

COMMON COUNCIL
OF THE
CITY OF MENASHA, WISCONSIN

RESOLUTION
R – 39 – 11

A RESOLUTION DECLARING PROPERTY TO BE BLIGHTED AND AUTHORIZING THE REDEVELOPMENT AUTHORITY TO ACQUIRE AND ASSIST IN THE REDEVELOPMENT OF THE PROPERTY.

Introduced by Alderman Englebert.

WHEREAS, Section 66.1333, Wisconsin Statutes, as amended (the "Act"), states that it is the policy of the State of Wisconsin to protect and promote the health, safety and general welfare of the people of the state in which blighted areas exist by the elimination and preservation of such areas through the utilization of all means appropriate for that purpose, thereby encouraging well-planned, integrated, stable, safe and healthful neighborhoods, the provision of healthful homes, a decent living environment and adequate places for employment of the people of this state and its communities in such areas; and,

WHEREAS, this Common Council has heretofore created a Redevelopment Authority (the "Authority") to eliminate or prevent substandard, deteriorated, obsolete and blighted areas in the City of Menasha, Wisconsin (the "City"); and,

WHEREAS, the Act, as amended, authorizes the Authority to undertake certain activities within the City, for the purpose of carrying out redevelopment, blight elimination, blight prevention and urban renewal programs and projects as set forth in the Act, together with all powers necessary or incidental to effect adequate and comprehensive redevelopment, blight elimination, and urban renewal programs and projects; and,

WHEREAS, certain Properties, attached hereto as Exhibit A, have been identified by the City's staff to be "blighted properties" as defined in Section 66.1333, Wisconsin Statutes, and as set forth in a memorandum dated September 23, 2011 to the Redevelopment Authority attached hereto as Exhibit B, incorporated herein by reference, said contents are adopted as findings of the Common Council; and,

WHEREAS, blight elimination, slum clearance, and urban renewal and redevelopment projects on the Properties will protect and promote the health, safety and general welfare of citizens of the City; and,

WHEREAS, the Authority proposes to acquire or assist the private acquisition and development of the Properties and to carry out blight elimination and urban renewal projects on the Properties, including the installation and construction of public improvements on the Properties, and to subsequently transfer portions of the Properties to private developers; and,

WHEREAS, Section 5(c)1g. of the Act provides that the Authority may acquire blighted property without designating a redevelopment area or adopting a redevelopment plan if the Authority obtains advance approval of the Common Council by at least a two-thirds vote; and,

WHEREAS, on October 17, 2011 the Authority conducted a duly-noticed public hearing at which all interested parties were afforded a full opportunity to express their views respecting the determination of blight for the Properties; and,

WHEREAS, after the public hearing the Authority (i) found the Properties to be "blighted properties" within the meaning of Section 66.1333(2m)(bm), Wisconsin Statutes, and (ii) submitted the blight determination and proposed acquisition of the Properties for the purpose of carrying out blight elimination and urban renewal to this Common Council for approval; and,

WHEREAS, this Common Council has studied the facts and circumstances relating to the Properties and the proposed acquisition of the Properties, consideration having been given, among other items, to the following matters: (i) the definition of "blighted property" contained in Section (2m)(bm) of the Act, (ii) the Report with respect to the existence of blight on the Properties in the context of the Act, (iii) the past and existing condition of, and the proposed uses of, the Properties, (iv) the goals and objectives of the proposed acquisition of the Properties, (v) visual inspections of the Properties and surrounding areas by various members of the Authority and by various staff of and consultants to the City, and (vi) reports and recommendations to the Common Council by the Authority and others.

NOW THEREFORE, BE IT RESOLVED that the Common Council of the City of Menasha as follows:

1. Finds it necessary and in the public interests that the Authority undertake activities to eliminate and prevent blight, obsolescence, and the deterioration of the Properties (Exhibit A) and to promote redevelopment and urban renewal on the Properties.
2. Finds, determines and declares that the Properties (Exhibit A) are blighted properties within the meaning of Section (2m)(bm) of the Act which substantially impair or arrest the sound growth of the City of Menasha.
3. Finds that a comprehensive redevelopment plan is not necessary to determine the need for the acquisition of the Properties (Exhibit A), the uses of the Properties after acquisition and the relation of the acquisition to other property redevelopment by the Authority.

Passed and approved this _____ day of October, 2011.

Donald Merkes, Mayor

Attest:

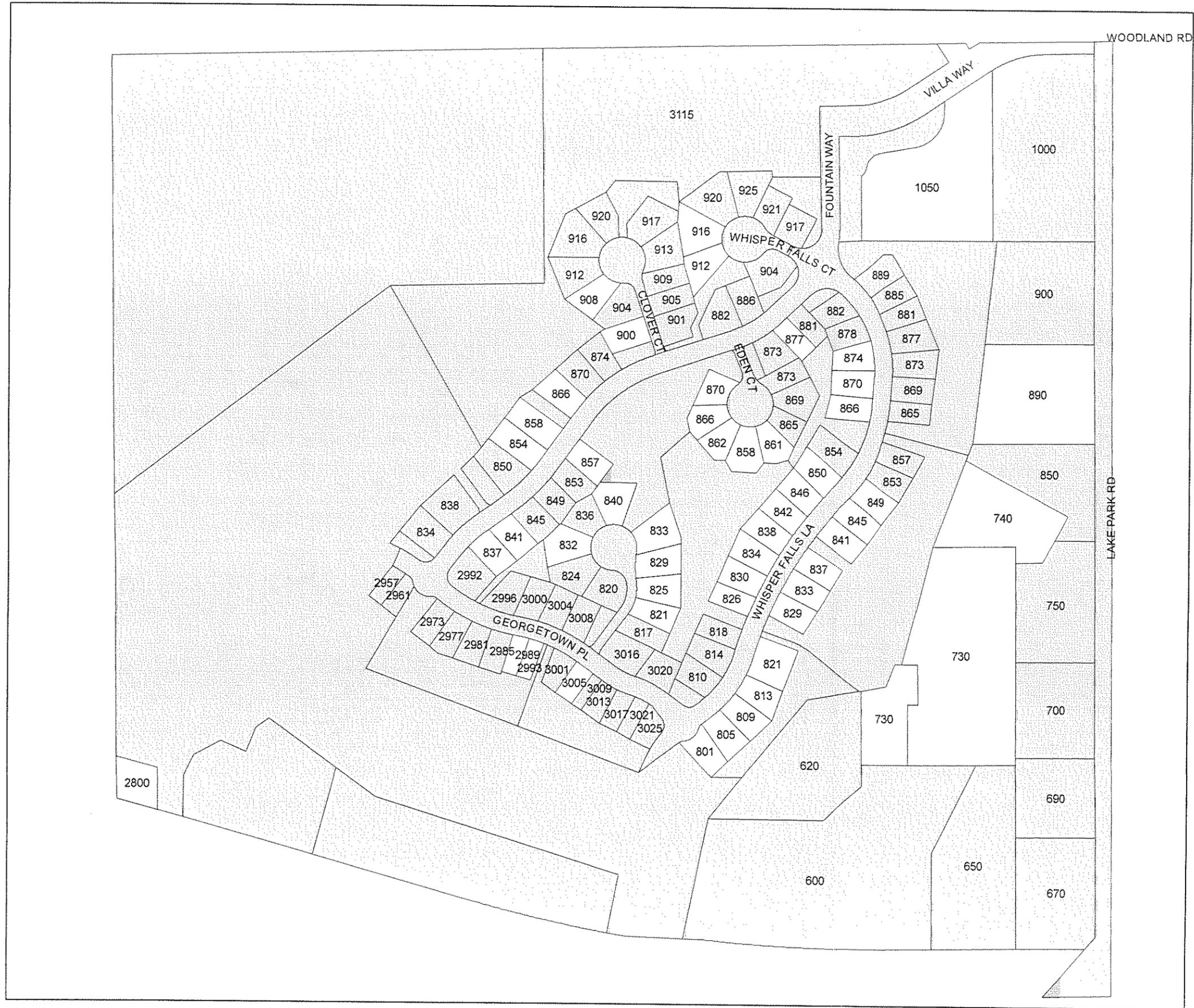
Deborah A. Galeazzi, City Clerk



Memorandum

TO: Common Council
FROM: Greg Keil, CDD *GK*
DATE: October 19, 2011
RE: RDA Finding Determining Blight

On Monday, October 17, 2011 the Menasha Redevelopment Authority determined the properties shown on the attached Exhibit A to be blighted within the meaning of Section 66.1333(2m)(bm) and hereby transmits its findings to the Common Council for its consideration relating to authorizing the RDA to acquire and assist in the redevelopment of the blighted properties.



**Exhibit A:
Determination of Blight -
Lake Park Villas and Vicinity**

*City of Menasha,
Calumet County, Wisconsin*



Legend

- Not Blighted
- Blighted

EXHIBIT B



City of Menasha • Department of Community Development

Memorandum

To: Redevelopment Authority
From: Greg Keil, CDD *GR*
Date: September 23, 2011
RE: Conditions Precedent to Preliminary Determination of Blight

A determination of blight is an essential first step for the acquisition of property by a redevelopment authority. It is now proposed that the Menasha Redevelopment Authority make such a determination with regard to the vacant land and unimproved residential and commercial lots in Lake Park Villas (see attached drawing).

The City of Menasha initiated the Lake Park Villas development in 2001 via a development agreement with Johnson Properties Services, LLC for real estate services, and granted them an exclusive option to purchase city-owned land. This agreement was subsequently assigned to WISCO Enterprises, LLP. Under this agreement, the city held the land costs and paid for the installation of infrastructure and amenities. The city received reimbursement for these expenses plus a percentage of the land sale price as lots were sold to third parties. The development plan called for the development to take place in four phases. Only the first two phases were completed, consisting of 16 commercial lots along Lake Park Road, and 116 residential lots.

Despite initial success in developing and marketing the property, the Lake Park Villas development has come to a standstill. The developer, WISCO fell into receivership as the result of internal conflicts and a softening housing market. The city has since engaged other real estate brokers to sell the city owned properties, but these efforts have met with little success as no lots have been sold since 2007.

Staff is proposing that the RDA make a preliminary determination of blight on the vacant lands and unimproved residential and commercial lots in Lake Park Villas. The basis for such a determination is under Sec. 66.1333, Wis. Stats. The definition of "blighted property" means "any property within a city, whether residential or nonresidential, which by reason of...obsolescence..., or the existence of conditions which endanger life or property by fire or other causes, or any combination of such factors, ...and is detrimental to the public health, safety, morals and welfare, or any property which by reason of faulty lot layout, in relation to size, adequacy, accessibility, usefulness, ...deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair market value of the land, defective or unusual conditions of title,...or any combination of such factors, substantially impairs or arrests the sound growth of a city, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use, or any property which is predominantly open

and which because of obsolete platting...deterioration of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community”.

Facts in support of this determination are as follows:

- Predominance of Open Land and Obsolete Platting
 - 20.4 Acres of the area included in TID #12 is part of the city owned area commonly referred to as Lake Park Villas. This area is not platted and cannot be developed unless it is platted.
 - 24.7 Acres within the Lake Park Villas Plat are contained within a single parcel. This area needs to be further subdivided in order to be developable for residential purposes.
 - 10.04 Acres within the Lake Park Villas Plat are contained within a single parcel. This area needs to be further subdivided in order to be developable for residential purposes.
- Faulty Lot Layout
 - The original plat of Lake Park Villas created lots that were not compatible with the market demand for home designs prospective purchasers were most interested in building. There were numerous certified survey maps and a replat of a portion of Lake Park Villas to reconfigure lots in an attempt to correct the platting deficiencies.
- Economic Liability
 - There are 16 Commercial Lots within Lake Park Villas, 10 of which are unimproved. Of the 10, 9 are owned by the city. The last time a vacant commercial lot was sold was over 6 years ago.
 - There are 112 residential lots within Lake Park Villas. Of this number, 66 are undeveloped, and 64 of them are owned by the city. The last time a vacant residential lot was sold was over 4 years ago.
 - The value of residential properties declined by \$1,773,600 from 2007 to 2011, a decrease of 12 percent.
 - The value of commercial properties declined by \$1,578,000 from 2007 to 2011, a decrease of 25 percent.
 - Approximately \$750,000 per year is placed on the general property tax levy to pay debt associated with the Lake Park Villas Development.
- Deterioration of Site Improvements
 - There has been substantial deterioration of site and other improvements. Most notably the pavement surface and curbing in the existing roundabouts, failure of pumps and electrical components in ponds, and deterioration of site landscaping and other amenities.
- Obsolescence
 - The presence of obsolescence is apparent in the two silos from long-discontinued agricultural use of the property, and a garage that formerly housed equipment used to maintain the property by a former developer.
- Defective or Unusual Conditions of Title
 - There are at least two parcels where there is dispute regarding conditions of title.

In my opinion, these factors when taken together provide substantial documentation for a determination of blight. If the RDA concurs with this finding, a process will be initiated to inform the owners of the vacant land and unimproved residential and commercial lots relative to the preliminary determination of blight. A public hearing will be held 20 days after notice of the hearing is sent, and persons will be provided an opportunity to present their comments on the preliminary determination of

blight. The RDA will then take action either to assert or set aside the blight determination. If the RDA asserts the determination of blight, a resolution will be advanced to the Common Council indicating the intended acquisition of the blighted area by the RDA. A 2/3 vote of the Common Council is required to approve such acquisition.