Menasha Redevelopment Authority
RESOLUTION 1-11

A RESOLUTION MAKING A FINAL DETERMINATION OF BLIGHT FOR CERTAIN PROPERTIES IN LAKE PARK VILLAS AND VICINITY.

WHEREAS, the City of Menasha Redevelopment Authority (RDA) has made a preliminary determination of blight for Lake Park Villas and vicinity as shown in Exhibit A; and,

WHEREAS, such determination was based on findings contained in a City of Menasha Community Development Department staff memorandum to the RDA dated September 23, 2011 and attached hereto as Exhibit B; and,

WHEREAS, property owners within the areas designated as blight were notified of such designation; and,

WHEREAS, a public hearing was held before the RDA on October 17, 2011; and,

WHEREAS, the RDA has considered comments of the public with respect to the preliminary determination of blight.

NOW THEREFORE, BE IT RESOLVED that the RDA of the City of Menasha hereby finds and declares that the properties receiving the preliminary designation of blight were properly designated under the criteria enumerated in Wis. Statues 66.1333, and;

BE IT FURTHER RESOLVED that the RDA hereby confirms the final determination of blight and that this finding be advanced to the Menasha Common Council for its consideration.

Passed and approved this _____ day of October , 2011.

_____
Menasha Redevelopment Authority

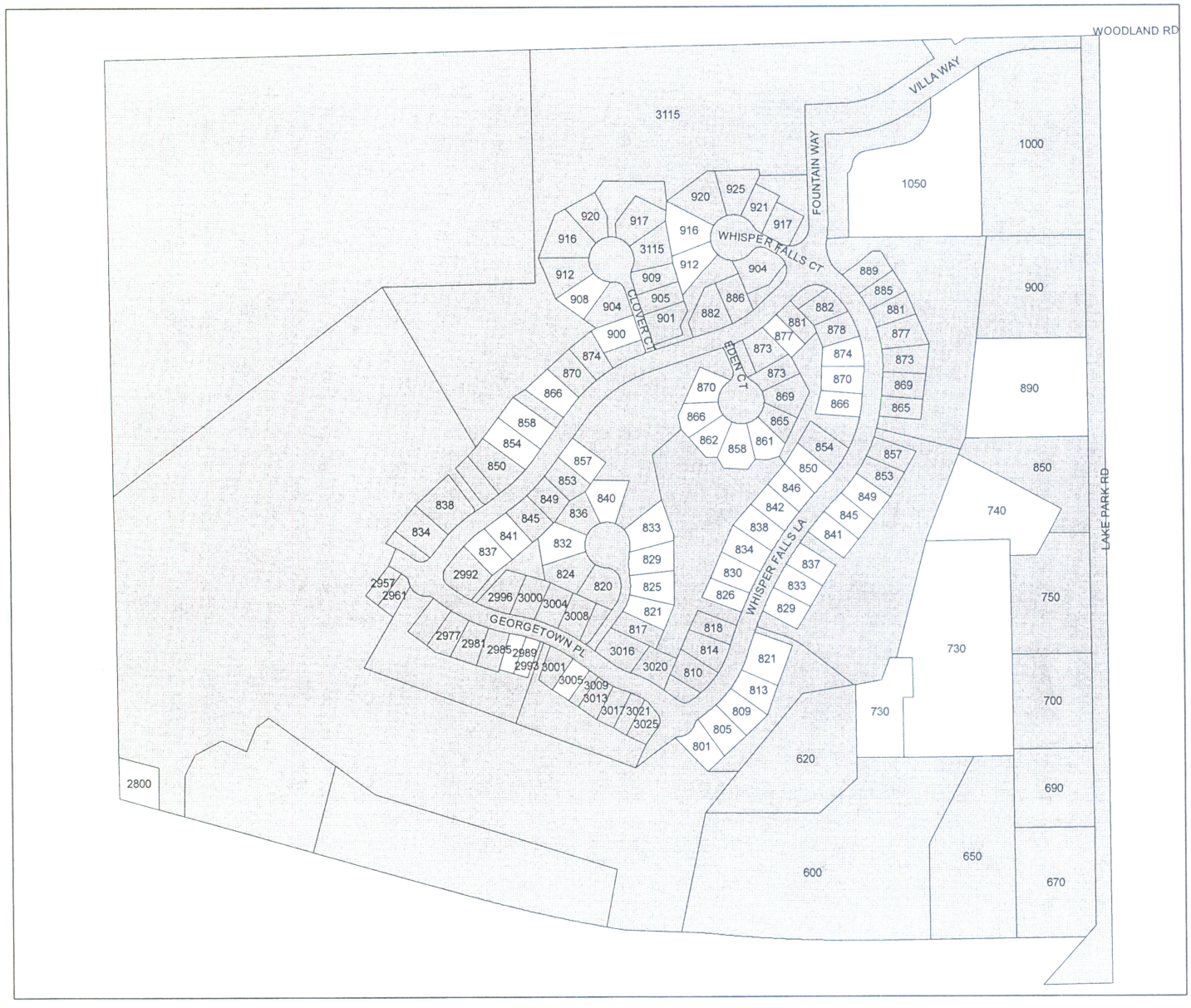

Exhibit A : Preliminary Determination of Blight -

Lake Park Villas and Vicinity

City of Menasha,
Calumet County, Wisconsin

Legend

- Not Blighted
- Blighted

EXHIBIT B

Menasha

Memorandum

To: Redevelopment Authority
From: Greg Keil, CDD GK
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 obsolesce 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.