



Memorandum

To: Common Council
From: Greg Keil, CDD *GK*
Date: October 16, 2014
RE: 2014 Hotel Block Redevelopment

The ongoing redevelopment of the hotel block has been greeted with differing opinions on preservation and redevelopment with the proposed demolition and redevelopment of the former bank buildings at 175 Main Street now pending. After due consideration, the Community Development Department is recommending that the redevelopment course be undertaken based upon the following considerations:

- 175 Main Street has been vacant and for sale for at least five years with no credible proposal for reuse forthcoming.
- The building has suffered from a lack of ongoing maintenance and both the interior and exterior of the building are in a state of disrepair.
- The value of the building has declined by nearly 15% over the past five years.
- The city has made a direct investment of state and local grant and loan funds totaling nearly \$250,000 in the building and businesses operating within the structure dating back to 1990. In addition, approximately \$2,000,000 has been invested by the city in support infrastructure which includes the Marina Place Parking Structure, surface parking, rear facade restoration and elevated walkway construction.
- Despite major public and private investments, the building has not been able to support a stable business operation since its original bank occupancy.
- The proposed 100,000 sq. ft. commercial building will demonstrate confidence in investing in Menasha's future.
- The new building will support a value of \$14 - 19 million.
- Approximately 300 employees will be employed at the facility.
- These jobs will generate \$13,088,400 in annual wages based on 2013 Bureau of Labor Statistics average weekly wages for Winnebago County.
- The additional income will help support our existing service, retail, food and entertainment businesses in the downtown and throughout the community.

Upon review and the receipt of the necessary approvals, it is the developers intention to move ahead expeditiously with the completion of architectural plans. The city will also need to take actions which likely will include site plan/zoning approvals, the execution of a development agreement relating to building improvements and parking, the creation of a tax increment district to fund parking and infrastructure improvements and associated actions.

It is the recommendation of the Community Development Department that the city proceed with the redevelopment of the hotel block as a necessary reinvestment in our community's future.