

*****ATTACHMENTS*****

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: R.O. No. 159-18-19: Request from the City Administrator requesting the use of three of the city's free Blue Harbor Conference Center days to host the 2019 Wisconsin City / County Management Association Winter Conference February 27 – 28 and March 1, 2019.

REPORT PREPARED BY: Darrell Hofland, City Administrator

REPORT DATE: October 15, 2018

MEETING DATE: November 12, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The City of Sheboygan has an opportunity to host the annual winter conference of the Wisconsin City / County Management Association (WCMA). The conference participants consist of city and county managers and staff from the entire state of Wisconsin and northern Illinois. In order for Sheboygan to secure the conference, receiving the free conference center days is beneficial to help create a quality event to showcase the city to its peers across the state. Historically, the city has allocated usage of free conference center days for events that city staff members are involved in organizing.

STAFF COMMENTS:

The city staff estimates the annual usage of free days to be approximately eight per year. These free days are provided in the development agreement since the city owns the conference center and Blue Harbor operates it on the city's behalf. To date, the city has received requests for use of six free days during 2019. These requests include Rockets for Schools, May 9 - 11, and the Great Lakes and St. Lawrence Cities Initiative, June 4 -11. Hosting events such as these mentioned above allow the city to showcase many of the amenities and features Sheboygan has to offer.

ACTION REQUESTED:

Motion to recommend the Common Council approve R.O. No. 159-18-19 to allocate three free conference center days to host the WCMA 2019 Annual Winter Conference.

ATTACHMENTS:

- I. R.O. No. 159-18-19

II

3.3

R. O. No. 159 - 18 - 19. By CITY ADMINISTRATOR. November 5, 2018.

Submitting a communication from Darrell Hofland on behalf of the Wisconsin City / County Management Association requesting three of the City days for 2019 for the Wisconsin City / County Management Association Winter Conference at Blue Harbor.

Finance +
Personnel

CITY ADMINISTRATOR

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 116-18-19 by Alderpersons Wolf and Bohren. A resolution terminating the current agreement with the Armory Community Project for redevelopment of the former Sheboygan Municipal Armory.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: November 6, 2018

MEETING DATE: November 12, 2018

FISCAL SUMMARY:

Budget Line Item: \$53,940
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

Per the developers agreement executed between the City of Sheboygan and Armory Community Project, Inc., the milestone to raise \$1.5 million was August 23, 2018. As of this date, no documentation had been provided to City to quantify that \$1.5 million was raised to meet this milestone. The Common Council approved an amendment to the agreement to allow the Armory Community Project, Inc. to have until October 23, 2018 to raise an additional \$900,000 for a total of the \$2,400,000 in private donations. Multiple attempts were made by city staff to the President of the Armory Community Project, Inc. to determine if they have raised the \$2,400,000. As of the writing of this document, no further communication has been provided to the city other than representatives from the group will be in attendance at the November 12, 2018, Finance and Personnel Committee meeting.

STAFF COMMENTS:

Given that the Armory Community Project, Inc. was unable to meet the established milestones in said agreement, city staff is recommending the Common Council terminate the contract with the Armory Community Project for redevelopment of the former Sheboygan Municipal Armory.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. 116-18-19 terminating the current agreement with the Armory Community Project, Inc. for redevelopment of the former Sheboygan Municipal Armory.

ATTACHMENTS:

- I. Res. No. 116-18-19

III

4.4.

Res. No. 116 - 18 - 19. By Alderpersons Wolf and Bohren. November 5, 2018.

A RESOLUTION terminating the current agreement with the Armory Community Project for redevelopment of the former Sheboygan Municipal Armory.

WHEREAS, the Common Council had entered into a contract with the Armory Community Project dated April 25, 2018 (authorized by Res. 327-17-18), and amended October 3, 2018 (authorized by Res. 96-18-19) for the redevelopment of the former Sheboygan Municipal Armory; and

WHEREAS, the Armory Community Project was unable to meet the established milestones in said agreement, as amended.

NOW, THEREFORE, BE IT RESOLVED: That the Common Council hereby terminates the contract with the Armory Community Project for redevelopment of the former Sheboygan Municipal Armory.

Finance + Personnel

James A. Bohren

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____, _____, City Clerk

Approved _____ 20____, _____, Mayor

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 117-18-19 by Alderpersons Wolf and Bohren. A resolution authorizing city staff to renegotiate the terms and conditions of a contract for sale of the land for private development with Scott Crawford, Inc. at the former Sheboygan Municipal Armory.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: November 6, 2018 **MEETING DATE:** November 12, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

On April 4, 2018, the Common Council considered a contract for sale of the land for private development with Scott Crawford, Inc. The proposed project that was presented included:

- 122+ units, (42- 1 Bedroom, 46- 2 Bedrooms, 22- 3 Bedrooms, and 12- 4 Bedrooms)
- 61+ units are market rate apartment units and 61 units are affordable apartment units
- Total construction cost: \$23,740,201
- Land purchase cost: \$100,000
- TIF request: Up to \$2,225,395 or 9% of the project costs
- Architectural design and site plan layout has stayed the same from the original proposal.

STAFF COMMENTS:

City staff is looking for authorization from the Common Council to open negotiations with Scott Crawford, Inc. as it relates to the redevelopment of the Armory property. Should city staff be successful in renegotiating terms and conditions similar to the original contract dated April 4, 2018, staff is looking for concurrence from the Common Council that they will support the project. Should city staff not be able to negotiate terms and conditions similar to the first contract, staff will report back to the Common Council and will look for approval to invite other development firms to submit proposals to redevelopment the property.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. 117-18-19 authorizing city staff to renegotiate the terms and conditions of a contract for the sale of land for private development with Scott Crawford, Inc. at the former Sheboygan Municipal Armory.

ATTACHMENTS:

- I. Res. No. 117-18-19

III

4.5

Res. No. 117 - 18 - 19. By Alderpersons Wolf and Bohren. November 5, 2018.

A RESOLUTION authorizing city staff to renegotiate the terms and conditions of a contract for the sale of land for private development with Scott Crawford, Inc. at the former Sheboygan Municipal Armory.

WHEREAS, the Common Council had considered a contract on April 4, 2018 to allow Scott Crawford, Inc. to redevelop the armory site in a mixed use building comprised of retail/commercial and market rate and affordable residential apartments; and

WHEREAS, the Common Council at the time did not proceed with approving the Contract for Sale of Land for Private Development with Scott Crawford, Inc., choosing to contract with the Armory Community Project; and

WHEREAS, the most recent attempt to repurpose/redevelop the armory failed because the Armory Community Project was unable to meet the established milestones in their development agreement with the City.

NOW, THEREFORE, BE IT RESOLVED: that the Common Council hereby authorizes city staff to resume negotiations with Scott Crawford, Inc. to enter into a contract for the sale of land for private development with Scott Crawford, Inc. at the former Sheboygan Municipal Armory.

Finance + Personnel

James a Bohren

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____, _____, City Clerk

Approved _____ 20____, _____, Mayor

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 118-18-19. A resolution authorizing the Purchasing Agent to prepare and issue a request for bids for the demolition of the Sheboygan Municipal Armory.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: November 6, 2018

MEETING DATE: November 12, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

In October 2014, the Purchasing Agent released a request for proposals (RFP) for the adaptive re-use or redevelopment of the Armory property. The RFP was provided to over 1,000 developers through City and Sheboygan County Economic Development Corporation contacts and was advertised locally and regionally. City officials conducted multiple tours of the facility for interested parties. This RFP process only generated one submittal, from the Sailing Education Associations of Sheboygan (SEAS). Issues outside of the city's control forced SEAS to withdraw their proposal for the property.

An effort in June 2015 to designate the Sheboygan Armory as a historical structure as submitted by the Sheboygan Armory Foundation was denied by the Common Council.

In early 2016, the city was approached by members of the Lakefront Jewel Group about plans to attract the Milwaukee Bucks D-League Team. Construction estimates generated as part of the development of a proposal to the Milwaukee Bucks indicated projects costs to install a new roof, update windows and doors, insulation, new HVAC and air conditioning units, ADA accessibility improvements, new gym floors, additional seating options totaled approximately \$5-7 million and another \$4-5 million to construct additions to meet the use requirements. Unfortunately, the Lakefront Jewel Group's proposal to re-purpose the Armory into a sports arena for the Milwaukee Bucks' D-League team was rejected.

In June 2017, the Common Council authorized city staff to obtain demolition bids and seek development proposals on the Armory redevelopment site. In fall 2017, the Common Council awarded contracts for demolition (\$197,100), environmental abatement (\$107,094), compaction testing and contingency for a total of \$355,573. To date, approximately 90 percent of the lead and asbestos abatement has been completed. The remaining work and related contracts were canceled.

In April 2018, the City and Armory Community Project, Inc. signed a redevelopment agreement allowing Armory Community Project to raise approximately \$5,900,000 to re-purpose the Armory into a state of the art community center. This agreement included milestones that included the following: obtaining Non-Profit Status, obtaining Historic Tax Credits, obtaining Federal new market tax credits, obtaining \$4,500,000 - by August 23, 2018 deadline to receive \$1,500,000 and by October 23, 2018 deadline to receive \$900,000.

The Armory Community Project, Inc. group did not meet the August 23, 2018 deadline of raising \$1,500,000 and the Common Council agreed to extend it to October 23, 2018 for them to raise \$2,400,000. Based on the information provided to city staff on October 23, 2018, it appears the group has failed to raise the agreed upon amount.

Since entering into the redevelopment agreement with the Armory Community Project, Inc. on April 25, 2018, the Armory has sustained significant damage from vandals breaking windows forcing the Department of Public Works to board up all the basement and first floor windows to keep trespassers out of the facility. Since 2014 when the Common Council decided to turn the heat off, the facility has seen significant interior deterioration due to the lack of heat and water.

STAFF COMMENTS:

City staff is recommending demolition due to the lack of meeting the requirement milestones outlined in the April 25, 2018 redevelopment agreement. The condition of the facility is now extremely poor and blighted. Thus, the staff's recommendation is to borrow funds from the Capital Project Funds to authorize the Purchasing Agent to proceed with obtaining demolition bids to remove the facility. As part of the demolition process, city staff and the chosen contractor will work with the Sheboygan Historical Museum to provide them with previously requested iconic items within the floor and walls of the armory.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. 118-18-19 authorizing the Purchasing Agent to prepare and issue a request for bids for the demolition of the Sheboygan Municipal Armory.

ATTACHMENTS:

- I. Res. No. 118-18-19

III

4.6

Res. No. 118- 18 - 19. By Alderpersons Wolf and Bohren. November 5, 2018.

A RESOLUTION authorizing the Purchasing Agent to prepare and issue a request for bids for the demolition of the Sheboygan Municipal Armory.

WHEREAS, the current state of the armory is extremely poor due to the lack of heat over the past three years; and

WHEREAS, prior attempts to repurpose/redevelop the armory were unsuccessful; and

WHEREAS, the most recent attempt to repurpose/redevelop the armory failed because the Armory Community Project was unable to meet the established milestones in their development agreement with the City; and

WHEREAS, funds to cover the remediation and demolition would come from the unassigned fund balance in the Capital Projects fund.

NOW, THEREFORE, BE IT RESOLVED: That the Common Council hereby authorizes the Purchasing Agent to prepare and issue a request for proposals for demolition of the Sheboygan Municipal Armory.

James A. Bohren

Finance Personnel

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 119-18-19 by Alderpersons Rindfleisch and Bohren. A resolution to authorize a transfer of appropriations in the 2018 budget.

REPORT PREPARED BY: Marty Halverson, Finance Director

REPORT DATE: November 7, 2018

MEETING DATE: November 12, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The City Hall remodeling project consists of borrowed funds and funds from the General Fund unreserved fund balance. The approved \$10,500,000 project is split between \$5,000,000 of borrowed funds and use of \$5,500,000 fund balance from the General Fund. With \$3,000,000 already transferred by previous Common Council action, this \$2,500,000 is the remaining transfer of funds from the General Fund to equal a total transfer of \$5,500,000.

STAFF COMMENTS

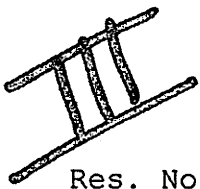
The City Hall remodeling project is a necessary component to the city as it is a key building for multiple departments to operate efficiently in and have access for citizens. The use of General Fund funds were part of the original total cost of the remodeling project.

ACTION REQUESTED

Motion to recommend the Common Council approve Res. No. 119-18-19 by Alderpersons Rindfleisch and Bohren to authorize a transfer of appropriations in the 2018 budget.

ATTACHMENTS:

- I. Res. No. 119-18-19



Res. No. 119 - 18 - 19. By Alderpersons Rindfleisch and Bohren.
November 5, 2018.

A RESOLUTION to authorize a transfer of appropriations in the 2018 Budget.

RESOLVED: That the Finance Director be and is hereby authorized and directed to make the following transfers of appropriations in the 2018 Budget for the purpose of:

Establish appropriation for City Hall renovations utilizing General Fund unreserved fund balance.

<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>
General Fund Fund Balance 101-253000	Capital Projects Fund City Hall Renovations 400112100-621200	\$2,500,000

Rene Rindfleisch

*Transfer
Revenue*

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 124-18-19 by Alderpersons Rindfleisch and Bohren. A resolution authorizing the appropriate City official to enter into an Intergovernmental Cooperative Agreement with Sheboygan County for Sales Tax Revenue-Sharing for Transportation Infrastructure Maintenance.

REPORT PREPARED BY: Marty Halverson, Finance Director

REPORT DATE: November 7, 2018

MEETING DATE: November 12, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

Sheboygan County enacted Ordinance No. 2 (2016/17) establishing a one-half percent (.5%) County sales tax for the purpose of raising revenues to address the challenges of maintaining Sheboygan County's roads and bridges. The Ordinance requires that \$1.5 million of anticipated revenue (adjusted annually) from the sales tax be distributed to municipalities within County based on an equalized value formula provided that the municipalities agree to be bound by the terms of an Intergovernmental Cooperative Agreement as approved by the County Board.

STAFF COMMENTS:

The City of Sheboygan included the proceeds from the County sales tax (\$426,590) in the 2019 Capital Projects Fund budget. The funds are designated for improvements to city streets.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. 124-18-19 by Alderpersons Rindfleisch and Bohren authorizing the appropriate City official to enter into an Intergovernmental Cooperative Agreement with Sheboygan County for Sales Tax Revenue-Sharing for 2019 Transportation Infrastructure Maintenance.

ATTACHMENTS:

- I. Res. No. 124-18-19

III

Handwritten signature

8.3

Res. No. 124 - 18 - 19. By Alderpersons Rindfleisch and Bohren.
November 5, 2018.

A RESOLUTION authorizing the appropriate City official to enter into an Intergovernmental Cooperative Agreement with Sheboygan County for Sales Tax Revenue-Sharing for Transportation Infrastructure Maintenance.

WHEREAS, the Sheboygan County Board enacted Ordinance No. 2 (2016/17) establishing a one-half percent (.5%) County sales tax for the purpose of raising revenues to address the challenges of maintaining the roads and bridges under the County's jurisdiction; and

WHEREAS, in enacting the Ordinance, the County Board recognized that the municipalities within Sheboygan County have similar financial challenges for the transportation infrastructure under the jurisdiction of those municipalities as the County does for the roads and bridges under the County's jurisdiction; and

WHEREAS, the Ordinance requires that \$1.5 Million of anticipated revenues (adjusted annually) from the sales tax be distributed by the County to municipalities within the County based on an equalized value formula, provided that each recipient municipality agrees that the revenue being distributed will be spent to maintain the municipalities' road and bridge infrastructure as set forth in an Intergovernmental Cooperative Agreement with the County; and

WHEREAS, the City of Sheboygan supports the County Sales Tax Revenue-Sharing Cooperative Agreement; and

WHEREAS, it is in its best interests of the City of Sheboygan to receive its share of the distribution and agree to be bound by the terms of the County's Intergovernmental Cooperative Agreement.

NOW, THEREFORE BE IT RESOLVED: That the Common Council of the City of Sheboygan approves the proposed Intergovernmental Cooperative Agreement with Sheboygan County, a copy of which is attached hereto, and agrees to be bound by its terms.

Handwritten signature

BE IT FURTHER RESOLVED: That the Mayor and Clerk are authorized and directed to sign the Intergovernmental Cooperative Agreement on behalf of the City of Sheboygan.

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

**SHEBOYGAN COUNTY SALES TAX REVENUE-SHARING
FOR TRANSPORTATION INFRASTRUCTURE MAINTENANCE
2019 INTERGOVERNMENTAL COOPERATIVE AGREEMENT**

1. **PARTIES.** The parties to the Agreement are the **CITY OF SHEBOYGAN** (Municipality), a municipal corporation with offices at 828 Center Avenue, Sheboygan, Wisconsin 53081, and **SHEBOYGAN COUNTY** (County), a Wisconsin governmental body corporate, organized pursuant to Wis. Stat. § 59.01, having its principal offices at 508 New York Avenue, Sheboygan, Wisconsin 53081.

2. **PURPOSE.** Sheboygan County enacted Ordinance No. 2 (2016/17) establishing a one-half percent (.5%) County sales tax for the purpose of raising revenues to address the challenges of maintaining Sheboygan County's roads and bridges. In enacting the Ordinance, the County Board recognized that the municipalities within Sheboygan County have similar financing challenges for the transportation infrastructures within those municipalities. The Ordinance requires that \$1.5 Million of anticipated revenues (adjusted annually) from the sales tax be distributed to municipalities within County based on a equalized value formula, provided that the municipalities agree to be bound by the terms of an Intergovernmental Cooperative Agreement as approved by the County Board. This Agreement, having been approved by the County Board and agreed to by Municipality, assures that the revenue being distributed herein will be spent to maintain Municipality's road and bridge infrastructure.

3. **EFFECTIVE DATE; TERM; TERMINATION.**

A. Effective Date. This Agreement shall become effective on the last date of the required signatures at the end of this document.

B. Initial Term; Renewals. The initial term of this Agreement is for calendar year 2019 and is subject to renewal.

C. Termination – By County. During the term, this Agreement may be terminated by County if County determines that Municipality is not honoring the terms and conditions of this Agreement, and County shall have no further obligations to make any payments or perform any other requirements herein.

D. Termination – By Municipality. During the term, this Agreement may be terminated by Municipality if Municipality determines that it no longer wishes to be bound by the terms and conditions of this Agreement, and County shall be relieved of any further obligations to make any payments or perform any other requirements herein.

4. **AUTHORITY.** This Agreement is entered into between the parties pursuant to Wis. Stat. § 66.0301 authorizing intergovernmental cooperation and by Wis. Stat. § 77.76(3) which allows counties to distribute sales tax proceeds to municipalities within Sheboygan County. Both parties represent that their respective governing bodies have authorized entry into this Agreement.

5. RESPONSIBILITIES OF COUNTY.

A. County shall, over the course of calendar year 2019, pay to Municipality as a distribution of sales tax revenue the sum of **\$426,590**.

B. County shall determine at its option whether the payment will be distributed in one lump sum or whether it will be in periodic payments. County shall determine at its option the timing and method of the payments.

C. County shall provide reasonable advance notice to Municipality as to its payment distribution method so that Municipality may budget accordingly.

6. RESPONSIBILITIES OF MUNICIPALITY.

A. Municipality agrees to use the payment for road and bridge maintenance purposes.

B. Municipality agrees not to reduce its road and bridge maintenance budget as a result of receiving the payment. It is the intent that the payment shall enhance Municipality's ability to address its road and bridge maintenance needs over the amount that Municipality would otherwise be budgeting for this purpose. By so enhancing Municipality's ability to address its road and bridge maintenance needs, it would be expected that Municipality could engage in projects sooner rather than later, thereby saving it from the additional expense that might it otherwise incur by deferring the maintenance. Similarly, by providing this funding resource, it would be expected that Municipality would not have as much need to address maintenance through bonding or borrowing for projects, thereby saving the Municipality the expenses that might otherwise incur for servicing the borrowing. Thus ultimately benefits the Municipality's and County's taxpayers.

C. Municipality may, as part of its budgeting and planning process, hold over spending all or part of the payment into a different calendar year or otherwise bundle the payment in a manner that is acceptable in advance with County provided County is satisfied that Municipality's spending of the payment is consistent with the intent that the payment shall enhance Municipality's ability to address its road and bridge maintenance needs over the amount that Municipality would otherwise be budgeting for this purpose

D. Municipality agrees to cooperate with County's Finance Department to allow County to review Municipality's budget, resulting financial reports, and supporting detail to assure County that Municipality is complying as provided herein.

E. Municipality must provide a Resolution supporting the County Sales Tax Revenue-Sharing Cooperative Agreement.

7. RESOLUTION OF DISPUTES. County, through its County Administrator, shall determine as to whether Municipality has fulfilled its responsibilities under this Agreement. This Agreement will be renewed annually upon similar terms.

8. HOLD HARMLESS; INDEMNIFICATION. Each party shall defend, hold harmless, and indemnify the other against any and all claims, liabilities, damages, judgments, causes of action, costs, loss, and expense including reasonable attorneys' fees imposed upon or incurred by the other party arising from or related to the negligent or

intentionally tortuous acts or omissions of the indemnifying party's officers, employees, or agents in performing the services pursuant to the Agreement. Each party shall promptly notify the other of any claim arising under this provision, and each party shall fully cooperate with the other in the investigation, resolution, and defense of such claim. This Agreement does not waive any governmental or sovereign immunity. Both parties retain all applicable governmental immunities, defenses, and statutory limitations available, including Wis. Stat. §§ 893.80, 895.52, and 345.05.

9. SEVERABILITY. If any provision in this Agreement is determined to be void and unenforceable for any reason, the remaining provisions shall remain in full force and effect unless the removal of the severed provision would substantially impair the ability of either party to perform the essential purpose of this Agreement.

10. ENTIRE AGREEMENT. This Agreement constitutes the entire understanding between the parties relating to their relationship and supersedes all prior understandings, oral agreements, negotiations, representations, and agreements relating to the same subject matter.

Approved by the parties by the following authorized representatives:

[Municipality]

By: _____
Authorized Representative

Date Signed

By: _____
Authorized Representative

Date Signed

SHEBOYGAN COUNTY

By: _____
Adam N. Payne
Sheboygan County Administrator

Date Signed

By: _____
Thomas Wegner
County Board Chair

Date Signed

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: DIRECT REFERRAL: Res. No. 125-18-19 by Alderpersons Rindfleisch and Bohren. A Resolution authorizing preliminary action in connection with the prospective Broadway Avenue and Business Drive tax increment financing redevelopment project.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: November 6, 2018

MEETING DATE: November 12, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

Green Street Development, Inc. is looking to redevelop the former VanDerVart Concrete Products site located near the intersection of Broadway Avenue and South Business Drive into a mixed use project consisting of affordable and market rate housing units and commercial space. The developer is working to obtain state tax credits and as a requirement for the funding needs to show a preliminary commitment from the City to provide tax incremental financing towards the project.

STAFF COMMENTS:

The Resolution provides that the city expects to reimburse the developer for a portion of the project and intends to enter into a development agreement with the developer and initiating the process to establish a new tax incremental district in this area. Should the developer be successful in obtaining state tax credits, the project will redevelop an underutilized section of the Sheboygan into new housing and commercial to serve the central city populations.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. 125-18-19 authorizing preliminary action in connection with the prospective Broadway Avenue and Business Drive tax increment financing redevelopment project.

ATTACHMENTS:

- I. Res. No. 125-18-19

III

DIRECT REFERRAL TO FINANCE AND PERSONNEL COMMITTEE

Res. No. 125 - 18 - 19. By Alderpersons Rindfleisch and Bohren.
November 12, 2018.

A RESOLUTION authorizing preliminary action in connection with the prospective Broadway Avenue and Business Drive tax increment financing redevelopment project.

WHEREAS, the City of Sheboygan, Wisconsin (the "City"), is a municipal corporation that is authorized to take certain actions to establish a Tax Incremental District and provide Tax Incremental Finance pursuant to the Tax Increment Law, Wisconsin Statute 66.1105; and

WHEREAS, at the request of Green Street Development Group, LLC, a Missouri limited liability company (the "Developer"), City staff have investigated the possibility of establishing a Tax incremental District (as such term is defined in the Tax Increment Law), to be known as the "Broadway Ave. and Business Dr. Tax Incremental District," to include property that Developer has a contract to purchase, consisting of approximately 17.5 acres known as tax parcels #59281513391 and #59281513500 (the "Property"), (the "Tax Incremental District" or "TID"); and

WHEREAS, the Developer proposes to redevelop the TID by purchasing the Property, performing environmental remediation, removing blight, engaging in certain conservation efforts, rehabilitating certain improvements situated on the Property, and developing a mixed-use development (as defined in the Tax Increment Law) (collectively, the "Project"), which shall be subject to approval of a final Project Plan (as such term is defined in the Tax Increment Law) by the City; and

WHEREAS, the City expects to reimburse the Developer for a portion of the Project costs, which are determined eligible to be reimbursed from Tax Increment; and

WHEREAS, the Developer submitted a financial analysis of the Project to the City, which is attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED: That the City declares its intention of entering into a Development Agreement with the Developer and initiating the process to establish the Broadway Ave. and Business Dr. Tax Incremental District, as set forth in Wisconsin Statute 66.1005(4). The purpose of the TID would be to collect certain Tax Increment to be reimbursable to the Developer, as outlined in Exhibit A, for certain eligible expenses.

BE IT FURTHER RESOLVED: That this Resolution is adopted for the purpose of including Developer to proceed with the Project and incur costs pending formation of the District.

Finance +
Personnel

BE IT FURTHER RESOLVED: That the final creation of the TID is subject to several variables including the award of Low Income Housing Tax Credits from the Wisconsin Housing and Economic Development Authority and the negotiation of a Development Agreement between City and Developer.

BE IT FURTHER RESOLVED: That this Resolution shall be in full force and effect from and after its passage, approval and publication according to law.

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

Exhibit A

Sources and Uses Summary

Sources of Funding	Amount
Equity	12,705,188
Debt	28,791,417
TIF	5,249,896
Deferred Developer Fee	998,078
TOTAL SOURCES	47,744,579

Uses/Budget Summary	Amount
Site Acquisition Costs	1,308,096
Construction Costs	35,865,000
Owner Contingency	1,321,500
Prof. Fees and Soft Costs	3,220,000
Perm Financing Costs	430,000
Construction Period Costs	1,635,000
Tax Credit Fees & DD	191,400
Reserves	1,287,143
Developer Fee	2,486,440
Total Uses of Funding	\$47,744,579

TIF Calculation

	NOI	CAP	Assessed Value	Adjuster	Adjusted	Rate	Taxes
Workforce Phase	\$ 437,372	6%	\$ 4,128,200	100%	\$ 4,675,720	\$ 24.80	\$ 120,918
Market Rate Phase	\$ 1,271,331	6%	\$ 21,223,850	100%	\$ 21,223,850	\$ 24.80	\$ 326,401
Commercial Phase		8%	\$ 2,500,000	100%	\$ 2,500,000	\$ 24.80	\$ 82,000
			\$ 31,852,050		\$ 28,601,570		\$ 709,319

Years	% TIF	TTL TIF
20	65%	\$ 1,817,442
12	50%	\$ 1,432,454
		\$ 3,249,896

Increment/yr	Units	Tax PUPY	Tax PUPM
\$ 90,672.09	105	\$ 1,132	\$ 98
	144	\$ 1,456	\$ 105

WORKFORCE PHASE	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Tax Collected w/ 1.5% growth	\$ 120,918	\$ 127,721	\$ 134,579	\$ 141,441	\$ 148,318	\$ 155,203	\$ 162,117	\$ 169,060	\$ 176,033	\$ 183,036	\$ 190,069	\$ 197,132	\$ 204,225	\$ 211,348	\$ 218,501	\$ 225,684	\$ 232,897	\$ 240,140	\$ 247,413	\$ 254,716	\$ 262,049
Total Tax over 20 years	\$ 3,817,442																				
ISIN TIF	\$ 3,817,442																				
MARKET RATE PHASE	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12									
Tax Collected w/ 1.5% growth	\$ 826,401	\$ 834,297	\$ 842,312	\$ 850,448	\$ 858,703	\$ 867,083	\$ 875,590	\$ 884,224	\$ 892,987	\$ 901,881	\$ 910,906	\$ 920,074									
Total Tax over 20 years	\$ 6,864,908																				
ISIN TIF	\$ 6,864,908																				

* All calculations of NOI, Cap Rate, Assessed Valuations and resulting real estate tax amounts were based on conclusions reached by the Sheboygan Assessor and Developer Proformas.

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: DIRECT REFERRAL: Res. No. 126-18-19 by Alderpersons Rindfleisch and Bohren, A resolution authorizing the appropriate city officials to enter into an agreement between the Department of Natural Resources and the city regarding environmental contamination at 2117 Indiana Avenue.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: November 7, 2018

MEETING DATE: November 12, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

On November 20, 2017, the Common Council approved R.O. No. 206-17-18 requesting support from the Common Council to pursue acquisition of the vacant, blighted property located at 2117 Indiana Avenue. Since that time, Sheboygan County has received an in rem tax foreclosure action in circuit court and was prepared to deed the property directly over to the city. Wisconsin State Statutes 75.106 authorizes a governing body of a county to assign to a person the county's right to take judgment of brownfield parcel that is subject to foreclosure under Wis. Stat. 75.521. Under State Statute, if a county is willing to assign its right to take title to a tax delinquent brownfield parcel to a person or entity, and the parcel is contaminated, the receiving party must enter into an agreement with the DNR to appropriately attend to the property. Although the city is exempt from contamination remediation until redevelopment under the local governmental exemption in State Statutes, the DNR still required the attached agreement to be entered into. Sheboygan County has until December 31, 2018 to transfer the property to the city.

STAFF COMMENTS:

Given that this property has been blighted and vacant for a number of the years, in partnership with the Indiana Corridor Neighborhood Association, the city will work to redevelop the property into a neighborhood asset, versus a blighted vacant gas station.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. 126-18-19 authorizing the appropriate city officials to enter into an agreement between the Department of Natural Resources and the city regarding environmental contamination at 2117 Indiana Avenue.

ATTACHMENTS:

- I. Res. No. 125-18-19



DIRECT REFERRAL TO FINANCE AND PERSONNEL COMMITTEE

Res. No. 126 - 18 - 19. By Alderpersons Rindfleisch and Bohren.
November 12, 2018.

A RESOLUTION authorizing the appropriate City officials to enter into an Agreement Between the Department of Natural Resources and the City of Sheboygan, Wisconsin, regarding environmental contamination at 2117 Indiana Avenue.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the Agreement Between the Department of Natural Resources and the City of Sheboygan, Wisconsin, a copy of which is attached hereto and incorporated herein.

*Finance
Personnel*

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

**STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES**

IN THE MATTER OF:

**AN AGREEMENT BETWEEN THE DEPARTMENT OF NATURAL RESOURCES AND THE
CITY OF SHEBOYGAN, WISCONSIN**

**TO INVESTIGATE AND CLEAN UP ENVIRONMENTAL CONTAMINATION AT 2117
INDIANA AVENUE, SHEBOYGAN, WISCONSIN, PURSUANT TO WIS. STAT. §§ 75.106 AND
66.0301, WIS. STAT. CH. 292, AND WIS. ADMIN. CODE CHS. NR 700 – 754.**

WHEREAS, before a judgment is issued under Wis. Stat. § 75.521 or a tax deed is executed under Wis. Stat. § 75.14, Wis. Stat. § 75.106 authorizes the governing body of a County, to assign to a person the county's right to take judgment with respect to any parcel that is subject to foreclosure under Wis. Stat. § 75.521 or to take a tax deed with respect to any parcel subject to Wis. Stat. § 75.14, if all of the following apply:

- A. The governing body of the county provides written notice to the governing body of the city, town or village in which the parcel that is subject to the county's foreclosure action is located at least fifteen (15) days before the governing body of the county meets to consider the approval of the assignment.**
- B. The governing body of the county produces a written assignment that is signed on behalf of the county, the assignee and the city, town or village in which the parcel that is subject to the county's foreclosure action is located.**
- C. The assignment identifies the parcel for which the judgment is assigned.**
- D. The parcel for which a judgment is assigned is a brownfield.**
- E. The assignment requires an environmental assessment of the parcel and requires that the Department of Natural Resources (the "DNR") be provided the results of that assessment before a final judgment under Wis. Stat. § 75.521 or a tax deed under Wis. Stat. § 75.14 related to the parcel is granted to the assignee.**

- F. The assignment requires that, if the parcel is contaminated by the discharge of a hazardous substance, as determined by the assessment under par. (e), and if the assignee elects to accept the judgment or deed assigned under this subsection regardless of the contamination, the assignee enters into an agreement with the DNR, before a final judgment is issued under Wis. Stat. § 75.521 or a tax deed is issued under Wis. Stat. § 75.14 related to the parcel, to clean up the parcel to the extent practicable; to minimize any harmful effects from the hazardous substance pursuant to rules the DNR promulgates; and to maintain and monitor the parcel pursuant to rules the DNR promulgates.
- G. The assignment and an affidavit from the county treasurer that attests to the county governing body's approval of the assignment are filed with the court that is presiding over the county's foreclosure action under Wis. Stat. § 75.521 or, in the case of a tax deed issued under Wis. Stat. § 75.14, with the register of deeds.

WHEREAS, the City of Sheboygan (hereinafter the "City") is attempting to acquire real property located in the City of Sheboygan, Sheboygan County, Wisconsin, which consists of property described as: 2117 Indiana Avenue, Sheboygan, Wisconsin; Parcel Number 59281-511910; with the following legal description: KOERNER LAND COS SUBD LOTS 31 & 32 BLK 2. This 0.20-acre parcel is currently owned by Convenience Stores Leasing and Management LLC, and contains a vacant service station building, gasoline dispensers and a canopy (hereinafter known as the "Property"). The Property is further identified visually in a map included as Attachment A to this Agreement and is subject to tax foreclosure under Wis. Stat. § 75.521 and/or Wis. Stat. § 75.14.

WHEREAS, Sheboygan County is unwilling to enter into the chain of title for the Property via the tax foreclosure process but is open to assigning its right to take title to the City under Wis. Stat. § 75.106.

WHEREAS, the City will obtain the state's local government environmental unit liability exemption, authorized by Wis. Stat. § 292.11(9)(e), for the Property if Sheboygan County assigns its right to a judgment under Wis. Stat. § 75.521, or to a tax deed under Wis. Stat. § 75.14, to the City under Wis. Stat. § 75.106, and the City takes title to the Property.

WHEREAS, the Property is a brownfield, as described in Wis. Stat. § 238.13.

WHEREAS, the City has conducted an environmental assessment of the Property and the results of this assessment have been provided to the DNR.

WHEREAS, the environmental assessment identified the following environmental conditions at the Property: a) the existence of four underground gasoline storage tanks at the Property, that were abandoned in place, without product, in December 2015; and b) a closed environmental case, BRRTS number 03-60-150965, with continuing obligations related to residual soil and groundwater contamination.

WHEREAS, the DNR has reviewed the following documents related to the City's request for a Wis. Stat. § 75.106 agreement (hereinafter the "Agreement") for the Property:

- An October 8, 2018, cover letter and completed DNR Form 4400-237, along with payment of the appropriate fee, in which the City requests this Agreement.
- An information sheet for the Property and an aerial image of the Property provided by the City (Attachment A).
- Pages 2, 23, 24, and 35 from a document the City provided titled "Environmental Review of 26 Tax-Delinquent Properties in Sheboygan County," Project No. 18-1431, May 31, 2018, which was prepared by Fehr Graham, Plymouth, Wisconsin (Attachment B).
- Information contained in the DNR's Bureau for Remediation and Redevelopment Tracking System (BRRTS) database for case number 03-60-150965, titled UNIMART HWY 28, which is available at <https://dnr.wi.gov/botw/GetActivityDetail.do?siteId=6446900&adn=0360150965>.

WHEREAS, in furtherance of Wis. Stat. § 75.106, and in consideration of, and in exchange for, the promises and mutual understandings contained herein, and intending to be bound legally hereby, the City and the DNR, by their authorized representatives, have agreed to the execution of this Agreement.

NOW, THEREFORE, based upon the above recitals and the terms and conditions set forth below, the City and the DNR agree as follows:

I. PARTIES BOUND

The DNR and the City each have consented to the following Agreement, which is entered into pursuant to Wis. Stat. §§ 75.106 and 66.0301, and Wis. Stat. Ch. 292.

II. WORK TO BE PERFORMED BY THE CITY, SCHEDULE OF ACTIVITIES

All work to be performed by the City pursuant to this Agreement shall be conducted in accordance with Wis. Stat. chs. 289, 291, and 292, and the Wis. Admin. Code NR chs. NR 700 – 754, as well as any other applicable Administrative Rules and Statutes.

The City agrees to work with Sheboygan County to complete the requirements of Wis. Stat. § 75.106(2) prior to receiving a judgment issued under Wis. Stat. § 75.521 and/or Wis. Stat. § 75.14 to acquire the Property.

The City agrees to meet with the DNR's Remediation and Redevelopment (RR) Program project manager for the Property, along with other appropriate RR Program staff, no later than thirty (30) days after acquiring title to the Property, to discuss the environmental condition of the Property, the requirements for maintaining the local government environmental liability exemption, and other site investigation and remediation that may be necessary when the Property is put to its intended use by the City or sold/transferred to a non-exempt person or entity.

The City agrees to keep the RR Program project manager for the Property informed, in a timely manner, about plans and actions related to the redevelopment or other use of the Property. When the City is preparing to redevelop or otherwise use the Property, the City agrees to develop and deliver to DNR a detailed schedule of planned work at the Property that includes related timelines for the work. The City further agrees to undertake site investigation and remedial actions that are directed by the DNR and the Department of Agriculture, Trade and Consumer Protection, under Wis. Admin. Code ch. ATCP 93, to reduce to acceptable levels any substantial threat to public health or safety, per Wis. Stat. § 292.11(9)(e)(4) and Wis. Admin. Code § NR 708.17.

Following redevelopment or new use, the City agrees to obtain a liability clarification letter from DNR, per Wis. Stat. § 292.12(3)(b), using DNR Form 4400-237 and paying the fee, which will include directions on how to monitor and maintain health and safety protections at the Property related to residual contamination.

III. SUBMISSION OF DOCUMENTS

Documents, including reports, plans and correspondence, submitted pursuant to this Agreement shall be submitted to the DNR in accordance with Wis. Admin. Code § NR 700.11 and the other applicable chapters of Wis. Admin. Code ch. NR 700 rule series.

IV. SITE ACCESS

The employees and authorized representatives of the DNR shall have the authority to enter the Property to inspect the project and shall have access to all project records at all reasonable times for any purpose relating to the implementation of this Agreement. This may include but is not limited to inspecting progress of the site work by the City, conducting environmental testing, verifying data, reviewing records, and more. The City shall honor all reasonable requests for such access by the DNR or their authorized representatives.

VI. FEES

The City has paid a \$700 fee to the DNR for preparation and review of this Agreement and agrees to reimburse the DNR for any costs incurred by the DNR for its oversight activities under this Agreement. Fees shall be paid as authorized by Wis. Stat. ch. 292, and as specified in Wis. Admin. Code chs. NR 749-750.

V. EFFECTIVE DATE

This Agreement shall be executed by the City prior to being executed by the DNR. The effective date of the Agreement shall be either the date the DNR signs and executes the Agreement, or the date the City acquires the property, whichever is later. This Agreement supersedes all previous agreements entered into by the City and the DNR with respect to the Property.

VI. CONDITIONS UNDER WHICH AGREEMENT IS VOIDED

This Agreement shall be null and void and the parties shall not be bound by the terms and conditions of the Agreement if the City, does not take judgment to the Property under Wis. Stat. §§ 75.106 within three (3) months of the effective date of this Agreement.

VII. AMENDMENT OF THE AGREEMENT

This Agreement may be amended by mutual written agreement of the DNR and the City.

VIII. DISPUTE RESOLUTION

- A. Any dispute regarding this Agreement shall in the first instance be the subject of informal negotiations between the parties to the dispute. The period for informal negotiations shall not exceed twenty (20) days from the time the dispute arises, unless it is extended by written agreement of the parties to the dispute. The dispute shall be considered to have arisen when one party sends the other parties a written Notice of Dispute.
- B. In the event that the parties cannot resolve a dispute by informal negotiations under the preceding paragraph, then the City shall have thirty (30) days after the conclusion of the informal negotiation period to invoke the formal dispute resolution procedures of this section by serving the State of Wisconsin a written Statement of Position on the matter in dispute, including but not limited to any factual data, analysis, or opinion supporting that position and any supporting documentation relied upon by the City.
- C. Within thirty (30) days after receipt of the Statement of Position, the DNR will serve the City its Statement of Position, including but not limited to any factual data, analysis or opinion supporting that position and all supporting documentation relied upon by the DNR. Within twenty (20) days after receipt of the DNR's Statement of Position, the City may submit a Reply.
- D. Following receipt of the City's Statement of Position, the Secretary of the DNR will issue a final decision under Wis. Stat. § 227.47.
- E. The invocation of formal dispute resolution procedures under this section shall not extend, postpone or affect in any way any obligation of the City under this Agreement, not directly in dispute, unless the DNR agrees otherwise.

XI. TERMINATION AND SATISFACTION OF THE AGREEMENT

The provisions of this Agreement shall be deemed satisfied upon receipt by the City of a written notice of completion from the DNR in a "liability clarification letter" indicating that the City has demonstrated

compliance with site investigation and remedial actions that were directed by the DNR to reduce to acceptable levels any substantial threat to public health or safety, per Wis. Stat. § 292.11(9)(e)(4) and Wis. Admin. Code § NR 708.17, when the Property is redeveloped or used by the City.

The DNR reserves the right to terminate any approval issued under this Agreement in the event the DNR determines that the City obtained the approval by fraud, misrepresentation or a knowing failure to disclose material information. The DNR further reserves the right to terminate this Agreement if the DNR determines that the City failed to make reasonable progress in undertaking Response Action(s) necessitated under the terms of this Agreement.

The Parties, whose signatures appear below, hereby agree to the terms of this Agreement, and represent and warrant that he or she has been duly authorized by the City or the DNR, to execute and legally bind the respective parties to the terms of this Agreement.

WISCONSIN DEPARTMENT OF NATURAL RESOURCES

By: _____ Date: _____
Darsi Foss, Director
Remediation and Redevelopment Program
101 S. Webster Street, P.O. Box 7921
Madison, WI 53707-7921

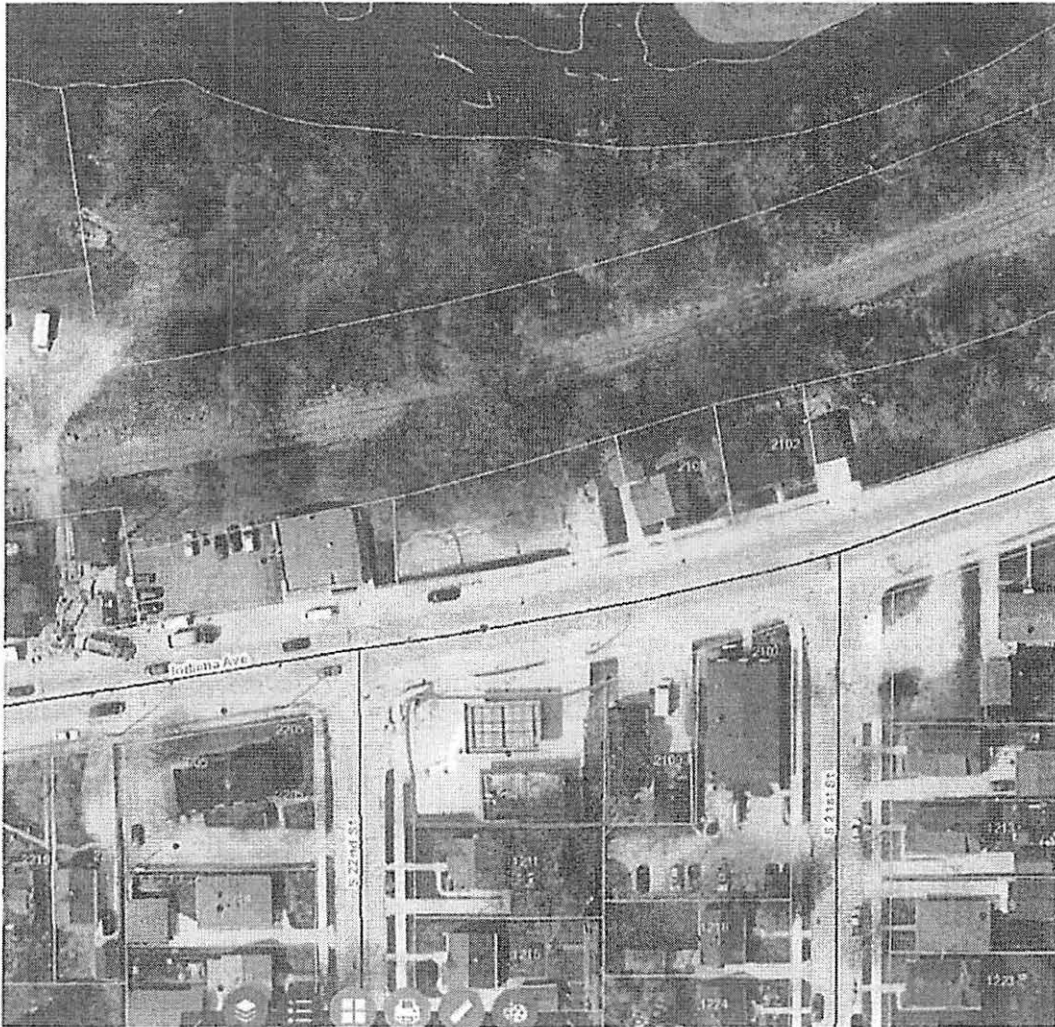
THE CITY OF SHEBOYGAN, WISCONSIN

By: _____ Date: _____
Michael Vandersteen, Mayor
City of Sheboygan
828 Center Avenue
Sheboygan, Wisconsin 53081

Attest: _____ Date: _____
Meredith DeBruin, City Clerk

ATTACHMENT A TO 75.106 AGREEMENT

Map of 2117 Indiana Avenue (Highlighted in Red)



Sheboygan County

Environmental Review of 26 Tax-Delinquent
Properties in Sheboygan County

Project No.: 18-1431

May 31, 2018

FEHR GRAHAM
ENGINEERING & ENVIRONMENTAL

1237 Pilgrim Road
Plymouth, WI 53073

Prepared for:
Ms. Laura Henning-Lorenz
Sheboygan County
508 New York Avenue - Room 109
Sheboygan, WI 53081-4126

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1. INTRODUCTION

Sheboygan County is considering actions to transfer ownership of certain tax delinquent properties to the County.

Fehr Graham was requested to assess potential environmental exposure to the County prior to taking action on the 26 properties. As you are aware, this environmental evaluation was not done to the ASTM standards for either a Transaction Screen nor a Phase I Environmental Assessment, and the completed work does not meet the "All Appropriate Inquiry" standard.

The evaluation involved a visual inspection of the properties in question, the physical setting, and a qualitative evaluation of the likelihood of environmental concerns in light of likely past operations. Some of the inspections were limited by access restrictions, making it impossible to inspect the inside of buildings or certain areas of the property itself.

The Wisconsin Department of Natural Resources (WDNR's) Bureau for Remediation and Redevelopment Tracking System (BRRTS) on the Web database was reviewed for each property. The "BRRTS on the Web" database contains information related to the investigation and cleanup of contamination to soil and groundwater that has been reported to the WDNR. One of the properties was listed on the "BRRTS on the web" database, the site was identified as "closed".

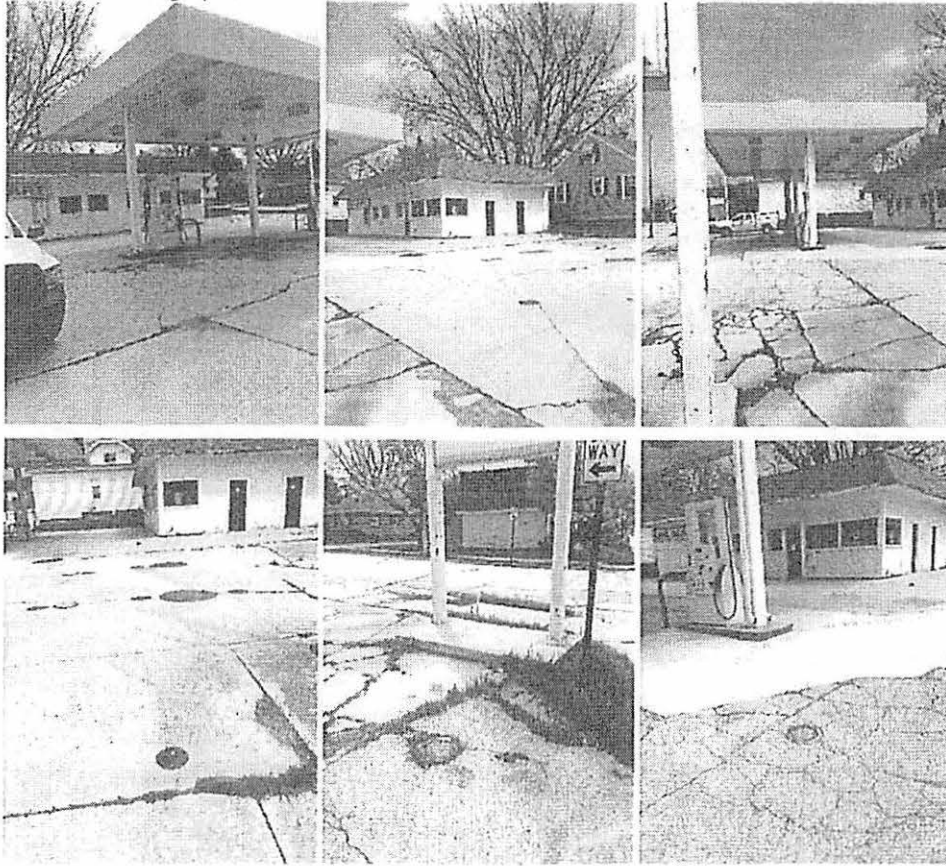
2. REVIEW OF FINDINGS BY INDIVIDUAL PROPERTY

Each of the 26 properties evaluated by Fehr Graham are listed in this section, followed by a brief description of the findings. Each property is split out on a separate page for your convenience.

The findings discuss observations on the property and surrounding properties. Each property is identified using Sheboygan County's Parcel Number.

PARCEL ID No. 59281511910

2018 Site Photographs



This 0.20 acre parcel, owned by Convenience Stores Leasing & Management LLC, is located at 2117 Indiana Avenue in the City of Sheboygan. The property contains a vacant service station building, gasoline dispensers and canopy. The adjacent south and east properties are residential.

The 2017 review of this property included a review of the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) storage tank database. The database lists four (4) gasoline USTs including two 8,000-gallon USTs and two 4,000-gallon USTs at the property. According to the database, all four tanks were installed on 6/1/83 and were abandoned without product on 12/18/15. The 2017 review also included a search of the WDNR Bureau of Remediation and Redevelopment Tracking System (BRRTS). The database listed the property with an identified, but closed Leaking Underground Storage Tank (LUST) activity.

According to the database, the WDNR notified the property owner on 5/16/97 due to the discovery of petroleum contamination at the property. An investigation, remedial excavation and groundwater monitoring were performed at the property to address the soil and groundwater contamination. The LUST activity was closed to the satisfaction of the WDNR on 12/8/05 with continuing obligations due to residual soil and groundwater contamination at the property and in the S. 22nd Street and Indiana Avenue ROWs.

In addition, the BRRTs database includes a Dispenser and Supply Line Closure/Replacement Assessment that was performed at the property in September 2012. According to the assessment, residual soil contamination containing petroleum was identified beneath the supply lines at a depth of three feet below grade. The contamination was considered related to the previously closed LUST case; therefore, the WDNR did not require any additional investigation or remedial actions at the property.

During the site reconnaissance, it appeared all monitoring wells from the environmental investigation had been properly abandoned. However, two one-inch diameter Schedule 40 PVC temporary wells were observed on the property. It is not clear if the wells are supposed to be present, but it is suspected they were installed as part of the 2012 assessment activities.

The building on this parcel, due to its age, may have been constructed with asbestos containing materials. Generally, asbestos-containing materials that are in good condition will not release fibers and do not pose a danger unless fibers are released and inhaled into the lungs. If the future of this property includes demolition, an asbestos inspection by a certified inspector will be required.

The building on this parcel, if built prior to 1978, may have lead-based paint. Debris from demolition of this building will need to be handled in accordance with solid and hazardous waste regulations.

Based on the previous environmental investigation and cleanup and the case closure to the satisfaction of the WDNR at the property, additional environmental assessments do not appear to be necessary at this time. However, the observed temporary monitoring wells should be properly abandoned per state code. In addition, the gasoline dispensers should be removed, as they should have been removed during the 2012 supply line work.

Based on the site conditions that were documented in previous environmental testing, the County should be aware that there are remaining environmental issues on the property that will likely involve further cost during property redevelopment. There is the possibility of the discovery of additional contamination related to the closed LUST case or other site operations, could result in the WDNR reopening the BRRTS case at the property. Property redevelopment involving excavation will likely encounter contaminated materials that will require proper disposal. The presence of four abandon-in-place USTs will likely require excavation and proper removal, with further assessment and possibly remediation of soil and groundwater contamination that may be present beneath the tanks.

PARCEL	COMMENTS	RECOMMENDATION (S)	EST. COST
59281511910 2117 INDIANA AVENUE, CITY OF SHEBOYGAN	THIS PARCEL CONTAINS A BUILDING THAT, DUE TO ITS AGE, MAY HAVE BEEN CONSTRUCTED WITH ASBESTOS CONTAINING MATERIALS AND/OR LEAD PAINT.	IF THE BUILDING ON THIS PROPERTY IS RAZED, AN INSPECTION WILL BE REQUIRED FOR THIS PROPERTY.	\$1,500 FOR THE INSPECTION COMPLETED BY FEHR GRAHAM
	THE BRRTS REVIEW INDICATED A CLOSED LUST CASE AT THIS PROPERTY.	NO ADDITIONAL ENVIRONMENTAL ASSESSMENTS ARE RECOMMENDED AT THIS TIME. HOWEVER, REDEVELOPMENT MAY REQUIRE SIGNIFICANT ADDITIONAL ACTIVITIES.	
	TWO TEMPORARY WELLS WERE OBSERVED ON THE PROPERTY	IT IS RECOMMENDED TEMPORARY WELLS ARE PROPERTY ABANDONED.	\$300 FOR WELL ABANDONMENT
59281618875 N. 35 TH STREET, CITY OF SHEBOYGAN	NO ENVIRONMENTAL ISSUES OR CONCERNS WERE IDENTIFIED.		
59281623310 1904 N. 20 TH STREET, CITY OF SHEBOYGAN	THIS PARCEL CONTAINS A BUILDING THAT, DUE TO ITS AGE, MAY HAVE BEEN CONSTRUCTED WITH ASBESTOS CONTAINING MATERIALS AND/OR LEAD-BASED PAINT.	IF THE BUILDING ON THIS PROPERTY IS RAZED, AN INSPECTION WILL BE REQUIRED FOR THIS PROPERTY.	\$1,500 FOR THE INSPECTION COMPLETED BY FEHR GRAHAM
	POSSIBILITY OF HEATING OIL UST	IT IS RECOMMENDED THAT THE VISUAL INSPECTION FOR UST BE CONDUCTED	\$200 FOR INSPECTION
59281702340 FORMER 1714 N. 9 TH STREET, CITY OF SHEBOYGAN	NO ENVIRONMENTAL ISSUES OR CONCERNS WERE IDENTIFIED.		