

Community Development Authority of the City of Neenah
August 25, 2025 - 4:00 PM
Hauser Room, City Administration Building

Present: Board Members: Tom Martin, Ald. Tami Erickson, Ald. Dan Steiner, Lee Hillstrom, Grant Birtch, and John Ahles. Also Present: Executive Director Kelly Nieforth, Mayor Jane Lang, City Attorney David Rashid, Ald. Brian Borchardt, Community Development Specialist Samantha Jefferson, Ald. Cari Lendrum, Ald. Flo Bruno, Ald. Bill Pollnow, David Go (Fox 11), Mike Moon (Fox 11) and Bethanie Gengler (Neenah News).

Approval of June 2, 2025 meeting minutes:

MSC, Birtch/Ahles the CDA to approve the meeting minutes of June 2, 2025. Motion passed. Member Hillstrom abstaining.

Public Appearances: Ald. Pollnow expressed opposition to the purchase of 135 Millview Drive, citing concerns about increasing debt and overall expenditures. He stated that the City should focus on selling existing city-owned parcels rather than acquiring additional property. He noted concerns with debt service, explaining that a tax increase to cover debt service could result in higher taxes per household. He also found it problematic that no developer or development agreement is currently in place.

Consideration and recommendation of acquisition of property at 1225 S. Commercial Street located within the S. Commercial Street Redevelopment Corridor:

Director Nieforth provided an overview of the proposed acquisition of 1225 S. Commercial Street. In 2021, the Community Development Authority (CDA) and the Common Council approved the Redevelopment Plan for the South Commercial Street Corridor and created the City's fourth redevelopment area. The plan, developed with public input, guides redevelopment along the corridor and outlines preferred future uses such as retail, office, multifamily, and mixed-use development.

The City previously acquired two parcels to the south in 2018 and 2019. Acquiring 1225 S. Commercial Street will consolidate the site into a 0.9-acre parcel, creating a larger, more marketable development opportunity. The property owner recently approached the City, and following a Common Council closed session discussion, staff was directed to obtain an appraisal which valued the property at \$150,000. The City negotiated a purchase price of \$100,000. Funding will come from Community Development Block Grant (CDBG) dollars already allocated to the City by the federal government. The property has been designated as blighted in the adopted Redevelopment Plan.

Future redevelopment will be marketed through a Request for Proposals process, and the site's location within a federally designated Qualified Census Tract and Low-Income Census Block may provide additional financial resources for interested developers. Staff noted that preliminary discussions with developers have already taken place.

Members discussed next steps, including demolition of the building following acquisition. Member Birtch asked about the environmental conditions of the adjacent parcels. One of the southern parcels was formerly a dry cleaner, and the City has been in contact with the Wisconsin DNR regarding potential site limitations. Options such as locating parking on the former dry cleaner site may be considered. Staff noted that a Phase I environmental assessment will be conducted, with funding available for that work.

Ald. Steiner asked about the relationship between the city and the DNR in regards to these types of projects. The City has a positive track record of working with the DNR and would utilize “Green Team” meetings with the DNR, WEDC, developers, and the City to explore solutions.

Member Ahles asked about potential environmental work on the subject parcel, and staff confirmed that testing will begin after acquisition.

Ald. Erickson inquired about the use of the site by Ray’s Transmission for vehicle parking. Director Nieforth clarified that no agreement exists with Ray’s, but vehicles have been allowed to park there informally. Should redevelopment move forward, Ray’s would be required to vacate. Ald. Erickson also voiced concern about city staff having additional area to maintain (grass, snow, etc.). Director Nieforth added that if the property were temporarily converted to greenspace, outside maintenance services could be considered if City departments were unable to manage upkeep.

Member Hillstrom expressed support, mentioning the townhouses that were constructed on Western Avenue – another previously contaminated site – and how well that project worked. Member Birtch commented that acquisition of the property strengthens redevelopment opportunities and enhances marketability of the entire block.

MSC Birtch/Hillstrom, the CDA approves for staff to complete the necessary steps to acquire the property at 1225 S. Commercial Street at the accepted offer price of \$100,000, utilizing Community Development Block Grant funds as authorized by the Common Council at their September 17, 2025 meeting. Motion passed unanimously.

Consideration and recommendation of acquisition of property at 135 Millview Drive located within the Downtown Development Area:

Member Birtch disclosed that he has previously represented the owners of 135 Millview Drive and therefore abstained from the discussion and voting.

Director Nieforth provided an overview of the proposed acquisition. The City of Neenah and the Community Development Authority (CDA) have been actively acquiring and redeveloping properties near the former Glatfelter site for over 25 years. The subject property at 135 Millview Drive has long been identified as a key redevelopment site due to its location at the gateway to the downtown district. Multiple city plans, developed with public input, have identified the parcel as a redevelopment priority. The property is adjacent to two parcels already owned by the City—one acquired in 2008 and the other acquired as excess right-of-way from the overpass project. Together, acquisition of 135 Millview would assemble approximately three acres, creating a large, marketable site. The owner has agreed to sell, and the City formally submitted an Offer to Purchase in August. The assessed value of the property is \$1,680,000, and the negotiated purchase price is \$2,200,000, with closing scheduled for February 2026. Funding will be provided through the City’s CIP, with future increment in TID #10 used to repay the debt obligation.

The Neenah Next Downtown Reimagined Plan envisions mixed-use development on the site, potentially including retail, office, and multifamily housing. The City will issue a Request for Proposals (RFP) to market the site and identify the best development partner. Staff reported that preliminary conversations with developers have already taken place, and interest in multifamily development remains strong given recent projects such as 201 West and Solaris, both of which are fully leased.

Members discussed potential environmental and demolition considerations. A Phase I environmental assessment has already been completed, and additional site investigation will occur after acquisition. Staff will also pursue grant opportunities to assist with environmental remediation or demolition. A rough estimation for the cost of demolition is \$50,000–\$75,000, though salvage could offset some expenses.

Ald. Steiner asked if the two adjacent parcels could be marketed on their own without this additional parcel. Director Nieforth noted that without the acquisition of 135 Millview Drive, the City would be unable to market the existing parcels. Comparisons were made to recent nearby projects, with Solaris valued at \$13 million and strong absorption rates across both Solaris and 201 West. Staff stated that developers remain ready to begin additional multifamily projects, though the site could also support mixed-use or commercial uses. A recent Baird analysis provided a positive outlook for redevelopment potential.

MSC Hillstrom/Steiner, the CDA approves for staff to complete the necessary steps to acquire the property at 135 Millview Drive at the accepted offer price of \$2,200,000, utilizing CIP funds as authorized by the Common Council at their September 17, 2025 meeting. Motion passed unanimously with Member Birtch abstaining.

Consideration and recommendation of acquisition of property at 110 W. Cecil Street located within the S. Commercial Street Redevelopment Corridor:

Director Nieforth provided an update on the former Donaldson’s site at 110 West Cecil Street. The WDNR and Wisconsin Department of Justice (DOJ) have been involved due to site contamination. Staff have maintained communication with the DOJ and reported confidence that the process is moving in the right direction. The DOJ has agreed to dismiss its case against the heirs of the property, allowing the transfer to the City. The City will re-engage with the WDNR to ensure the City remains eligible for liability protection. Staff will also pursue Local Government Unit (LGU) designation to secure full environmental liability exemption.

The property is assessed at \$100, and the negotiated purchase price is \$1.00, with a closing anticipated this fall. The acquisition will allow the City to stabilize and cap the site. Attorney Rashid explained that while the heirs lack resources to fund cleanup, the City will work with the DNR to ensure appropriate protections are in place.

Member Birch asked if the City would be released from cleanup responsibilities. Attorney Rashid noted that LGU designation and DNR approval will provide liability protections.

MSC Birtch/Hillstrom, the CDA approves for staff to complete the necessary steps to acquire the property at 110 W. Cecil at the accepted offer price of \$1.00, as authorized by the Common Council at a future meeting. Motion passed unanimously.

Consideration and recommendation of Parking Lot Lease Agreement between Pizza Parlor Inc. d/b/a Cranky Pat’s Pizzeria and the City of Neenah and the Community Development Authority:

As part of the City’s acquisition of 110 West Cecil Street, staff has drafted a proposed lease agreement with Pizza Parlor, Inc. (Cranky Pat’s Pizzeria), the adjacent property owner to the east. Cranky Pat’s has

expressed interest in redeveloping the parcel for customer parking, which would improve the site and support corridor redevelopment goals.

The City and Cranky Pat's have agreed to the following terms:

- Lease rate of \$1.00 per year.
- Initial lease term of 10 years with year-to-year extensions thereafter.
- Lessee (Cranky Pat's) will invest up to \$10,000 for environmental capping, resurfacing, and compliance with WDNR requirements.
- Lessee will repair existing monitoring wells and provide required documentation and reports to the WDNR.
- Lessee will install a hard surface parking lot with marked stalls, landscaping along South Commercial Street, and planter features along West Cecil Street.
- Lessee will have the right of first refusal to purchase the property and an option to terminate the lease.

Member Ahles asked about insurance provisions, with staff confirming that the lease requires Cranky Pat's to supply insurance, subject to City verification.

Member Birtch requested revisions to clarify restrictions in Paragraph 8 and suggested explicitly prohibiting boats.

Members also discussed DNR involvement, noting that Cranky Pat's will provide limited oversight and cap documentation but will not be responsible for sitewide environmental testing. The City will continue to work with the DNR to determine future remediation requirements.

Director Nieforth emphasized that the proposed investment aligns with updated cost estimates from the environmental consultant. The \$10,000 commitment pertains to environmental capping; resurfacing and parking lot improvements would be funded separately by Cranky Pat's. Staff also noted that the lease will be revised to clarify lessor/lessee language and ensure the parking lot is constructed to City code standards.

Members further discussed long-term monitoring requirements. The DNR will require periodic reports on the site cap, and Cranky Pat's will maintain the cap and monitoring wells. If favorable perimeter well readings are achieved, the DNR may determine the site secure. Staff indicated that the DNR is supportive of the proposed capping plan.

In addition, improvements along South Commercial Street will include closing one of the two existing driveways and enhancing the site with landscaping, contributing to the broader corridor beautification efforts.

Members expressed support for the agreement, with Member Birtch requesting that staff incorporate revisions discussed during the meeting before finalizing the lease.

MSC Steiner/Erickson, the CDA approves for staff to incorporate noted revisions of and complete the necessary steps to enter into a Parking Lot Lease Agreement with Pizza Parlor, Inc. on the property at 110 W. Cecil Street, as authorized by the Common Council at a future meeting. Motion passed unanimously.

Community Development Updates:

- a) Marketing Redevelopment Properties – Director Nieforth reported that Requests for Proposals (RFPs) will be issued for redevelopment sites at Millview Drive and South Commercial Street (south of Peckham and north of Byrd). Staff have already received multiple inquiries from interested developers. The sites are located within a Qualified Census Tract, which may provide additional incentives to developers. Staff expressed optimism that proposals will bring forward complementary uses to support redevelopment along South Commercial Street.

Member Hillstrom noted that a retention pond previously planned for the area is no longer required due to the construction of the new stormwater pond at Douglas Park.

- b) VPLE: Glatfelter Redevelopment Area – Staff are in discussions with the WDNR regarding obtaining Voluntary Party Liability Exemptions (VPLEs) for the Glatfelter Redevelopment Area. A VPLE functions as an insurance policy and provides a Certificate of Closure, protecting the City and future landowners from liability or additional testing requirements related to past contamination, provided the site has been properly tested and remediated.

Currently, all businesses in the redevelopment area are operating under ground leases. One business has inquired whether property could be transferred to them. Staff are working with the DNR to determine the most appropriate approach. Director Nieforth emphasized that VPLE protections only apply to areas that have been tested and remediated. Staff are reviewing all development agreements in the area in relation to VPLEs. Conversations with the DNR and businesses are ongoing.

- c) Site Prep Activities: 2405 Schultz Drive - Director Nieforth reported that staff have received interest in the property at 2405 Schultz Drive. Wetland determinations are currently underway to clarify jurisdictional boundaries and to assess whether portions of the site are considered artificial wetlands. If confirmed, those areas could potentially be released for development. Staff noted that there has been interest from an industrial user in the site.
- d) Gunderson Cleaners Headquarters – The City has approved a development agreement with Gunderson Cleaners for the construction of a new headquarters and production facility in the City's industrial park. The company will be relocating from its current downtown Menasha location, which it intends to sell. The new facility will feature industry-leading technology. Staff noted this is an exciting project and a strong addition to the industrial park.

Adjournment: The meeting was adjourned at 4:50 p.m. **MSC Hillstrom/Ahles. All voting aye.**

Respectfully Submitted,



Samantha Jefferson

Community Development Specialist