increase in accumulated depreciation.

Statement of Revenues, Expenses, and Changes in Net Position

The following table reflects the condensed Statement of Revenues, Expenses, and Changes in Net Position for the years ended December 31, 2019 and 2018:

	December 31, 2019		December 31, 2018	
REVENUE				
Operating revenues	$ -	0.00%	$ -	0.00%
Non-operating revenues	96,111	100.00%	1,558,883	100.00%
TOTAL REVENUE	96,111	100.00%	1,558,883	100.00%
EXPENSES				
Administration	2,992	2.14%	5,093	0.43%
Depreciation	107,879	77.12%	107,879	9.00%
Bad debts	-	0.00%	-	0.00%
Other	3,755	2.68%	11,552	0.96%
Loss on disposal of capital assets	25,263	18.06%	1,073,968	89.61%
TOTAL EXPENSES	139,889	100.00%	1,198,492	100.00%
CHANGE IN NET POSITION	$ (43,778)		$ 360,391	

Expenses in total decreased $1,058,603 from 2018. This decrease was mainly due to the Authority selling land held for resale for less than the book value in 2018, resulting in a loss on sale.

FINANCIAL ANALYSIS (cont.)

Capital Assets

At year-end, the Authority had $3.5 million invested in capital assets as reflected in the following schedule. See Note II.C for additional information on the Authority's capital assets.

	2019	2018
Land	$ 1,105,794	$ 1,105,794
Land improvements	1,761,436	1,761,436
Buildings	1,528,100	1,528,100
Accumulated depreciation	(898,599)	(790,720)
Totals	$ 3,496,731	$ 3,604,610

The Authority transferred land held for resale to land, as the new intent of the land is to construct a parking lot for City residents.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Ryan Kernosky, Executive Director, Redevelopment Authority of the City of Stevens Point, 1515 Strongs Avenue, Stevens Point, WI 54481.

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

STATEMENT OF NET POSITION
As of December 31, 2019

	Redevelopment Authority
ASSETS	
CURRENT ASSETS	
Cash and investments	$ 3,245,972
Current portion of loans receivable	14,313
Current portion of notes receivable	49,199
Due from primary government	27,800
Interest receivable	265
Total Current Assets	3,337,549
NONCURRENT ASSETS	
Loans receivable	1,336,186
Notes receivable	396,134
Capital assets	
Land	1,105,794
Other capital assets	3,289,536
Less: Accumulated depreciation	(898,599)
Total Noncurrent Assets	5,229,051
Total Assets	8,566,600
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	1,029
Total Current Liabilities	1,029
Total Liabilities	1,029
NET POSITION	
Investment in capital assets	3,496,731
Unrestricted	5,068,840
TOTAL NET POSITION	$ 8,565,571

See accompanying notes to financial statements.

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2019

	Redevelopment Authority
OPERATING REVENUES	$ -
OPERATING EXPENSES	
Administration	2,992
Depreciation	107,879
Other	3,755
Total Operating Expenses	114,626
Operating Loss	(114,626)
NONOPERATING REVENUES (EXPENSES)	
Investment income	95,228
Other	883
Loss on disposal of assets held for resale	(25,263)
Total Nonoperating Revenues (Expenses)	70,848
Change in Net Position	(43,778)
NET POSITION - Beginning of Year	8,609,349
NET POSITION - END OF YEAR	$ 8,565,571

See accompanying notes to financial statements.

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

	Redevelopment Authority
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES	
Cash paid to the primary government	$ (27,800)
Cash paid to suppliers for goods and services	(5,718)
Other	883
Net Cash Flows From (Used For) Operating Activities	(32,635)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash collected on loans	104,279
Cash disbursed on loans	(9,653)
Cash collected on notes	47,536
Net Cash Flows From (Used For) Noncapital Financing Activities	142,162
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES	
Proceeds from land held for resale	6,500
Purchase of land held for resale	(18,763)
Investment income	94,963
Net Cash Flows From (Used For) Investing Activities	82,700
Net Decrease in Cash and Cash Equivalents	192,227
CASH AND CASH EQUIVALENTS - Beginning of Year	3,053,745
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,245,972
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES	
Operating loss	$ (114,626)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	107,879
Non-operating revenues	883
Changes in assets and liabilities	
Accounts payable	1,029
Due from the primary government	(27,800)
NET CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES	$ (32,635)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and investments - statement of net position	$ 3,245,972
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES	
Loss on disposal of assets held for resale	$ (25,263)

See accompanying notes to financial statements.

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

INDEX TO NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Redevelopment Authority of the City of Stevens Point, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report contains the financial information of the Redevelopment Authority of the City of Stevens Point (the "Authority") which is a component unit of the City of Stevens Point, Wisconsin. The Authority is a legally separate organization created under State Statute 66.1333 in 2014 for the purpose of redevelopment and non-HUD housing activities within the City of Stevens Point. The Authority is directed by seven board members who are appointed by the mayor and confirmed by the City Council.

This report contains all activities of the Authority. The reporting entity for the Redevelopment Authority consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The Authority has not identified any organizations that meet this criteria.

B. BASIC FINANCIAL STATEMENTS

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The following programs are reported by the Authority:

Development fund – Accounts for certain development loans made to local businesses.
Housing fund – Accounts for loans made to individuals for housing improvements, as well as properties held by the Authority for resale or to serve parking needs downtown.
Housing Trust fund – Accounts for investment activities of the Redevelopment Authority.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, LIABILITIES, AND NET POSITION

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of Authority funds is restricted by state statutes. Available investments are limited to:

a. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.

b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.

c. Bonds or securities issued or guaranteed by the federal government.

d. The local government investment pool.

e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

g. Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions, and grant regulations.

The Authority has adopted an investment policy, which includes allowable investments. The Authority's policy does not address the risks in Note II.A.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION (cont.)

1. Cash and Cash Equivalents (cont.)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note II.A. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit. See Note II.A. for further information.

2. Receivables

Accounts receivable has been adjusted for any known uncollectible accounts. There is no allowance as of December 31, 2019.

The Authority has used local funds for housing rehabilitation loan programs to loan to various individuals. The Authority has also issued a loan to the Children's Museum of the City of Stevens Point. The Authority records a loan receivable when the loan has been made and funds have been disbursed.

It is the Authority's policy to record a receivable when the initial loan is made. The net amount of the loan receivable balance is included in unrestricted net position. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as unrestricted net position in the financial statements.

3. Capital Assets

Capital assets are defined by the Authority as assets with an initial cost of more than $1,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The Authority has no infrastructure assets.

Additions to and replacements of capital assets are recorded at original cost, which includes materials, labor, overhead and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to capital assets. The cost of property replaced, retired or otherwise disposed of, is deducted from capital assets and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of revenues, expenses, and changes in net position, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Land improvements	15 – 25 years
Buildings	40 years

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION (cont.)

4. Other Assets

On the statement of net position, land held for resale consists of land and improvements and is valued at cost of acquisition, demolition, and site improvement. Properties include both land intended for resale and land designated as public area and held for resale is recorded at historical cost. The balance at year-end is $0.

5. Revenues and Expenses

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are loan repayments. Operating expenses for enterprise funds include the cost of providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

6. Net Position Classifications

Equity is classified as net position and is displayed in three components:

a. Investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation.

b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

7. Compensated Absences

The City of Stevens Point employees provide the necessary staffing to operate the Authority's operations. These employees receive benefits according to the City of Stevens Point's policies.

All vested vacation and sick leave pay is accrued when incurred.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019 are determined on the basis of current salary rates and include salary related payments.

NOTE II – DETAILED NOTES

A. DEPOSITS AND INVESTMENTS

The Authority's cash and investments at year-end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	$ 1,469,804	$ 1,472,511	Custodial credit risk
U.S. agencies – explicitly guaranteed	329,979	329,979	Custodial credit risk, interest rate risk, investments highly sensitive to interest rate changes
U.S. agencies – implicitly guaranteed	34,697	34,697	Custodial credit risk, interest rate risk, credit risk, investments highly sensitive to interest rate changes
U.S. treasuries	1,016,853	1,016,853	Custodial credit risk, interest rate risk, investments highly sensitive to interest rate changes
State and local bonds	394,404	394,404	Custodial credit risk, interest rate risk, credit risk, concentration of credit risk, investments highly sensitive to interest rate changes
Petty cash	235	-	Not applicable
Total Cash and Investments	$ 3,245,972	$ 3,248,444	

Reconciliation to financial statements	
Per statement of net position	
Unrestricted cash and investments	$ 3,245,972
Total Cash and Investments	$ 3,245,972

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts (including NOW accounts) and $250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of $400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing the amounts collateralized.

NOTE II – DETAILED NOTES (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

> Market approach

	December 31, 2019			
Investment Type	Level 1	Level 2	Level 3	Total
U.S. agencies – explicitly guaranteed	$ -	$ 329,979	$ -	$ 329,979
U.S. agencies – implicitly guaranteed	-	34,697	-	34,697
U.S. treasuries	-	1,016,853	-	1,016,853
State and local bonds	-	394,404	-	394,404
Totals	$ -	$ 1,775,933	$ -	$ 1,775,933

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned to the Authority.

The Authority does not have any deposits exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Authority does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The state and local bonds were rated Aaa and Aa3 by Moody's at December 31, 2019.

U.S. Agencies – implicitly guaranteed were rated Aaa by Moody's at December 31, 2019.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

NOTE II – DETAILED NOTES (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Concentration of Credit Risk (cont.)

At December 31, 2019, the Authority held investments in the following bonds and the percentage in the Authority's total investment portfolio:

City of Lake Mills, WI	6%
Baraboo, WI	8%
Milwaukee County, WI	6%

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2019, the Authority's investments were as follows:

		Maturity (In Years)		
Investment Type	Fair Value	Less than one year	1 – 5	6 – 30
State and local bonds	$ 394,404	$ -	$ 253,617	$ 140,787
U.S. agencies – explicitly guaranteed	329,979	4,885	15,617	309,477
U.S. agencies – implicitly guaranteed	34,697	-	467	34,230
U.S. treasuries	1,016,853	1,016,853	-	-
	$ 1,775,933	$ 1,021,738	$ 269,701	$ 484,494

Investments Highly Sensitive to Market Changes

The Authority held securities of $308,429 with maturities exceeding ten years.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All of the receivables on the statement of net position are expected to be collected within one year except for loans receivable and notes receivable. There is a portion of loans that are being repaid. Loans receivable that are due within one year total $14,311. The current portion of notes receivable total $49,199.

In 2017, the Redevelopment Authority provided funds to the City of Stevens Point so that the city could refinance a State Trust Fund Loan. The intended use of interest proceeds are for projects within the Redevelopment Authority and other investment opportunities.

NOTE II – DETAILED NOTES (cont.)

B. RECEIVABLES (cont.)

Repayment requirements to maturity are as follows:

Years	Principal	Interest
2020	$ 49,199	$ 15,587
2021	50,921	13,865
2022	52,703	12,082
2023	54,548	10,238
2023	56,457	8,329
2024 - 2027	181,505	12,853
Totals	$ 445,333	$ 72,954

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 1,105,794	$ -	$ -	$ 1,105,794
Total Capital Assets Not Being Depreciated	$ 1,105,794	$ -	$ -	$ 1,105,794
Other Capital Assets				
Land improvements	$ 1,761,436	$ -	$ -	$ 1,761,436
Buildings	1,528,100	-	-	1,528,100
Total Capital Assets Being Depreciated	3,289,536	-	-	3,289,536
Less: Accumulated depreciation for				
Land improvements	(494,650)	(69,676)		(564,326)
Buildings	(296,070)	(38,203)	-	(334,273)
Total Accumulated Depreciation	(790,720)	(107,879)	-	(898,599)
Net Other Capital Assets	$ 2,498,816			$ 2,390,937

NOTE II – DETAILED NOTES (cont.)

D. LEASE DISCLOSURES

Lessor – Operating Leases

During 2013, the Community Development Authority (CDA) of the City of Stevens Point, Wisconsin, assigned a lease obligation in the amount of $140,000 for Old Dunham's building to the city. The CDA retained ownership of the building. On January 1, 2014, the CDA dissolved and the Redevelopment Authority (Authority) took over ownership of the building. This lease obligation will be liquidated by TID No. 6. See additional details in the City of Stevens Point, Wisconsin's financial statements.

E. NET POSITION

Net position reported on the statement of net position at December 31, 2019 includes the following:

Investment in Capital Assets	
Land	$ 1,105,794
Other capital assets, net of accumulated depreciation	2,390,937
Total Investment in Capital Assets	3,496,731
Unrestricted	5,068,840
Total Net Position	$ 8,565,571

NOTE III – OTHER INFORMATION

A. EMPLOYER'S RETIREMENT SYSTEM

The City of Stevens Point employees provide the necessary staffing to operate the Authority operations and the city makes the required contributions to the Wisconsin Retirement System. Information related to the Wisconsin Retirement System specific to the Authority is unavailable. See the Employer's Retirement System footnote in the City of Stevens Point, Wisconsin's financial statements for further details.

B. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets and errors and omission. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded as expenses when the related liabilities are incurred.

The Authority has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

NOTE III – OTHER INFORMATION (cont.)

D. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance,* with the exception of Statement No. 87, which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

E. OTHER POSTEMPLOYMENT BENEFITS

The City of Stevens Point employees provide the necessary staffing to operate the Authority operations. Upon retirement, these employees receive benefits according to the City of Stevens Point's policies. Other postemployment benefit information related specifically to the Authority is unavailable. See the other postemployment benefits note and required supplementary information in the City of Stevens Point, Wisconsin's financial statements for further details.

F. RELATED PARTIES

The administration and operation of the Authority is performed by employees of the City of Stevens Point. The Authority pays the City of Stevens Point for these services, as well as other allocated costs.

SUPPLEMENTARY INFORMATION

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

COMBINING SCHEDULE OF NET POSITION
As of December 31, 2019

	Totals	Program Eliminations	Subtotal	Development Fund	Housing Fund	Housing Trust Fund
ASSETS						
CURRENT ASSETS						
Cash and investments	$ 3,245,972	$ -	$ 3,245,972	$ 1,312,486	$ 154,518	$ 1,778,968
Current portion of loans receivable	14,313	-	14,313	-	1,630	12,683
Current portion of notes receivable	49,199	-	49,199	-	-	49,199
Due from primary government	27,800	-	27,800	-	27,800	-
Interest receivable	265	-	265	-	265	-
Total Current Assets	3,337,549	-	3,337,549	1,312,486	184,213	1,840,850
NONCURRENT ASSETS						
Loans receivable	1,336,186	-	1,336,186	-	966,921	369,265
Notes receivable	396,134	-	396,134	-	-	396,134
Capital assets						
Land	1,105,794	-	1,105,794	-	1,105,794	-
Other capital assets	3,289,536	-	3,289,536	-	3,289,536	-
Less: Accumulated depreciation	(898,599)	-	(898,599)	-	(898,599)	-
Total Noncurrent Assets	5,229,051	-	5,229,051	-	4,463,652	765,399
Total Assets	8,566,600	-	8,566,600	1,312,486	4,647,865	2,606,249
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	1,029	-	1,029	1,029	-	-
Total Current Liabilities	1,029	-	1,029	1,029	-	-
NET POSITION						
Investment in capital assets	3,496,731	-	3,496,731	-	3,496,731	-
Unrestricted	5,068,840	-	5,068,840	1,311,457	1,151,134	2,606,249
TOTAL NET POSITION	$ 8,565,571	$ -	$ 8,565,571	$ 1,311,457	$ 4,647,865	$ 2,606,249

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2019

	Totals	Program Eliminations	Subtotal	Development Fund	Housing Fund	Housing Trust Fund
OPERATING REVENUES	$ -	$ -	$ -	$ -	$ -	$ -
OPERATING EXPENSES						
Administration	2,992	-	2,992	-	2,992	-
Depreciation	107,879	-	107,879	-	107,879	-
Other miscellaneous	3,755	-	3,755	3,296	459	-
Total Operating Expenses	114,626	-	114,626	3,296	111,330	-
Operating Loss	(114,626)	-	(114,626)	(3,296)	(111,330)	-
NONOPERATING REVENUES (EXPENSES)						
Investment income	95,228	-	95,228	-	40,862	54,366
Other miscellaneous	883	-	883	-	883	-
Loss on disposal of assets held for resale	(25,263)	-	(25,263)	-	(25,263)	-
Total Nonoperating Revenues (Expenses)	70,848	-	70,848	-	16,482	54,366
Income (Loss) Before Transfers	(43,778)	-	(43,778)	(3,296)	(94,848)	54,366
Transfers from other programs	-	(21,599)	21,599	-	-	21,599
Transfers to other programs	-	21,599	(21,599)	-	(21,599)	-
Total Transfers	-	-	-	-	(21,599)	21,599
Change in Net Position	(43,778)	-	(43,778)	(3,296)	(116,447)	75,965
NET POSITION - Beginning of Year	8,609,349	-	8,609,349	1,314,753	4,764,312	2,530,284
NET POSITION - END OF YEAR	$ 8,565,571	$ -	$ 8,565,571	$ 1,311,457	$ 4,647,865	$ 2,606,249

REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended December 31, 2019

	Totals	Development Fund	Housing Fund	Housing Trust Fund
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES				
Cash paid to primary government	$ (27,800)	$ -	$ (27,800)	$ -
Cash paid to suppliers for goods and services	(5,718)	(2,267)	(3,451)	-
Cash paid to / received from other programs	-	-	(68,633)	68,633
Other	883	-	883	-
Net Cash Flows From (Used For) Operating Activities	(32,635)	(2,267)	(99,001)	68,633
CASH FLOWS FROM (USED FOR) NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out)	-	-	(21,599)	21,599
Cash collected on loans	104,279	-	104,279	-
Cash disbursed on loans	(9,653)	-	-	(9,653)
Cash collected on notes	47,536	-	-	47,536
Net Cash Flows From (Used For) Noncapital Financing Activities	142,162	-	82,680	59,482
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from land held for resale	6,500		6,500	-
Purchase of land held for resale	(18,763)		(18,763)	-
Investment income	94,963	-	40,597	54,366
Net Cash Flows From (Used For) Investing Activities	82,700	-	28,334	54,366
Net Increase (Decrease) in Cash and Cash Equivalents	192,227	(2,267)	12,013	182,481
CASH AND CASH EQUIVALENTS - Beginning of Year	3,053,745	1,314,753	142,505	1,596,487
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,245,972	$ 1,312,486	$ 154,518	$ 1,778,968
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES				
Operating loss	$ (114,626)	$ (3,296)	$ (111,330)	$ -
Adjustments to reconcile operating loss to net cash provided by operating activities				
Depreciation	107,879	-	107,879	-
Nonoperating revenues	883	-	883	-
Changes in assets and liabilities				
Due to/from other programs	-	-	(68,633)	68,633
Accounts payable	1,029	1,029	-	-
Due from the primary government	(27,800)	-	(27,800)	-
NET CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES	$ (32,635)	$ (2,267)	$ (99,001)	$ 68,633
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and investments - statement of net position	$ 3,245,972	$ 1,312,486	$ 154,518	$ 1,778,968
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES				
Loss on disposal of assets held for resale	$ (25,263)	$ -	$ (25,263)	$ -

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

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

MEMORANDUM

To: Finance Committee

From: Ryan Kernosky, Director of Community Development

Date: August 10, 2020

RE: Development Agreement for Redevelopment of Fox Theatre

Background: The City issued a Request for Proposal (RFP) for redevelopment and repurposing of the Fox Theatre. The RFP was issued on March 16th, 2020, and all proposals were due by June 12, 2020. The City received two proposals, one from WildCard Corp., and one from DBGreen, LLC. In the interest of transparency both proposals are attached. Mayor Wiza, Alder Jennings, Sara Brish, Todd Kuckkahn, and myself scored each proposal based on the scoring rubric outlined in the RFP and interviewed both parties to better understand their proposals and ask pointed questions about their knowledge on their proposed uses and structure of the building.

After ranking, interviewing, and discussing both proposals, the selection group decided unanimously to recommend working with WildCard Corp. on their proposal. Since that time, staff has been preparing a development agreement for consideration at Finance Committee and Common Council. Contrary to what was published in the local media, the Finance Committee and/or the Common Council could still change course and work with the other proposer, and nothing is finalized until all parties to the attached development agreement sign the agreement.

WildCard Corp. Proposal: The WildCard Corp. proposal would require the acquisition of the green space behind the theatre, part of the original property boundary pre-mall demolition. The rear of the building would become a green space and biergarten with a small stage for outdoor public and private events. The interior would be remodeled to create an event

space for public and private events. The façade would be restored to the original 'Opera House' design, meaning the Fox Marquee would be removed.

The WildCard proposal was recommended by the selection group because of the nature of the proposed use. The event space use has been identified by a number of groups within our community, especially in the downtown area. Outdoor seating with the ability to have a social gathering space the scope and size of what was being proposed also provided a unique opportunity to reinvent this space and bring more activity to an underutilized parcel adjacent to a municipal parking lot. Additionally, the selection group thought the overall plan aligned with the donation agreement between the Arts Alliance, Inc. and the Sanders family.

There are a few other items to note: The green space of the original parcel is currently owned by the Redevelopment Authority, and houses the small green space developed by the Landscapes 4 Life Foundation. The WildCard proposal would move the Landscapes 4 Life green space behind Guu's On Main, adjacent to the Strongs Avenue Right of Way. Because the Redevelopment Authority may be selling some of their land, the RA and the Plan Commission will also have to provide their approval for this project.

The selection group provided an average score of 89.4/100 for the WildCard proposal.

DBGreen, LLC: The DBGreen, LLC proposal would convert the two storefronts back into retail space along Main Street, and would convert the second story ballroom area into one of several options such as a wedding venue/reception hall, specialty food store, museum, or luxury apartments. Similar to the WildCard Corp. proposal, DBGreen, LLC would also restore the façade to the original Opera House design.

While the possible proposed uses may align with the some of the permitted uses in the donation agreement, the selection group did express concern with the lack of a clear use plan for redevelopment of the property.

The selection committee provided an average score of 76.6/100 for the DBGreen, LLC proposal.

Proposed Development Agreement: The proposed development agreement between the City, the Redevelopment Authority, and WildCard outlines the following:

- WildCard agrees to purchase the property 'As-Is' no later than December 31, 2020, and agrees to have final occupancy on the biergarten and event space no later than July 1, 2022.
    - City sells the Fox Theatre to WildCard for $1.00
    - RA sells the green space behind the Fox to WildCard for $1.00
- WildCard agrees to the costs to remove and reconstruct the access roadway as part of their request.
- City agrees to pay for the relocation of the enhanced landscaping area behind the Fox to the green space adjacent to the Strongs Avenue Right of Way (behind Guu's on Main).
- Term of the development agreement goes from date of signing and expires five years after the date of final occupancy is issued by the City Building Inspector.
- The City can reclaim ownership of the property if the developer fails to meet any requirement of the development agreement.
- City agrees to provide a façade program grant, provided they meet all requirements and obtain all proper approvals.

Staff Recommendation: Staff recommends **APPROVAL** of the attached development agreement.

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement"), 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, Wisconsin ("RA"), and Wildcard Corporation ("Developer"). Individually, each of the foregoing is a "Party" and collectively, they are the "Parties".

RECITALS

WHEREAS, City desires to encourage development, eliminate blight and prevent blight within the City; and,

WHEREAS, City owns the Property identified and more particularly described on Exhibit A, attached hereto (the "Property"); and,

WHEREAS, City issued a Request for Proposal for redevelopment of the Property, issued on March 16, 2020 with proposals due June 12, 2020; and,

WHEREAS, Developer submitted a response to the Request for Proposal which was selected as the preferred option, a copy of which is attached as Exhibit E; and,

AND WHEREAS, Developer has filed, or will file, with City the following plans specifications, documents and exhibits ("Plans and Specifications") if and as required by City, for the development of the Property and for making other improvements, it being acknowledged some may be submitted for approval after execution of this Agreement and attached at the time of approval.

1. A schedule showing the name of Developer and the mailing address and telephone number of Developer's representatives for the Project (as defined herein), incorporated by reference herein as Exhibit B.

2. A scale plot plan showing the location, type and size of the proposed use for the Property to be improved by Developer as provided herein, including the location, type and size of the proposed structures, driveways, driveway access road(s), parking facilities, open space and landscape plans, including a statistical table showing the size of the site in square feet, and acreage, incorporated by reference herein as Exhibit C.

3. Architectural drawings of the buildings and structures and sketches showing the design characteristics and treatment of exterior elevations incorporated by reference herein as Exhibit D.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein, and the following promises and mutual obligations of the Parties hereto, each of them does hereby covenant and agree, as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears form the context:

"Agreement" means this Development Agreement, as the same may hereafter be from time to time modified, amended or supplemented in accordance with its terms;

"Developer" means and its successors and assigns;

"Effective Date" means the final signing date of this Agreement by Parties;

"City" means the City of Stevens Point, Wisconsin;

"Plans and Specifications" means the plans and specifications for the Project to be prepared by Developer and approved by City;

"Project" means the development of the Property, including any public or site related improvements (e.g. on-street parking, right-of-way work, utility work, etc.), needed for the development, in accordance with the Plans and Specifications;

"Property" means the Property identified and more particularly described on Exhibit A, attached hereto;

"RA" means the Redevelopment Authority of the City of Stevens Point, Wisconsin;

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of City. City makes the following representations and warranties:

(1) City is a municipal corporation of the State of Wisconsin and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) City makes no representation or warranty, either express or implied, as to the Property, or its condition or the soil conditions thereon, or that the Property shall be suitable for Developer's purposes or needs.

(3) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and

conditions of this Agreement is prevented, limited by or conflicts with or results in the breach of, the terms, conditions or provision of any law, ordinance, charter, contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which City is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(4) The execution, delivery and the consummation of the transactions contemplated hereby have been duly authorized and approved by City and no other or further acts or proceedings of City. This Agreement constitutes the legal, valid, and binding agreement and obligations of City, enforceable against it in accordance with its respective terms, except as enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

Section 2.2 Representations and Warranties of RA. RA makes the following representations and warranties:

(1) RA is a municipal corporation of the State of Wisconsin and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) RA makes no representation or warranty, either express or implied, as to the Property, or its condition or the soil conditions thereon, or that the Property shall be suitable for Developer's purposes or needs.

(3) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in the breach of, the terms, conditions or provision of any law, ordinance, charter, contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which RA is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(4) The execution, delivery and the consummation of the transactions contemplated hereby have been duly authorized and approved by RA and no other or further acts or proceedings of RA. This Agreement constitutes the legal, valid, and binding agreement and obligations of RA, enforceable against it in accordance with its respective terms, except as enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

Section 2.3 Representations and Warranties of Developer. Developer makes the following representations and warranties:

(1) Developer is a Wisconsin Limited Liability Company and has the power to enter into this Agreement and to perform its obligations hereunder and is in good standing under the laws of the State of Wisconsin.

(2) Developer will cause the Project to be constructed in accordance with the terms of this Agreement, the Plans and Specifications and all local, state and federal laws, ordinances and regulations (including, but not limited to, environmental, zoning, energy conservation, building code, historical district and public health laws, ordinances and regulations), except for staff approved minor changes to the Plans and Specifications during construction which will not have a material adverse effect on the Project.

(3) Developer will use its commercially reasonable and diligent efforts to obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals for the Project, and will comply, in a timely manner, with all ordinances, historical requirements and regulations which must be met before the Project may be lawfully implemented.

(4) Developer will accept the Property in "As-Is" condition and has undertaken or will undertake investigations as to structural, environmental, soil, or other factors impacting the developability or constructability of the property.

(5) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in the breach of, the terms, conditions or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

ARTICLE III
CONDITIONS PRECEDENT TO DEVELOPER'S OBLIGATIONS

Section 3.1 Developer's obligation to conclude the transaction contemplated herein shall require the satisfactory completion, in Developer's sole discretion, of each of the following conditions on or prior to the Closing Date:

(1) Developer shall acquire the Property no later than December 31, 2020 ("Closing Date").

(2) All City approvals required shall occur prior to the Closing Date.

(3) All RA approvals required shall occur prior to the Closing Date.

ARTICLE IV
UNDERTAKINGS BY DEVELOPER, CITY, AND RA

Section 4.1 Developer Obligations. Developer undertakes the following obligations, in consideration of City's obligations in Section 4.2 and RA's obligations in Section 4.3, below.

(1) Developer shall make all reasonable efforts to construct a biergarten and event space as outlined in the proposal within Exhibit E. The Project will be developed under the Plans and Specifications as well as historical review approved by City, such approval not to be unreasonably withheld, conditioned or delayed.

(2) Following receipt of all approvals, to include the Historic District/Design Review committee for the Project, Developer will commence construction by no later than 60 days from the date of closing.

(3) Following commencement of work outlined in Article IV Section 4.1(2), Developer shall obtain final occupancy by no later than July 1, 2022.

(4) Developer shall pursue work activities on the Property and shall complete the Project on the Property so as to obtain occupancy permits in accordance with state and local codes.

(5) Without limiting other provisions in this Agreement, the dates in Sections 4.1(2) (3) and (4) are subject to Force Majeure.

(6) Developer agrees to develop the Property as shown on Exhibit D, and all buildings and structures on the Property in accordance with the Plans and Specifications, as filed and approved in final form by City. However, during the progress of the Project, Developer may make changes, in writing, to the Plans and Specifications as may be in furtherance of the general objectives of the Plans and Specifications and this Agreement and as site conditions or other issues of feasibility may dictate to further Developer's development objectives; provided, however, any such change shall comply with all applicable laws of City and Developer may not make any change without the written consent of City (not to be unreasonably withheld, conditioned or delayed). If a proposed change is required to be approved by the City, City agrees to consider and approve or reject any proposed change within 30 days after submittal by Developer to City or such approval is deemed given; provided, if City's approval is needed within a shorter period of time due to Developer's construction schedule or its obligations under Sections 4.1(1), (2) or (3) above, City shall provide such approval or rejection within 10 days of request, and City will reasonably cooperate with Developer to facilitate and expedite such review process. However, if a proposed change is required to be reviewed and approved by a City committee and/or Common Council, such request will be considered and acted upon at the next available meeting of such City committee or Common Council. Such requests for approval shall be submitted to the City Director of Community Development, as representative of City.

(7) Developer further agrees to the following:

(1) At Developer's expense, Developer shall cause to be prepared a staked ALTA survey for the Property including, without limitation, as reasonably

necessary to determine boundaries and utility locations, what may be required by the City Surveyor or his designee.

(2) At Developer's expense, a survey or plat of the Property will be prepared for approval by the City Zoning Administrator, or his designee, which conforms to the approved general site development plan and shows thereon the areas, if any, dedicated to the public and specified use thereof.

(3) Developer shall provide easements requested or required by the City, Wisconsin Public Service, and other public utility organizations.

(4) Developer shall work with Landscapes For Life Foundation, Inc. to relocate and reconstruct, to a reasonable extent as agreed to between the Developer, Landscapes For Life Foundation, Inc. and the RA, the landscape improvement area from the current location to a new licensed area identified within Exhibit F. Developer will not be held financially liable for this move but is instead a facilitator of the move.

(5) Easements on the Property for municipally owned storm sewer and water mains shall be granted by Developer to City or its designee where necessary, by mutually agreed upon separate document, or pursuant to the CSM or plat, in accordance with detailed utility plans approved by the City Director of Public Utilities, or his designee.

(6) Developer shall be responsible for the costs to install and/or relocate the existing access roadway required as part of the green space to be purchased behind the Property. The City must identify all estimated costs prior to execution of the term. Developer and City mutually understand that said costs may change or fluctuate based on measures beyond the control or knowledge of either Developer or City. The City shall install the roadway to the City's specifications and shall bill the Developer for the relocation. Said relocation is identified within Exhibit G. Failure to pay the required amount will result in a special assessment being placed against the property.

(7) No future structures, including but not limited to utility buildings and tool sheds, shall be constructed or installed on any portion of the Property by Developer without City's approval, which approval shall not be unreasonably withheld, conditioned or delayed. The definition of structure shall be the definition contained within the City Zoning Ordinance.

(8) Developer shall meet all requirements within this development agreement. Failure to meet any requirement shall give the City authority to take

ownership of the property for consideration of $1.00 without objection by Developer.

Section 4.2 City Obligations. City undertakes the following obligations, in consideration of the obligations of Developer in Section 4.1, above.

(1) City shall sell the Property to the Developer for consideration of $1.00

(2) City shall timely complete all necessary or required zoning, development and use reviews for the Project, pursuant to applicable City Ordinances.

(3) City may, after submittal of all applicable materials and review of said materials, provide a façade improvement grant. Said façade improvement grant may be reviewed provided that all application requirements are submitted and met to minimal requirements. City may provide additional façade improvement grant monies above and beyond the typical maximum amount, if able, and at the sole discretion of the City.

(4) City shall pay for the relocation of the landscape improvement area identified in Section 4.1(7)(4) from Tax Increment Finance District #6, or any other financing source identified by the City Comptroller. The City shall have final determination on the relocation, design, and cost of the landscape improvement area.

The City Support is conditioned upon Developer's compliance with Sections 4.1(2), (3) and (4) herein.

Section 4.3 RA Obligations. RA undertakes the following obligations, in consideration of the obligations of Developer in Section 4.1, above.

(1) RA shall sell the green space behind the Property to Developer for $1.00. Said green space shall be a mutually agreed upon boundary, as identified in Exhibit F of this document.

The RA obligation is conditioned upon Developer's compliance with obligations of Developer in Section 4.1, above.

ARTICLE V
COVENANTS RUNNING WITH THE LAND & TERM OF THIS AGREEMENT

This Agreement constitutes the entire Agreement between the Parties, and all provisions of this Agreement shall be deemed to be covenants running with the land described on Exhibit A and shall be binding upon successors and assigns for the Term of this Agreement.

The Developer, City, and RA mutually agree that this development agreement shall terminate after five (5) years following the issuance of the final occupancy permit by the City's Building Inspector. The Developer, City, and RA mutually agree that any change of use that occurs after the five (5) years identified before shall be reviewed through the appropriate City approvals, if required.

ARTICLE VI
REMEDIES

Section 6.1 Time of the Essence. Time is of the essence as to all dates under this Agreement.

Section 6.2 Event of Default. In the event any Party defaults under this Agreement, which default is not cured within thirty (30) days after written notice thereof to the defaulting Party or within such extended period required to cure the default, provided cure efforts are undertaken in good faith within the thirty (30) period and the defaulting Party is diligently pursuing such cure, the nondefaulting Party shall have all rights and remedies available under law or equity with respect to the default, except as otherwise set forth in this Agreement. In the event of any default by any Party in making a payment required to another Party, the cure period for such monetary default shall be ten days after delivery of notice thereof. In addition, and without limitation, any of the Parties shall have the following specific rights and remedies following such notice and failure to cure:

(1) Injunctive relief,
(2) Action for specific performance; and
(3) Action for money damages.

Notwithstanding the foregoing, in no event may City exercise or seek any rights of injunction or specific performance for Developer's failure to commence or complete the Project.

Section 6.3 Reimbursement. Any amounts expended by the nondefaulting Party in enforcing this Agreement including reasonable attorneys' fees, together with interest provided for below, shall be reimbursed or paid to the nondefaulting Party which prevails in any such enforcement.

Section 6.4 Remedies are Cumulative. Except as specified in this Agreement, all remedies provided herein shall be cumulative and the exercise of one remedy shall not preclude the use of any other or all of said remedies.

Section 6.5 Failure to Enforce Not Waiver. Failure to enforce any provision contained herein shall not be deemed a waiver of that Party's rights to enforce such provision or any other provision in the event of a subsequent default.

Section 6.6 Mediation. Prior to litigation, and as a condition precedent to bringing litigation, any Party deeming itself aggrieved under this Agreement shall be obligated to request nonbinding mediation of the dispute. Mediation shall proceed before a single mediator. The

Parties shall agree upon a mediator and if they fail to do so within 30 days of the request for mediation; either Party may apply to Portage County Circuit Court, for the designation of a mediator. In the event the Parties do not accept the mediator's recommendation, the aggrieved Party may then commence an action. However, the Parties shall participate in alternative dispute resolution, if ordered by the Court.

ARTICLE VII
AMENDMENT

This Agreement may be rescinded, modified or amended, in whole or in part, only by mutual agreement of the Parties hereto, or their successors and/or assigns, in writing signed by all Parties.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

Section 8.1 Execution in Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 8.2 Construction. The Parties acknowledge and represent that this Agreement has been the subject of negotiation by all Parties and that all Parties together shall be construed to be the drafter hereof and this Agreement shall not be construed against any Party individually as drafter.

Section 8.3 Legal Relationship. Nothing in this Agreement shall be construed to create an employer/employee relationship, joint employer, joint venture or partnership relationship, or a principal/agent relationship.

Section 8.4 Survival. All agreements, representations, covenants and warranties made herein shall survive the execution of this Agreement and the making of the grants hereunder. This Agreement shall be binding upon the Parties, their respective successors and assigns.

Section 8.5 No Waiver. The failure of any Party to require strict performance of any provision of this Agreement will not constitute a waiver of the provision or of any other of that Party's rights under this Agreement. Rights and obligations under this Agreement may only be waived or modified in writing. A writing waiving a right must be signed by the Party waiving the right. If an obligation of a Party is being waived or released, the writing must be signed by the affected Parties. Waiver of one right, or release of one obligation, will not constitute a waiver or release of any other right or obligation of any Party. Waivers and releases shall affect only the specific right or obligation waived or released and will not affect the rights or obligations of any other Party that did not sign the waiver or release.

Section 8.6 Severability of Provisions. If any provision of this Agreement shall be held or declared to be invalid, illegal or unenforceable by reason of its being contrary to any applicable law, such provision shall be deemed to be deleted from this Agreement without impairing or prejudicing the validity, legality or enforceability of the remaining provisions.

Section 8.7 Law Governing. This Agreement will be governed and construed in accordance with the laws of the State of Wisconsin.

Section 8.8 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any Party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

(a) in the case of Developer is addressed to or delivered personally to:

The Opera House, LLC
c/o Penguin Properties, LLC
PO Box 1004
Stevens Point, WI 54481

(b) in the case of City is addressed to or delivered personally to:

City of Stevens Point
1515 Strongs Ave.
Stevens Point, WI 54481
Attn: City Clerk

(c) in the case of RA is addressed to or delivered personally to:

Redevelopment Authority of the City of Stevens Point
1515 Strongs Ave.
Stevens Point, WI 54481
Attn: Executive Director

Section 8.9 Force Majeure. As used herein, the term "Force Majeure" shall mean any accident, breakage, war, insurrection, civil commotion, riot, act of terror, act of God or the elements, governmental action (except for governmental action by City with respect to obligations of City under this Agreement) alteration, strike or lockout, picketing (whether legal or illegal), inability of a Party or its agents or contractors, as applicable, to obtain fuel or supplies, unusual weather conditions, pandemic or any other cause or causes beyond the reasonable control of such Party or its agents or contractors, as applicable. No Party to this Agreement shall be in default hereunder for so long as such Party or its agents and contractors, if applicable, are prevented from performing any of its obligations hereunder due to a Force Majeure occurrence.

Section 8.10 Term. The term of this Agreement shall commence on the Effective Date. If Developer has not acquired the Property on or before the Closing Date, this Agreement shall terminate and be of no further force or effect. If Developer acquires the property on or before the Closing Date, this Agreement shall remain in full force and effect in accordance with its terms.

Section 8.11 Restrictions of Sale, Transfer, Conveyance and Ownership. During the Term of this Agreement, neither Developer nor any future owner shall use, sell, transfer or convey ownership of any of the Property to any person or entity, in any manner which would render all or any part of the Property exempt from real property taxation, or would render the personal property located on any of the Property exempt from personal property taxation, without the prior written consent of City, and this Agreement constitutes a deed restriction effectuating this provision.

Section 8.12 Assignment. Nothing herein shall prevent Developer from assigning its rights in this Agreement to another entity, as long as Developer receives written consent of the City, and as long as said entity consists of the same owners as Developer, and such transferee agrees to be bound by the provisions of this Agreement as if such transferee were an original signatory hereto.

Section 8.13 Cooperation with Grants. If necessary, Developer shall work with and cooperate with City and/or RA in providing data and information necessary for City and/or RA to comply with the provisions or requirements in connection with a State or Federal grant or other funding applicable to and benefiting the Development.

Section 8.14 Recording. The Parties shall execute, and City shall record in the Register of Deeds office for Portage County, a memorandum of this Agreement. The memorandum shall be removed once the term of the agreement is completed.

Section 8.15 No Personal Liability. Not withstanding anything herein, no member, shareholder, director, partner, manager, officer or employee of Developer shall have any personal liability under this Agreement, whether to City of RA or otherwise, including, without limitation, as a result of a default or breach by Developer, or for any amount which becomes owing hereunder by Developer, or any obligation not performed by Developer.

Signatures on following pages

THE CITY OF STEVENS POINT, WISCONSIN

BY: ____

Honorable Mike Wiza, its Mayor

Attest:

____

Karlyn Krautkramer

By: Its City Clerk

STATE OF WISCONSIN)

:ss

COUNTY OF PORTAGE)

Personally came before me this _______ day of ______________, 20_______, Mike Wiza, Mayor, and Karlyn Krautkramer, City Clerk, of the above-named City of Stevens Point, Wisconsin, to me known to be the persons who executed the foregoing instrument and to me known to be such Mayor and City Clerk, and acknowledged that they executed the foregoing instrument as such officers as the deed of said City of Stevens Point, by its authority.

____

Notary Public, State of Wisconsin

My commission expires: _____________

THE REDEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

BY: ____

John Schlice, its Chairman

Attest:

____

Ryan J. Kernosky

By: Its Executive Director

STATE OF WISCONSIN)

:ss

COUNTY OF PORTAGE)

Personally came before me this _______ day of ______________, 20_______, John Schlice, Chairman of the Redevelopment Authority of the City of Stevens Point, and Ryan Kernosky, Executive Director of the Redevelopment Authority of the City of Stevens Point, to me known to be the persons who executed the foregoing instrument and to me known to be such Chairman and Executive Director, and acknowledged that they executed the foregoing instrument as such officers as the deed of said Redevelopment Authority of the City of Stevens Point, by its authority.

____

Notary Public, State of Wisconsin

My commission expires: _____________

THE OPERA HOUSE, LLC

A Wisconsin Limited Liability Company

Date:________________ By: ____

Talin Senner, its Manager & Member

STATE OF WISCONSIN______)

:ss

COUNTY OF __PORTAGE____)

Personally came before me this ______________ day of _________________, 20______ Talin Senner, Manager and Member of the above-named Limited Liability Company, to me known to be the person who executed the foregoing instrument and to me known to be such member of said Limited Liability Company, and acknowledged that he executed the foregoing instrument as such Manager of said Limited Liability Company, by its authority.

____

Notary Public, State of ______________

My commission expires: _____________

EXHIBIT A

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

The East Thirty (30) feet of Lot Six (6); the West Twenty-six (26) feet of Lots Seven (7) and Sixteen (16); the East Twenty (20) feet of the North Eighty-eight (88) feet of Lot Seventeen (17); the South Fourty-four (44) feet of the East Fifty-five (55) feet of Lot Seventeen (17), and Sixty-four (64) square feet in the South East corner of the East Thirty-five (35) feet of the West Fourty-five (45) feet of the North Eighty-eight (88) feet of Lot Seventeen (17) all in Block Twenty-nine (29), of Valentine Brown's Addition to the City of Stevens Point, Portage County, Wisconsin.

EXCEPT those lands conveyed to The Community Development Authority of the City of Stevens Point by Quit Claim Deed recorded January 25, 1985, in Volume 459, pages 094-096, as Document No. 381283, Portage County Registry Records.

Parcel Identification No.: 281240832202929.

EXHIBIT B

The Opera House, LLC

c/o Penguin Properties

PO Box 1004

Stevens Point, WI 54481

EXHIBIT C

PORTAGE COUNTY CERTIFIED SURVEY MAP NO.

CERTIFIED SURVEY MAP

PART OF LOTS 6,7,16, AND 17 OF BLOCK 29 OF VALENTINE BROWN'S ADDITION TO THE CITY OF STEVENS POINT, LOCATED IN NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 24 NORTH, RANGE 8 EAST, CITY OF STEVENS POINT, PORTAGE COUNTY, WISCONSIN.

NOTES

THIS INSTRUMENT WAS DRAFTED BY PATRICK J. FUEHRER.

THE BEARINGS HEREIN ARE REFERENCED TO THE WISCONSIN COUNTY COORDINATE SYSTEM—PORTAGE COUNTY—NAD 1983. THE NORTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32 BEARS S89°52'42"W.

THIS CSM IS SUBJECT TO ALL EASEMENTS AND RESTRICTIONS OF RECORD.

LEGEND

- 3/4" X 18" IRON REBAR SET—1.5#/FT.

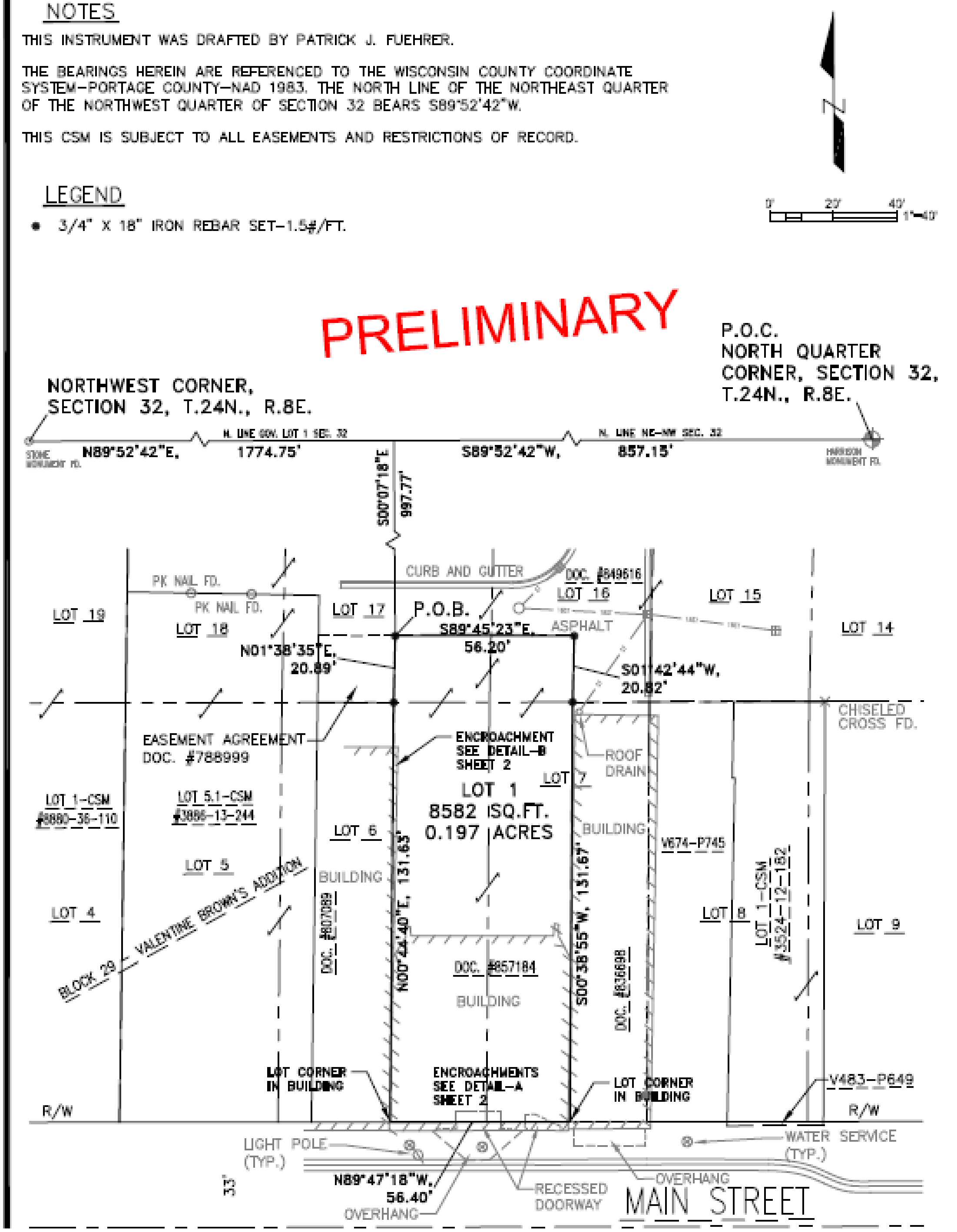


EXHIBIT D

ARCHITECTURAL DRAWINGS – To be inserted when available.

EXHIBIT E

WILDCARD PROPOSAL FOR FOX THEATRE – to be inserted after approval.

EXHIBIT F

LANDSCAPING FOR LIFE INFORMATION

EXHIBIT G

ROADWAY DESIGN/RELOCATION – to be determined and added at a later date.

The City of Stevens Point

Offer to Purchase the Historic Fox Theatre

Abstract
This document has been drafted to provide a response to the Request for Proposal for offers to purchase the Historic Fox Theatre.

WILDCARD®
CYBERSECURITY • WEB DEVELOPMENT • IT SOLUTIONS

Presented by: Talin Senner
Owner and Chief Executive Officer • Wildcard Corp.
proposals@wildcardcorp.com

Table of Contents

Cover Letter

Ryan Kernosky, Director of Community Development
06/10/2020
Community Development - ℅ Fox Theatre Proposal
1515 Strongs Ave.
Stevens Point, WI 54481

Dear Mr. Kernosky,

Wildcard is honored to submit this intended use plan for the historic Opera House in downtown Stevens Point, WI. Our organization is very familiar with the Opera House and its legacy as a community gathering place for residents and visitors of Stevens Point. We understand this incredible opportunity to revitalize the Opera house, supports the City of Stevens Point's commitment to enhancing community engagement, culture, arts and collaboration.

For many years, Wildcard has shown a strong commitment to the community of Stevens Point by investing in and renovating commercial properties in historic downtown. As Wildcard has utilized Penguin Properties in the purchase and renovation of our other properties we will create an entity to handle ownership and ongoing operations of The Opera House in the same manner.

We are eager to demonstrate that this historic building can be flexible enough to accommodate events and programs and respond to evolving community needs over time. We anticipate the future use of the Opera House to be: functional, sustainable, safe, healthy and vibrant. We envision a gathering space that will encourage a positive, dynamic relationship development with our immediate neighbors and the greater community.

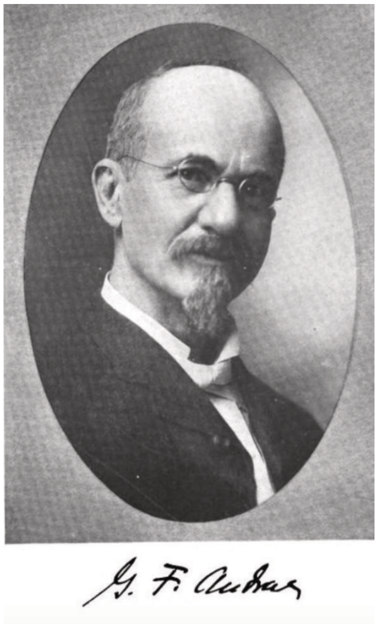
The optimal use plan will be multi-phased to take full advantage of efficiency, allowing for a variety of uses throughout the property.

Respectfully,

Talin Senner
Owner and Chief Executive Officer
(715) 869-3440
proposals@wildcardcorp.com

WILDCARD

Revitalizing the Opera House



G. F. Andrae was a German immigrant who settled in Stevens Point and became a successful businessman. His community leadership made him an honored and valued citizen. For several decades Mr. Andrae was the leading merchant in Stevens Point and was also one of the material developers of the area. He acquired large portions of reality and newspaper files of the time regularly name G. F. Andrae in connection with the construction of a number of substantial buildings. One of those buildings was the Opera House as it was named for over 40 years, located at 1124 Main Street.

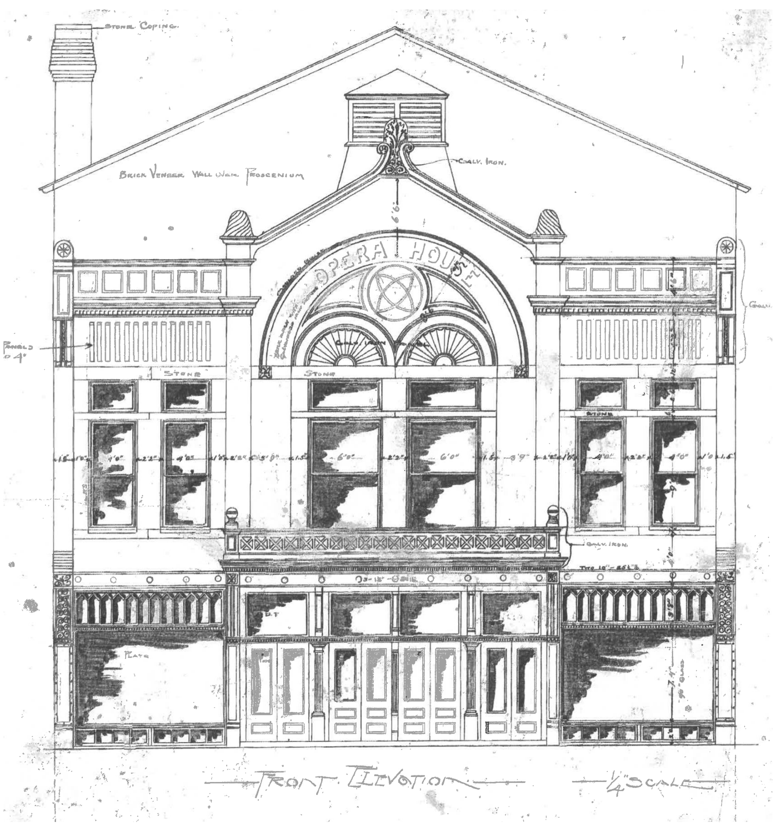
For G. F. Andrae, the Opera House was his way of giving back to the city, and the historic building has been a recreational and cultural focal point of Stevens Point ever since. In German culture, gathering together in an atmosphere of camaraderie, fun and enjoyment is a major part of society. This concept is so ingrained in German culture, they have a unique word for it: Gemütlichkeit. Gemütlichkeit [ge-mute-lee-kite] is described as a state or feeling of warmth, friendliness, and good cheer. The term is also described as a tradition of public festivity, usually involving the enjoyment of music, food, and drink, which promotes a sense of community and solidarity. The Wisconsin Department of Tourism also offers their own definition of gemütlichkeit on travelwisconsin.com, which describes gemütlichkeit as a feeling one gets when visiting Wisconsin.

It is our plan to continue the tradition of the Opera House as a focal point of community togetherness, or Gemütlichkeit, just as G. F. Andrae originally intended. We are planning a traditional bier garten atmosphere with sales of beer and drink onsite inside a secure outdoor fenced area, inclusion of food from local businesses and surrounded by a landscaped garden.

Our revitalization plan involves creating a versatile, multi-functional event venue while retaining and enhancing the building's original facade. Redeveloping and repurposing this historic landmark located downtown in the heart of Stevens Point, will offer tremendous engagement opportunities and tax revenue from citizens in our community and visitors. Beyond engaging local residents and visitors to the region for community events, the venue will also be available to rent for private parties, such as weddings and not-for-profit fundraisers where options for catering of food and drink.

Entertainment and cultural events will include live bands, open mic nights, gallery nights, pop up retail opportunities, family movie nights and more. We anticipate these community events will attract more revenue for businesses that specialize in providing support for local operators, such as catering, event planners, entertainers, artists, and audio visual production companies. As a community-centric business, the Opera House will help drive engagement for the entire population, supporting the local economy and showcasing the best Stevens Point has to offer.

Our revitalization plan for the Opera House combines original historic elements of the property with modernized improvements that will enhance the aesthetic beauty of the building that is both functional and sustainable for generations to come. We have completed similar work on another local historic property: 1136 Main Street, adjacent to the Opera House. A detailed description of our revitalization work on 1136 Main Street is provided in this proposal under Reference Two: Redevelopment of 1136 Main Street.



While the uses and owners of the building have changed throughout the years, one constant has been the emotional connection citizens feel towards the facade. The building's community-centric presence is a visual and cultural centerpiece of downtown Stevens Point. People have always been drawn to the building whether in use or not, as evidenced by the many efforts over the years to revitalize and re-open this historic landmark. The Opera House is interwoven in the history of Stevens Point, and it is our goal that it continues this legacy, long into the future. With your support, it is our sincere goal that the Opera House is no longer seen as a relic of days gone by, but is regarded as the heart of our downtown community.

Penguin Properties is a subsidiary of Wildcard which is consolidated under the same ownership. The company has been used to acquire properties meant for renovation, development, and reuse. The development team consists of Wildcard employees (listed on page 13) and is helmed by Mr. Senner.

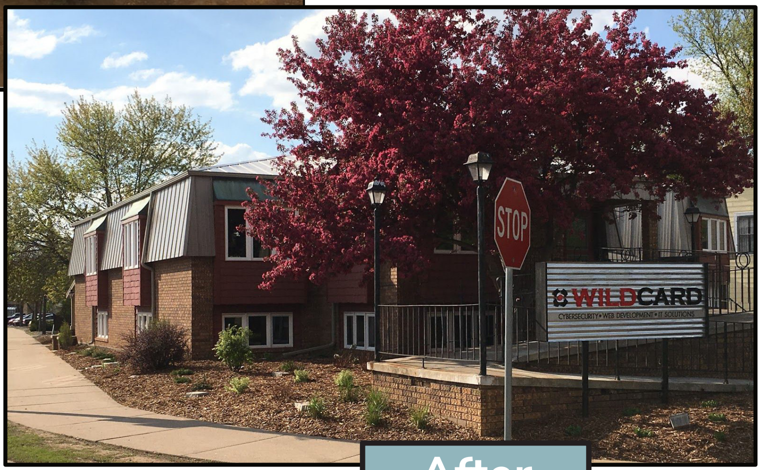
The following references have been chosen to showcase our success in transforming and revitalizing historic spaces in the local community, which has resulted in the creation of jobs and the expansion of the local tax base. Mr. Senner and his team have previously worked with the City of Stevens Point and the Historic Preservation/Design Review Commission to develop the following properties. Our main goal is to refurbish these buildings in a way that not only satisfies our current uses but also speaks to future use cases.

Reference One: Redevelopment of 1324 Centerpoint Dr.

Originally constructed in 1977 at 1100 Union St by Dr. Ronald Kuhel as an eye care clinic, the building was moved to 1324 Centerpoint Drive in 1984 as part of the Stevens Point Mall project. When it was moved to its current location, the lower level and stairways leading to the building were added. Over the course of almost forty years the elements wore on the building.

Before

1324 Centerpoint Dr. before renovations and landscaping, after the existing sod was removed



After

1324 Centerpoint Dr. after renovations to the window boxes and doors, and with completed landscaping

Purchased in 2016 by Wildcard through Penguin Properties, many needed updates were undertaken on the building. The interior of the building required mainly cosmetic changes such as removing the worn and dirty 1970's carpeting, adding a fresh coat of paint, and removing the trappings of an eyecare clinic. Besides fresh paint, new wooden floors were added along with sound damping carpeting. These subtle changes on the inside allowed this building to now be utilized as a modern workspace while maintaining its historic charm. After consulting with the Historic Preservation/Design Review Commission, Wildcard was able to undertake repairs to the outside of the structure that were necessary for its long term viability.

The original window boxes with rot damage, and Wildcard's repair with cedar vinyl

All window boxes were repaired to address water damage and rot. They were wrapped on the outside in autumn red, and the entire window box underneath the copper was wrapped in cedar vinyl that maintains the vintage look of the original. The windows that were installed, while of modern design, maintain functionality and match the original windows in size, scale, detail and pane configuration.

Brick and masonry issues were repaired to match the look and feel of the original work. We sourced brick of the same era and vintage to match the existing work while utilizing the N-type mortar as requested by the historic guidelines. We repaired all character defining existing metal work without having to make significant changes by repairing them in place.

The doors for the first floor were replaced with metal and glass doors matching the existing glass door on the lower level. As part of our commitment to maintaining the historic look of the building, we cleaned up and painted all of the existing wooden trim and scroll work around the doors. This provided a clean look that accented the building's existing historical features.

The original door of 1324 Centerpoint Dr. is replaced without major structural changes

After renovating many of the building's structural concerns, the landscaping around the building was cleaned up. We opted for a low-maintenance plan that continues to provide a clean and natural look to the building. Many of the large pine trees that were damaging the older building were removed, ensuring integrity of the exterior for the future.

The overall renovation undertaken at this site allowed the building to maintain its rich appearance while providing updates that will add to the longevity of the building.

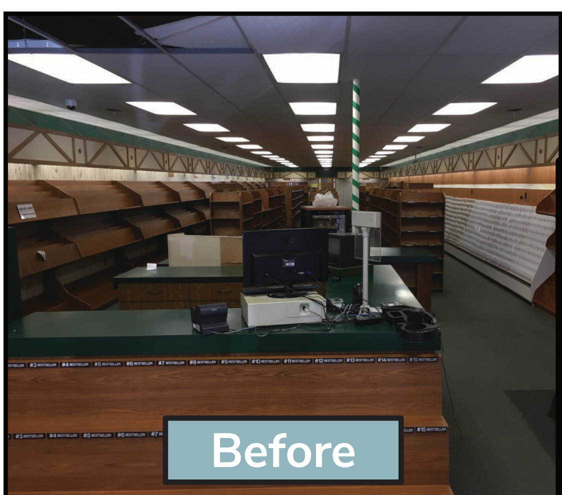
Replacing the original door while maintaining the existing trim and scrollwork

Reference Two: Redevelopment of 1136 Main Street

The direct neighbor to the Opera House, currently numbered 1136 Main Street, was originally constructed in 1899-1900 by Curran and Wiesner. The building has operated under many different business names in the past. The property has served as a government post office, Gross & Jacobs Hardware Store, a Billiards Hall, the Loop Bar, the Portage County Lung Cancer Society and the City News Service to name some, before its most recent use as Bookworld from 1979 to 2017.

Purchased by Wildcard through Penguin Properties in December of 2017, our group undertook renovation of this historic property, while maintaining the original charm and character. In the late 1960's to 1970's, the second floor of the building was completely closed off from the first floor and the staircase was completely removed. During occupancy of the building, Bookworld added two drop ceilings on the first floor and covered both the walls and floor. Wildcard collaborated with the Historic Preservation & Design Review Commission to ensure the original look of the building was maintained, while ensuring modern amenities and structural elements were intact.

Wildcard took over the building and removed the standard Bookworld appearance from the interior of the building. This exposed a turn of the century pressed tin ceiling that was relatively undamaged underneath the drop ceilings. The tin ceiling was corn blasted to remove excess flaking, then primed and painted using a pearlescent white. Under the walls more tin was discovered that was damaged, and beautiful shiplap boards. Underneath the carpeting and subfloor a hand installed maple floor was uncovered.



1136 Main St. before removing Bookworld furnishings

After revealing and cleaning the tin ceiling, before appling pearlescent white paint

To restore access to the second floor a 27 foot staircase was procured that matched the historic staircase that had been removed, allowing for access without damaging the tin ceiling. At the bottom of that staircase a door was added in keeping with the historic front that existed prior to Bookworld taking over. On the second floor, as much of the original floor and walls were restored as possible to give a look back in time. The northeast corner of the building had water damage down to the Douglas Fir joists. In keeping with the history of the building, and for structural reasons, new Douglas Fir joists were purchased to bring the building back to life.

1136 Main Street is a tri-layer thick brick building. Where possible this brick is being exposed to the visitor's eye. Around many of the windows the brick is being exposed in a strip to show the character of the building. On the first floor the eastern wall is completely exposed with a brick chimney being added back in so cunningly, that only after being told would you realize it was restored. The entire exterior of the building is being tuckpointed and damaged brick is being repaired. All brick details around windows are being cleaned and restored to highlight the historic character of the building.

Repairing brickwork to match the existing brickwork.

One of the key goals of any Wildcard restoration project is to sustainably reuse original building materials. All molding from throughout the building is being cleaned, patched, and painted for reuse. We are using the doors and transom windows as they would have been when they were installed.

Part of bringing a building like this back to life is opening back up as much of it as possible to the outside world. We are replacing every window and adding back in the skylights and the atrium. All windows and doors are being replaced, giving the building a clean look that harkens back to its historic past. The detail of the Atrium and skylights provides natural light throughout the building as well as unique architectural details.

1136 Main St. with the bookworld overhand, and a render of the planned building facade with an additional door for stairwell access

Phase one of the former Book World project focused on visual enhancements to the building, During phase two, Wildcard ensured that any structural issues were addressed. An early structural issue we resolved was removal of the Bookworld foundation by pouring a cement basement to reinforce the base of the structure. We have sprayed foam throughout the building to help insulate and waterproof the structure. By using high-quality materials for windows and doors, we have ensured the building will be water sealed well into the future. By adding two 2.5 ton HVAC units and a high quality HVAC system, we have ensured future occupants are comfortable and enjoy reliable, seasonal temperature control and ventilation.

Extreme care has been taken to route modernized wiring out of sight and select materials that match the historic nature of the building. This will ensure the building can be utilized for future business opportunities. In addition to the fix, repair and revival of the historic nature, the building has SmartBuilding enhancements such as automated lighting, planned replacement skylights and smart HVAC system, as well as fully modernized networking, and is currently a hub for providing Internet access to downtown businesses.

Throughout the restoration process Wildcard has sourced local materials and labor. Lumber has been purchased from Feltz's, Frank's hardware for needed supplies and consumables, and also employs local carpenters and contractors. We have made every effort to make this restoration and refresh of this project a collaboration with local businesses, to support the local economy and community-centric vision of Stevens Point.

Organizational Overview

Established in 2007, Wildcard Corp. is a privately held HUBZone Certified Small Business headquartered in Stevens Point, Wisconsin. We are a highly competitive provider of cybersecurity assessments and audits, IT security infrastructure solutions, systems engineering, integration, and virtualization. As part of this development project, we will be standing up a seperate organization to handle the day to day operation of the building, as we have done with previous restoration projects such as 1136 Main Street and 1324 Centerpoint Drive. The following key team members will be responsible for the planning and execution of the Opera House restoration.

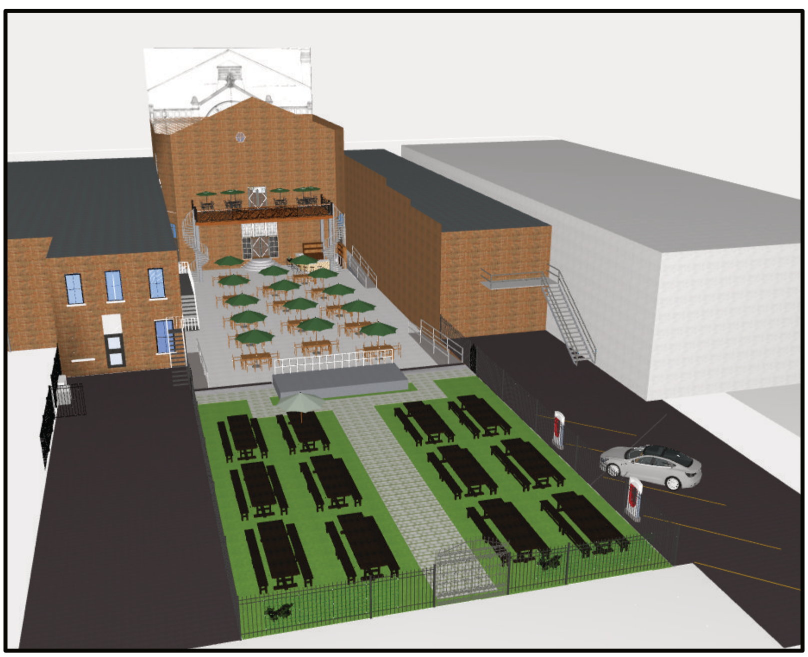
Team Member	Title	Biography
Talin Senner	Owner and Chief Executive Officer	Mr. Senner is the owner and founder of Wildcard and Penguin Properties. In addition to his years of experience developing technology solutions, he has helmed the restoration of several historic buildings in Stevens Point.
Joe Schoenberg	Commercial Program Manager	Mr. Schoenberg is Wildcard's commercial program manager. With over 15 years of project management experience, he is well versed in team and project management and takes the lead in ongoing client support.
Gregg Gokey	Director of Operations	As Director of Operations, Mr. Gokey manages and organizes the daily business activities and human resources for Wildcard.. His experience as a planner and facilitator has ensured the success of many projects, including our restoration and renovation work.
Shannon Schoenberg	Event and Catering Coordination Consultant	Ms. Schoenberg has 25 years of experience in hospitality, catering, social, not-for-profit and corporate event operations. Shannon managed the corporate event operations for Sentry Insurance from 2013 - 2018. She has a background in Marketing and Sales and consumer event demand. She was an integral part of the operations and sales team that opened Discovery World at Pier Wisconsin, one of Milwaukee's premier lakefront event venues.

Exterior Use Plan

While much of the Opera House's original structure may be gone, our exterior design plan preserves the original historic layout of the site by mirroring some of the original features, including a new balcony, stage, and seating areas. A large raised deck will extend off the back of the existing structure and stand in the same location as the theater's original balcony seating. An outdoor stage area will be installed approximately where the original stage once stood, offering a clear vista to the new seating area, which will be located where the main floor of the auditorium used to be. It is the intention of this development plan to reclaim the portion of the property and any additional areas that were cut off during the mall project in the late 1980s.

By restoring the property to its original boundaries, the green space at the rear of the property would then be converted to a gated patio and green space: Andrae's Biergarten. This will provide patrons a view of the stage from both sides, and offer different social atmospheres to enjoy the show. While much of the Opera House's original structure may be gone, this design reimagines the original layout of the theater space and will remain true to the building's history while continuing to serve the local community for many generations to come.

In honor of G.F. Andrae's German heritage, our exterior use plan includes the creation of a traditional German Biergarten. A beer garden, a translation from the German "Biergarten," is an outdoor area in which community members often congregate to socialize, enjoy live entertainment, eat together and drink beer. Common entertainment includes music, song, and games, enjoyed in an atmosphere of Gemütlichkeit.



Andrae's Biergarten and the second floor balcony, the expanded green space, and EV charging stations.. More renders are availlable in **Addendum 1** of this proposal and through the following link:

wildcardcorp.com/operahouse

Andrae's Biergarten

Andrae's Biergarten will feature hard and softscape elements to include a paved patio area and greenspaces. The space will be designed to support a wide variety of both public and private events and activities. Patio heaters will be incorporated to encourage maximum three-season use of the space. String lighting and spot lighting will enhance the architectural and softscape elements of the space. A stage for live music and entertainment will be centrally located in the space and include adequate power for sound and lighting. The space will be surrounded by fencing and landscaping that will allow for privacy and security. A large entrance gate will be located at the North end of the outdoor venue and act as the main entrance to the space. Additional gates will be installed on both the east and west sides of the space near the stage area to allow easy access for event and performance set up. Traditional beer garden tables and seating will provide visitors with plenty of comfortable places to relax while socializing and enjoying attending events.

When not actively hosting events, the space will be open for public use between the hours of 10AM to 10PM Sunday through Thursday and from 10AM to 12AM Friday and Saturday during the spring, summer, and fall seasons. The space will be continuously lit after daylight hours while open to the public. Games such as: bean bag toss, giant tic tac toe, giant chess and giant Connect Four will be available for community use during business hours. Complimentary public-access wifi will be available in Andrae's Biergarten to further provide the community opportunities for coffee and digital engagement. .

As an officially recognized eco municipality, the community of Stevens Point has aspired to contribute to a more green and sustainable future. Our development plans include features which will enhance evergreen options for our community at no cost.. Two to four 100amp electric vehicle (EV) charging stations will be installed for public use, an amenity which is not currently available in the downtown area. This would make a desirable stop for EV road trippers, bring more foot traffic, and increase awareness of sustainable options like electric vehicles.

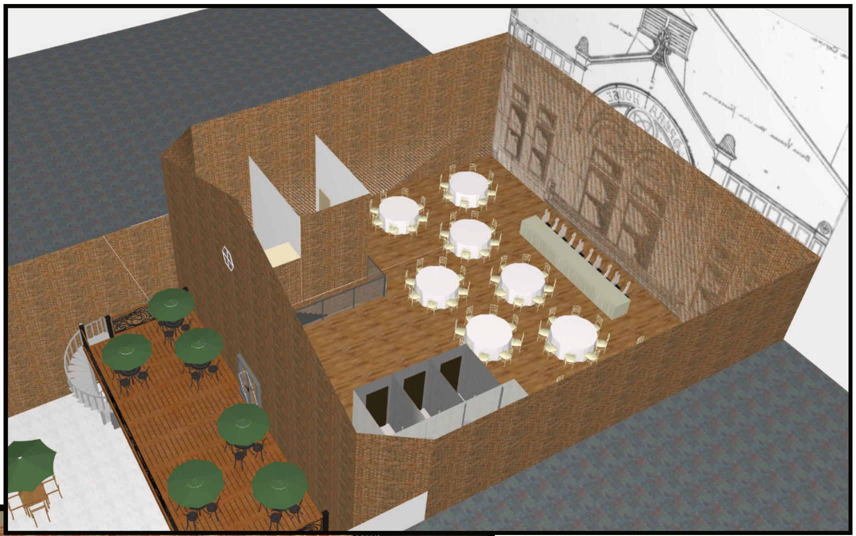
Interior Use Plan

The Opera House lower level use plan involves an open space concept that can be used for public and private events including: presentations, community board meetings, art shows, receptions, live music, poetry readings, wedding ceremonies, and other public and private events. A catering kitchen will be installed in the north east corner of the building to accommodate food and beverage catering for private events at the Opera House. Local catering companies will benefit from the opportunities to provide food for private events booked at the Opera House. Catering kitchen amenities will include: commercial refrigeration, commercial warming ovens, commercial ice maker/ice machine, large capacity dishwasher, stainless steel prep tables, and commercial coffee makers, among other amenities.

Use Plan

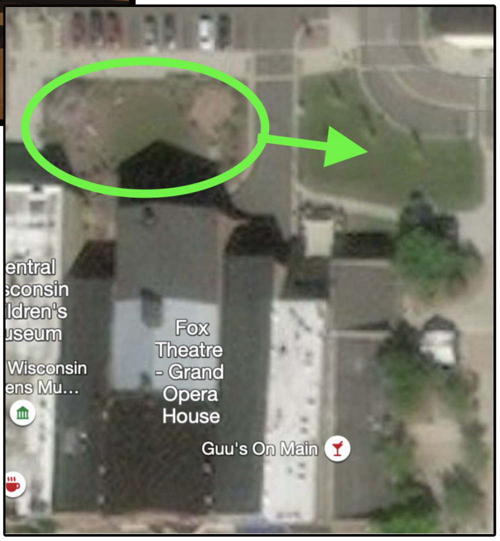
Rather than cover over pre-existing structural features like the rear alley-way exits and the large openings left in the back wall of the Opera House, we plan to incorporate the reuse of these unique features into our design plan. These features will be fitted with doors and windows that will take advantage of natural light to enhance natural lighting in the interior of the building. Complimentary public-access wifi will be throughout the grounds for the benefit of visitors.

An overhead view of the balcony and the second floor of the Opera House venue.



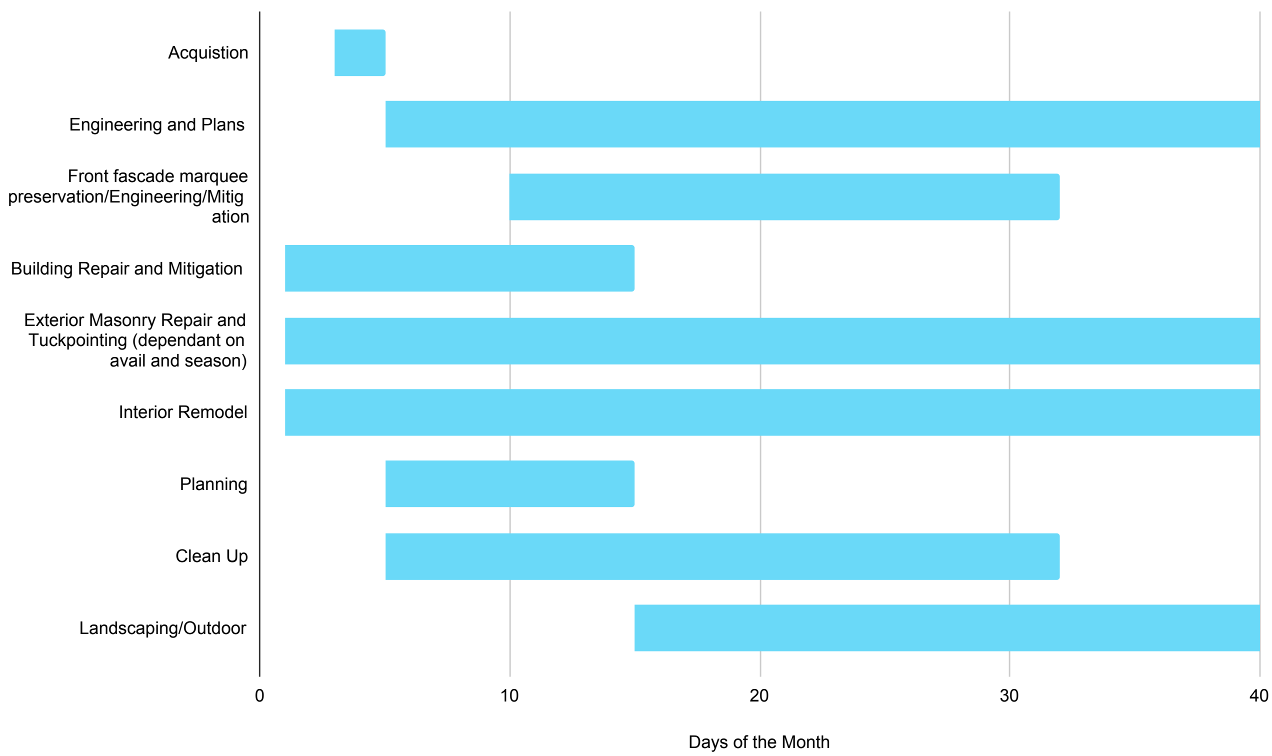
Standing in the interior of the Opera House venue, looking out into Andrae's Biergarten.

As part of the exterior use plan we will work with the city to move the current pergola and brick maze /landscaping to the east of the access road as pictured.



The following timeline and Gantt charts are estimates based on our interior and exterior use plans. As the project progresses and more information is gathered on the state of the property, the periods of time shown here may change.

TASK NAME	START DATE	DAY OF MONTH*	END DATE	DURATION* (WORK DAYS)	DAYS COMPLETE*	DAYS REMAINING*
Opera House Property						
Acquistion	08/03/2020	3	08/05/2020	2	0	2
Engineering and Plans	08/05/2020	5	11/01/2020	88	0	88
Front fascade marquee preservation/Engineering/Mitigation	08/10/2020	10	09/01/2020	22	0	22
Building Repair and Mitigation	09/01/2020	1	09/15/2020	14	0	14
Exterior Masonry Repair and Tuckpointing (dependant on avail a	10/01/2020	1	1/1/2021	92	0	92
Interior Remodel	01/01/2021	1	05/15/2021	134	0	134
Opera House Andraes' Bier Garten						
Planning	08/05/2020	5	08/15/2020	10	0	10
Clean Up	08/05/2020	5	09/01/2020	27	0	27
Landscaping/Outdoor	08/15/2020	15	11/01/2020	78	0	78



Estimated Costs and Pro Forma Cash Flow

Without fully knowing the engineering and any issues for the property, we are estimating at least the following cost for Renovation: $525,000 This estimate may vary widely as labor availability and structural issues arise . We have the following operational cash flow statement and revenue estimates after the renovations are completed:

The Opera House

Cash Flow Statement

For the Year Ending	12/31/22
Cash at Beginning of Year	$0.00
Operations	
Cash receipts from customers	$622,112.00
Cash paid for	
Inventory purchases	-$60,000.00
General operating and administrative expenses	-$158,000.00
Wage expenses	-$128,000.00
Interest	$0.00
Income taxes	-$24,000.00
Net Cash Flow from Operations	**$252,112.00**
Investing Activities	
Cash receipts from	
Sale of property and equipment	$0.00
Collection of principal on loans	$0.00
Sale of investment securities	$0.00
Cash paid for	
Purchase of property and equipment	-$250,001.00
Making loans to other entities	$0.00
Purchase of investment securities	$0.00
Net Cash Flow from Investing Activities	**-$250,001.00**
Financing Activities	
Cash receipts from	
Issuance of stock	$0.00
Borrowing	$0.00
Cash paid for	
Repurchase of stock (treasury stock)	$0.00
Repayment of loans	$0.00
Dividends	$0.00
Net Cash Flow from Financing Activities	**$0.00**
Net Increase in Cash	**$2,111.00**
Cash at End of Year	$2,111.00

Proposed Purchase Price

With the substantial investment that will need to be made to bring this neglected property from its current condition to a center of community and cultural engagement, it is in the City of Stevens Point great interest to transfer the property for the last purchase price of $1.00. As a sustainable functioning event space centrally located downtown, the potential for this historic property is worth far more to the city in future tax revenue.

The only public funds that Wildcard will request is a facade improvement grant to help with the restoration of the historic front of the property facing Main Street. This building dating back to the late 1800's needs work done to the brick, windows, lower entrance and restoration work to the intricate deals across the facade. These funds will be used to help with these projects in keeping with the historic building guidelines.

Addendum One: Render Images

Find the 3D file at wildcardcorp.com/operahouse

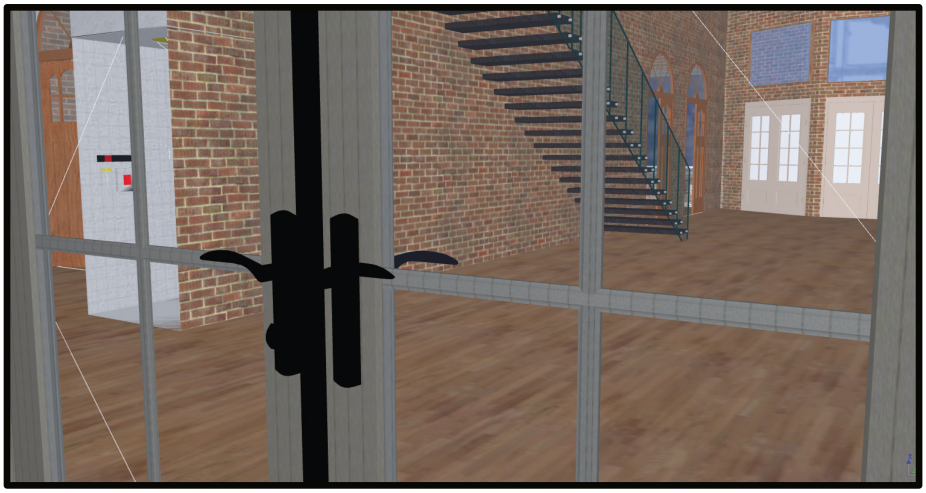
Wildcard plans to restore the original facade of the Opera House. The drawing overlaid here gives a preview of what we could not do justice to with just a 3D image.

The second floor interior of the Opera House venue.

Outdoor service area and seating for Andrae's Biergarten, with a spiral staircase to the second floor balcony.

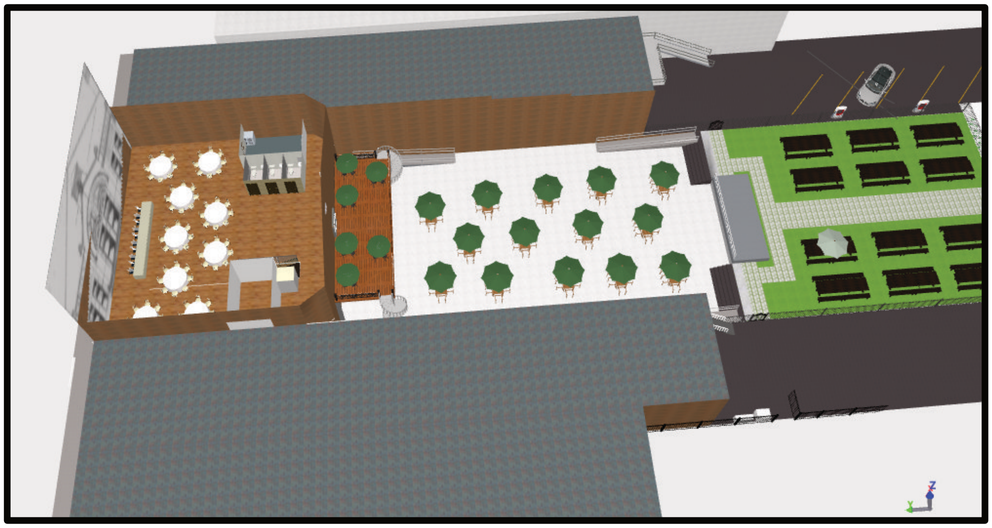
Find the 3D file at wildcardcorp.com/operahouse

Balcony seating in Andrae's Biergarten.



A view into the first floor interior of the Opera House venue with an elevator to the left and stair access.

The second floor interior of the Opera House venue, Andrae's Biergarten, and the expanded green space.



Thank you! **Wildcard thanks The City of Stevens Point for taking the time to evaluate our proposal for the purchase of the Historic Fox Theatre. It is our goal to revitalize the Opera House as the heart of the downtown community. We look forward to working with you on this project.**

CYBERSECURITY • WEB DEVELOPMENT • IT SOLUTIONS

Andrew W. Green
DBGreen, LLC
605 N Maple Bluff Ct
Stevens Point, WI
54482

(715) 459-6107
dbgreen.llc@charter.net

12 June 2020

Ryan J. Kernosky, MPA
Director of Community Development/Redevelopment Authority
City of Stevens Point
1515 Strongs Ave.
Stevens Point, WI
54481

Reference: City of Stevens Point, Fox Theater RFP

Dear Mr. Kernosky,

Thank you for inviting us to submit an RFP to develop the Fox Theater property. Enclosed please find twenty (20) copies of our response to your RFP.

We appreciate the opportunity and hope that we can work together on this important project

Sincerely,

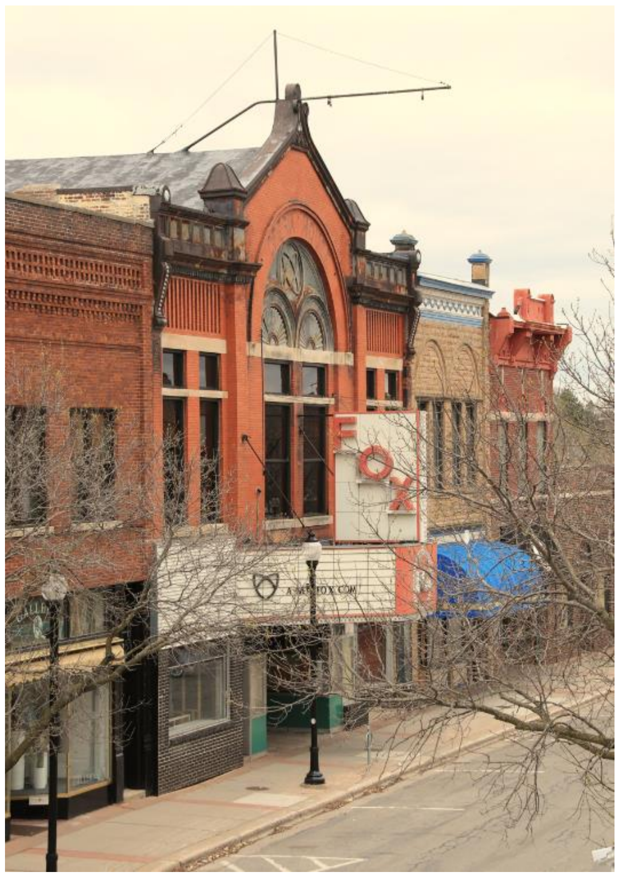
Andrew W. Green

Owner
DBGreen, LLC

Proposal for the Purchase and Development of the Historic Fox Theater

1116-1128 Main Street

Stevens Point, WI



DBGreen, LLC
605 N. Maple Bluff Ct.
Stevens Point, WI
54482

Andrew W. Green
(715) 459-6107
dbgreen.llc@charter.net

Executive Summary

DBGreen, LLC is a Stevens Point based Commercial Real Estate development company that focuses on the restoration and rehabilitation of Historic properties. They will use their extensive knowledge and experience to successfully transform the vacant Fox Theater building back to being the focal point of the Downtown.

DBGreen, LLC is wholly owned by Stevens Point residents Andrew and Beth Green.

DBGreen currently owns two properties on Main Street with a combined total 20,000 square feet of mixed-use tenant space, consisting of standard and ultra-luxury apartments, office, and retail.

913 Main Street - Constructed 1885

1055 Main Street* – Constructed 1905

*Note: 1055 Main Street was constructed by G.F. Andre, who also constructed the Fox Theater.

Relevant Experience

$ 1MM Historical Restoration of the Andre Building, 1055 Main Street

DBGreen, LLC acquired the Andre Building in 2015 with plans to develop the Historic property. The building had been vacant for a period or four (4) years at the time of purchase. After extensive research into the Historical details of the building, DBGreen teamed with Jackson Case, Architect to begin the design process to transform the tired building into a beautifully restored 17,000 mixed use building.

Andrew Green, owner of DBGreen, LLC, worked closely with the Wisconsin Historical Society and the National Park Service to obtain the necessary permits and approvals required for the Rehabilitation. The process was arduous, but the end results were spectacular.

The building was restored to the period of original construction, circa 1905. This required the removal and replacement of the entire lower façade of the building which had received numerous changes over the years (at the time called “modernizations”). An exact replica of the original façade was designed and created which included copies of original columns, long since been removed. Scale drawings were created by interpreting historic photographs and then the replica columns were custom fabricated and installed.

One enhancement to the original building function was the construction of three (3) beautiful luxury apartments that utilize the existing historic features. Jackson Case, Architect served as the Project Manager and his company, Guzman Case Corporation performed much of the work on the building.

Entities associated with the Historic Restoration of 1055 Main Street

City of Stevens Point

Michael Ostrowski - Director of Community Development / Redevelopment Authority
Kyle Kearns - Associate Planner / Zoning Administrator

The Pineries Bank

Rachael A Gadbois
President and Chief Executive Officer
3601 Main St.
Stevens Point, WI 54481
Phone: (715) 341-5600
Email: rgadbois@pineries.com

The Wisconsin Historical Society

Jen Davel
Deputy State Historic Preservation Officer
816 State St, Rm 312, Madison WI 53706
Phone: (608) 264-6490
Email: Jen.Davel@wisconsinhistory.org

National Park Service

Liz Petrella, LEED AP
Technical Preservation Services
1849 C Street, NW
Washington, DC 20240
Phone: (202) 354-2040
Email: liz_petrella@nps.gov

Wisconsin Economic Development Corporation

Naletta Burr, CEcD
Regional Economic Development Director
5 N. Systems Drive
Appleton, WI 54914
Phone: (608) 210-6830
Email: naletta.burr@wedc.org

Guzman Case Corporation

Jackson Case, AIA
President/Architect
3525 Patch Street
Stevens Point, WI 54481
Phone: (715) 344-6777
Email: jackson.gcc@att.net

Proposed Organizational Structure for the Rehabilitation of the Fox Theater Project:

Andrew Green, Owner, DBGreen, LLC

Andrew holds a Degree in Mechanical Engineering from the University of New Brunswick, Fredericton, New Brunswick, Canada and has worked in the food manufacturing industry in the Engineering/Management area for over 30 years. He has managed numerous multi-million-dollar projects globally.

Jackson Case, President and Architect – Guzman Case Corporation

Jackson is the President and owner of Guzman Case Corporation. With over 28 years of experience in design and construction, Jackson brings the expertise and experience needed to ensure a successful project completion.

"The Vision" of DBGreen for the Fox

Simply stated, perform an Historical Rehabilitation to the Fox Theater building so that it again becomes a focal point of the Downtown. Doing so will add to the vibrancy of the Downtown, increase the tax base for the City, and Preserve a landmark for future generations. While this is simple to state, it is difficult to implement and requires a firm with the experience and track record of DBGreen to be successful.

The Approach

The Fox Building encompasses 3 street addresses – 1116, 1124 and 1128 Main Street, with 1116 being the retail unit to the left of the Fox Theater entrance, 1128 being the retail unit to the right of the Fox Theater entrance, and 1124 being the Fox Theater itself and for this discussion includes the Hall on the second floor. The intention is to retain the Fox Theater historical design features that date back to 1941, and to restore the rest of the façade to the period of original construction in a phased approach as follows:

Phase I

Restoration of the front façade

1. Repair and repaint the original decorative metal work.
2. Repaint the words "Opera House" which can still be seen on the brickwork.
3. Remove the previous modifications performed to the retail units 1116 and 1128 façades.
4. Install a re-creation of the original façade on each retail unit.
5. Repair and tuckpoint the existing brick wall.
6. Repaint and repair as necessary the Fox Theater marquee.

Restoration of the Rear Façade

1. Complete the demolition of the East and West stub walls of the Theater back as far as the North wall of the building.
2. Infill all unused openings.

3. Install one (1) new double wide industrial door in unit 1124 and replace the exit doors in units 1116 and 1128.
4. Repair and tuckpoint the existing brick wall.
5. Install concrete exit pads for three (3) exits.

Phase II

Infrastructure

1. Repair roof membrane
2. Install new electrical distribution with separate metering to each unit
3. Pavement – install at rear of building

Construct White Box Retail Units in 1116 and 1128 Main Street

1. Install new/replace all electrical, lighting, HVAC, plumbing
2. Construct unisex washroom
3. Repair and refinish original hardwood floors
4. Repair/replace ceiling and wall surfaces
5. Install new trim work
6. Paint and finish
7. Construct window display

Phase III

Restoration and renovation of 1124 Main Street entrance and second floor Hall

The form, fit and finish of this space will be determined by the requirements of a future secured tenant, which could include, but not be limited to, any of the following types:

Wedding Venue/Reception Hall
Dining
Specialty Food Store
Performing Arts School
Museum
Luxury Apartments

Project Costs and Financial Requirements

The projected capital costs are as follows:

Phase	Description	Budget - Est
I	**Façade - Front**	$ 176,755
I	**Façade - Rear**	$ 64,975
II	**Infrastructure**	$ 40,000
II	**Retail 1**	$ 79,270
II	**Retail 2**	$ 79,270
III	**Theater Entrance and second floor Hall**	$ 100K to $ 400K
	Totals	**$ 440,269**
		(does not include Phase III)

DBGreen is proposing that the property be purchased from the City for an amount of one dollar ($1). As a business proposition, the project would still not be financially attractive. To upgrade the façade and get the 2 retail spaces running, the project will generate a net projected operating loss of ($ 18,996).

That said, there is an option to make this project marginally financially attractive which is:

Do nothing to restore the Historical character of the building and renovate/freshen the inside of the Retail units only.

- This is not an ideal situation and does nothing for the Downtown nor the City.
- It does not address the deficiencies in the façade front or back.
- This will not be as attractive to the type of tenants that will benefit the downtown.

Even with this compromise, this is projected to yield an annual operating profit of $ 1,944 before interest, taxes, depreciation, reserves for future maintenance.

It is felt that this is not a good option for all parties involved, both from a Historical standpoint and the ability to generate income.

Clearly, financial assistance is required to make this a successful project for all parties, therefore DBGreen is requesting assistance from the City to make this happen. It is felt that the Economic Development Department can source grants to assist the project. Sources of funding could include the City Façade Grant, WEDC grants, Federal grants, and/or funding from the City of Stevens Point.

To be a marginal income generating project for DBGreen, the financials would need to look something like the following*:

Phase	Description	Budget - Est	Façade Grant	Grants for Facade-State/City	Grants for Retail Rehabilitation -
I	**Façade - Front**	$ 176,755	$ 70,702	$ 106,053	
I	**Façade - Rear**	$ 64,975	$ 25,990	$ 38,985	
II	**Infrastructure**	$ 25,000		$ 25,000	
II	**Retail 1**	$ 79,270			$ 59,452
II	**Retail 2**	$ 79,270			$ 59,452
III	**Theater Entrance and second floor Hall**	$ 100K to $ 400K			
	Totals	**$ 425,269**	**$ 96,692**	**$ 170,038**	**$ 118,904**
		(does not include Phase III)			

*Note – this does not include Phase III, development of the second floor of 1124 Main Street. That project would have to stand on its own.

DBGreen is interested in working with the City to explore any combination of scope changes and financial incentives to arrive at a solution that works for both parties.

In Summary:

DBGreen has the ability and the proven track record to take on the Rehabilitation of the Fox Theater and drive it to a successful completion, meeting all requirements set forth in the RFP.

As an income generating project, it is not viable even if operated at a break even.

DBGreen believes that a successful project can result by working with the City to explore project scope changes and/or financing and is requesting that opportunity.

To Follow:

Photographs of the 1055 Main Street restoration project
Color renderings of the proposed façade.
Additional historical background

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

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

MEMORANDUM

To: Redevelopment Authority

From: Ryan Kernosky, Director of Community Development

Date: August 11, 2020

RE: Director's Update

Downtown Targeted Area Master Plan: Redrawn Riverfront plans are completed. Vandewalle & Associates was seeking to present the updated plan in person, however, it is likely they will be unable to do at this time. As such, we are likely going to have a late Summer or early fall presentation.

City Loan Program Administration: Staff has been seeking ways to make the monthly/quarterly billing work on our end before we bring this back to RA for consideration. We are looking at possibly implementing a new permit software program in 2021 and are hopeful this will assist us in managing the loan program billing.