

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**

**Menasha City Center, Room 132
100 Main Street, Menasha**

August 1, 2017

5:00 PM

AGENDA

- A. CALL TO ORDER
- B. ROLL CALL/EXCUSED ABSENCES
- C. MINUTES TO APPROVE
 - 1. Minutes of the May 25, 2017 Redevelopment Authority Meeting
- D. PUBLIC COMMENTS ON ANY MATTER OF CONCERN ON THIS AGENDA
(five (5) minute time limit for each person)
- E. ACTION ITEMS
 - 1. Van's Construction Builders Credit Extension
- F. DISCUSSION
 - 1. Lot Sales Update
 - 2. Lot Reconfiguration/Consolidation
- G. ADJOURNMENT

If you have questions, please call the Community Development Department at
(920) 967-3650 between 8:00 AM – 4:00 PM, Monday through Friday.

CITY OF MENASHA
Redevelopment Authority
Council Chambers, 3rd Floor City Hall – 140 Main Street
May 25, 2017
DRAFT MINUTES

A. CALL TO ORDER

The meeting was called to order at 5:30 pm by Chairmen Kim Vanderhyden.

B. ROLL CALL/EXCUSED ABSENCES

REDEVELOPMENT AUTHORITY MEMBERS PRESENT: Kim Vanderhyden, Ald. Rebecca Nichols, Bob Stevens, Linda Kennedy, and Gail Propp.

REDEVELOPMENT AUTHORITY MEMBERS EXCUSED: Kip Golden.

OTHERS PRESENT: Richard DeKleyn (Coldwell Banker).

C. MINUTES TO APPROVE

1. Minutes of the May 2, 2017 Redevelopment Authority Meeting

Motion to approve the May 2, 2017 Redevelopment Authority meeting minutes as presented made by Linda Kennedy, seconded by Kim Vanderhyden. Motion carried unanimously.

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

No one spoke.

E. DISCUSSION

There were no discussion items.

F. ACTION ITEMS

1. Offer to Purchase – 917 Clover Court / Lake Park Villas Lot 5R

CDD Buck introduced an Offer to Purchase for 917 Clover Court / Lake Park Villas Lot 5R. Dennis Chuchel, the prospective buyer of Lot 70, whose offer to purchase came before the Redevelopment Authority at the May 2, 2017 meeting is now making an offer to purchase on Lot 5R. The reason for the new offer is that following the RDA's acceptance of Mr. Chuchel's previous offer, Van's Realty and Construction exercised their Right of First Refusal on Lot 70 as dictated in the Land Purchase and Development Agreement dated September 14, 2016 between Van's and the RDA. Van's will receive Lot 70, with terms matching those included in Mr. Chuchel's offer. Therefore, Lot 70 is no longer available.

Mr. Chuchel has now come forward with the current offer of \$35,900 for 917 Clover Court / Lake Park Villas Lot 5R with the stipulation that a building permit will be obtained

within one year of the closing on the lot. CDD Buck explained that the offer is approximately 10% below the listed asking price of \$39,900. Staff recommends acceptance of the offer.

Authority members discussed the terms and stipulation of the offer as well as comparable offers and previously approved development agreements in Lake Park Villas.

Motion to accept the Offer to Purchase as presented was made by Linda Kennedy, seconded by Gail Propp. Motion carried unanimously.

2. Offer to Purchase – 3020 Georgetown Place / Lake Park Villas Lot 110

CDD Buck introduced an Offer to Purchase for 3020 Georgetown Place / Lake Park Villas Lot 110. There was an error on the Agenda stating that the address of Lot 110 was 2030 Georgetown Place when in fact it is 3020. Prospective buyers, Don and Sue Jengen, wish to purchase 3020 Georgetown Place / Lake Park Villas Lot 110 for \$32,500. The listing price for the lot is \$39,900. Offers less than the listing price are subject to RDA approval.

CDD Buck stated that the proposed purchase price is approximately 18.5% below the listed asking price and does not contain any contingency related to timing of obtaining a building permit. CDD Buck explained that the pricing of lots owned by the Authority in the Villas are set in three tiers: \$44,900; \$39,900; and \$35,900 based on location, size and quality. The Redevelopment Authority has not previously accepted individual lot offers less than \$35,000 per lot and then only when multiple lot purchases were proposed. Additionally, these offers have been governed by development agreements that contain stipulations on timing of construction, minimum square footage and/or guaranteed value as well as also typically including a building incentive. CDD Buck and Richard DeKleyn, RDA's Real Estate Agent both cautioned the RDA that acceptance of low offers could set a precedent for future offers unless there are particular factors related to the individual lot that the RDA could base their consideration upon.

Authority members discussed the terms of the offer, historic lot sales within the Villas, and how discounted sales prices could affect the integrity of TID #12. Linda Kennedy made the motion to counter the offer at a price of \$35,900, add a stipulation that the buyer obtain a building permit within one year of the closing on the lot, and add the provision that the buyer acknowledges and understands the Lake Park Villas Homeowners Association Covenants for Residential Properties; Lake Park Villas-Phase II Revised Rules and Regulations; Drainage Plan B-350-1 & B350-2; and the Lake Park Villas Home Standards.

Motion was seconded by Gail Propp. Motion carried unanimously.

G. Adjournment

Ald. Rebecca Nichols motioned to adjourn the meeting at 6:05 pm. Motion was seconded by Linda Kennedy. Motion carried unanimously.



MEMORANDUM

Date: August 1, 2017

To: Redevelopment Authority

From: Community Development Department/DB

RE: First Amendment to Land Purchase and Development Agreement by and between the City of Menasha and Van's Realty and Construction

In September of 2016, the Redevelopment Authority entered into a Land Purchase and Development Agreement with Van's Realty and Construction for the purchase and certain lots in the subdivision at Lake Park Villas (attached). According to the terms of the agreement, the following obligations are to be met by each respective party:

- Van's is to purchase five lots from the RDA by December 31, 2016. The lots are identified as follows: 91, 108, 19R, 124, and 21R. The purchase price for the lots will be \$35,000 each.
- Van's will retain an option to purchase and first right of refusal for five additional lots until December 31, 2018 that are identified as follows: 70, 81, 4CSM3511, 123 and 125. The same terms will apply to these five lots as the first five if acted upon. Should the RDA receive an offer to purchase from a third party for one of the five identified lots, Van's will have to meet or exceed their offer. If a third party is to purchase one of the lots that Van's has options on, Van's has the ability to substitute another lot from the Lake Park Villas subdivision.
- Van's will build homes on each lot purchased within one year of closing with the RDA.
- Each home purchased by Van's shall be at least 1,400ft². At least two of the first five homes must be 1,600ft².
- Upon completion of each home and sale to a third party buyer, Van's will be credited with a \$10,500 "builder's credit" for each lot. In order to qualify for the credit, the sale price for each home must exceed \$200,000.

Van's Realty and Construction has purchased lots 91, 108, 19R, 124, and 21R as well as executed an option for the purchase of lot 70 with an excepted offer to purchase. Van's has constructed two of the five homes and are concerned they will be unable to meet their obligation of constructing all five homes within 2017 and would subsequently lose the builders credit. Van's has stated that the construction schedule has been hindered

primarily due to timing issues associated with the purchase of the lots, difficult weather conditions over the winter and spring, and roadway weight limits which has made it extremely difficult to meet the December 31, 2017 timeframe for construction. Van's currently have permits ready for the construction of the remaining three homes and has communicated to the city that they will likely be completed by the summer of 2018.

At this time, Van's Realty and Construction is requesting an amendment to the Land Purchase and Development Agreement extending the timeframe for construction of homes on each of the first five lots purchased from December 31, 2017 to December 31, 2018.

Staff Recommendation

Community Development staff is recommending approval of the First Amendment to the Land Purchase and Development Agreement with Van's Realty and Construction, dated September 14, 2016 in order to continue development of the Lake Park Villas subdivision and build new homes for residents in the City of Menasha.

LAND PURCHASE AND DEVELOPMENT AGREEMENT

This Land Purchase and Development Agreement (hereinafter AGREEMENT) is made and entered into as of the 14th day of September, 2016, by and between the Redevelopment Authority of the City of Menasha, Wisconsin, a Wisconsin municipal corporation with its principal offices located at 140 Main St., Menasha, Wisconsin 54952 (hereinafter "RDA"), and Van's Realty and Construction of Appleton, Inc., a Wisconsin corporation with its principal offices located 2525 Oneida St., Appleton, WI 54915 (hereinafter "Vans").

RECITALS

Whereas: Vans submitted a Letter of Intent to the RDA for the acquisition of certain rights in and to 10 lots within the Lake Park Villas Phase II Subdivision (LPVP II) listed as follows: 81, 70, 4CSM3511, 19R, 108, 124, 125, 91, 21R, 123, hereinafter referred to individually "Lot" or collectively "Lots"; and

Whereas: Vans has requested certain incentives from the Redevelopment Authority of the City of Menasha (RDA) to facilitate the purchase of said Lots, development of homes and to market the developed properties within LPVP II; and

Whereas: The RDA has obligations under its development agreement with the City of Menasha to promote the development of the LPVP II and to market and sell properties contributed from the city to the RDA; and

Whereas: The RDA has determined that the provision of incentives to Vans is necessary to stimulate the sale of Lots and construction of homes in LPVP II.

ARTICLE I PURPOSE

SECTION 1.01. PURPOSE OF AGREEMENT. The purpose of this Agreement is to facilitate the sale, development and marketing of certain properties within LPVP II by Vans. The recitals are incorporated herein by reference.

ARTICLE II OBLIGATIONS

SECTION 2.01. PURCHASE RIGHTS AND OBLIGATIONS.

SECTION 2.01.1. Purchase. On or before December 31, 2016, Vans agrees to purchase five of the Lots, specifically: 91, 108, 19R, 124, and 21R from the RDA for the purchase price of \$35,000 for each Lot (less the Builder Credit).

SECTION 2.01.2. Option to Purchase. Vans shall have the Option to Purchase the additional five Lots, specifically: 70, 81, 4CSM3511, 123 and 125 (hereinafter referred to individually an "Option Lot" and collectively the "Option Lots") until December 31, 2018 for the purchase price of \$35,000 for each lot. Vans' Option to Purchase shall be

exercisable by written communication and delivered by mail, personally, or electronic means to RDA.

SECTION 2.01.3. Right of First Refusal. If RDA receives an offer to purchase any of the Option Lots from a third party prior to Vans having exercised its Option to Purchase, Vans shall have a Right of First Refusal to purchase any such Option Lot, provided that the conveyance shall be subject to the terms of the third party offer and at the purchase price offered by the third party. Vans Right of First Refusal shall be exercisable by written communication within 72 hours after Vans receives written notice of the third party offer from RDA and shall be delivered by mail, personally, or electronic means to RDA or the Right of First Refusal shall be deemed waived with respect to the third party offer. If the third party offer does not close, then Vans shall retain its Option to Purchase and Right of First Refusal on the Option Lot.

SECTION 2.01.4. Substitute Option Lot. If Vans elects not to exercise its Option to Purchase or Right of First Purchase and the RDA transfers an Option Lot to a third party, then Vans shall have the right to identify and substitute a replacement Option Lot within the LPVP II which shall then be subject to the terms and conditions of this Agreement, including Vans' Option to Purchase and Right of First Purchase as if it was specifically identified herein.

SECTION 2.01.5. Conveyance. All transfers to Vans hereunder shall be by Warranty Deed from RDA conveying title free of all liens and encumbrances (except easements and restrictions of record, including but not limited to the Lake Park Villas Home Owners Association covenants and restrictions), and RDA and Vans shall assume customary rights and obligations of buyers and sellers up to and including closing.

SECTION 2.02. PAYMENT; SECURITY. For each Lot purchased, Vans shall either pay cash at closing or Vans shall execute a Promissory Note in favor of the RDA in the amount of the Purchase Price. The terms of the Promissory Note shall be 0% interest per annum until paid in full except in the case of a default, then interest shall be 5% per annum from the date of execution until paid in full. Vans shall be required to pay the outstanding balance of each Promissory Note in full for each lot sold or transferred, prior to or at the time of each closing between Vans and its immediate successor in interest to the Lot using first proceeds for said payment or 1 year from the date of execution of the Promissory Note, whichever comes first. As security for said Promissory Note(s), Vans shall give RDA a first mortgage position.

SECTION 2.03. CONSTRUCTION. Vans agrees to construct homes on each Lot purchased within the LPVP II from the RDA within one year of closing:

SECTION 2.03.1. Construction of homes on each of the first five lots purchased shall be completed no later than December 31, 2017, and shall be demonstrated by receipt of a certificate of occupancy for each home.

SECTION 2.03.2. Each home shall be at least 1,400 square feet exclusive of garage and basement floor space. Two of the homes shall meet or exceed 1600 square feet exclusive of garage and basement floor space.

SECTION 2.03.3. Each home shall be constructed in accordance with the LPVP II Home Construction Standards.

SECTION 2.04. TAXES. It is understood that the land and improvements resulting from the acquisition and subsequent construction of homes on the Lots shall be subject to property taxes. Vans shall pay when due all federal, state and local taxes in connection with the Lots and homes thereon constructed.

SECTION 2.05. CONDITION. Except as provided herein, the Lots shall be conveyed in "as is" physical condition. The RDA is not responsible for any subsequent remediation, demolition, underground debris, or other clean-up costs after conveyance.

SECTION 2.06. RECORDING. This Agreement may not be recorded with the register of deeds. A memorandum of this Agreement shall be executed by both parties and recorded with the register of deeds to provide record notice of Vans' interest in the Lots in the form attached hereto; Van's shall bear the recording fee.

ARTICLE III BUILDER CREDIT

SECTION 3.01. BUILDER CREDIT. As long as Vans is not in default of its obligations under this Agreement or any terms of the Promissory Note(s), RDA agrees to provide Vans a "Builder Credit" against any amount owed to RDA under a Promissory Note which applies to a respective Lot based on the sale price of such respective Lot and improvements thereon from Vans to a third party. The Builder Credit shall be calculated as follows:

- \$10,500 credit if the sale price meets or exceeds \$200,000.
- There shall be no credit applied if the sale price is below \$200,000.

SECTION 3.02. CONDITIONS TO CREDIT. There is no cash value of the Builders Credit. It is only available to Vans, and it is only available as a credit against the amounts due on the Promissory Note which applies to the respective Lot improved and for which a credit is due under Section 3.01, above. The credit available to Vans under this section shall terminate upon the sale and transfer of the last Lot from Vans to a third party or on December 31, 2020, whichever occurs first.

ARTICLE IV MISCELLANEOUS PROVISIONS

SECTION 4.01. NO ASSIGNMENT. The rights, duties and obligations of the any of the parties hereunder may not be assigned without the written consent of both parties to the assignment.

SECTION 4.02. SURVIVAL. The terms of this Agreement shall survive closing on the Lots. Any provision of this Agreement which has not been fully performed prior to transfer of possession shall not be deemed to have been terminate, but shall survive unless expressly waived in writing, and shall be in full force and effect until performed.

SECTION 4.03. NO SUBORDINATION. The RDA shall not subordinate any interest it has in this Agreement for any reasons, unless it is determined to be in the best interests of the RDA.

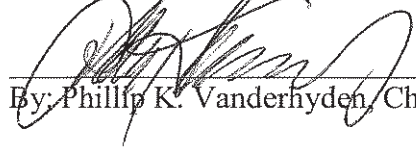
SECTION 4.04. SEVERABILITY. If any provisions of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

SECTION 4.05. CERTIFICATE OF COMPLETION. Upon completion of the improvements by Vans and review of the improvements by RDA, the RDA will provide Vans with an appropriate instrument certifying that the improvements have been made in accordance with this Agreement.

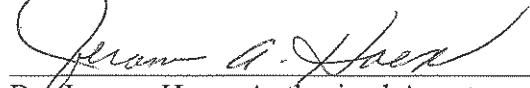
SECTION 4.06. TERMINATION. This agreement shall terminate upon the sale and transfer of last Lot from Vans to a third party or on December 31, 2020, whichever comes first.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the 14th day of September, 2016.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF MENASHA


By: Phillip K. Vanderhyden, Chairman

VAN'S REALTY AND CONSTRUCTION OF APPLETON, INC.


By: Jerome Haen, Authorized Agent

FIRST AMENDMENT TO LAND PURCHASE AND DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF MENASHA, WISCONSIN, AND VAN'S REALTY
AND CONSTRUCTION OF APPLETON, INC
DATED AS OF SEPTEMBER 14, 2016

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT, executed in Menasha, Wisconsin on this ____ day of August, 2017, is made effective between the City of Menasha and Van's Realty and Construction of Appleton, Inc. The Development Agreement by and between the parties dated as of September 14, 2016 is amended as follows:

1. As to ARTICLE II, SECTION 2.03, after the sentence "Vans agrees to construct homes on each Lot purchased within the LPVP II from the RDA within one year of closing" add the following: This requirement does not apply to the first five lots purchased by Vans on November 15, 2016.
2. As to ARTICLE II, SECTION 2.03.1, change the sentence "Construction of homes on each of the first five lots purchased shall be completed no later than December 31, 2017, and shall be demonstrated by receipt of a certificate of occupancy for each home." to "Construction of homes on each of the first five lots purchase shall be completed no later than December 31, 2018, and shall be demonstrated by receipt of a certificate of occupancy for each home."
3. All other terms and conditions set forth in the Development Agreement dated September 14, 2016 shall remain the same.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF MENASHA

By: Phillip K. Vanderhyden, Chairman

VAN'S REALTY AND CONSTRUCTION OF APPLETON, INC.

By: Jerome Haen, Authorized Agent



MEMORANDUM

Date: August 1, 2017
To: Redevelopment Authority
From: Community Development Department/DB
RE: Lake Park Villas Lot Sale Update

This memo is an update on Redevelopment Authority (RDA) owned lot sales within Lake Park Villas subdivision.

To date in 2017, the RDA has sold or received accepted offers to purchase on five residential lots in the Lake Park Villas subdivision. The properties include:

Address	Lot Number	Date Transferred	Buyer	Purchase Price
925 Whisper Falls Court	2R	4/10/17	James Brown	\$39,900
3020 Georgetown Place	5R	6/15/17	Dennis & Nancie Churchel	\$35,900
917 Clover Court	110	6/30/17	Don & Sue Jungen	\$35,000
913 Clover Court	70	Pending-Closing date TBD	Van's Realty & Construction	\$32,900
820 Kelsey Brook Court	121	Pending-Closing August 1, 2017	Richard & Mary Vander Wyst	\$39,900

After these recent lot sales, the RDA remains owner of 48 of the 112 residential lots (43%) in the Lake Park Villas subdivision (see attached map).

Richard DeKleyn with Coldwell Banker, The Redevelopment Authorities real estate consultant, will be in attendance at the RDA meeting to provide an update on activities related to marketing the properties within the subdivision. The RDAs listing Agreement with Mr. DeKleyn runs from May 2, 2017 through May 2, 2018.

Lot Pricing And Availability

Lake Park Villas Homeowners' Association

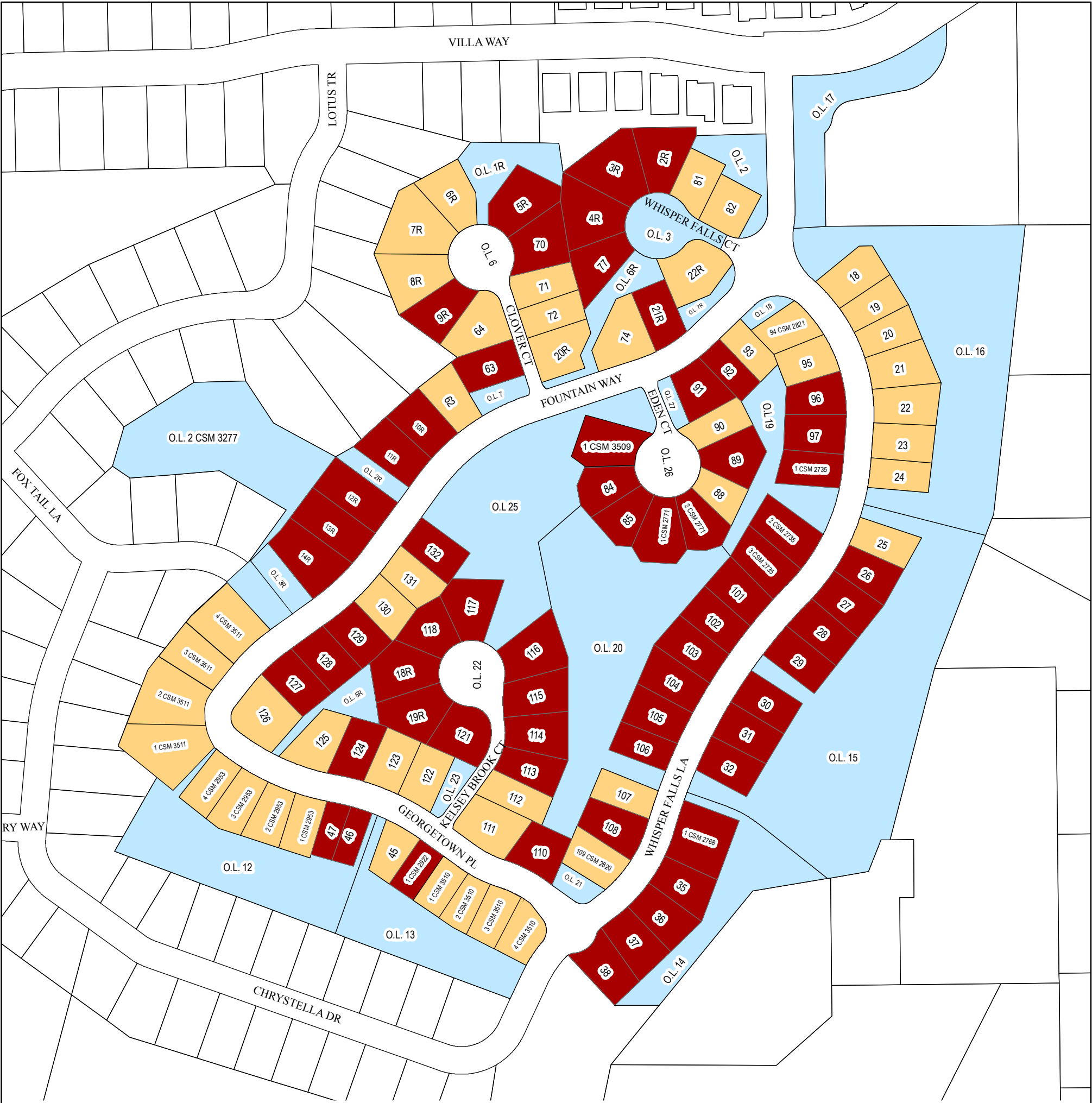
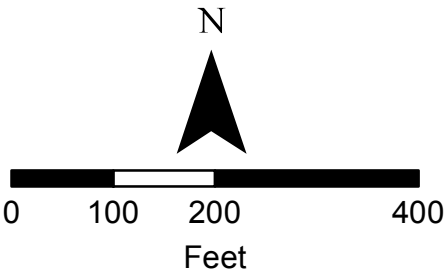
Legend

- Sold Lots
- Available Lots
- Auxiliary Lots

CSM Certified Survey Map

O.L. Outlot

R Replat of Lots 1, 2, 55-61, 65-69, 73, 75, 76, 78-80, 119, 120, Outlots 4-5, Outlots 8-9 and Outlot 24 of Lake Park Villas



LOT	LIST PRICE	LOT	LIST PRICE	LOT	LIST PRICE	LOT	LIST PRICE	LOT	LIST PRICE
18	\$44,900	2 CSM 3510	\$39,900	4 CSM 3511	\$39,900	22R	\$39,900	111	\$39,900
19	\$44,900	1 CSM 3510	\$39,900	62	\$35,900	81	\$39,900	112	\$39,900
20	\$44,900	45	\$39,900	64	\$35,900	82	\$39,900	122	\$39,900
21	\$44,900	1 CSM 2953	\$39,900	8R	\$39,900	88	\$39,900	123	\$39,900
22	\$44,900	2 CSM 2953	\$39,900	7R	\$39,900	90	\$44,900	125	\$44,900
23	\$44,900	3 CSM 2953	\$39,900	6R	\$39,900	93	\$44,900	126	\$35,900
24	\$44,900	4 CSM 2953	\$39,900	71	\$35,900	94 CSM 2821	\$39,900	130	\$35,900
25	\$44,900	1 CSM 3511	\$44,900	72	\$35,900	95	\$44,900	131	\$35,900
4 CSM 3510	\$35,900	2 CSM 3511	\$44,900	20R	\$35,900	107	\$39,900		
3 CSM 3510	\$39,900	3 CSM 3511	\$39,900	74	\$39,900	109 CSM 2820	\$39,900		