

## **Landmarks Commission Meeting Minutes**

**Thursday November 8, 2018 – 6:30 pm**

**City Hall, Hall of Fame Room, Lower Level, 381 E. Main Street, Stoughton, WI.**

**Members Present:** Alan Hedstrom, Vice-Chair; Greg Pigarelli, Secretary; Tom Majewski; Kimberly Cook; and Todd Hubing, Kristy Panthofer

**Absent:** Peggy Veregin, Chair

**Staff:** None

**Guests:** None

1. **Call to order.** Hedstrom called the meeting to order at 6:34 pm.
2. **Consider approval of the Landmarks Commission meeting minutes of October 11, 2018.**  
Motion by **Hubing** to approve the minutes as presented, 2<sup>nd</sup> by **Cook**. Motion carried 6 – 0.
3. **Status update for the Power Plant building.**  
Discussed dam and raceway removal.

4. **Status update for Highway Trailer / Moline Plow building redevelopment.**  
The October 10, 2018 RDA minutes are provided in the packet.

Thirty feet of north side of blacksmith building wall blew in during high winds last week.  
Council talked of lifting demolition moratorium. The project might be beyond saving.

5. **Discuss Linderud photo collection.**  
Hubing - historicstoughton.org. Hubing provided an example of screen print with watermark.  
Commission discussed watermark to satisfy the Stoughton Historical Society requirements for website use. Example photo was 800 pixel wide and low resolution. Dave Kalland will be speaking about the collection at the next Our Old House meeting on November 15 at Learn EMC.
6. **Discuss Community Outreach.**  
Hedstrom - farmers market outreach table discussion.  
Panthofer - logo, banner design & content marketing with social media on hold for personal reasons.
7. **Discuss 2018 Preservation Award.**  
Veregin plans to write a letter for the preservation award. A presentation is anticipated at a future Council meeting.

2018 award to Badger Theater. Future award possibly dragon house upon completion.

8. **Status of 2017 and 2018 local landmark grants.**  
A spreadsheet summarizing the grants is provided in the packet.  
Next Tuesday the city budget will be approved with landmarks funding intact. TIF funding will have excess monies to distribute.
9. **Discuss 2019 Budget.**  
The 2019 budget will be known by November 13th.

**10. Discuss Historic Preservation Conference - Elkhart Lake.**

Hedstrom gave an overview of the historical preservation conference including a presentation by the City of Superior & “Buffalove” which were highlights of the conference. Both presentations dealt with the importance of small scale development and how it can take advantage of vacant buildings and prevent needless demolition. Notes from the Superior presentation are attached.

**11. Commission Reports/Calendar.**

Nothing discussed

**12. Future agenda items.**

Preservation awards; TIF - funding available for main Street projects; Outreach; Grants program out to a broader market

**13. Adjournment.** Motion by Majewski to adjourn at 7:38 pm, 2<sup>nd</sup> by Cook. Motion carried 6 - 0.

Respectfully Submitted,

*Gregory Pigarelli*

## **Historic Preservation & Vacant Housing in Superior: From Liabilities to Assets**

by Jim Paine, Mayor of Superior

Brian Finstad, Planning Commission member, City of Superior

Jeff Skrenes, Housing Coordinator, City of Superior

Jim Paine said he became Mayor of Superior, WI, by talking about housing. For several years, historic district houses had been falling into disrepair. And people had been talking about demolishing them. People used a line, “We have the oldest housing stock in Wisconsin” to criticize that. But he also knew that people had pride in place. He started talking about making it better, and trying to change talk about the “the oldest housing stock” to “the most beautiful housing stock”. But he knew he couldn’t do that by himself, and that he needed friends. At this point, he introduced his “fixers”: Plan Commissioner Brian Finstad and Housing Coordinator Jeff Skrenes. \*

Brian and Jeff took turns talking about their experiences working with distressed housing in Minneapolis, and the process they came up with to save blighted buildings instead of just demolishing them, which had been the modus operandi.

During the foreclosure crisis in 2008, almost every other house in some neighborhoods of Minneapolis was boarded up. But the rehab \$ estimate was too high to interest anyone in doing that. At the same time, they figured that the numbers used for demolition estimates were upside down, and that private guys could do rehab for half that price. But the bureaucracy of city government was such that demolition was the preferred solution. They figured they had to tell the City that their numbers were wrong. This is how they figured the cost of demolition:

\$10K - \$25K : cost to tear down  
\$1K per year to mow  
\$1.5K per year, lost prop tax revenue  
\$30K - \$70K subsidy for new construction

**In other words, each demolished house cost taxpayers an average of ~ \$100K  
This is also the money saved by not doing a demolition.**

So, they were able to turn things around gradually, and get some houses renovated. But progress was slow, as they were having to fight the bureaucracy to save each vacant or blighted house for someone to renovate. They figured there had to be a better way than fighting the city bureaucracy to save every blighted house from demolition, as this takes a lot of time and energy that could be better spent actually renovating the houses.

What they decided they needed was a system, and a quasi-government entity, to acquire and save the houses until they could be put up for sale, sold and then renovated.

They came up with the **Vacant House Process**. The following steps of that process list how they get from Before to After, without fighting the bureaucracy to save and eventually renovate every house.

- I. Acquisition
  - a. Donated from private party
  - b. Sale

- c. Tax forfeiture & Transfer from County (needs clear, marketable title)
- II. Public Notice of Sale (how to get word out that homes are for sale)
  - a. Statutory requirement (e.g. City website)
  - b. MLS
  - c. Demandstar or similar
  - d. Targeted to underserved groups (e.g., Spanish radio stations or print media)
  - e. Direct Outreach
- III. Standards (for RFPs of potential buyers)
  - a. End use description (e.g. homeowners)
  - b. Feasibility in proposal
  - c. Track record of applicant (e.g., slumlord? )
  - d. Design
- IV. Review (of applicant proposals)
  - a. By task force or neighborhood group
  - b. City staff
  - c. City Council
  - d. Timeline should be as close to market process as possible

It's an example of what can happen when you let market come in.

Arguments against this new approach (and counter-arguments) include:

- Have never done it before (doesn't mean it will fail)
- Did it before and didn't work (may have been administered poorly)
- Abused by slumlords (this is why you have standards)
- Nobody wants these houses (maybe they didn't know were available)
- Costs too much to repair (let small scale developer decide)

Gave example that used new process – “blue tarp house”

- Bought for \$1
- Small scale developer put \$120K into rehab
- Was listed for \$176K
- Sold for (same?)

What creates value?

- Demand
- Utility
- Scarcity
- Transferability

In other words, let the market decide, instead of letting someone say it needs demolition.

Making available for \$1, instead of paying \$20K to demolish. Almost everyone who buys a vacant house for \$1 will find a way to rehab it.

Have to keep in mind utility (usefulness). Need a change in mindset – old houses are assets, not a liability. Because when the utility of a house has expired, that's an opportunity. Then it's at a point

where it can be offered for \$1 (or modest amount), and it's also at that point where a small scale developer is willing to take it on.

Moral of the story: "There were many who thought that they had a blighted houses problem. What they didn't realize was what they actually had was a 'bureaucracy dealing with a blighted houses' problem. They just needed a more creative approach."

"You have no better ally than the market."

For more info on this topic, you can google "Vacant House Recycling Program in Minneapolis". Here are also pertinent links:

<https://nextdoor.com/agency-post/mn/minneapolis/city-of-minneapolis/learn-about-the-citys-vacant-housing-recycling-program-tour-2207-16th-avenue-south-on-friday-feb-19-21637155/>

<http://www.minneapolismn.gov/cped/housing/MinneapolisHomes>

\* Brian Finstad is from the Superior area originally, but had moved to Minneapolis about a decade ago, where he earned much of his housing experience before moving back to Superior. Jim said he appointed Brian to the Plan Commission immediately after his election. As a member of the mayor's housing task force, Brian recommended that a position be created in their planning department dedicated to housing issues. He also highly recommended hiring Jeff Skrenes, whom he had gotten to know in Minneapolis. Jeff worked there as a mortgage originator and what Jim said can only be described as a "housing activist." After Jeff was hired, he moved to Superior and bought a distressed house in a distressed neighborhood.