

# **AGENDA**

## **NEENAH COMMUNITY DEVELOPMENT AUTHORITY**

**Monday, January 7, 2019**

**4:00 P.M.**

**Hauser Room, City Administration Building**

1. Approval of November 12, 2018 meeting minutes.
2. Public Appearances (Ten minutes divided among those wishing to speak on topics pertinent to the Community Development Authority).
3. Consideration and recommendation for staff to apply for the Wisconsin Assessment Monies (WAM) grant regarding 2405 Schultz Drive.
4. Consideration and recommendation of an easement request made by Ascension Health (101 Main Street) to establish a fiber optic line over Site 6.
5. Update on Council consideration of the acquisition agreement to acquire 150 acres of property in Waupaca County for the purposes of developing a City of Neenah wetland mitigation bank.
6. The Community Development Authority may convene into Closed Session pursuant to Wis. Stats. Sec. 19.85(1)(e) for the approval of potential land acquisition and development within the Gateway Redevelopment Area.
7. The Committee may reconvene to consider potential land acquisition and development within the Gateway Redevelopment Area.
8. Announcements and Future Agenda items.
  - a. 716 Harrison Street (Neenah Foundry) Acquisition
  - b. 2405 Schultz Drive (Loren's Salvage Yard) Acquisition
9. Adjournment.

**Neenah City Hall is accessible to the physically disadvantaged.  
If special accommodations are needed please contact the  
Department of Community Development Office  
at 886-6125 at least 24 hours in advance of the meeting.**

**Community Development Authority of the City of Neenah  
November 12, 2018 - 4:00 PM**

**Present:** Board Members: Ald. Cari Lendrum, Pete LeCompte, Grant Birtch, and Ald. Lee Hillstrom. Also Present: Executive Director Chris Haese, Mayor Dean Kaufert and Office Manager Samantha Jefferson.

**Approval of October 29, 2018 meeting minutes:**

**MSC Hillstrom/Lendrum, the CDA to approve the meeting minutes of October 29, 2018. All aye.**

**Public Appearances:**

None.

**Consideration and recommendation of the acquisition of 2405 Shultz Drive (Loren's Auto Salvage):**

Since 2012, the City of Neenah has been working towards the acquisition and annexation of Loren's Auto Recycling located on the west side of the Southpark Industrial Center adjacent to I-41. It has been viewed as a strategic move to acquire the property and remove the salvage operation from one of Neenah's most visible entry points.

The purchase price will be \$900,000 and the City will hold \$100,000 of the purchase price in escrow to fund environmental remediation. Any balance remaining after completion of remediation would be returned to the seller. The City will annex the property to the City. The City will amend TID #9 to include the property within the district. The cost of Phase I and Phase II ESAs will be paid by the City. The seller will be allowed up to 18 months from the date of closing to remove the salvage material from the property. The seller will also be allowed to remove the perimeter fence and up to 24 inches of gravel base from the site prior to closing.

Member Lendrum asked Director Haese what contamination he expected would be on the site. Petroleum, oils and gases, antifreeze, lead and battery acid could all be on the site due to it being a salvage yard.

**MSC Hillstrom/Lendrum, the CDA approves staff to proceed with the necessary steps to acquire the Loren's Salvage Yard at 2405 Schultz Drive at an agreed upon sale price of \$900,000 with funding to be provided from Tax Incremental District #9.**

**Announcements and Future Agenda items:**

Items that were discussed at the August 27<sup>th</sup> Executive Session of the CDA will be brought back to the CDA soon.

**Adjournment:** The meeting was adjourned at 4:25 p.m. **MSC Hillstrom/Birtch. All voting aye.**

Respectfully Submitted,



Samantha Jefferson  
Office Manager, Community Development



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**M E M O R A N D U M**

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**DATE:** January 3, 2019  
**TO:** Chairman Martin and members of the Community Development Authority  
**FROM:** Chris A. Haese, Executive Director  
**RE:** **Proposed Application for Wisconsin Assessment Monies (WAM) Grant**

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The Community Development Authority of the City of Neenah recently acquired 2405 Schultz Drive (previously Loren's Auto Salvage). Realizing the need for a Phase II assessment to be done on this property, staff proposes to apply for the Wisconsin Assessment Monies (WAM) Grant that is awarded by the DNR. This grant program provides funding to address specific brownfields sites where closed or closing industrial areas are acting as impediments to economic redevelopments.

This award requires no match or grant administration and up to \$35,000 in free services are available. It is estimated that a Phase II assessment could cost upwards of \$20,000 – if awarded the grant, Phase II costs may be alleviated in total.

**Recommendation**

**An appropriate action at this time is to approve Resolution No. CDA 2019-1 and recommend the Common Council approval a similar Resolution to allow staff to apply for the Wisconsin Assessment Monies (WAM) grant for completion of a Phase II assessment at 2405 Schultz Drive.**



**RESOLUTION NO. CDA 2019-1**

**A RESOLUTION AUTHORIZING THE SUBMITTAL OF AN AWARD APPLICATION FOR THE 2405 SCHULTZ DRIVE BY THE COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF NEENAH FOR WAM CONTRACTOR SERVICES.**

WHEREAS, the Community Development Authority of the City of Neenah recognizes that the environmental assessment of brownfields is an important part of protecting Wisconsin’s resources; and

WHEREAS, the Community Development Authority of the City of Neenah will allow employees from the Department of Natural Resources access to inspect the award site or facility and award records; and

IT IS, THEREFORE RESOLVED THAT:

The Community Development Authority of the City of Neenah requests services and assistance available from the Wisconsin Department of Natural Resources under the WAM Contractor Services Award program and will comply with state and federal rules for the program; and

HEREBY AUTHORIZES the City of Neenah Community Development Department to act on the behalf of the Community Development Authority of the City of Neenah to: submit an application to the State of Wisconsin for contractor services under the WAM program, sign documents, and take necessary action to comply with approved award activities.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

By a vote of: \_\_\_\_ in favor, \_\_\_\_ opposed, and \_\_\_\_ abstain

BY: \_\_\_\_\_ secretary/clerk of the City of Neenah, WI



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M E M O R A N D U M

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DATE: January 4, 2019  
TO: Chairman Martin and CDA Members  
FROM: Chris A. Haese, CDA Executive Director  
RE: **AT&T Fiber Cable Access Permission for Ascension, 101 Main Street**

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Ascension Medical Group, via AT&T is requesting permission to install a redundant fiber cable line to their facility at 101 Main Street. The route of the new line would traverse a portion of Site and the Ascension site as depicted on the attached drawing. The redundant line is necessary to ensure uninterrupted service to the facility should there be an issue with the main service.

Staff has reviewed the request with AT&T representatives and is in support of providing the access. However, staff has requested the location of the line across Site 6 be adjusted to the west and north. This will require the line to cross an existing gas line at two different point. However, the adjusted location will minimize conflicts with the redevelopment of the Site 6 site.

**Appropriate action at this time is to authorize staff to execute a systems permission form with AT&T to allow the installation of a fiber cable across a portion of Site 6 and other property currently owned by the CDA and to locate the line in a location that will minimize conflicts with redevelopment efforts.**





*Neenah Community Development Authority*  
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Phone 920-886-6125 • e-mail: chaese@ci.neenah.wi.us  
CHRIS A. HAESE  
EXECUTIVE DIRECTOR

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M E M O R A N D U M

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DATE: January 4, 2019  
TO: Chairman Martin and CDA Members  
FROM: Chris A. Haese, CDA Executive Director  
RE: **Wetland Mitigation Bank**

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I am providing as an update and as an information item the attached memorandum addressed to the Neenah Finance Committee. Should the Committee and Council approve the recommendation to proceed with the acquisition and development of a wetland bank and proposed, the CDA would be responsible for the acquisition, development and administration of the bank. Therefore, it is important the Authority is aware of this pending action.



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## M E M O R A N D U M

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**DATE:** January 3, 2019  
**TO:** Chairman Erickson and Finance Committee Members  
**FROM:** Chris A. Haese, Director of Community Development and Assessment  
**RE:** Wetland Bank Acquisition/Development

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### Background

Community Development staff presented a proposal to the Committee in early 2018 to acquire a 150 acre site in Waupaca County for the purpose of creating a wetland bank. At that time, the City of Oshkosh was seriously considering partnering with Neenah in this venture. Due to a number of unforeseen issues, the proposal did not move forward.

The most significant obstacle that arose since the last review was a verbal indication from the U.S. Corp of Engineers that a wetland bank in the location proposed would not be eligible to extend wetland credits to a project within Neenah or Oshkosh if another bank were to be created within Neenah's sub water shed. Neenah resides completely within the Fox River watershed as does the property being considered for acquisition. However, Neenah resides in a different sub watershed than the property in question. This interpretation by Corp field staff seems contrary to the written goals, objectives and policies of the wetland bank program and there is a chance the Corp may move off of this interpretation if presented with a written request to do so. The best opportunity to receive a written confirmation is in response to the submittal of a wetland bank prospectus. Under the current Offer to Purchase proposal, the submittal of a wetland bank prospectus would be a first step toward the acquisition of the property. However, acquisition would not occur if there is not a favorable response from the submittal.

As you may recall, the impetus for the creation of a wetland bank is a direct result of the increasing frequency in which the presence of isolated wetlands has delayed, modified or in some cases prevented development projects within the City. Examples of this include the Menasha Corporation Global Headquarters and Menasha Packaging's recent \$8 million addition. In the case of Menasha Packaging, the company was at a point in which they had 60 days to make a decision on the purchase of a new multimillion dollar machine. In order to undertake the acquisition, the company's Board of Directors required a feasible location for the machine. Options included a site in Indiana or here in Neenah. The Neenah location was the preferred site but required the expansion of the Gillingham Road facility. This required an acquisition of adjacent property, which staff helped facilitate. In addition, over two acres of wetland was in need of mitigation per state requirements. In order to mitigate, the company would have to create their own wetland mitigation site. Because this process takes many months and has significant cost, it was not a feasible option. The other option was to acquire the necessary number of wetland acres from a wetland bank. However, there were no credits available in any bank at the time. Fortunately, with much pressure from Mayor Kaufert and the City of Neenah, the state was able to open an In-Lieu fee program just in time to meet Menasha Packaging's deadline. A delay of another two weeks would have killed the deal for the Neenah site.

A planned expansion of Dayton Freight was also delayed by more than a year as they struggled to navigate the wetland mitigation process due primarily in part to the lack of available wetland credits.

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More examples of this are on the horizon. The South Park Industrial Center's expansion area south of CTH G is 100% hydric soils. As a result of this condition, and recent changes to state law, a wetland determination will be required before any project can proceed on this site. Additionally, a large vacant parcel that remains in the South Park Industrial Center contains a significant amount of wetland that will have to be mitigated in order to make the site feasible. You may remember the site as it was a main component in our attempt to keep Werner Electric in Neenah. Although it is my opinion that the wetlands were not the reason Werner chose to leave Neenah, it was certainly a contributing factor due to the uncertainty around wetland mitigation.

### Proposal

The discussion with the Mr. Heimbruch, the owner of the 150 acre parcel, has been on-going for well over a year now with much speculation as to how the Corp will respond to a wetland bank prospectus. As mentioned earlier, there are a number of reasons these discussion of gone on for so long.

Staff has discussed many different options to partner with Mr. Heimbruch on a wetland bank project and has extended an Offer to Purchase the property with the following conditions:

- Upon acceptance of the Offer to Purchase by both parties, the City and Mr. Heimbruch would submit a Wetland Bank Prospectus to the Wisconsin DNR for review and consideration. The Corp of Engineers will also review the prospectus.
- Upon approval of the wetland prospectus, and especially as it relates to the City's ability to utilize credits for projects within Neenah, the City would determine its interest in pursuing a wetland bank on the property.
- Upon a favorable approve of a wetland prospectus, the City would prepare and submit for review and approval a Wetland Bank Instrument, which would detail the site mitigation efforts. Upon approval of the Bank Instrument, and if the City decides to move forward with the bank, Mr. Heimbruch would be paid a total purchase price of \$787,500.
- Additionally, Mr. Heimbruch would also receive two wetland credits (or the equivalent value) from the project.
- Should the wetland prospectus be approved, but the City chooses not to move forward with the project, the City would be provided two wetland credits should the property be developed as a wetland bank within a reasonable time period.
- While the Bank Instrument is under review, the City would lease the acreage to Mr. Heimbruch for agricultural purposes at a rate of \$50 per tillable acre (estimated at 60 acres) per year.
- Upon completion of the project and sale of all available credits, the City would return ownership of the property to Mr. Heimbruch for the nominal charge of \$30,000 (\$200 per acre).

The overall acquisition and development of a wetland bank project on the subject property will likely take five to ten years to complete at an overall cost of approximately \$2.4 million. The project is anticipated to generate 70-75 wetland credits over the life of the project. Wetland credits are currently selling for approximately \$70,000 per credit. Assuming this value remains constant through the life of the project, the overall income from the sale of credits is estimated to generate revenues of \$4.9 million. A detailed estimate of the project costs (not including land acquisition of \$787,500) is attached. Lastly, the City of Oshkosh continues to express interest in partnering in the creation of the wetland bank but had declined a formal partnership until the ability to utilize wetland credits from the proposed bank within their jurisdiction can be clarified.

### Recommendation

**Appropriate action at this time is to recommend the Community Development Authority proceed with an acquisition agreement to acquire 150 acres of property from by Mr. Steven Heimbruch, Waupaca County, at a cost of \$787,500 for the purposes of developing a City of Neenah wetland mitigation bank.**

DRAFT

Figure No.

**Welland Mitigation Search  
Watershed Overview  
Fox Bank Service Area (USA)**

Client/Project:  
City of Neenah and City of Oshkosh

Project Location:  
Welland, Michigan, USA  
Coordinates: 43°24'N, 89°00'W  
Scale: 1:267,200 (in original document, size of 11x17)

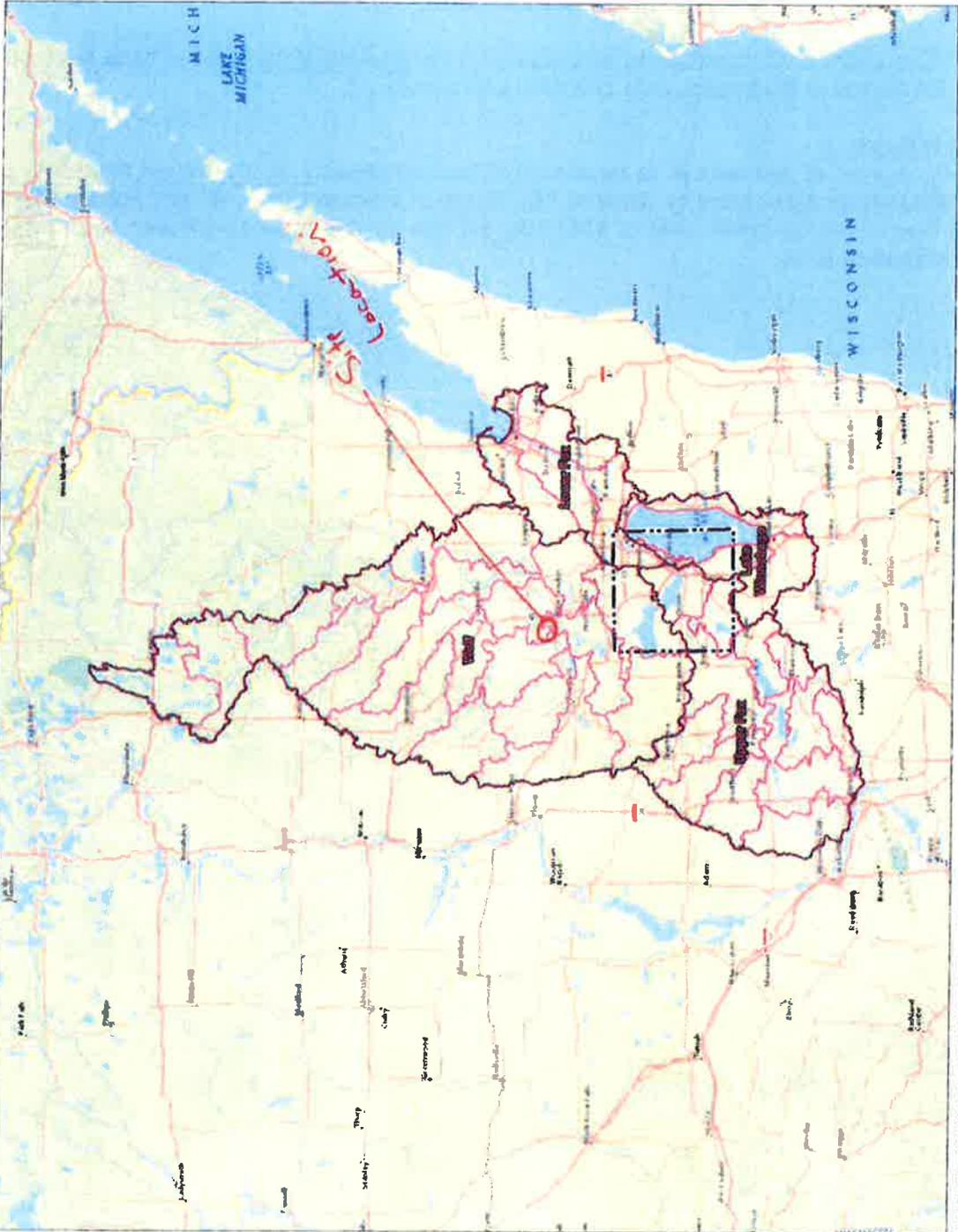


Scale: 0 10 20 Miles  
1:267,200 (in original document, size of 11x17)

- Legend**
- 8-Digit HUC Boundary
  - 10-Digit HUC Boundary
  - Winnebago County



- Notes**
1. Coordinate System: NAD 1983 StatePlane Wisconsin South (FS 4803 Feet)
  2. Data Sources Include: Stantec, WDMR, WDOI
  3. Background: National Geographic



**Proposed Plant Communities**

**Client/Owner:**  
Steve Hennrich  
Milwaukee Site

**Project Location:**  
722N, R14E, S10  
Town of Lebanon, Waupesa Co., WI

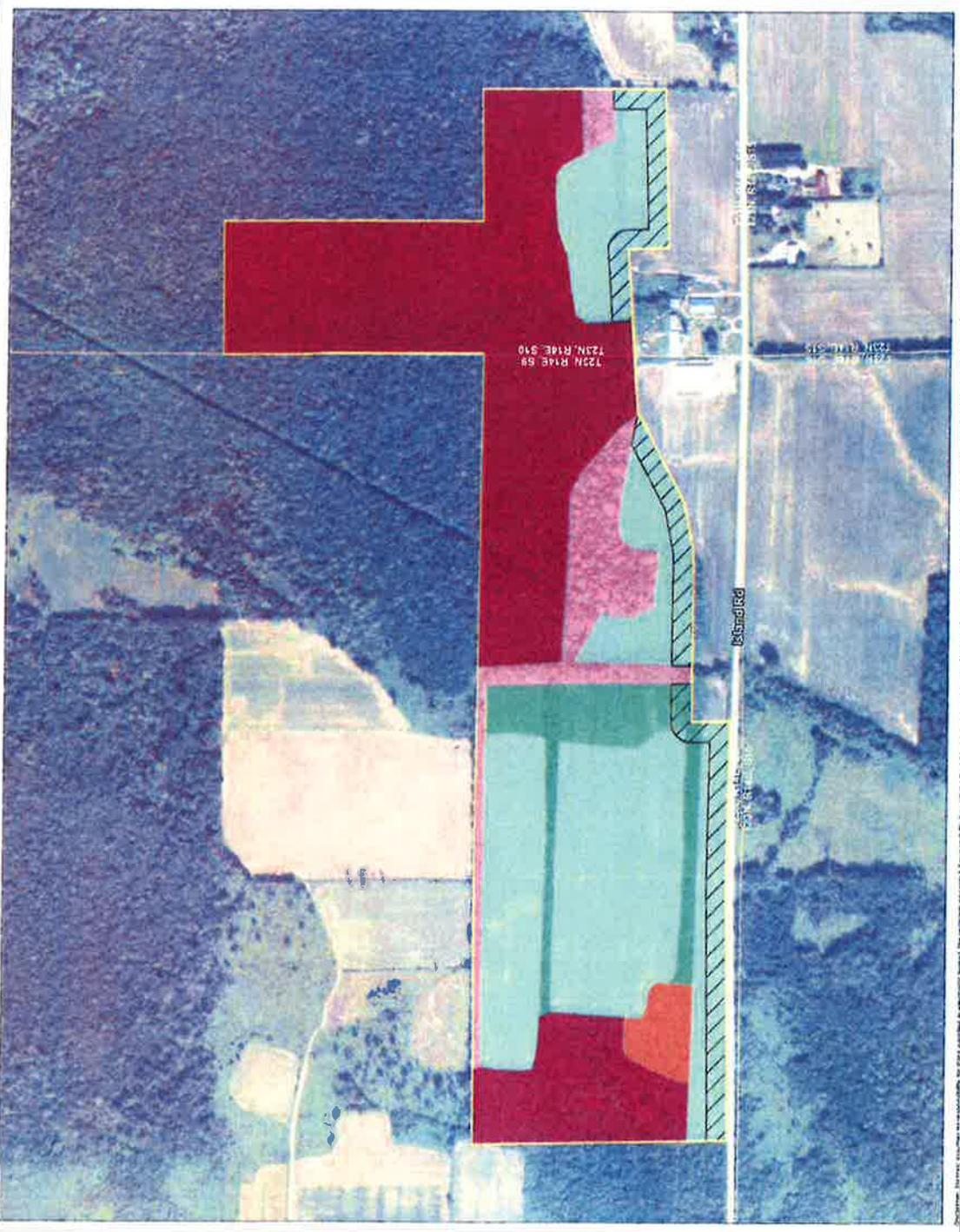
**Project No. / Date:**  
12370-024  
Technical Approval: 01/20/2014  
Map Date: 01/20/2014  
Map Scale: 1" = 100'



- Legend**
- Propriety Location (150.4 acres)
  - Proposed Plant Community
    - Sedge Meadow Re-establishment (46.6 acres)
    - Sedge Meadow Rehabilitation (10.0 acres)
    - Shrub Swamp Rehabilitation (3.0 acres)
    - Wooded Swamp Rehabilitation (12.7 acres)
    - Wooded Swamp Preservation (66.1 acres)
    - Wetland Buffer (12.0 acres)



- Notes**
1. See site plan for details.
  2. Data Source: Inland Systems, WDOT, WDNR
  3. Orthophoto: 2013 NAD



Note: This map is a draft and is not intended for construction. It is for informational purposes only. The client is responsible for verifying the accuracy of the data used in this map.

Timeline		Mitigation Bank Proposal			
	Task	Estimated Cost	Estimated Cost notes	Estimated Income	Estimated Income notes
2018	Draft CSP				
	(Plan Write up, Topo Survey, botanical, soil, hydraulics, Monitoring wells, Wetland Delineation, Site design)	\$150,000		\$0	
	Final CSP	\$20,000		\$0K	
	IRT Site Visit	\$10,000			
2020	Site Approval – Construction Escrow		(Construction Escrow)		
	Conservation Easement, Final MBI			\$490,000	Credit Release (\$70K/credit)
	10% Credit Release				
2021	Site Construction (Earth work, plantings, well install)	\$750,000			
	As-Built Prep/Approval	\$25,000		\$245,000	Credit Release(\$70K/credit)
	5% Credit Release		Construction Escrow rollover to Maintenance Escrow		Escrow release
2022	Year 1 Monitoring and Management	\$120,000	(\$30,000/\$90,000)	\$0	
	Year 2 Monitoring and Management – Achievement of Hyatology Performance Standards	\$110,000	(\$30,000/\$80,000)	\$980,000	Credit Release(\$70K/credit)
	20% Credit Release				Escrow release
2024	Year 3 Monitoring and Management – Achievement of Interim 1 Performance Standards	\$100,000	(\$0,000/\$70,000)	\$980,000	Credit Release(\$70K/credit)
	20% Credit Release				Escrow release
	Year 4 Monitoring and Management – Achievement of Interim 2 Performance Standards	\$90,000	(\$30,000/\$60,000)	\$980,000	Credit Release(\$70K/credit)
2025	20% Credit Release				Escrow release
	Year 5 Monitoring and Management	\$80,000	(\$30,000/\$50,000)	\$1,225,000	Credit Release(\$70K/credit)
	Final Wetland Delineation	\$50,000	(\$20,000/\$30,000)		Escrow release
2026	– Achievement of Final Performance Standards				
	25% Credit Release				