

**CITY OF MENASHA
Redevelopment Authority
100 Main Street-Room 132/133
August 31, 2017
MINUTES**

A. CALL TO ORDER

The meeting was called to order at 5:00 pm by Chairmen Kim Vanderhyden.

B. ROLL CALL/EXCUSED ABSENCES

REDEVELOPMENT AUTHORITY MEMBERS PRESENT: Kim Vanderhyden, Ald. Rebecca Nichols, Linda Kennedy, and Matt Vanderlinden.

REDEVELOPMENT AUTHORITY MEMBERS EXCUSED: Kip Golden, Bob Stevens, and Gail Propp.

OTHERS PRESENT: CDD Buck, CA Captain, ASD Jacobs, Mayor Merkes, Alderman Sevenich, Alderman Taylor, Alderman Krueger, Alderman Zelinski, Alderman Collier, Mike Karisny (Acre Realty), and Phil Sternig (Van's Realty and Construction).

C. MINUTES TO APPROVE

1. Minutes of the August 1, 2017 Redevelopment Authority Meeting

Motion to approve the August 1, 2017 Redevelopment Authority meeting minutes as presented made by Linda Kennedy, seconded by Matt Vanderlinden. Motion carried.

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

Mike Karisny (Acre Realty) stated that the size, configuration and yard placement of Lot 90 of Lake Park Villas subdivision is making it difficult for Van's Realty and Construction to sell a home that they have constructed on adjoining Lot 91. He wishes to propose that the RDA consider either combining it with neighboring lots or turning it into an Outlot.

Phil Sternig (Van's Realty and Construction) shared photographs of LOT 90 and 91 of the Lake Park Villas subdivision and the relationship between the home and the neighboring lot line. He stated that construction on Lot 90 will be difficult and a challenge to sell. He added that a similar situation exists on Lot CSM 2821.

E. ACTION ITEMS

The RDA agreed to take up Action Item 2 before Action Item 1.

- 2. Offer to Purchase – Lake Park Villas Phase II Subdivision Lot 70/913 Clover Court – Van's Realty and Construction of Appleton, Inc.**

CDD Buck stated that after receiving an offer to purchase Lake Park Villas Phase II Subdivision Lot 70/913 Clover Court from an independent buyer/third party, Van's Realty and Construction exercised their option to purchase the property at the same price offered by the independent buyer. Based upon the provisions of the development agreement, Vans shall have a right of first refusal to purchase any such Option Lot, subject to the same terms of the third party offer and at the purchase price offered by the third party and accepted by the RDA. Meaning if the 3rd party did not include the provision that a promissory note be granted rather than cash at closing in addition to not including a builder's credit, Van's would also not be granted this flexibility. There was confusion on Van's part, who felt that they would not only be entitled to the accepted purchase price but also to receive the builder's credit and be able to use a promissory note rather than cash at closing. At this time, Van's is requesting that the RDA allow them to provide a promissory note/security rather than cash at closing.

Discussion took place regarding the availability of lots within the Villas and the merit of requiring cash at closing and provision of the builder's credit.

Motion to approve the request by Van's Realty and Construction of Appleton, Inc. to use a promissory note/security rather than cash at closing, as referenced in 2.02 of the Land Purchase and Development Agreement in order to continue development of the Lake Park Villas subdivision as presented was made by Ald. Rebecca Nichols, seconded by Kim Vanderhyden. Motion carried unanimously.

1. Real Estate Purchase – 460 Ahnaip Street (RR Donnelley)

CDD Buck went over the background associated with the potential real estate purchase of the former RR Donnelley property at 460 Ahnaip Street. He explained the timing of the blight determination and development and execution of the land purchase agreement. As required by the agreement, RR Donnelley supplied the City a Phase I Environmental Review, which the City reviewed and subsequently requested additional site investigation. At that time the City asked for and received clarification from the Wisconsin DNR that the City would, based on how the property was proposed to be acquired, is eligible for Local Government Unit (LGU) exemption. In August of 2017, the City received a copy of the Limited Site Investigation Report prepared by Terracon, environmental consultants of RR Donnelley that described investigative work done and provided a proposed site investigation work plan and preparation of a site investigation/remediation action plan.

CDD Buck and CA Captain described the results of the report and mentioned that OMNI Associates, the City's environmental consultant reviewed the Limited Site Investigation Report. In their correspondence, OMNI Associates indicated that they were surprised at the lower than expected levels of contamination at the site and stated in their review that, depending on how the property is redeveloped, achieving closure identified by Terracon based on their work to date may not require remedial efforts beyond additional investigation. CDD Buck stated that when there is development onsite that other remediation or creative site design will likely be needed.

At this time, staff is recommending moving forward with the acquisition of the property per the Purchase and Sale Agreement with the following conditions:

1. The site investigation work plan must not be limited to only industrial future uses; and

2. Wisconsin Department of Natural Resources approval/acceptance of an environmental remediation action plan that will result from further site investigation

Discussion about whether RR Donnelley would be willing to do further site investigation and create a remediation action plan took place and staff indicated that there will need to be discussion with RR Donnelley representatives and that we will likely need to modify the sale and purchase agreement because of the lack of a remediation action plan being supplied and that there was a limited amount of funds associated for environmental investigation in the current agreement.

RDA discussion took place regarding scenarios related to finding additional contamination, types of funding that could be utilized for potential clean-up activities, Local Government Unit exemption status and what that means, timing and process for environmental work needed when a developer comes forward to redevelop the site, conditions of the current land purchase and sale agreement, impacts the reconstruction of the Racine Street Bridge could have on the property, and risks associated with the property acquisition based on having only limited knowledge of the environmental issues at the site. Additional discussion on the current industrial zoning and potential reuse of the property, whether controlled by the RDA or not, was had. The process moving forward would consist of informing the common council of the situation and working with RR Donnelley attorneys on changes to the sale and purchase agreement. If changes could not be agreed upon, the RDA may need to meet again quickly to discuss the item again.

The RDA agreed that they remain interested in acquisition but that there is need to work on additional investigation and to create of a DNR acceptable remediation action plan.

Motion to approve Kim Vanderhyden move forward with the acquisition of the RR Donnelley and Sons property at 460 Ahnaip Street with the following conditions:

1. The site investigation work plan proposed by Terracon, environmental consultant for RR Donnelley and Sons, must not be limited to only industrial future uses
2. Wisconsin Department of Natural Resources approval/acceptance of an environmental remediation plan resulting from further site investigation.

Motion was seconded by Ald. Rebecca Nichols. Motion carried unanimously.

2. Discussion

No Discussion.

3. Adjournment

Linda Kennedy motioned to adjourn the meeting at 5:58 pm. Motion was seconded by Ald. Rebecca Nichols. Motion carried unanimously.

Minutes respectfully submitted by CDD Buck.