City of Stoughton, 381 E Main Street, Stoughton WI 53589

RESOLUTION OF THE COMMON COUNCIL

Authorizing and Directing the proper City official(s) to Respectfully Decline the Proposal from McFarland State Bank to donate the property located at 207 S. Forrest Street, Stoughton, WI to the City

Committee Action:	Finance Committee voted 2-2 on December 12, 2017
Fiscal Impact:	No funds are budgeted for demolition of building and construction of New parking lot

File Number:	R-3-2018	**Date Introduced:**	January 9, 2018

WHEREAS, the City of Stoughton received correspondence on September 21, 2017 from E. David Locke, Chairman and CEO for McFarland State Bank regarding the Bank's plans to provide the City an opportunity to acquire their bank building and land located at 207 South Forrest Street for public use via a gift of the property from the bank to the City; and

WHEREAS, the Finance Committee reviewed this matter at several meetings considering the cost to demolish the existing building and construct a parking lot and the lack of funding in the budget to do so, the loss of tax revenue, the possibility of utilizing the existing building for a public purpose, the possibility of utilizing the space for city offices and provide the Opera House with more space in city hall, the costs necessary to repair and maintain the existing building which McFarland Bank had noted had been very costly for them – completion of a building condition report, and the need for parking in the downtown area; and

WHEREAS, McFarland State Bank provided information to the Finance Committee related to preliminary estimates from October 2016 which they received related to the demolition of the existing building estimated at $90,000, the proposed new asphalt surface parking lot estimated at $260,000, and/or to construct a two-level concrete parking structure estimated at $2.6 million to $3 million; and

WHEREAS, the Finance Committee met on December 12, 2017 and recommended to the Council that the City respectfully decline the proposal from McFarland State Bank to donate the property located at 207 S. Forrest Street to the City, with the motion tied 2 (O'Connor, Olson) to 2 (Swadley, Reeves). Now therefore,

BE IT RESOLVED by the Common Council of the City of Stoughton that the proper city official(s) respectfully decline the proposal from McFarland State Bank to donate the property located at 207 S. Forrest Street, Stoughton, WI to the City.

R- -2018 January 9, 2018

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Donna Olson, Mayor Date

Council Action: _____ ☐ **Override** **Vote** _____

Alderman Swadley posed the following questions related to the McFarland State Bank proposal. Director Scheel has addressed several of those questions.

Has the city done a Parking Needs Study?
As you can appreciate, there will need to be some assistance understanding scoping any parking study. Here are a number of things that will need to be considered for this aspect of your questions. I don't know that what has been done would be considered a parking study or not and it was done in the early 1990's (pre Opera House vitality) so I don't think that would be relevant. What do you see the parameters of a study to entail? Inventory of street and public parking? What specific area would be inventoried? Once the stalls are inventoried, how should the utilization be determined? Number of stalls used on what days and times? Within a certain distance from City Hall or other focal point? Will the City hire someone to complete the study? What is the funding source?

Are there any environmental concerns with removing the building?
If there is general support for their proposal to demo and reconstruct parking, we may need to engage a consultant to provide cost estimates for demolition and parking construction.

Estimated cost for demolition?
See response to question above.

Estimated cost for parking lot?
See response to question above.

Would the proposal have any affects on others downtown businesses?

What are financial impacts of removing and replacing building, including potential loss of tax revenue and Net New Construction?
McFarland State Bank has indicated they would plan to construct a new smaller facility in their current parking lot that abuts Main Street. It is likely the assessed value of a new facility would be similar to the assessed value of their current building.

Estimated costs of repairs for continued use of building?
The current offer by McFarland State Bank is for the donation of the land and the building with the expectation that the City will demolish the building and develop parking on the site. Reuse of the building by the City will require the City to explore this possibility with McFarland State Bank. If reuse of the building by the City is an option, should we hire someone to complete a building condition report that outlines the building maintenance issues? Understanding how the building would be intended to be reused may factor into the building evaluation process.

Would McFarland Bank consider gifting the building and searching for an alternative downtown site?

As you can see, there are plenty of questions that build on your list of questions. It seems like there needs to be some guidance provided by the Council (in cooperation with McFarland State Bank) before we can chart a course for redevelopment as parking or consideration for reuse of the building.

McFarland State Bank

Community Banking Since 1904

September 21, 2017

Mayor Donna Olson
City of Stoughton
381 East Main Street
Stoughton, Wisconsin 53589

Dear Mayor Olson:

I'm following up with you on our recent conversation regarding our plans for our retail branch office located at 207 Forrest Street in downtown Stoughton.

The banking industry and customer demand for products and services has changed significantly in the last 10 years and much has happened in the City of Stoughton as well. Technology today drives much of what we do in delivering retail products and services to our clients. The need for expansive brick and mortar is just not as great as it used to be. With that in mind, the Board of Directors of our Bank plans to establish a new smaller banking facility on the Main Street property that we own which currently serves as our parking lot. The retail banking office we envision there will be high tech, high touch and provide full service banking to our current and future customers in and around the downtown Stoughton area. This investment by our bank in downtown Stoughton will help us to further compete in the market and gain efficiencies while we continue to serve our clients and customers in a more up-to-date state of the art banking facility. We did consider our options with our current Forrest Street building and after much analysis by our architect and engineer, we determined that the facility was too expensive to maintain going forward and certainly too expensive to retrofit to our needs and the future needs of our customers.

With all that as background, we would like to provide the City of Stoughton an opportunity to acquire our building and land at 207 South Forrest Street for public use via a gift of the property from our bank to the city. We believe there is a need for better, safer parking downtown. Even though we have the opportunity to sell our building, our Board of Directors has determined that our first step would be to offer a gift to the City of the property for its use as municipal parking in the interest of the downtown merchants and citizens of Stoughton. Safe off street parking downtown is likely a concern for many merchants and other groups such as the Opera House. We believe this is the right offer to make at the right time given the City Council's interest in overall downtown redevelopment. We applaud your leadership and the City Council's efforts to date regarding downtown redevelopment and believe a continued vibrant and healthy downtown Stoughton is good for all. This is one way we can contribute to that effort.

We hope you and the City Council will seriously consider our proposal and the letter of intent regarding this gift that I have enclosed with this letter.

Please let me know if you have any questions. I would be happy to talk with you further at your convenience.

Sincerely,

E. David Loeke
Chairman and CEO

EDL:cls

LETTER OF INTENT: MCFARLAND STATE BANK GIFT TO CITY OF STOUGHTON

McFarland State Bank is interested in making a gift of real property in downtown Stoughton to the City of Stoughton, for the benefit of small businesses, merchants, and the general public of the City. As part of its efforts to redevelop and create a more vibrant and viable downtown Stoughton, the City is interested in accepting that gift from the Bank. What follows is a general description of the terms and conditions under which the Bank and the City would be willing to enter into negotiations to document an agreement by which the gift would be accomplished. This instrument is not a contract, and neither party is under any obligation to the other unless and until a definitive agreement has been signed and delivered by each of them.

Current Branch:	The property to be gifted is commonly known as 207 S. Forrest Street, Stoughton, Wisconsin. The Bank presently operates a full-service branch banking facility at this location.
Proposed Use:	The Bank would gift the Current Branch property to the City for the City to use solely for the construction of a municipal parking facility, to benefit and enhance the viability of downtown Stoughton merchants and other downtown public venues. The gift also makes much needed downtown parking available for the general public and citizens of Stoughton. The parking facility would be owned and operated by the City, and would be restricted from any other use without the Bank's consent.
Future Branch:	The Bank also owns adjacent property which his located at 216 E. Main Street, which it presently operates a parking lot, but upon which it intends to build a drive-through express branch banking facility. The gift of the Current Branch to the City would be conditioned upon the Bank obtaining any and all permits, licenses, and approvals necessary for the Bank to construct and operate the Future Branch at 216 E. Main Street.
Conveyance:	The conveyance of the Current Branch by the Bank to the City would be via quit claim deed. The City would be

	entitled to purchase title insurance at its own expense.
AS IS:	The conveyance of the Current Branch by the Bank to the City would be on an AS IS, WHERE IS, WITH ALL FAULTS basis, without any representation or warranty by the Bank. The City would be entitled to perform any reasonable and customary due diligence investigations and tests before agreeing to accept the gift of property from the Bank.
Costs:	The City will pay any costs involved in the conveyance of the Current Branch, including, without limitation, title insurance, transfer taxes, recording fees, and other such closing costs (except that each party would pay the fees of its own counsel and consultants).
Tax Treatment:	The gift would be contingent on the Bank's confirmation, to its reasonable certainty, of the tax implications to the Bank of the gift to the City.
Legal Fees:	The City will contribute $5,000 towards the Bank's legal fees incurred in connection with this transaction.
Lease:	The Bank may require the option to lease the property back for a period of time on mutually acceptable terms, depending on the timing of the overall transaction.

Upon the full execution and delivery of this letter of intent by the parties, the Bank's counsel will begin drafting an agreement to accomplish the contemplated transaction.

McFarland State Bank	**City of Stoughton**
By:_____ E. David Locke, CEO & Chairman	By:_____ Name/Title:_____

McFarland State Bank

Concept 2: Parking Lot

City of Stoughton, Wisconsin

AYRES ASSOCIATES

17_0920

Ayres Associates Inc. | 101 East Badger Road Madison WI 53713 | t 608.255.0800 | www.ayresassociates.com | # 1050.10

McFarland State Bank

Concept 1: Parking Garage

City of Stoughton, Wisconsin

AYRES ASSOCIATES

17_0920

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10/30/17

WASHINGTON STREET

PAGE STREET

9 on west side of Water all 2 Hour Parking & No Parking 3A-5A

1 Loading Zone (No Park 7A-5P)

7

11 on north side of Main, all 2 Hour Parking (8A-5P) & No Parking 3A-5A

2

1

11

WATER ST

1

6 on east side of Water all 2 Hour Parking & No Parking 3A-5A

4

5 on west side of Division all 2 Hour Parking & No Parking 3A-5A

1 Handicap

2

5

6 on north side of Main, all 2 Hour Parking (8A-5P) & No Parking 3A-5A

2 12:30P-9P & No Parking when Movies Open

3

1

6

2

DIVISION

5

9 on east side of Division all 2 Hour Parking & No Parking 3A-5A

9 on west side of Forrest all 2 Hour Parking & No Parking 3A-5A

4

1

4

8 on north side of Main, all 2 Hour Parking (8A-5P) & No Parking 3A-5A

5

8

FORREST

WEST MAIN STREET

9

9 on south side of Main, all 2 Hour Parking (8A-5P) & No Parking 3A-5A

1

2

11 on west side of Water all 2 Hour Parking & No Parking 3A-5A

1 Handicap

9

WATER ST

8

8 on south side of Main, all 2 Hour Parking (8A-5P) & No Parking 3A-5A

5

3

6 on east side of Water all 2 Hour Parking & No Parking 3A-5A

4 on west side of Division all 2 Hour Parking & No Parking 3A-5A

1 Handicap

1

1

1

3

DIVISION

1

7

7 on south side of Main, all 2 Hour Parking (8A-5P) & No Parking 3A-5A

1 Handicap

4

3

8 on east side of Division all 2 Hour Parking & No Parking 3A-5A

8 on west side of Forrest all 2 Hour Parking & No Parking 3A-5A

4

5

FORREST

JEFFERSON STREET

WASHINGTON STREET

FORREST ST

1

5

7 on east side of Forrest all 2 Hour Parking & No Parking 3A-5A

2 Handicap

10 on west side of Fourth all 2 Hour Parking & No Parking 3A-5A

3

3

2

1

6 on north side of Main, all 2 Hour Parking (8A-5P) & No Parking 3A-5A

4

6

FOURTH ST

5

8 on east side of Forrest all 2 Hour Parking & No Parking 3A-5A

No Designated Parking Stalls on Fifth Street

2

1

8 on north side of Main, all 2 Hour Parking (8A-5P) & No Parking 3A-5A

8

FIFTH ST

No Designated Parking Stalls on Fifth Street

8 on north side of Main to 6th Street, all 2 Hour Parking (8A-5P) & No Parking 3A-5A

5

3

EAST MAIN STREET

STREET

2

5

1

1

5 on south side of Main, all 2 Hour Parking (8A-5P) & No Parking 3A-5A

1 Handicap

2 30 Min (8A-5P)

3

2

6 on east side of Forrest all 2 Hour Parking & No Parking 3A-5A

6 on west side of Fourth all 2 Hour Parking & No Parking 3A-5A

3

3

FOURTH ST

1

4

1

1

5

1

3

6 on south side of Main before Fire Dept, all 2 Hour Parking (8A-5P) & No Parking 3A-5A

1 Handicap

6 on south side of Main from Fire Dept to Sixth, all 2 Hour Parking (8A-5P) & No Parking 3A-5A

3 on east side of Fourth all 2 Hour Parking & No Parking 3A-5A

No Designated Parking Stalls on Sixth Street

SIXTH ST

JEFFERSON STREET

4 on north side of Main, all 2 Hour Parking (8A-5P) and No Parking 3A-5A

4

2

EAST MAIN STREET

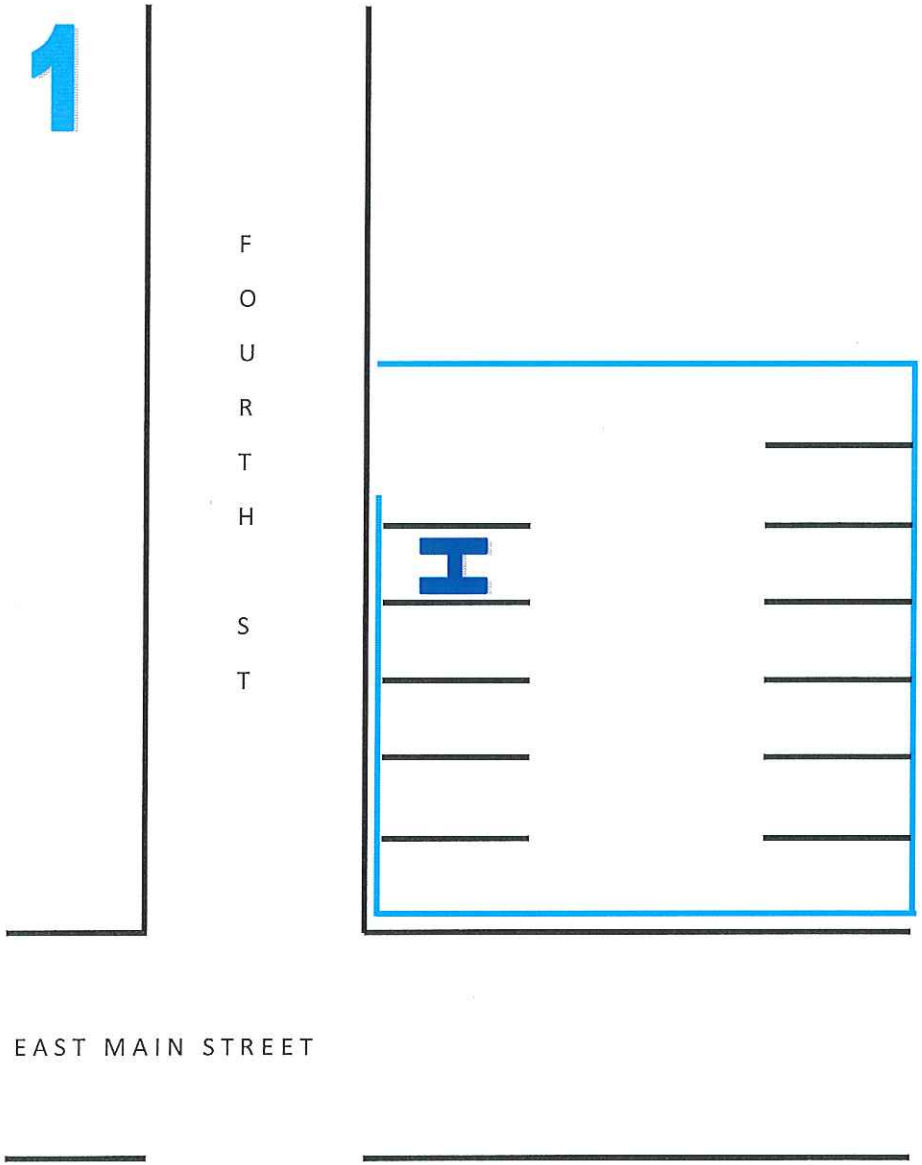
7

No Designated Parking Stalls on Main Between Sixth Street and Seventh Street

7 on south side of Main, all 2 Hour Parking (8A-5P) and No Parking 3A-5A

SIXTH ST

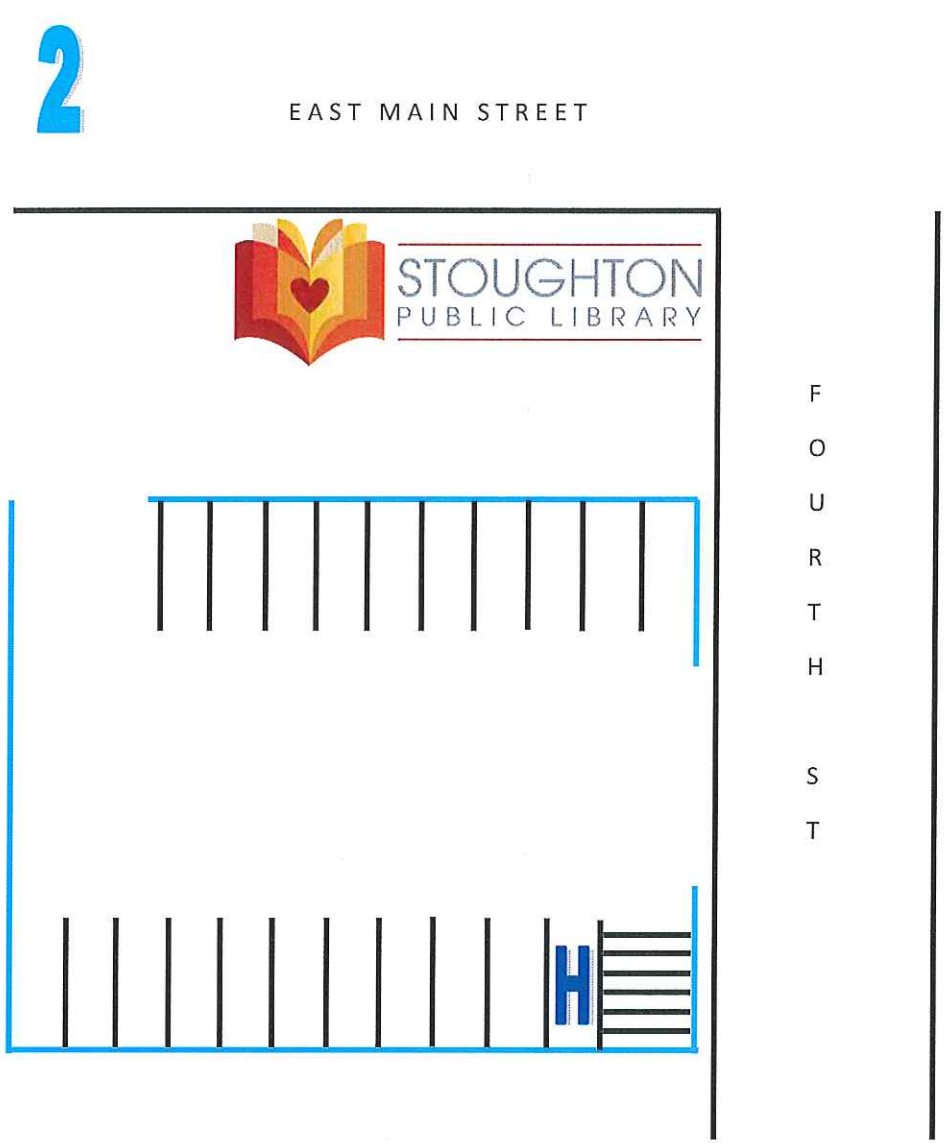
SEVENTH ST



Main/Fourth Parking Lot

11 parking stalls that are posted for 48 Hour Parking

1 Handicap Stall



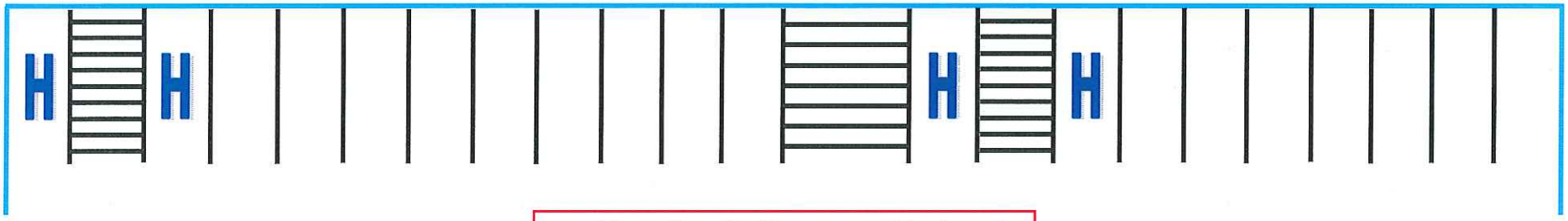
Library Parking Lot

20 parking stalls that are posted for 3 Hour Parking (8A-5P Monday-Friday)

1 Handicap Stall

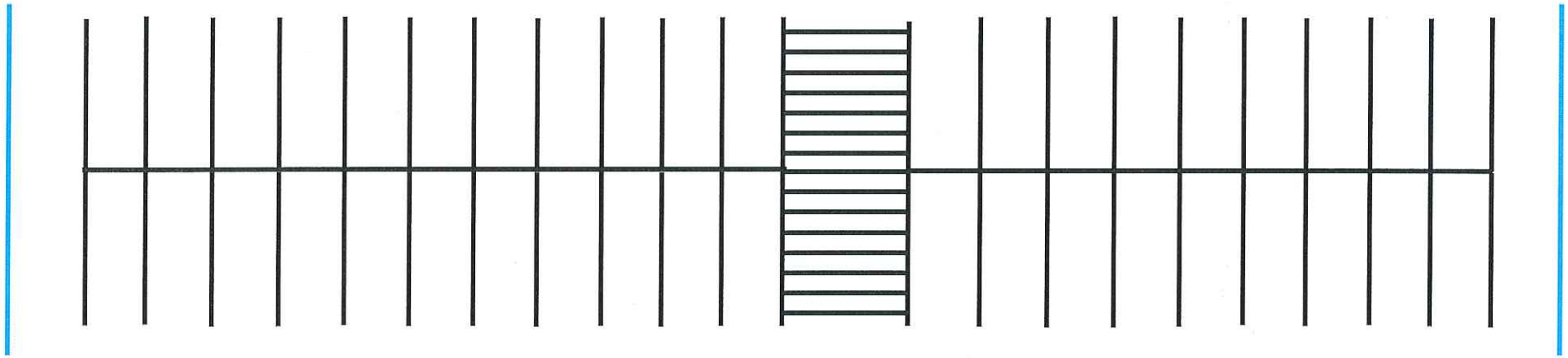
3

South Municipal Lot

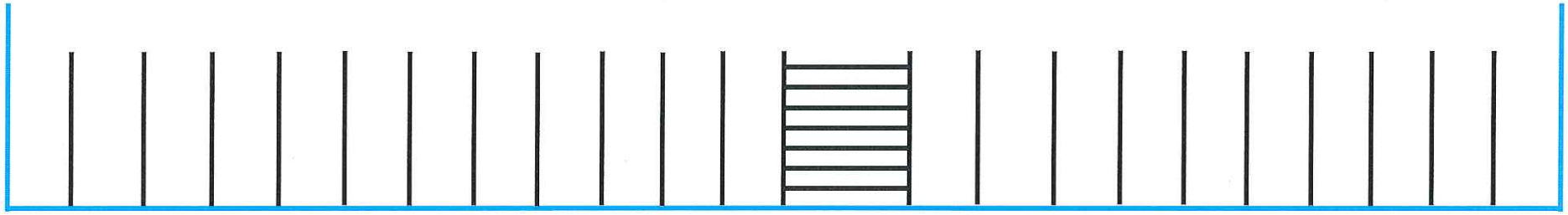


36 Parking Stalls marked for 3 Hour Parking (8A-5P)

4 Handicap Stalls

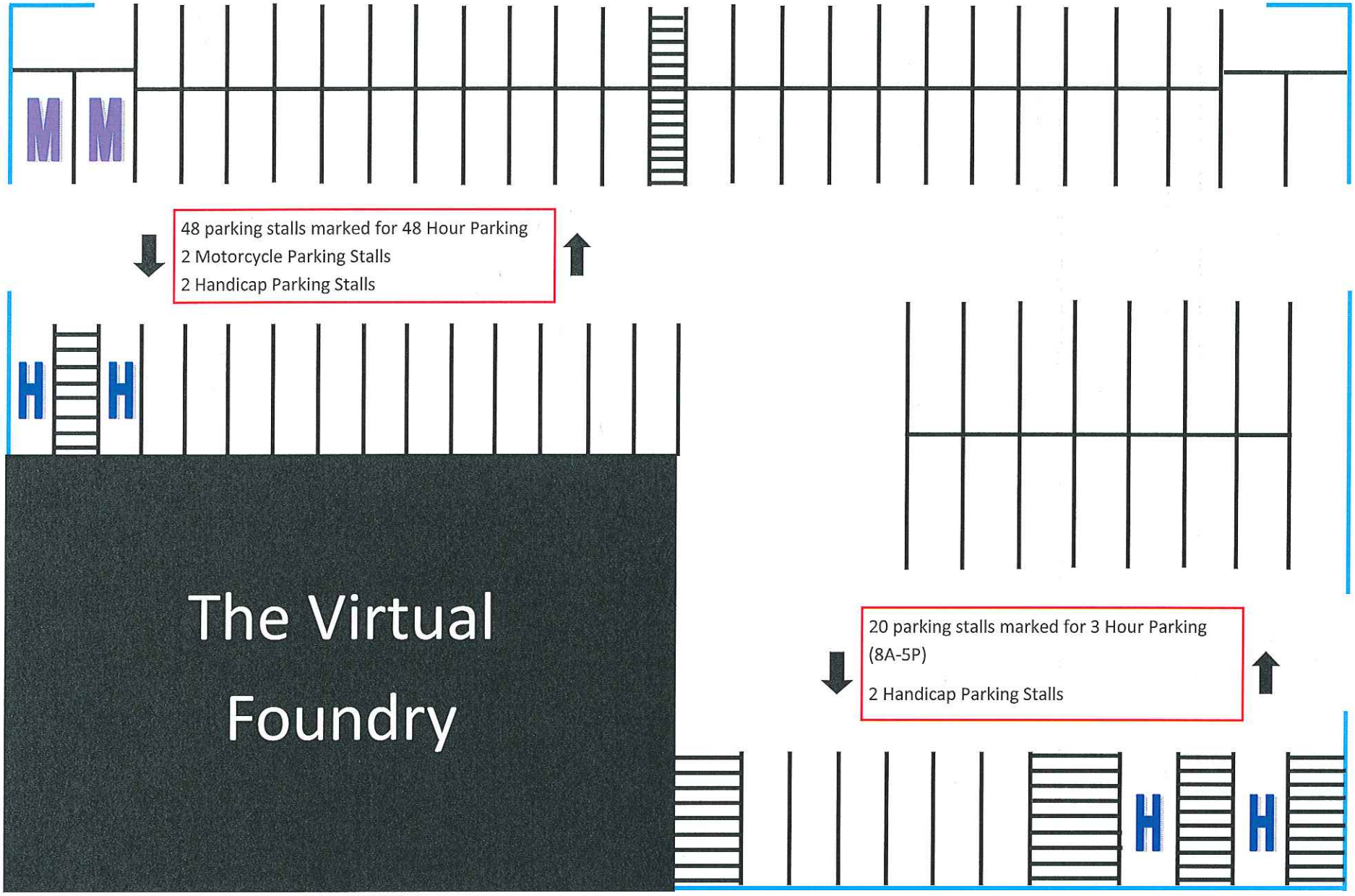


42 Parking Stalls marked for 48 Hour Parking

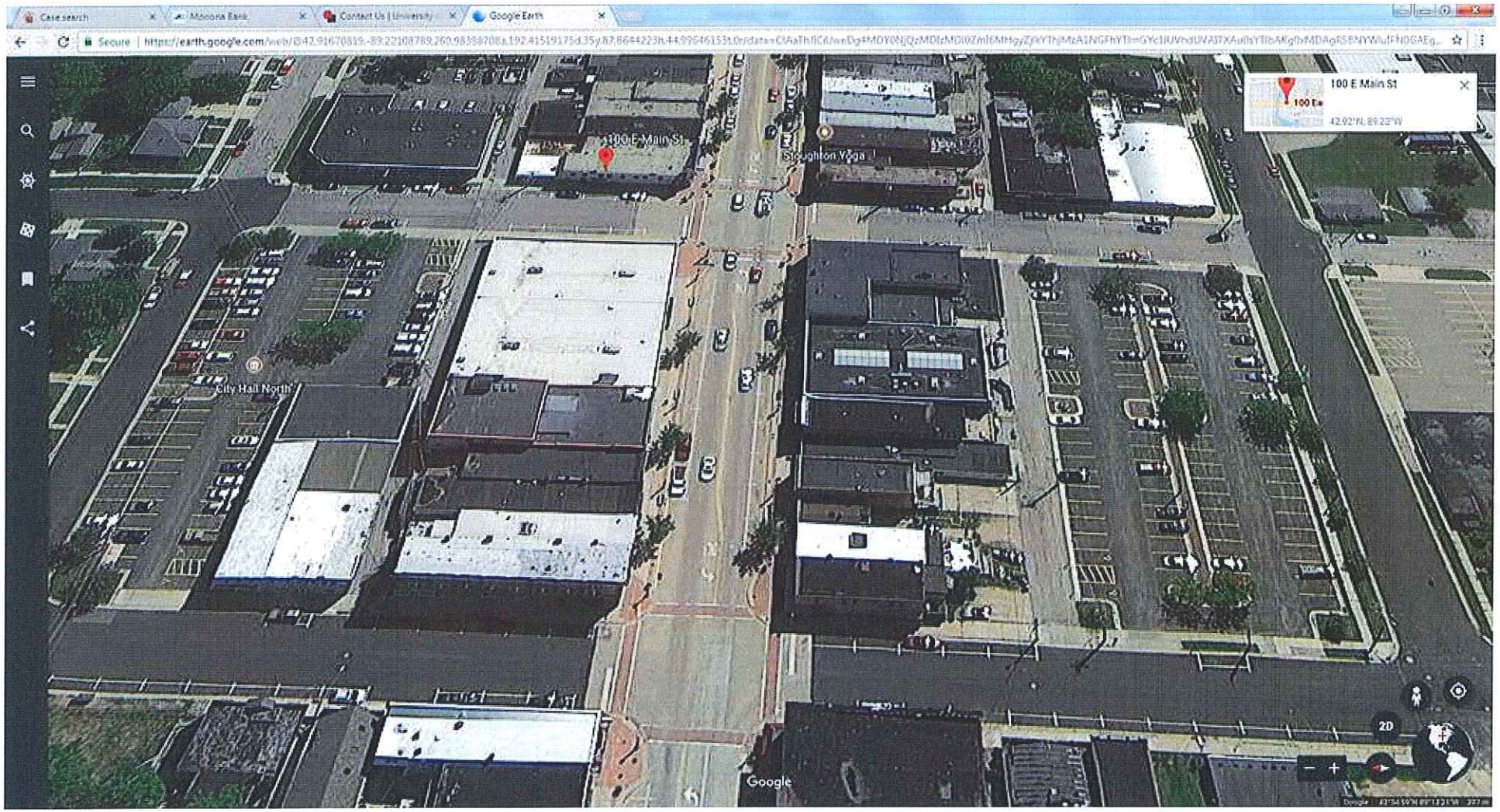


4

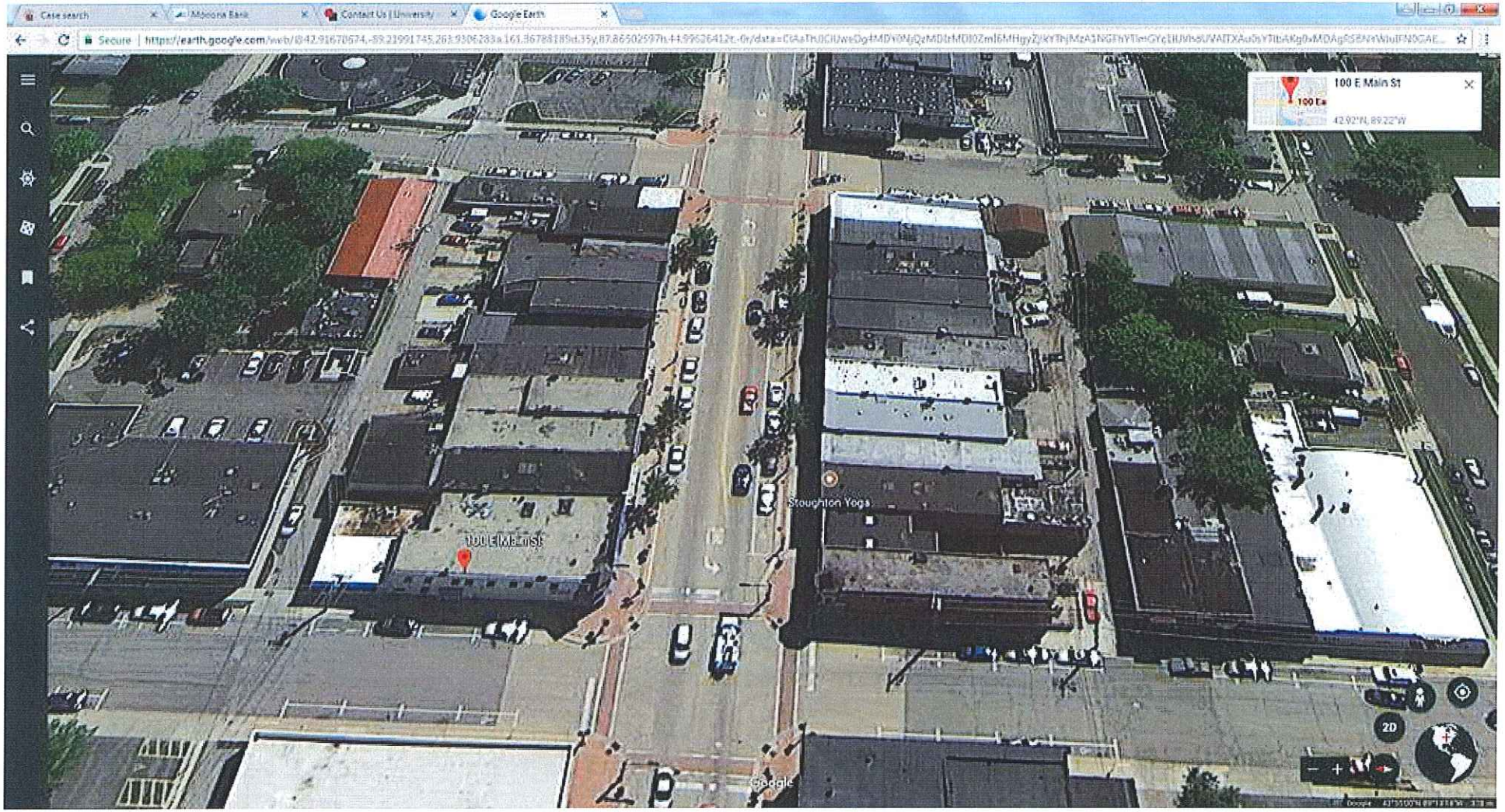
North Municipal Lot



W Main St (Page St to Water St) 20 parking stalls



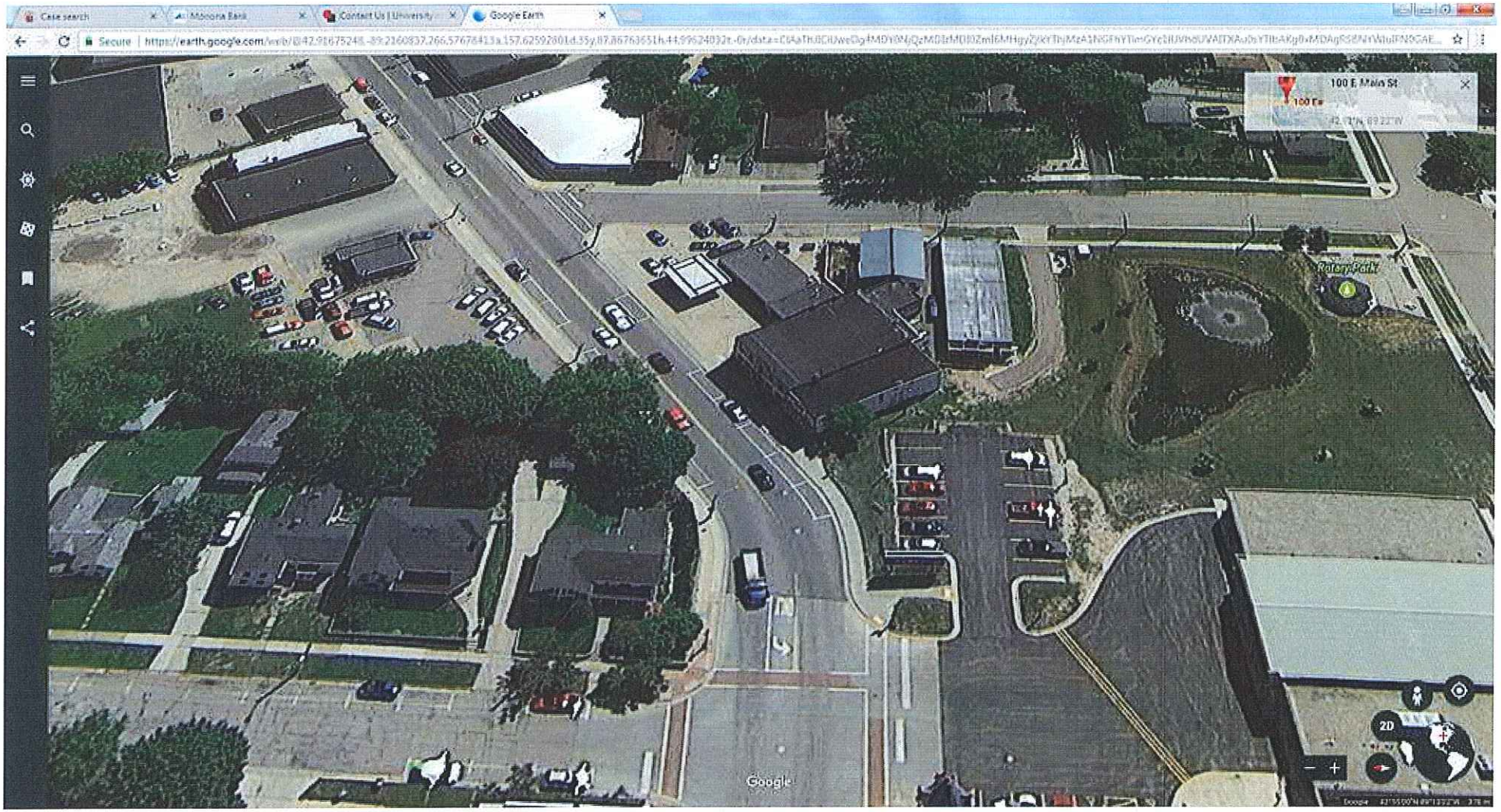
W Main St (Water St to Division St) 16 parking stalls



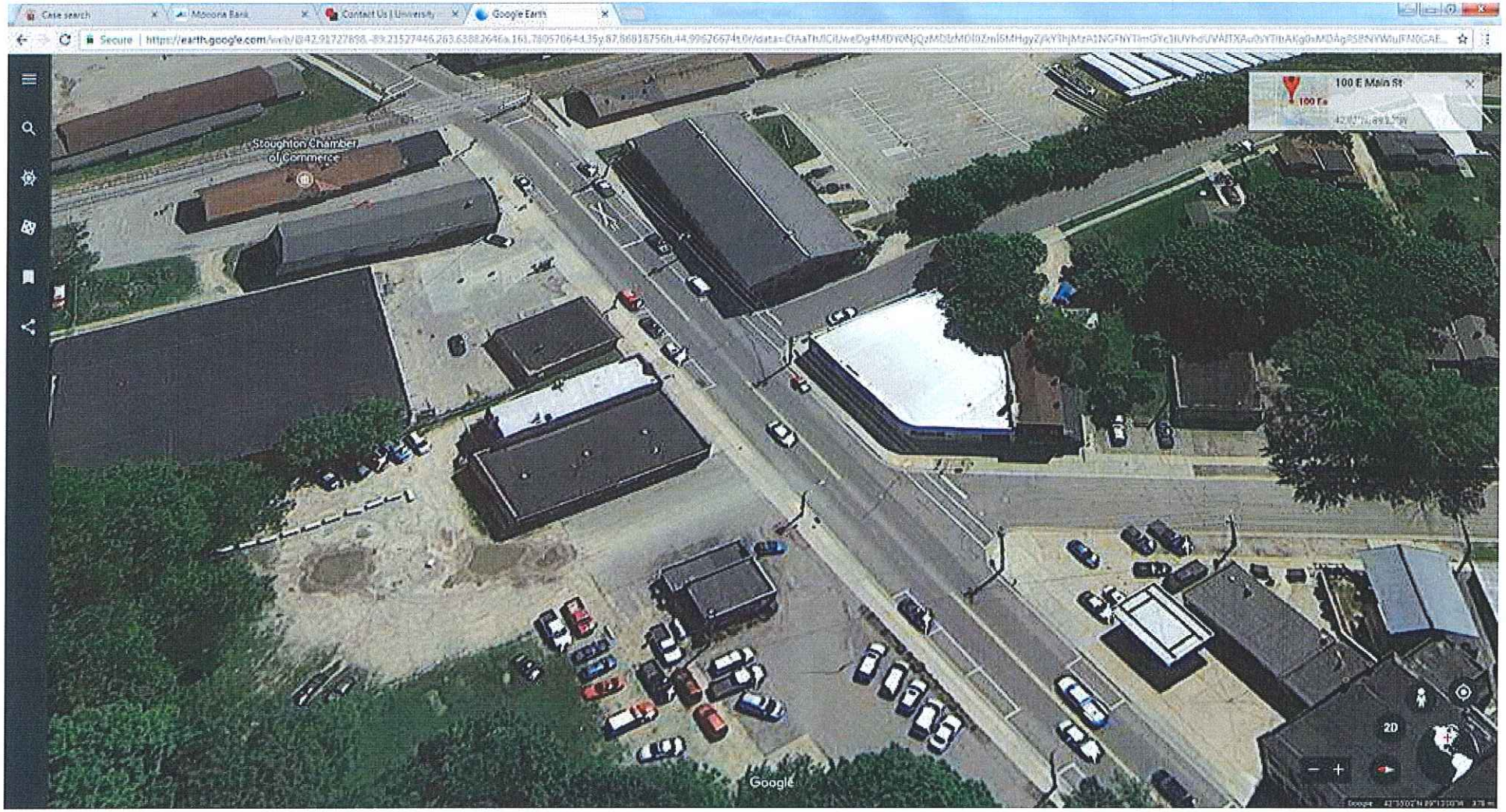
E Main St (Division St to Forrest St) 16 parking stalls

E Main St (Forrest St to Fourth St) 14 parking stalls

E Main St (Fourth St to Fifth St) 15 parking stalls



E Main St (Fifth St to Sixth St) 14 Parking stalls



E Main St (Sixth St to Railroad Tracks) 13 parking stalls

William Brehm, Director

608-646-0019 bill@stoughtonoperahouse.com 381 E. Main St. - Stoughton, WI - 53589

October 24, 2017

Finance Committee members:

Unfortunately, I'm unable to attend your meeting this evening, but I am aware that there will be some discussion about the possible addition of public parking spaces in the current McFarland State Bank location. I'm writing to express my support for the City's pursuit of this project.

Additional parking in that location would be enormously advantageous for patrons of the Opera House as well as the other businesses along Main Street. One of my greatest priorities is continued business development within the Arts District - which if successful will only increase need in this area.

It appears this may be a great opportunity to get ahead of the game and create a win-win situation.

Thank you for your consideration,

William Brehm

Director, Stoughton Opera House

BACHMANN CONSTRUCTION

Quality Through Teamwork Since 1954

October 25, 2016

McFarland State Bank
5990 US Hwy 51
McFarland, WI 53558

Attn: Steve Swanson, President
David Locke, CEO

RE: Downtown Stoughton Bank
South Forrest Street
Stoughton, WI

Subject: Preliminary Construction Estimates

Gentlemen,

We are pleased to provide you with these preliminary budget numbers for the demolition of the existing bank building at South Forrest Street in Stoughton, WI and replacement with proposed parking lot alternatives.

BUILDING DEMOLITION

Preliminary Estimate $90,000

General Requirements: Including inspections, DNR approvals, utility disconnections, and permitting.	$15,000
Building demolition and disposal: Estimated Cost	$65,000
Suggested Contingency	$10,000
Total Preliminary Demolition Estimate	$90,000

Salvaged Value for Repurposed/Salvaged Items:

Niagara-Dolomite Stone (Approximately 35 Ton).	Value: $5,000
Maple doors and casework (Should be salvaged).	Value: Negligible
Boiler (Relatively new, should be salvaged).	Estimated Value: $1,000

Note: Removal/disposal of hazardous materials is not included.

NEW ASPHALT SURFACE PARKING LOT

Preliminary Estimate $260,000

Breakdown

General Requirements	$20,000
New curb cuts	$15,000
New concrete curb	$25,000
New gravel base and asphalt	$105,000
Lighting	$50,000
Landscaping	$25,000
Suggested Contingency	$20,000
Estimate Total	$260,000

Note: This preliminary estimate does not include design or engineering fees.

TWO-LEVEL CONCRETE PARKING STRUCTURE

Gentlemen, the best I can do with this budget, without schematic plan or construction drawings would be to estimate $20,000 per stall. It would appear that the site could accommodate 180 to 200 stalls, so that your budgetary price range should be:

Estimated Budget $2.6 Million to $3 Million

This estimated budget includes lighting, drainage, engineering, and permitting.

I hope that these preliminary budget numbers are sufficient for your needs at this time. We look forward to the opportunity to provide more precise pricing once further details are available and the project moves closer to fruition.

Very truly yours,

Al Bachmann, President & CEO
Bachmann Construction Company, Inc.

AB/pr