



Memorandum

TO: Administration Committee
FROM: Greg Keil, CDD *GK*
DATE: August 16, 2012
RE: NMFR Station 36 Disposition

Alderman Klein has returned this matter to the Administration Committee for its consideration. There is a standing recommendation from the Plan Commission that the building be razed and that the property be marketed for an appropriate use. This recommendation has yet to be acted on by the Common Council. Community Development staff has likewise made this recommendation, for the reasons outlined in part in the attached memorandum dated May 17, 2012.

FP One, LLC did not counter the counter offer made by the city on July 2, 2012. In follow-up conversation with them, it was my impression that they felt the city's counter was unreasonable to the point that they did not feel that continued negotiation at this time would be fruitful. Their basic position is they are buying the land for redevelopment, and the offer that they made was commercially reasonable based on land values in the vicinity.

I reiterate my recommendation that the city should sell the parcel to FP One as it offers the best potential for maximizing the value of not just the city owned parcel, but that of the land owned by FP One, LLC, extending from the fire station to Dollar General. Pfefferle Companies, which is affiliated with FP One, LLC, has a proven track record as a developer and property manager, and has the capacity to build a tenant base as well as construct facilities to house them.

I have not had any follow-up contact from the other party that made an offer on the property - Ender Investments, LLC.

If the Administration Committee is not prepared to take a specific course of action with regard to the fire station at this time, I would ask that consideration be given to referring the sale of the fire station to the Redevelopment Authority for its advice and recommendation on the matter.



Memorandum

To: Common Council
From: Greg Keil, CDD 
Date: May 17, 2012
RE: Reuse/Redevelopment of NMFR Station 36 – 901 Appleton Road

Over the past two months the Administration Committee has had before it an Option to Purchase the former fire station on Airport Road. The option was tabled. There is now on the Administration Committee Agenda an Offer to Purchase by another entity whose intention is to make repairs to the structure and use the building as a contractor's office and shop.

Based on action formerly taken by the Plan Commission (see attached) and Community Development staff's opinion, the reuse of the existing structure is not the highest and best use of the property. Staff's opinion is based on the following considerations:

- The site offers commercial development potential because of its visibility, corner location and is adjacent to STH 47 with average daily traffic counts of approximately 12,000 vehicles.
- The value of a new structure on the parcel would range between \$54/sq. ft. and \$86/sq ft. This would equate to a total value of between \$267,300 and \$425,700 based on the existing building size of 4,950 sq. ft., not including other site improvements.
- Per Menasha Assessor Mark Brown, the value as a contractor's office and shop in the existing building would range between \$15/sq. ft. and \$30.00sq.ft., for a total value of between \$74,250 and \$148,500.
- Based on the above noted range of values, the city would receive between \$4,600 and \$10,200 less in annual tax payments if the existing building is retained.
- Per the developer, retention of the existing building would have an adverse impact on redevelopment of the property owned by FP One, LLC, a copy of whose redevelopment concept plan is attached. This plan concept includes the fire station parcel.
- The development concept proposed by FP One, LLC will result in a petition to the city to annex a 9,750 sq. ft. parcel.

Based on these considerations, and most significantly, the potential for the city to garner an additional \$184,000 to \$408,000 in additional tax revenue over the 40 year life of a new building, **I recommend that the Administration Committee advance the Option to Purchase from FP One, LLC to the Common Council for its approval.**

Other information pertinent to the fire station property is attached.