CITY COUNCIL RESOLUTION NO. R-85-2018
AUTHORIZING SUBMITTAL OF AN IDLE SITES GRANT APPLICATION

WHEREAS, the Wisconsin Economic Development Corporation (WEDC) has funds available for projects to support local initiatives to redevelop idle industrial sites; and

WHEREAS, the Redevelopment Authority of the City of Stoughton was established to initiate, plan and implement redevelopment projects within the City; and

WHEREAS, Redevelopment Authorities are an eligible applicant for Idle Sites grant funds; and

WHEREAS, the Redevelopment Authority of the City of Stoughton is applying for said grant funds to assist with redevelopment activities associated with the City's riverfront redevelopment area.

NOW, THEREFORE, BE IT RESOLVED, the Common Council of the City of Stoughton hereby authorizes the Redevelopment Authority of the City of Stoughton to submit an application to the Idle Sites grant program and directs the Mayor and appropriate City staff to provide information and sign appropriate documents to facilitate the submittal; and

BE IT FURTHER RESOLVED, that if said grant funds are awarded, the Redevelopment Authority of the City of Stoughton and proper City officials are hereby authorized and directed to accept said funds, pursuant to the terms of the grant, and to execute any and all documents and assurances which may be required for purposes of same.

This Resolution is being adopted by the Common Council at a duly scheduled meeting on April 24, 2018.

_____
Timothy Swadley, Mayor

_____
Holly Licht, City Clerk

CERTIFICATION

I, _____ Clerk of the City of Stoughton, certify that the foregoing Resolution was duly and regularly adopted by the Common Council at a duly scheduled meeting held at the City Hall on April 24, 2018. Motion by _____, seconded by _____ to adopt the Resolution.

Vote: _____Yes _____No
Resolution Adopted.

_____, City Clerk

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

COMMUNITY APPLICATION

SECTION I-APPLICANT INFORMATION	
Legal Entity: ☒City ☐Town ☐Village ☐County ☐Tribal Entity ☐Nonprofit (Attach copies of IRS documents showing acceptance of Federal Tax Exempt Status) ☒Other Governmental Unit	
Legal Name: Redevelopment Authority of the City of Stoughton	
Trade Name: Stoughton RDA	
Mailing Address: 381 East Main St.	
City, State, Zip: Stoughton, WI 53589	
FEIN: 39-6005622 (Federal Employee Identification Number – Tax ID or Social Security Number)	**NAICS:**
Fiscal Year End Date: 12/31/2018	**Check box if W-9 is attached to the application** ☐
Website URL: http://www.ci.stoughton.wi.us/	**Phone:** (608) 873-6677
Chief Elected Official: Timothy Swadley	**Title:** Mayor
Phone: (608) 873-6677	**Email:** TSwadley@ci.stoughton.wi.us
LOCAL GOVERNMENT CONTACT	
Name: Rodney Scheel	**Title:** Planning Director
Email: RJScheel@ci.stoughton.wi.us	**Phone:** (608) 873-6677
Mailing Address: 381 East Main Street	
City, State, Zip: Stoughton, WI 53589	
NON-GOVERNMENT CONTACT	
Name: Gary Becker	**Title:** Planning Consultant
Email: gwb@garywbecker.com	**Phone:** 608.444.0836
Mailing Address: 5813 Piping Rock Rd.	
City, State, Zip: Madison, WI 53711	

SECTION II-INFORMATION ON LEGAL PROCEEDINGS	
Has the applicant been involved in a lawsuit in the last 5 years?	☐**Yes** ☒**No**
Has the applicant been involved in a bankruptcy or insolvency proceeding in the last 10 years, or are any such proceedings pending?	☐**Yes** ☒**No**
Has the applicant been charged with a crime, ordered to pay or otherwise comply with civil penalties imposed, or been the subject of a criminal or civil investigation in the last 5 years?	☐**Yes** ☒**No**
Does the applicant have any outstanding tax liens?	☐**Yes** ☒**No**
Please attach a detailed explanation of any YES responses.	

SECTION III-STATE REQUESTS FOR BID OR PROPOSAL	
Are you aware of any State of Wisconsin request(s) for bid or request(s) for proposal to which the applicant intends to respond, or to which the applicant has recently responded? **If yes, please provide the following:** **a. Identify the bid or request for proposal** (e.g., bid number, or general description or title). **b. Identify the state agency or public entity to which you are submitting the bid or proposal.** **c. Explain the status of the bid or proposal (e.g., recently submitted; considering submission; in current negotiations).** **Please note that if you answer "yes" WEDC may not be able to discuss potential financial assistance until the request for bid or request for proposal process has been completed.**	☐**Yes** ☒**No**

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

CERTIFICATION STATEMENT

THE APPLICANT CERTIFIES TO THE BEST OF ITS KNOWLEDGE:

1. The information submitted to the Wisconsin Economic Development Corporation (WEDC) in this application, and subsequently in connection with this application, is true and correct.

2. The applicant is in compliance with applicable laws, regulations, ordinances and orders applicable to it that could have an adverse material impact on the project. Adverse material impact includes lawsuits, criminal or civil actions, bankruptcy proceedings, regulatory action by a governmental entity or inadequate capital to complete the project.

3. The applicant is not in default under the terms and conditions of any grant or loan agreements, leases or financing arrangements with its other creditors that could have an adverse material impact on the project.

4. WEDC is authorized to obtain background checks including a credit check on the applicant and any individual(s) with 20% or more ownership interest in the applicant company.

5. The applicant has disclosed, and will continue to disclose, any occurrence or event that could have an adverse material impact on the project.

THE APPLICANT UNDERSTANDS:

1. This application and other materials submitted to WEDC may constitute public records subject to disclosure under Wisconsin's Public Records Law, §19.31 et seq. The applicant may mark documents "confidential" if the documents contain sensitive information.

2. Submitting false or misleading information in connection with an application may result in the applicant being found ineligible for financial assistance under the funding program, and the applicant or its representative may be subject to civil and/or criminal prosecution.

3. Authorization to Receive Confidential Information. The applicant hereby authorizes the Wisconsin Economic Development Corporation ("WEDC") to request and receive confidential information that the applicant has submitted to, including any adjustments to such information by, the Wisconsin Department of Revenue ("DOR") and the Wisconsin Department of Workforce Development ("DWD"), and to use such information solely for the purposes of assessing the applicant's performance for the duration of the economic development project and ensuring that WEDC is properly administering or evaluating economic development programs. With regard to the information contained in the DWD unemployment insurance files, WEDC may access the following for the 8 most recent quarters: the quarterly gross wages paid to the applicant's employees; the monthly employee count; and the applicant's FEIN, NAICS code, and legal and trade names. The applicant also authorizes WEDC to share information submitted to WEDC by the applicant with the DOR and DWD and to redisclose to the public the information received from the DOR and DWD used to evaluate the applicant's performance under their specific economic development program and the impact of WEDC economic development programs. Records exempted from public records law by Wis. Stat. § 19.36(1) will be handled by WEDC in accordance with that law.

☒**Yes** ☐**No** I certify that incentive assistance is needed to ensure this project will happen in Wisconsin. Please provide details below:

Signature: _____ Date:
(Authorized Representative)

Printed Name: Timothy Swadley Title: Mayor

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

IDLE SITE REDEVELOPMENT

SECTION A-INITIAL ELIGIBILITY	
1. The property is larger than 5 acres and has had over 25 years of industrial usage. -OR- The property is larger than 10 acres and has had over 25 years of commercial usage.	☒Yes ☐ No
2. The property has been vacant or underutilized for more than 5 years.	☒Yes ☐No
3. The applicant owns the targeted site or can demonstrate the legal ability to access the property and perform the work proposed in the application.	☒Yes ☐No
4. The applicant agrees that grant funds will NOT be used for environmental work occurring on properties in which the current owner is also a causer who possessed or controlled the contaminant(s) on the site.	☒Yes ☐No
5. The applicant agrees that funds received for remediation under the Idle Industrial Sites Program shall not replace funds from any other source, including Agri-Chemical, Petroleum Environmental Cleanup Act or the Superfund.	☒Yes ☐No
6. The applicant agrees that funds received under the Idle Industrial Sites Program shall not be used for environmental remediation costs where there is a known viable causer of contamination with ownership interest in the property.	☒Yes ☐No

Please contact your Regional Economic Development Director for eligibility information if any answers are "No."

SECTION B-SITE DETAILS	
Location: ☒City ☐Town ☐Village:	**County:** Dane
Street Address: 433 E. South St., Stoughton, WI	**Project NAICS:** 3219
Site Size (Acres): 8.9	**Current Zoning:** MR-24
Proposed Zoning: Planned Development	**Current Assessed Value:** $0
Projected Assessed Value: $40,000,000	**Current Owner of Property:** Stoughton RDA
Start Date: 6/1/2018	**End Date:** 12/31/2019

Project Description: Explain any other factors that should be considered in evaluating this project (e.g., impact on Wisconsin suppliers, national/international sales, and other prospects for future expansions, etc.)

A contaminated 8.9 acre former industrial area along the Yahara River in downtown Stoughton has been assembled by the Stoughton Redevelopment Authority (RDA). The site is comprised of three properties on nine parcels – MillFab, Highway Trailers and Roberts Auto. The RDA is requesting assistance from WEDC to complete any assessment work not covered by WAM, to demolish structures on the site, environmental remediation and rehabilitation, and infrastructure improvements. The RDA will be soliciting a master developer for the property. Planning studies indicate that up to $40 million or more in property value can be supported by the site given its central location and frontage on the Yahara River. However,Stoughton must support the early costs of transitioning the site from what it is to what it will be. This high initial cost is a burden for the City of Stoughton and sharing the costs with other governmental partners will increase the chance of a successful redevelopment.

Is the project located in a TID? ☒Yes ☐No	**If yes, creation date:** 2/23/2010

Is the project located in a disaster area, as declared by state or federal authorities? ☐Yes ☒No
If yes, was the declaration within 24 months prior to submitting an application? ☐Yes ☐No
If yes, date of declaration:

Does the applicant or end user currently own the property on which work is to occur? ☒Yes ☐No
If no, how do you have or expect to obtain ownership or access to the property?

☐**Condemnation**	**Timeframe:**	
☐**Tax Delinquency**	**Timeframe:**	
☐**Purchase (attach purchase agreement or option)**	**Timeframe:**	
☐**Development Agreement**	**Timeframe:**	
☐**Other:**	**Timeframe:**	
If applicant will not own the property, what entity will/does?		
Current Site Ownership: Stoughton RDA	**Phone:** 608-873-6677	**Email:** RJScheel@ci.stoughton.wi.uw
Final Site Ownership: Developer	**Phone:**	**Email:**
Will the current owner, or applicant expecting to obtain ownership, remain the legal owner of the project site for 5 years following receipt of the award? ☐Yes ☒No		

SECTION C-REGULATORY INFORMATION (if applicable)	
DNR Project Manager Name and Mailing Address: Jeff Ackerman, 3911 Fish Hatchery Rd., Fitchburg, WI 53711	
Phone: 608-275-3323	**E-mail:** jeff.ackerman@wisconsin.gov
Indicate the various case numbers or BRRTS numbers that have been assigned to the project site: **1.** 0213258425 **2.** 0213579312 **3.** 0213554724	

SECTION D-REDEVELOPMENT NARRATIVES		
Please provide detailed descriptions regarding the following aspects of your project:	Included ✓	Attachment #
1. **Project Objectives:** Provide a clear, accurate and concise summary of the project, the project goals and objectives, and how the project will directly or indirectly promote economic development of the area and support community revitalization. The summary should include the needs to be addressed, the proposed scope of work, total investment, projected impact on jobs and tax base, and any other factors of significant impact. Supporting documentation may be referenced in the application materials and attached (e.g., letters of support, testimonials from concerned interests, summaries of market and/or planning study data, demographic data). *(Two-page limit, not including supporting documentation)*	☐	
2. **Need for Assistance:** Describe the nature and scope of the site's challenges (physical, social, financial, institutional and/or other). Clearly and concisely justify the need for grant funding that cannot be met by the private sector alone (e.g., traditional financing, equity investment or donor support), local public sector support (e.g. RLF financing, TIF financing and/or public borrowing) or a reduction in the scope of the project. *(Two-page limit)*	☐	
3. **Site Background:** Describe the site location, history and significance of the site, past and current ownership and usage, any known contamination and causers, reasons for underutilization, and area and people to be impacted by the proposed project. Describe how this project aligns with any planning processes that have been completed relating to this site, and include any redevelopment plans specifically referencing the site as supporting documentation. *(Two-page limit not including supporting documentation)*	☐	
4. **Project Implementation:** This section should provide a clear overview of the redevelopment strategy and project vision and a well-conceived overall approach to the project, including details demonstrating that the project	☐	

will be implemented in a way that will achieve the program's goals and objectives. Information provided should include the following *(four-page limit)*: • An implementation plan and quarterly schedule that detail past and planned activities through one year past completion, including milestones and factors that might affect the schedule (e.g., permitting, planning, site control actions, site assessments, environmental cleanup), including strategies to address potential obstacles. • A description of the means by which the applicant has or expects to obtain ownership or access to the property, as well as descriptions of intended property transactions that will occur over the next 5 years. • Evidence of market viability (e.g., market data from a published source), marketing plans and descriptions of how the project is positioned for continued success after the end of the grant period.		
5. Project Viability: Provide information that includes the following *(two-page limit)*: • Describe and demonstrate that the applicant is able to implement project activities consistent with the project's scope, scale and projected outcomes and sustain the project as described in the application. • Include name, role and qualifications of key individuals responsible for implementation of the project, including ownership percentage for any individual owning more than 20% of the project. • Describe the partnerships developed and demonstrate that the partner has sufficient and relevant experience and success in development and/or business operation similar to that being conducted under the proposed project. Include a partnership or other agreement between the applicant and the project partner that includes a description of the roles and the relationship between the applicant and the project partner in supporting documentation. The agreement should address topics such as: ensuring that detailed records documenting long-term job creation and appropriate expenditures of grant funds will be provided regularly; ensuring that the grantee plays a substantive role in the project and actively monitors partner(s)' activities to ensure compliance with WEDC program requirements; and ensuring that all parties cooperate with WEDC monitoring efforts. As evidence of the project partner's financial viability, individuals owning 20% or more of the project may be required to submit a signed and dated personal financial statement and may be subject to credit checks. WEDC funding shall not exceed 30% of eligible project costs.	☐	
6. Project Financing: The applicant must include an acceptable financial plan for the project that demonstrates that the project has all financing needed to complete construction and to sustain the project for at least one year after completion. Supporting documentation that clearly demonstrates financial feasibility includes firm financial commitment letters from a lending institution or government entity. Financial statements consisting of income statements, balance sheets and cash flow projections may support project viability. Describe each line item in the project budget, itemized by funding source. The financial plan should also demonstrate that the financial estimates are grounded in solid assumptions, with cost estimates or bidding conducted for costs listed in the project budget, or an explanation of the basis for all costs, attached as supporting documentation. *(Two-page limit not including supporting documentation)*	☐	

SECTION E-REQUIRED SUPPORTING DOCUMENTATION		
Please include the following attachments in the appendix and clearly identify each	Included ✓	Attachment #

document:		
1. A signed resolution by the governing elected body authorizing the submittal of an application to the Idle Sites Redevelopment.	☐	
2. A map and aerial image indicating the project location within its municipal jurisdiction and any specially designated federal, state or local economic or taxation zone encompassing the project site; photographs of the site and surrounding area	☐	
3. List of previous site owners/occupants from a Phase I Assessment or a title search	☐	
4. Statement declaring that a search was conducted to determine if the parties that caused contamination are unknown, or if known, are no longer in existence or have no ownership interest in the property, or that state funds will not be used for environmental remediation on the site if there is a known viable causer	☐	
5. Copies of all Phase I and II Environmental Assessments performed on the project property	☐	
6. Copies of any subsequent environmental reports or correspondence produced that are relevant in demonstrating the progress of any environmental activities at your project site	☐	
7. A copy of the redevelopment plan for the site	☐	
8. A copy of any cost estimates or bidding conducted for costs listed in the project budget, or an explanation of the basis for all costs	☐	
9. A copy of the agreement or document under which the applicant has or expects to obtain ownership or access to the property	☐	
10. Documentation that demonstrates the success of obtaining firm financing (e.g., commitment letters from lending institutions, municipal resolutions for financing or TID creation)	☐	
11. Partnership or other agreement between the applicant and project partner(s) that includes a description of the roles and the relationship between the applicant and the project partner	☐	
12. Statements from community, public and economic development leaders that support the project proposed for funding	☐	
13. Please list any other relevant documentation you have provided with your application, along with the page number: a. b. c. d.	☐	

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

IDLE INDUSTRIAL REDEVELOPMENT SITE PROJECT BUDGET

USES OF FUNDING	SOURCES OF FUNDING (TIF, DNR, CDBG, USDA, Developer, etc.)						TOTAL
	WEDC	SOURCE #1 NAME: TIF	SOURCE #2 NAME:	SOURCE #3 NAME:	SOURCE #4 NAME:	SOURCE #5 NAME:	
Acquisition	$	$	$	$	$	$	$
Building Renovations	$	$	$	$	$	$	$
Remediation	$	$100,000	$	$	$	$	$100,000
Site Improvements:	$	$	$	$	$	$	$
• Streets	$	$800,000	$	$	$	$	$800,000
• Sewer/Water	$250,000	$Click here to enter amount.	$	$	$	$	$250,000
• Public Space	$250,000	$550,000	$	$	$	$	$800,000
• Parking	$	$	$	$	$	$	$
• Other:	$	$	$	$	$	$	$
Demolition	$	$900,000	$	$	$	$	$900,000
Other (explain): Contingency	$	$	$	$	$	$	$
TOTAL USE OF FUNDS	$500,000	$2,350,000	$	$	$	$	$2,850,000

Please provide the following for the sources listed above

Source	Source Name	Contact Name	Contact Title	Email Address	Phone Number
1.	TIF	Tammy LaBorde	Finance Director	TLaBorde@ci.stoughton.wi.us	608.873.6691
2.					
3.					

Ineligible costs for reimbursement, includes, but may not be limited to the following:
-Grant application/bid preparation costs -Costs coved by other grants or programs -Insurance premiums -In-Kind contributions -Relocation fees –Acquisition costs –Zoning changing costs –Signage –Advertising –New construction costs –Cost covered by other grants or programs –Lien claims of the DNR & EPA –DNR fees –Marketing studies –WEDC compliance reporting,

including performance and SOE reporting and draw requests –Project administration fees –Financing fees, Interest payments, or the assumption of debt –Accounting, legal, appraisals, and architectural fees –Permits –Performance and payment bonds –Contingencies –Supplies and the purchase of movable equipment –Developer fees –Environmental costs where the viable causer is the current property owner –Non-environmental post-construction clean-up costs –Parking lot paving for non-environmental reasons, and striping –Decorative landscaping and fencing

Attachment A

City of Stoughton Redevelopment Authority
Idle Sites Grant Application
Project Narrative

1. Project Objectives

- Prepare the site for development;
- Secure a master developer for the site
- Execute a development agreement with the developer
- Develop the site to its highest and best use.

The City of Stoughton intends to partner with one or more developers to redevelop some or all approximately 16 acres of current and future City-owned and privately-owned property (the "Riverfront Redevelopment Area") along the Yahara River in Stoughton, Wisconsin. The 8.2-acre area targeted for the Idle Sites Grant includes two former industrial properties that have been closed or underutilized for over five years:

- MillFab - six acres on eight parcels
- Highway Trailer – 2.2 acres on a single parcel

The Redevelopment Authority of the City of Stoughton (RDA) has assembled these blighted properties over the past seven years. A SAG grant was secured to demolish the structures on the MillFab site. A WAM grant was secured to conduct a Phase II environmental assessment on the MillFab site.

The next steps, for which the Idle Sites Grant is requested, is to demolish the Highway Trailer complex, except for the Blacksmith Shop portion of that complex, complete the environmental assessments, remediate any soil and water contamination to a standard that will allow residential development, install a new lift station to serve future residential on the site, bury electric lines along E. South St., improve E. South St. and Fourth St., restore the riverbank, construct a pedestrian bridge across the Yahara River to Mandt Park and a Riverwalk trail along the River on the development site. Completing these objectives, or at least having them underway, will prepare the site for active marketing to developers.

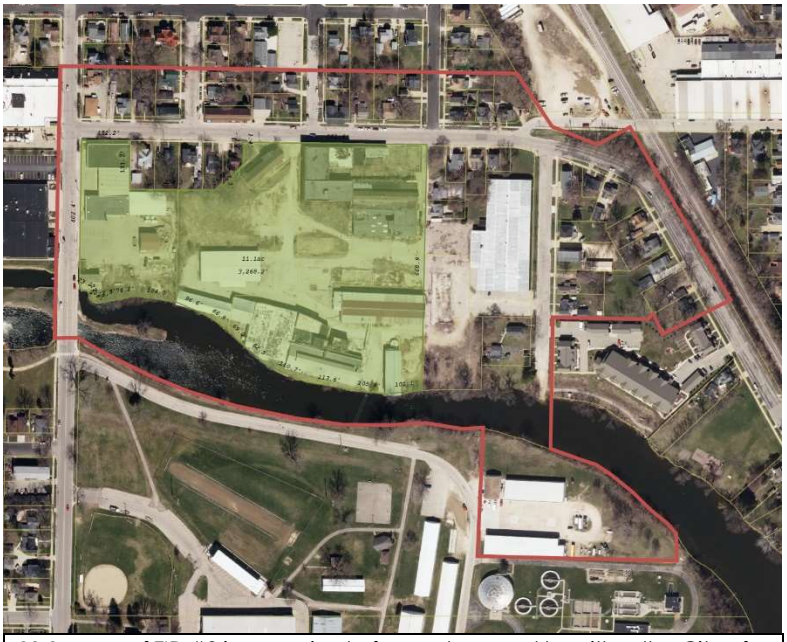
Currently the two sites are not on the tax rolls and for decades prior to this they have been on the tax rolls, but at very low values considering the location of the property. The overall goal of the City is to improve these parcels so that they contain approximately $40 million of taxable property value and approximately 200 new housing units. Development of adjacent property that is also part of the redevelopment area, should add even more value and units. Successful accomplishment of this goal will strengthen the fiscal capacity of the City of Stoughton, strengthen the downtown retail district, and create housing options not currently available in the City, thereby attracting new residents and incenting improvement in the City's existing rental stock. Another positive impact includes making the Yahara River a focal point for community recreation, rather than a place to avoid because of blighted industrial land uses.

Attachment A

Needs:				
Riverwalk 1,450 feet x 12' wide, paved	$70,028	100%	0%	$70,028
Pedestrian Bridge	$497,025	100%	0%	$497,025
Riverbank Restoration	$224,398	100%	0%	$224,398
Lift Station	$250,000	100%	0%	$250,000
Bury Electric Power Lines, E. South St.	$400,000	100%	0%	$400,000
E. South St. Improvements	$200,000	100%	0%	$200,000
4th St. Improvements	$200,000	100%	0%	$200,000
Highway Trailer Demolition[1]	*$900,000*	*100%*	*0%*	*$900,000*
Environmental Remediation MillFab/HTB	$100,000	100%	0%	$100,000
Total	**$2,841,451**	**100%**	**0%**	**$2,841,451**
Contingency	$426,000	100%	0%	$426,000
Total w/ Contingency	**$3,267,451**	**100%**	**0%**	**$3,267,451**

[1]Demolition of the Highway Trailer Building may need to begin prior to grant award due to the public safety hazard of the building. Demo work is expected to begin in June 2018. East South St. is currently closed due to the structural instability of the building.

The City created Tax Increment District #5 in 2010 to help fund redevelopment activities in the entire railroad corridor that runs through downtown Stoughton. The riverfront redevelopment area was just a portion of the property included in TID #5. The City has decided to remove the riverfront redevelopment area from TID #5 and create a new TID #8 to reset the TIF clock and improve the chance of a financially successful redevelopment effort. The process for creating the new TID is expected to be completed by Sept. 30, 2018. The project plan for TID #5 and the draft project plan for TID #8 are included as supporting documents to the application. The full scope of the City's expected outcomes for this area is included in the TID #8 draft project plan.



11.1 acres of TID #8 is comprised of parcels owned by either the City of Stoughton or the Stoughton RDA – shaded in green above, TID #8 boundary in red.

2. Need for Assistance

The site targeted for this Idle Sites Grant has been in heavy industrial use for the past 140 years. The site is covered with three-to-twelve feet of fill. Along the River, a portion of the Yahara River and riverbank wetlands were filled in to construct an industrial building. The fill used on the site was foundry sand, cinders and wood waste. Much of this fill is contaminated with PAH and heavy metals in varying concentrations. Groundwater is within several feet of the surface, presenting additional challenges to future high-density development.

When the river and riverbank wetlands were filled in, a seawall was constructed to hold in the fill. That seawall – approximately 115 years old – is failing in many places. The City will need to either repair the seawall or restore the riverbank to a more natural condition. In addition, this stretch of the river is an important link in a proposed Riverwalk trail and pedestrian bridge intended to connect this site to Mandt Park, the downtown and a future regional trail network as well as a planned whitewater park that is expected to become a regional recreational destination for residents of southern Wisconsin.

Financially, the investment needed by the City to fund the proposed work will place a strain on City resources. The City of Stoughton has one of the lowest levels of fiscal capacity of any municipality in Dane County. The redevelopment of this critical site is an important strategy for the City to improve its fiscal capacity without adding the cost burden of additional new infrastructure, other than a lift station. Tax increment financing will be used to help finance the improvements, but an Idle Sites Grant is needed to help reduce the prohibitive costs to the City and help make the TID viable over its 27-year life.

The scope of site preparation and public infrastructure needs are too great to be covered by private development alone. In addition to the public needs described above, a developer will be responsible for managing the grading and placement of contaminated soil, installing sufficient footings or piers to support buildings on poor, unstable soils, constructing under-building parking structures, installing appropriate storm water management facilities and constructing internal roads and landscaping. Supportable market rents in Stoughton are less than they are in areas closer to Madison, thereby reducing the developer's financial capacity to deal with extraordinary site issues.

All the proposed work is needed to properly develop the site for high-density residential. A reduction in the scope of the project is not possible without jeopardizing the goal of significant redevelopment.

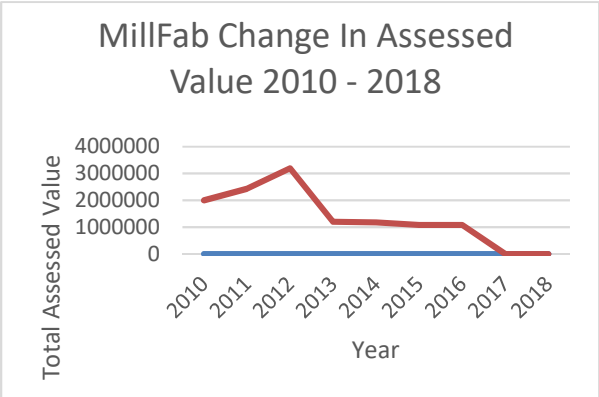
Financing of redevelopment activities is described within the TID #8 draft project plan, attached. The TID financials assume a $500,000 Idle Sites Grant and even with that, the TID only begins to cash flow in the last two years of its life.

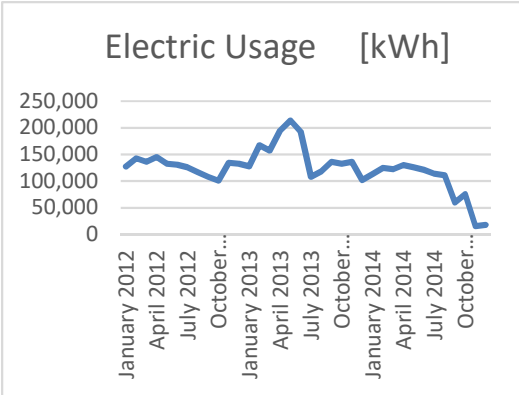
3. Site Background

The site is located along the Yahara River in downtown Stoughton, just two blocks off Main Street and in the core of the City. A major City park – Mandt Park, is located directly across the Yahara River from the site.

The site has been in nearly continuous industrial use for 140 years, detailed in the chart on the following page and in the historical research report included as a supporting document. The site was a major producer of wagons and trailers in the early part of the 20th century. There is a direct link between this site and the establishment of Stoughton Trailers, which today accounts for nearly 30% of all semi-truck trailers produced in the United States. No trailers have been produced on this site since 1957.

MillFab had been using the site for millwork production – primarily producing molding for Menards. Their contract with Menard's was terminated in 2013, which led to the closing of the plant in 2014 – the last active use of the site. MillFab operated at a reduced capacity for about a year prior to closing the operation. In 2013 they were successful in having their property assessment reduced by the Wisconsin Dept. of Revenue. Additionally, their electric usage dropped significantly at the same time. These events are illustrated by the following charts.





The entire site is contaminated by the fill that was applied to the site around the turn of the century when the site was built-out by the Moline Plow Company for wagon manufacturing. The Moline Plow Company apparently used waste sand and cinders from their foundry operation to fill-in a portion of the Yahara River and cover wet soils. The depth of fill ranges from 2'along the northern portion of the site to approximately 12' along the River. Results of a geotechnical study and phase I and II environmental assessments of the site are included as supporting documents. The Moline Plow Company, causer of the environmental contamination, went out of business around mid-century.

The area to the north and east of the site is primarily residential. These residents have been living with blighted properties for many years. Recently, E. South St. was closed by

the City due to the risk posed by the deteriorated condition of the Highway Trailer building. All taxpayers in the City are making up for the reduced property valuations in this area. While nearby properties in downtown Stoughton are valued at around $1 million per acre, the properties that are the subject of this grant application were valued at 1/10th that amount - $110,000 per acre. Redevelopment of this idle site will add significant new tax base to the City, alleviating the burden that taxpayers have been shouldering because of these undervalued properties.

This project is in alignment with the Railroad Corridor Redevelopment Plan, Rail Corridor Neighborhood Plan, the City's Comprehensive Plan, The TID #5 Project Plan and the draft TID #8 Project Plan. These references as well as a seven page summary of studies, maps and plans related to the riverfront redevelopment area are included as supporting documents.

Attachment A

Table 1 – Site Ownership & Occupant Information				
From	**To**	**Owner**	**Occupant**	**Primary Land Use**
MillFab Property				
2017	Current	Stoughton RDA	None	Vacant
2014	2016	Receivership	None	Vacant
1962	2014	Holley Moulding, Inc.	Millfab, Inc.	Industrial – Wood Mouldings
Unknown	1962	Seacraft	Seacraft	Industrial – Wood Mouldings
Unknown	Unknown		Stoughton Cab & Body Co., Garden City Foundry Co., Badger Wheeler, Stoughton Manufacturing Company, Stoughton Highway Trailer Co.	Industrial
~1921	~1949	Stoughton Woodwork Company	Stoughton Woodwork Company	Industrial – Mill Work
~1906	~1921	Moline Plow	Moline Plow	Industrial – Wagons & Plows
~1904	~1906	C. Mandt Vehicle Company	C. Mandt Vehicle Company, Foundry, Coal House	Industrial – Wagon Manufacture & Coal Storage
~1892	~1904	C. Mandt Vehicle Company	C. Mandt Vehicle Company, Coal House	Industrial – Wagon Manufacture & Coal Storage
~1887	~1892	Unknown	Coal House	Industrial
~1884	~1887	Unknown	Coal House, Grain Cribs	Industrial
Prior to 1884	~1884	Unknown	Hog Pens, Grain Cribs	Agriculture-Commercial
Highway Trailer Building				
2010	Current	Stoughton RDA	None	Vacant
1972	2010	Don Wahlin	Stoughton Trailers	Storage/warehouse
1957	1972	TCJ Trailer	TCJ Trailer	Storage/warehouse
1948	1957	Highway Trailer	Highway Trailer	Manufacture/assemble truck bodies
1925	1948	City of Stoughton	*Mid-West School Furniture Co. (briefly) *Highway Trailer *Garden City Foundry *Stoughton Cab & Body Co. *Stoughton Manufacturing Co.	Manufacture/assemble truck bodies; some parts used for tobacco storage.
1902	1925	Moline Plow Co.	Moline Plow	Manufacture/assembly of wagons.
1896	1902	T.G. Mandt Vehicle Co.	T.G. Mandt Co.	Manufacture/assembly of wagons.

4. Project Implementation

Project Vision: *An urban waterfront neighborhood built around riverside green space and recreational opportunities, with varied and modern living spaces for the young and old alike that enhances downtown vitality and serves as a regional destination.*

Implementation – Past Activities	
Year	**Activities**
2004	Alexander Company proposes redevelopment of the former Highway Trailer building. City denies TIF request – the request was higher than the Council felt was justified. Alexander conducts Phase I & II environmental assessments.
2005	The City begins planning for the redevelopment of blighted properties in downtown Stoughton. At that time, the focus was on the entire railroad corridor that comprised the former industrial heart of the City. City creates a comprehensive plan that designates riverfront area as "planned mixed use". City secures grant to study the stability of the Yahara River bank.

Attachment A

2007	ArtSpace – a non-profit developer creating work-live space for artists evaluates the feasibility of redevelopment the Highway Trailer building. City was unwilling to commit funds for pre-development activities.
2008	City establishes a Redevelopment Authority (RDA) to help manage redevelopment activities. A Rail Corridor Redevelopment Plan is prepared, and Redevelopment District #1 is created.
2009	The Rail Corridor Neighborhood Plan is prepared, adding more design detail to the initial Redevelopment Plan. Planning for the creation of TID #5 begins. Movin' Out approaches the City with a proposal for a workforce housing development in the riverfront redevelopment area – a site along the river formerly used by Stoughton Trailers for trailer storage. The RDA begins negotiating for the acquisition of the Highway Trailer building. Phase I & II environmental assessments are prepared by Ayres Associates.
2010	TID #5 is created by the City. Grant funding is secured to prepare a business incubator feasibility study. Movin' Out and the City reach agreement on the development of a 33-unit workforce housing project called Elven Sted – a $7 million investment. RDA acquires Highway Trailer building from Don Wahlin.
2014	MillFab ceases operations, property goes into receivership.
2015	City begins negotiating with Receiver for acquisition of the MillFab property. RDA secures a CDI grant from WEDC to conduct pre-development due diligence on City-controlled property in the riverfront redevelopment area. This includes a title report, geotechnical investigation, ALTA survey, environmental assessments, market analysis and a developer request for proposals. Wisconsin DNR issues municipal liability exemption for RDA acquisition of the MillFab property.
2016	RDA completes developer RFP and releases it in September. RDA begins negotiating with Anchor Bank for acquisition of the Carpet Warehouse building. RDA has a determination of eligibility prepared to evaluate the historic significance of the buildings on the MillFab, Highway Trailer and Public Works Garage sites. RDA closes on the MillFab property in December. RDA receives three development proposals in December.
2017	RDA selects Tannesay as the master developer for the riverfront redevelopment area. RDA decides to demolish Highway Trailer building. City Council places moratorium on demolition to prevent demolition of Highway Trailer building. RDA secures grant to conduct a master plan design charrette with the selected developer team. Design charrette conducted in June. Master developer pulls out of project following design charrette. City commissions study on the structural integrity of the Highway Trailer building. Architect recommends closing E. South St. due to public risk from building instability. City closes E. South St. RDA secures SAG grant to help fund demolition of MillFab buildings. Demolition plans and specs are prepared, and pre-demolition activities completed. City reaches agreement with bank for purchase of Carpet Warehouse building. City plans for a new Public Works Garage finalized.
2018	Demolition of MillFab buildings completed. City Council authorizes demolition of Highway Trailer building – except the Blacksmith Shop. City closes on Carpet Warehouse building after a successful environmental clean-up by the bank. Carpet Warehouse building is demolished. Financing secured for new Public Works Garage.

Implementation – Planned Activities		
Year	**Qtr**	**Activities**

Attachment A

2018	2	Complete demolition of MillFab and Carpet Warehouse buildings. Apply for Idle Sites Grant and WAM grant for environmental assessment of Highway Trailer site. Continue preparing project plan for new TID #8. City Parks Department submits DNR grant for funding Riverwalk and Whitewater Park.
2018	3	Secure Idle Sites Grant; Demolition of Highway Trailer building; Conduct assessment of MillFab and Highway Trailer sites through WAM; TID #8 project plan approved by City Council; E. South Street reopens. DNR Stewardship grant received for Riverwalk, pedestrian bridge and whitewater park;
2018	4	Complete demolition of Highway Trailer building; Begin soliciting developer interest in site;
2019	1	Conduct phase II assessment of Public Works Garage site; Begin design work for Riverwalk, pedestrian bridge and whitewater park, issues bid solicitation;
2019	2	Master developer selected; City lets contract for riverbank stabilization, Riverwalk path, pedestrian bridge and whitewater park;
2019	3	Developer prepares site master plan; City begins design processes for lift station and street improvements; Developer begins planned development rezoning process;
2019	4	Public Works Garage site is vacated, demolished; Begin environmental remediation of Public Works site; Planned development rezone process completed; bid solicitation for lift station, street improvements, burying electric power lines;
2020	1	Developer and City prepare for start of construction;
2020	2	Construction begins – developer's first building, lift station, street improvements, bury electric power lines;;
2020	3	Construction continues;
2020	4	Developer completes construction of first building, public improvements completed; Plans completed for 2nd building;

Factors That Could Impact Schedule and Mitigation Response:

- TID #8 Project Plan is not approved by City Council – a Committee of the Whole meeting is planned for June 2018 to review the draft project plan prior to the plan going to public hearing.
- Lack of interest in site by developers – City staff and RDA members intend to meet one-on-one with major developers in the Madison area to sell them on the strengths of the site.
- Phase II assessments of MillFab and Highway Trailer sites identify more significant contamination than expected – development schedule or phasing plan is adjusted to account for the additional time for remediation/mitigation.
- Idle Sites grant or WisDNR Stewardship grant is not received – this could represent a setback in implementation. We don't expect there to be much flexibility in the City budget to make up for the loss of expected grant funding. The only flexibility if grant funds are not received is the hope that costs come in significantly less than estimated to make up for the lack of grant funds.
- Demand for housing evaporates – this would delay implementation of development, but it is likely that demand would return after a period of time.
- Significant contamination found on Public Works Garage site – this would not delay start of construction as that site would not be in the first phase of redevelopment. There is time to resolve any remediation/mitigation before the MillFab/Highway Trailer/Carpet Warehouse sites are fully built out.

Attachment A

Property Transactions

The RDA has already acquired the Highway Trailer, MillFab and Carpet Warehouse sites through voluntary purchase. The MillFab property was purchased through receivership and the Carpet Warehouse property was purchased through bank foreclosure. The City already owns the Public Works Garage site. The new Public Works Garage is expected to be completed in 2019, freeing the site in the riverfront redevelopment area for development activities. No other property transactions are planned or needed to accomplish the intended redevelopment.

Evidence of Market Viability

The RDA has already received three developer proposals for redeveloping all or portions of the riverfront redevelopment area and had previously selected a master developer – Tannesay. This developer, who was ready to commit to $60 million in new development, pulled out of the project, not because of the lack of market demand, but rather it became apparent to the developer during the master plan design charrette in June 2017 that the City Council was not ready to move forward with any development plans. There were several issues the Council had concerns about that needed to be resolved before any developer would be able to move forward, including:

- Density
- Preference for ownership units over rental
- Demolition of the Highway Trailer building;
- Affordable housing
- Degree of commercial development

We have come a long way in resolving some of these issues and the Council is now in a better position to move forward than it was a year ago. We are confident that the Dane County market will continue to be strong into the foreseeable future. Further evidence of market viability is the performance of Kettle Park West – a major commercial and residential development on the west edge of Stoughton. Over $20 million of development has been put in place in that development over the past three years. The riverfront redevelopment area will provide new upscale housing units on a site with many natural and recreational amenities just two blocks from the historic arts district, restaurants, shops, and entertainment along Main Street. We believe this development will attract people to Stoughton who would otherwise never consider the City as a place to live.

A retail and residential market analysis was performed in 2015 and is included as a supporting document.

5. Project Viability

City's Ability to Implement

The City of Stoughton established a Redevelopment Authority in 2008 to lead redevelopment efforts in the City. The RDA is mostly comprised of professionals with backgrounds in real estate, development, construction, lending and marketing. The RDA hires consultants as needed to provide the expert information they need to make informed decisions. Gary Becker, CEcD, a planner with over 30 years of redevelopment planning experience, has been on retainer by the RDA since its founding. Gary will continue to be involved with the RDA to implement this redevelopment project. Additionally, the City has capable staff to guide implementation of this project, including an experienced planning director – Rodney Scheel and an experienced Finance Director – Tammy LaBorde.

The City has the financial capacity to implement the project. This capacity is discussed in detail in the draft TID #8 project plan, which is included as a supporting document.

The best evidence for the City's ability to implement this project is what they have already accomplished as described in the previous sections of this application.

Implementation Team

Gary Becker, CEcD – project manager
Rodney Scheel, Planning Director
Tammy LaBorde, Finance Director
Timothy Swadley, Mayor
Dan Glynn – Recreation Director
Matthew Dregne – City Attorney
Carl Chenoweth, RDA Commissioner, retired civil engineer
Regina Hirsch, RDA Commissioner, City Council
Denise Duranczyk, RDA Commissioner, City Council
Ron Christianson, RDA Commissioner
Brian Girgen, RDA Commissioner, J.P. Cullen

Need some background write-ups and full names of new RDA members

All property associated with this project is in public ownership and no individual owns more than 20% of the project.

Partnerships

The project partnership to date is between the City Council and the Redevelopment Authority. There currently is no private sector development partner. We expect to have a private sector development partner when the site is cleared and the TID #8 project plan has been approved.

6. Project Financing

Need information on bond issue for demolition – municipal resolution

Project Budget:

WEDC Idle Sites Grant:

Sewer/Water - $250,000: Cost of lift station to serve new high-density residential development on the site.

Public Space – $250,000: Cost of stabilizing/restoring the Yahara River bank ($225,000) and partial cost of the public river walk.

City of Stoughton TIF:

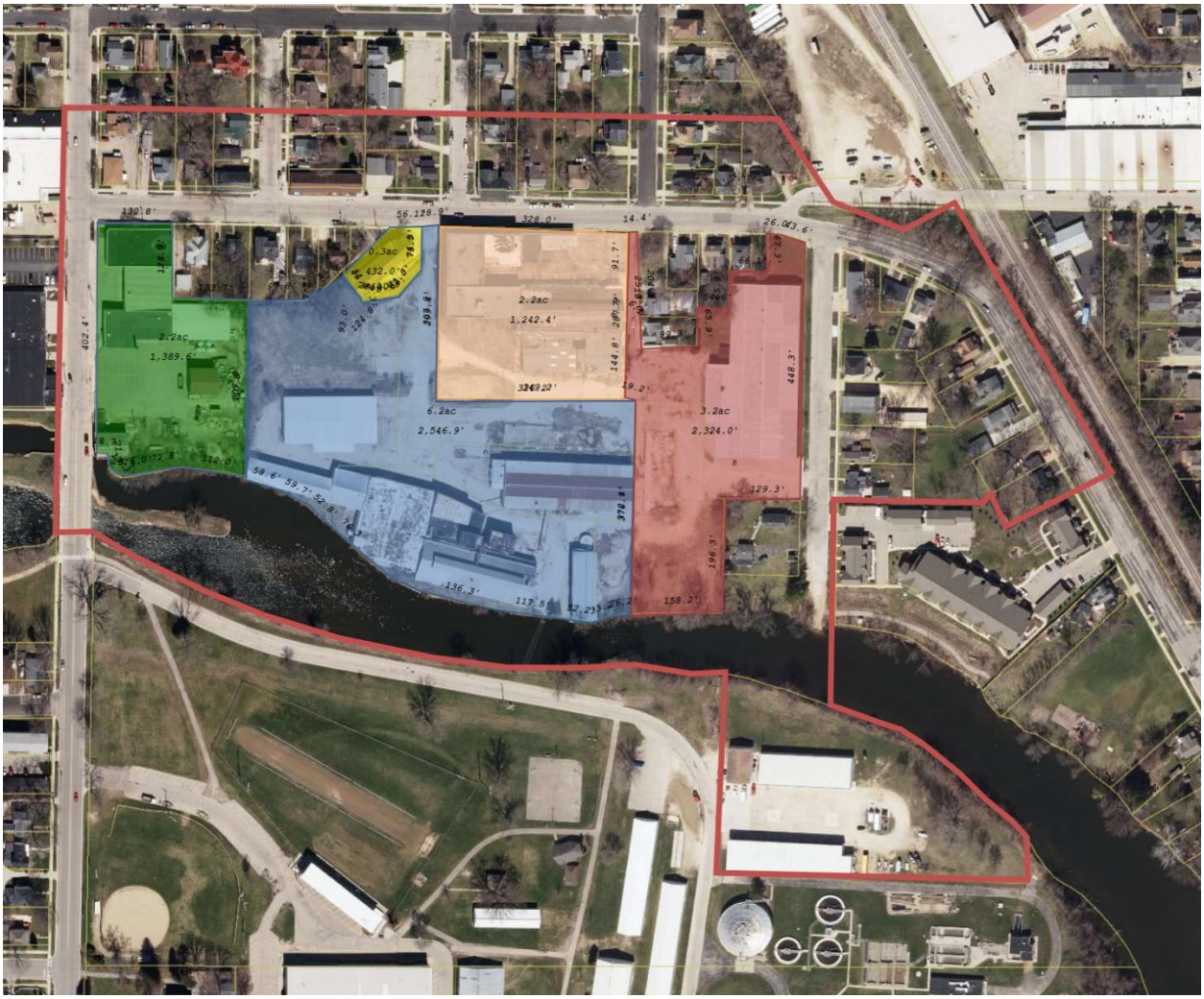
Remediation - $100,000: Budget placeholder for remediation work on the MillFab/Highway Trailer sites. Scope of remediation required will not be known until the DNR has completed their assessment of the sites through WAM.

Streets - $800,000: Cost of making improvements to E. South St. and 4th St. and burying electric power lines along E. South St.

Public Space - $550,000: Cost of installing a pedestrian bridge to connect the site to Mandt Park and partial cost of the river walk.

Demolition - $900,000: Cost of remediating hazardous material in the Highway Trailer building and demolition of the complex of buildings except the Blacksmith Shop.

Attachment A



Major uses of site: Green – City public works garage until 2019; Blue – MillFab wood milling ceased operations in 2014, now owned by Stoughton RDA, buildings now demolished; Orange – Highway Trailer Building – ceased industrial operations in 1957, buildings scheduled for demolition in June 2018; Yellow – Robert's Auto ceased operations in 2015, now owned by the Stoughton RDA, building now demolished; Red – Stoughton Trailer leased warehouse space, available for inclusion in a redevelopment project, not in public ownership. Remaining uses are primarily residential.