

A quorum of the Administration Committee, Board of Public Works, Park Board, and/or Common Council may attend this meeting; (Although it is not expected than any official action of any of those bodies will be taken).

**CITY OF MENASHA  
REDEVELOPMENT AUTHORITY  
Council Chambers, 3<sup>rd</sup> Floor, City Hall  
140 Main Street, Menasha**

**July 23, 2014**

**6:00 PM**

**AGENDA**

*6:00 PM – Public Hearing – Determination of Blight – RR Donnelley Site and Vicinity*

A. CALL TO ORDER

B. ROLL CALL/EXCUSED ABSENCES

C. MINUTES TO APPROVE

1. [Minutes of the June 18, 2014 Redevelopment Authority Meeting](#)

D. PUBLIC COMMENTS ON ANY MATTER OF CONCERN ON THIS AGENDA

(five (5) minute time limit for each person)

E. DISCUSSION

1. Update on Land Purchase and Development Agreement – Mark Winter Homes, Inc.

F. ACTION ITEMS

1. [Final Determination of Blight – RR Donnelley](#)
2. Offer to Purchase – Community First Credit Union
3. Remove from Table, Disposition of Pond Lot – Sale to HOA
4. Amendment to Land Purchase and Development Agreement – Cypress Homes
5. Motion to Adjourn into Closed Session pursuant to Wis. Stats. §19.85(1)(e):  
Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. (477 Ahnaip Street and Vicinity – RR Donnelly)

G. ADJOURNMENT

**CITY OF MENASHA**  
**Redevelopment Authority**  
**Council Chambers, 3<sup>rd</sup> Floor, City Hall – 140 Main Street**  
**June 18, 2014**  
**DRAFT MINUTES**

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**A. CALL TO ORDER**

The meeting was called to order at 5:00 PM by Chairman Kim Vanderhyden.

**B. ROLL CALL/EXCUSED ABSENCES**

REDEVELOPMENT AUTHORITY MEMBERS PRESENT: Ald. Jim Englebert, Chairman Kim Vanderhyden, Bob Stevens, and Linda Kennedy.

REDEVELOPMENT AUTHORITY MEMBERS EXCUSED: Sue Smith, Gail Popp and Kip Golden.

OTHERS PRESENT: CDD Keil, PP Homan and DAS/Comptroller/Treasurer Steeno

**C. MINTUES TO APPROVE**

1. **Minutes of the May 12, 2014 Redevelopment Authority Meeting**

Motion by Ald. Englebert, seconded by Bob Stevens, to approve the May 12, 2014 Redevelopment Authority meeting minutes, with the following change: addition of CA Captain and DAS Steno as present..

The motion carried.

**D. PUBLIC COMMENT ON ANY ITEM OF CONCERN ON THIS AGENDA**

(five (5) minute time limit for each person)

No one spoke.

**E. DISCUSSION ITEMS**

1. **None.**

**F. ACTION ITEMS**

1. **Revisions to Land Purchase and Development Agreement – Mark Winter Homes, Inc.**

PP Homan reported that Mark Winter Homes lending institution would not accept a second position on the lot mortgage from the RDA to Mark Winter Homes, and therefore Mark Winter Homes is unable to proceed with the lot transaction. A memo from City Attorney Captain was distributed noting the relatively low risk the lending institution would be taking and recommending against the RDA taking a secondary position.

Authority members discussed options for limiting its risk, but there was consensus that it would be in the RDA's interest to have more model homes built.

Motion by Linda Kennedy, seconded by Kim Vanderhyden, to modify the Land Purchase and Development Agreement with Mark Winter Homes to enable the RDA to accept a second position on the mortgage and to add the following provisions:

1. That no more than two lots be purchased and financed by the RDA at any given time.
2. That the first lot be purchased on or before September 1, 2014, and that the last lot be purchased no later than September 1, 2019.
3. That construction of the model home commence no later than November 1, 2014

The motion carried.

2. **Potential Land Purchase and Development Agreement – Griffin Builders, Inc.**  
PP Homan had follow-up contact with Griffin Builders, Inc. and reported that they are not interested in proceeding with a model home at this time.

**G. ADJOURNMENT**

Motion by Ald. Englebert, seconded by Linda Kennedy to adjourn at 5:28 p.m.

The motion carried.

*Minutes respectfully submitted by Greg Keil, Community Development Director*

Menasha Redevelopment Authority  
RESOLUTION 1-14

A RESOLUTION MAKING A FINAL DETERMINATION OF BLIGHT FOR CERTAIN PROPERTIES OWNED BY RR DONNELLEY AND ITS VICINITY.

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

WHEREAS, the Redevelopment Authority of the City of Menasha has studied the facts and circumstances relating to 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 Wisconsin Statute 66.1333, (ii) the memorandum dated July 17, 2014 from the Community Development Department to the Common Council and attached hereto as Exhibit B 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 use of, the Properties of similar property, (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 RDA and by various staff of the City, and (vi) findings and determination by the Common Council and acknowledged by the RDA; 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 July 23, 2014; 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. Statutes 66.1333, and;

BE IT FURTHER RESOLVED that the RDA hereby confirms the final determination of blight.

Passed and approved this 23rd day of July, 2014.

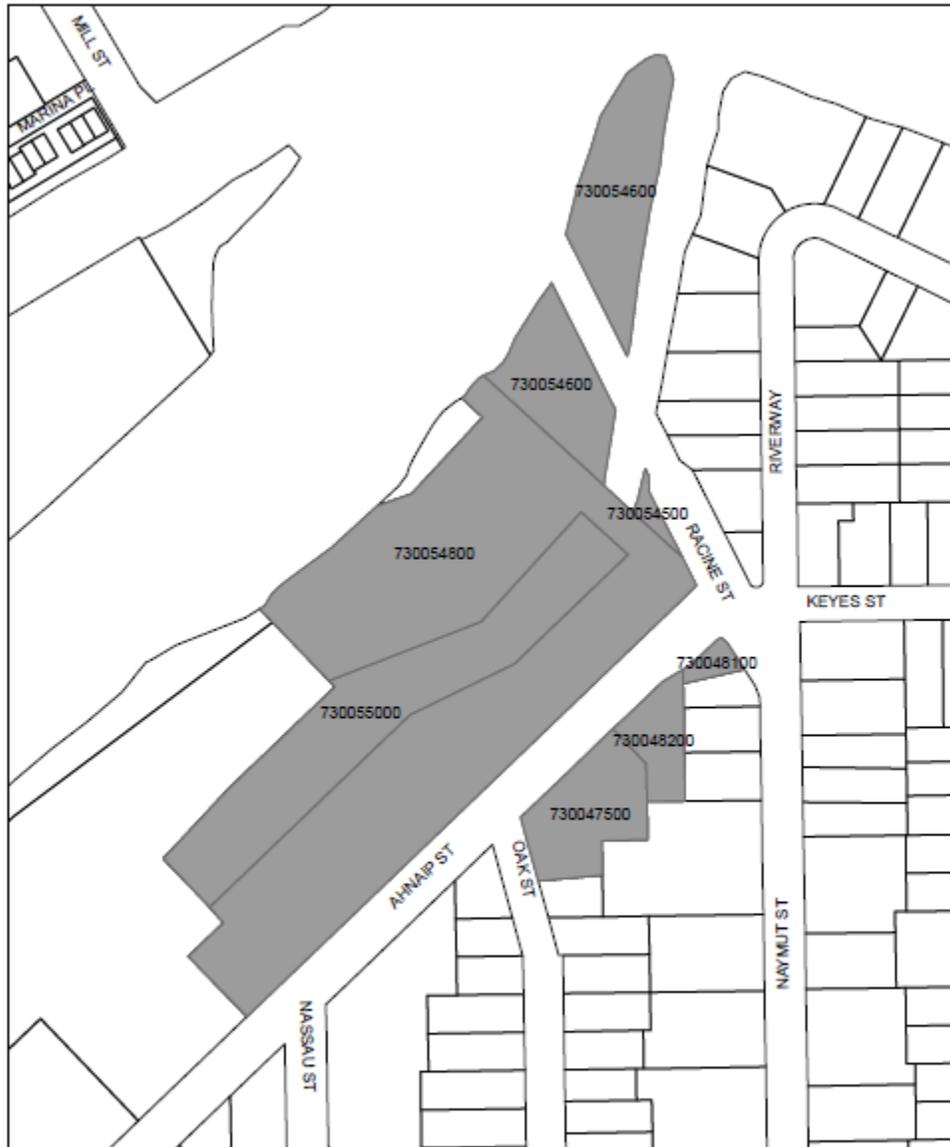
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Menasha Redevelopment Authority

EXHIBIT A

DESCRIPTION OF PROPERTIES

**Determination of Blight**



RR Donnelley and Vicinity  
City of Menasha,  
Winnebago County, Wisconsin



**Legend**

-  Blighted
-  Not Blighted

Numbers Denote Parcel ID

## EXHIBIT B



City of Menasha • Department of Community Development

### Memorandum

To: Common Council  
From: Greg Keil, CDD *GK*  
Date: July 17, 2014  
RE: Preliminary Determination of Blight - RR Donnelley Property and Vicinity - Ahnaip Street

The closure of the RR Donnelley printing facility on Ahnaip Street has presented an opportunity for the City of Menasha to acquire and redevelop the site and adjoining parcels. The Donnelley property consists of five parcels located both north and south of the Ahnaip Street right of way comprising about 7.2 acres. There are two other parcels, including the Lawson Canal, owned by Sonoco Products Company, and an adjacent parcel owned by the Neenah Menasha Water Power Company which occupy about 1.7 and 0.6 acres, respectively. The Redevelopment Authority of the City of Menasha has made a preliminary determination of blight as an initial step toward acquisition and redevelopment of these parcels.

To enable the acquisition and redevelopment of this property by the Redevelopment Authority, the Common Council must make certain findings and determinations as contained in the attached resolution relating to the determination of blight and authorization for the RDA to acquire the properties so designated. Upon approval of the resolution, the RDA will enter into negotiations with the property owners for acquisition. It is expected that these negotiations will deal with matters related to property appraisals, environmental assessments, land acquisition, site clearance and environmental remediation, if determined to be necessary. It is also expected that the RDA will engage private developers concerning the redevelopment and reuse of the property.

The Community Development staff recommends that the Common Council and RDA proceed with the acquisition of these properties for the following reasons:

1. In the two years since the printing operations have ceased RR Donnelley has not been able to find a viable purchaser for the property. As a manufacturing facility, this property is obsolete due to its location and the condition and configuration of buildings and site as a whole. Furthermore, the site and buildings are not conducive to conversion or rehabilitation into another use.
2. From 2008 to 2013 the value of the Donnelly property has declined nearly 65%, from \$1,744,900 to \$619,500. The buildings are minimally maintained, and further deterioration in building condition and value can be expected.
3. During that same time period, property values of the Winnebago County portion of the City of Menasha declined by \$68.8 million, which is about 8%. This points to the need for the city to aggressively pursue policies and take actions to promote private investment and reinvestment in properties.
4. As exhibited throughout the Fox Cities communities, major redevelopment projects require public-private partnerships to make them economically viable, and often require the infusion of other resources from grant programs, etc. The City and/or RDA have access to grant resources that are unavailable to private entities.

5. Ownership of the properties will give control of the redevelopment process to the RDA, and will enable the city to capture the increased value of the property as properties are sold. By way of comparison, the valuation of the Gilbert Site increased from \$297,000 to \$675,000 between 2013 and 2014, owing to the near completion of site clearance with the site now ready for reuse. Had the city owned the properties, it would have realized the gain in value through future lot sales, not the developer.
6. If acquired by a private developer, it is almost a foregone conclusion that the developer will be looking for assistance. To further the Gilbert example, the city has pledged \$675,000 in accrued TIF increment to the developers to clear the site and make improvements. The city has also invested somewhere around \$100,000 in planning and design work for the Gilbert Site and shoreline park over the past seven years.
7. Given its unparalleled location with respect to its orientation to the Fox River, Menasha dam, Lake Winnebago and the Lawson Canal, the Donnelley site offers superb site amenities, and, upon completion of site clearance and restoration, has the capacity to support a development with values in excess of \$10 million.
8. Investment of that magnitude will bring additional job and income opportunities to Menasha residents and will help stabilize the neighborhood and support other businesses in the downtown and elsewhere.

Upon authorization by the Common Council to proceed with the acquisition of the properties, the RDA will use due diligence to acquire the property with minimal risk to itself and the city. It is expected that the acquisitions will take place using "friendly condemnation", whereby the properties are taken through condemnation proceedings, but under terms that are mutually agreed to by the parties. This process enables the property to be taken by a municipal entity with an exemption from liability for any contamination present prior to its acquisition.

The environmental condition of the properties is presently unknown. The RDA will negotiate with the parties with respect to the performance of environmental assessments and will seek to protect itself and the city to the extent practicable from any unknown environmental liability. If environmental contamination is determined to be present, options for remediation will be considered based upon the availability of grant resources.

Land acquisition costs are unknown, although preliminary conversations with RR Donnelley suggest they will be minimal. Likewise, site clearance costs are unknown, but are likely to be in the range of \$300,000 to \$500,000. The split of cost between seller and buyer is to be negotiated by the RDA.

The financing of project costs will necessitate the creation of a tax increment finance district, with costs to be paid out of future TIF revenues. It is expected that initial costs would be financed from a city borrowing. Borrowed funds would be advanced to the RDA under a development agreement similar to what exists between the city and RDA for the Lake Park Villas development, and would be paid back to the city from TIF increment pledged to the RDA for repayment of the debt.

Despite there being unknowns, it is essential to move ahead with these processes at this time. Many steps need to be taken to achieve the goal of the Donnelley property being a premier development site and fulfilling its promise of a rich new tax base and job and income opportunities for our residents. We cannot anticipate all that will be required to make this happen, but it will require full participation in a cooperative effort among the RDA, Common Council and Plan Commission to move forward with the TIF creation and execution of agreements essential to the process.

COMMON COUNCIL  
OF THE  
CITY OF MENASHA, WISCONSIN

RESOLUTION  
R –19– 14

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

Introduced by Alderman Englebort.

WHEREAS, Section 66.133, Wisconsin Statutes, as amended (the “Act”), states that it is the policy of this state 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, the properties in the City described in Exhibit A attached hereto (the “Properties”) have been proposed as the site for various public improvements and private development projects; 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 July 23, 2014 the Authority will conduct a duly-noticed public hearing at which all interested parties will be afforded a full opportunity to express their views respecting this preliminary determination of blight for the Properties; and,

WHEREAS, the Authority has made preliminary findings that (i) found the Properties to be a “blighted properties” within the meaning of Section 66.1333(2m)(bm), Wisconsin Statutes, and (ii) submitted a preliminary blight determination of the Properties for the purpose of carrying out blight elimination and urban renewal projects to this Common Council for approval; and,

WHEREAS, in accordance with the Act, this Common Council now 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 and to promote redevelopment and urban renewal on the Properties; 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 and of similar 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 City staff members.

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

1. The Common Council hereby finds, determines and declares that the Properties are blighted properties within the meaning of Section (2m)(bm) of the Act which substantially impair or arrest the sound growth of the community.
2. The Common Council finds that a comprehensive redevelopment plan is not necessary to determine the need for the acquisition of the Properties, 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 July, 2014.

\_\_\_\_\_  
Don Merkes, Mayor

Attest:

\_\_\_\_\_  
Deborah Galeazzi, City Clerk