



CITY OF STOUGHTON

From the Mayor's Office

August 19, 2016

Pamela Andros, AICP
BUILD Grant Coordinator
Dane County Planning & Development
210 Martin Luther King Jr., Blvd., Room 116
Madison, WI 53703

Re: Stoughton RDA Application for BUILD Funds for Riverfront Redevelopment Area Master Plan

Dear Ms. Andros:

Wonderful things are happening in Stoughton! We are submitting this request for BUILD funding in the amount of \$15,000 because the Riverfront Redevelopment Area, after 10 years of planning and preparation, much of which was funded by BUILD and other sources, is about to go on the market.

As you may know, the Riverfront Redevelopment Area is comprised of a number of parcels along the Yahara River in downtown Stoughton. The lynchpin property, however, has always been MillFab. MillFab was a wood milling operation that comprised six parcels covering about 6 acres of land along the river. It has been in receivership for the past year and a half. The City and Stoughton RDA have just recently negotiated a purchase agreement with the receiver. With this acquisition, Stoughton will control 16 contiguous acres of the redevelopment area – enough to begin seeking developers for the area.

After a very contentious and bitter split in the community over the Kettle Park West development, the City and RDA see the Riverfront Redevelopment project as a very positive project that has the potential to bring the community back together again. It is very important that plans for the redevelopment area are prepared with significant community input. This is the reason we are requesting additional assistance from BUILD.

We would like to engage the selected developer(s) with the community in a quick but intense planning process that will result in a master plan for the redevelopment area. We expect the cost of conducting a week-long master planning charrette, with planning consultant guidance, City staff and elected official involvement, a stipend for the developer(s) to cover their intense engagement with the process, preparation and follow-up to be approximately \$30,000. We are requesting half of that amount from BUILD.

Our desired outcome is a master plan for the redevelopment area that both maximizes site potential, excites the community, and most importantly becomes a catalyst for reinvestment in our downtown.

The BUILD program has been a tremendous partner for Stoughton over the years. We would not be nearly as prepared to take advantage of the redevelopment opportunities in front of us today had it not been for the availability of funds from Dane County over the years. Regardless of the outcome of this grant request, I would like to express our heartfelt THANKS to the County Board for making this program available and supporting our planning efforts over the long-term.

Sincerely,

Donna Olson, Mayor
City of Stoughton
381 S. Main St.
Stoughton, WI 53589

BUILD Grant Application

City of Stoughton/Stoughton RDA

Cover Letter

Attached

Description of Planning Area

The Riverfront Redevelopment Area totals 16 acres of land along the Yahara River in downtown Stoughton. It is currently comprised of several parcels of City-controlled (~10.37 acres) and privately owned property (~5.73 acres). 5.92 acres is owned by Holley Moulding, which operated MillFab for many years until it ceased operations almost 2 years ago. The property has been in receivership for the past year and a half. The City has completed negotiations to acquire this contaminated river-front property out of receivership. Court approval of the purchase agreement is expected on August 19, 2016. Other City-owned property within the Redevelopment Area include the Public Works Garage (4.45 acres) which is expected to be relocated within five years, and the Highway Trailer building (2.3 acres), which the RDA currently controls. An additional 3.1 acres is owned by Stoughton Trailers/STI Holdings, which has expressed interest in being involved in the planning process, potentially as a developer or investor. The remaining 2.63 acres are single family or small commercial lots which are expected to remain in private control.

The Riverfront Redevelopment Area is situated just two blocks south of the Stoughton downtown and City Hall/Opera House. It is bounded to the north by South Street, to the west by S. 4th Street and to the east by 8th Street. The Yahara River runs along the entirety of the southern edge of the redevelopment area. A major City park (Mandt Park) is located directly across the Yahara River. A rail line passes just two blocks from the area with the old rail depot building still intact ready to resume passenger service should it become viable someday. Currently there is only infrequent freight service on this line that connects Milton to Madison.

Phase I Environmental assessments of the Highway Trailer site, Public Works site and the MillFab site indicate the need for further investigation. Spot soil samples were taken for testing and the presence of contaminants was confirmed. A Phase II Assessment of the Highway Trailer site also confirmed the presence of contaminants. A DNR WAM grant has been secured conduct a phase II environmental assessment late in 2016. The City is currently applying for funding from Wisconsin's SAG program to complete any additional investigation not covered by WAM and to demolish the structures on site.

Soil borings were taken throughout the Riverfront Redevelopment Area. The result of this investigation indicate the area has 5 – 12 feet of fill, primarily comprised of foundry sand and cinders from a gas manufacturing plant formerly located on the Public Works site. New development would need to undercut any foundations or use geopiers for sound footing. With appropriate undercutting, multiple story buildings may be constructed in this area. Borings also indicated the water table may be near the surface, particularly the area closest to the river.

This area has long been planned for conversion from its historical industrial use towards a use more suited to its location in the heart of the City. Conversion of the area from outdated industrial facilities to residential and commercial uses would support the health of the Downtown while boosting tax base by redeveloping low-value brownfield properties.

Map of Planning Area

SW 1/4 of the NE 1/4 of Sec 08, T05N, R11E



Impact on Population

There are nine single-family residences and one multi-family building within the planning area. These parcels are not expected to redevelop unless the owners wish to sell to a developer or bring their property to the table as equity in a development project. Of the properties being considered for redevelopment within this area – MillFab, Highway Trailer, Public Works and potentially Stoughton Trailer, none have residents. The population within the Planning Area will likely be disrupted and inconvenienced by construction activities while the area becomes built out, but upon completion the vacant, contaminated and blighted industrial structures that are there now will be replaced by new multi-family residential with recreational, public and commercial uses mixed in. A successful redevelopment should have a net positive impact on the population within the planning area.

The bigger impact will be broader and City-wide. Successful redevelopment of this area will increase the City's tax base, help attract new families to the community, increase recreational opportunities, strengthen the downtown and convert blighted, contaminated and unutilized property to productive use and remove them as a threat to public health and safety. A statistical description of the City's population follows in Table 1.

Consistency with BUILD Program

This funding request is consistent with BUILD program objectives:

1. Make better use of existing infrastructure.
 - a. The Planning Area is fully served by existing municipal infrastructure, but that infrastructure is not being utilized to its capacity due to vacant buildings and shut-down businesses. A successful outcome of this BUILD project will result in the area becoming fully developed, intensely used and infrastructure employed to its capacity.
2. Locate community services, jobs and shopping in close proximity.
 - a. Three of the City's largest employers – Uniroyal, Stoughton Trailers and the City of Stoughton are located within blocks of the Planning Area.
 - b. The City's downtown commercial district is just two blocks from the Planning Area.
 - c. City Hall and access to City services and employment is just two blocks from the Planning Area.
 - d. The successful redevelopment of the Planning Area will locate additional housing in close proximity to services, jobs and shopping.
3. Stabilize and enhance existing neighborhoods, downtowns and other business districts.
 - a. It is estimated that approximately 150 housing units can be developed in the Planning Area with room for public and recreational space.
 - b. Assuming the projected median household income in 2019 of \$85,000 (Table 1), those 150 households will generate income of \$12,750,000 per year.
 - c. This income will occur on property that currently is not generating much income at all. Not only will the downtown business district benefit from the boost in income and availability of discretionary spending, but all business districts in the City will benefit.
 - d. The broader neighborhood surrounding the Planning Area is the older part of the City with many properties poorly maintained and residents having lower incomes than the rest of the City. Redevelopment of blighted, vacant property will both stabilize and enhance the neighborhood.
 - e. Significant investment in the Planning Area will help to not only stabilize the neighborhood, but will add amenities such as a trail that connects the neighborhood to the region and public open space that will improve the quality of life for neighborhood residents.

**Table 1. Description of the Population
City of Stoughton, WI**

	2000	2010	2014	Forecast 2019		2014	Forecast 2019
Population Summary					Income		
Total Population	12,526	12,611	12,677	13,047	Median Household Income	\$61,486	\$76,769
Males		5,957	6,033	6,235	Median Home Value	\$193,938	\$227,890
Females		6,654	6,643	6,815	Per Capita Income	\$29,959	\$35,405
Household Summary					Households by Income		
Households	4,770	5,133	5,216	5,398	Household Income Base	5,216	5,397
Average Household Size	2.55	2.41	2.38	2.37	<\$15,000	6.7%	5.7%
Families		3,296	3,356	3,456	\$15,000 - \$24,999	10.9%	7.2%
Average Family Size		2.99	2.95	2.94	\$25,000 - \$34,999	9.0%	7.2%
Housing Unit Summary					\$35,000 - \$49,999	13.4%	11.9%
2000 Housing Units	4,935	5,419	5,515	5,706	\$50,000 - \$74,999	18.0%	15.7%
Owner Occupied Housing Units	64.7%	62.6%	62.4%	62.6%	\$75,000 - \$99,999	18.9%	22.3%
Renter Occupied Housing Units	32.0%	32.1%	32.2%	32.0%	\$100,000 - \$149,999	18.6%	22.3%
Vacant Housing Units	3.3%	5.3%	5.4%	5.4%	\$150,000 - \$199,999	2.2%	4.1%
Population by Age					\$200,000+	2.3%	3.6%
Total		12,611	12,676	13,050	Average Household Income	\$72,255	\$84,926
0 - 4		6.4%	5.9%	5.8%	Labor Force		
5 - 9		7.2%	6.5%	6.3%	Civilian Population 16+ in Labor Force		
10 - 14		7.2%	6.9%	6.5%	Civilian Employed	95.0%	
15 - 24		10.8%	11.9%	11.3%	Civilian Unemployed	5.0%	
25 - 34		12.9%	11.9%	12.1%	2014 Employed Population 16+ by Occupation		
35 - 44		14.7%	13.2%	12.8%	Total	6,816	
45 - 54		15.3%	15.3%	14.0%	White Collar	61.5%	
55 - 64		10.9%	12.8%	13.3%	Professional	24.2%	
65 - 74		6.1%	7.6%	9.2%	Blue Collar	20.3%	
75 - 84		5.0%	4.6%	5.3%	Services	18.3%	
85 +		3.5%	3.3%	3.2%	Management/Business/Financial	14.6%	
18 +		74.9%	76.8%	77.5%	Administrative Support	12.9%	
Median Age			40.5	41.1	Sales	9.7%	

Source: ESRI, 2015; GWB Professional Services

4. Produce housing and jobs for low-to-moderate income people.
 - a. We estimate that approximately 150 housing units will be produced in the Planning Area.
 - b. We do not know yet the likelihood of commercial activity on the site, however we believe it likely that commercial uses will be attracted to the 4th St. side of the Planning Area.
 - c. We cannot assure that jobs will be created for LMI people, but jobs will certainly be created during the construction phase and some jobs are likely to be created post-construction. We can say that LMI people live in the neighborhood and they should have access to any jobs created.
5. Improve the lives of those of low-to-moderate income living in the community.
 - a. As described in item 3 above, the successful redevelopment of the Planning Area will improve the lives of those in the surrounding neighborhood, many of whom are LMI. The impact to the LMI population in the rest of the community should be positive as we expect there to be new affordable housing units developed in the area and made available to LMI residents in the community.
6. Avoid converting productive farmland on urban fringes and in rural areas.
 - a. The Planning Area is located in downtown Stoughton. Redevelopment of this area will not convert any productive farmland to another use and may take demand away from new residential development that may be considered for the urban fringe.
7. Provide viable options to auto trips by supporting walking, biking, and transit.
 - a. The Planning Area is located in an area fully served by sidewalks and just blocks from a full-service commercial district which includes a grocery store, major employers, and services.
 - b. A component of the redevelopment plan for this area is a trail that follows the Yahara River and connects to a regional trail system currently under construction between Madison and Stoughton.
 - c. Although commuter rail is not yet present in Dane County, and Stoughton is not served by transit other than a shared-ride service, this site is well situated relative to an existing rail line that connects to downtown Madison. The Stoughton Rail Depot is still in good shape, serving as the offices for the Chamber of Commerce, and just a five-minute walk from the Planning Area.
8. Clean-up environmentally contaminated sites.
 - a. Environmental contamination has been documented in the Planning Area.
 - b. Additional investigation will occur later this fall that will result in a Remedial Action Plan.
 - c. Mitigation of the contamination will occur as a component of redevelopment activities.

Municipal Adjacency

The Planning Area is not adjacent to nor within the extra-territorial zoning jurisdiction of another municipality or municipalities.

Project Work Plan and Timeline

A developer solicitation will be distributed just following Labor Day. Ninety days will be provided for developers to respond to the RFP. The developer selection process will likely take thirty-to-sixty additional days. The planning process for which this request is made will likely take place in the February - April 2017 timeframe.

The actual work itself would entail a month of planning and preparation and one week of running the charrette. There will be another two weeks following the charrette for wrap-up, polishing and releasing the results. Following is an outline of the proposed work:

1. Planning process begins by selecting the developer(s) with whom the RDA wishes to work. Developers will be notified in the RFP of the requirement to participate in a community planning process. Our expectation will be that the RDA will make a grant (with the County's assistance) to the selected developers to offset the cost of having the developer's design team engage with the City's development team, Sustainable Stoughton and the entire Stoughton community for an intense one-week planning period.
2. RDA and City staff work with the selected developer(s) to plan and prepare for the charrette; this will take one month.
3. Community awareness of the charrette will be built through newspaper articles and social media in the month prior to the event.
4. The Sunday prior to the event start, the charrette workspace will be set-up with the necessary tables, chairs, equipment and tools.
5. Charrette will begin with a Sunday late-afternoon potluck dinner – anyone in the community will be invited. Posters depicting various aspects of the redevelopment area will be on display as will the various plans for the area. Activities will be planned to build engagement and trust between participants. The schedule for the week will be revealed. Ways in which people can engage in the process during the week will be announced.
6. The next week will consist of a series of workshops, interviews, site visits, idea explorations, and hard work. The design team (RDA/City Staff and developer design team) will build a range of design concepts that will be refined throughout the charrette, culminating in a preferred master plan.
7. Approximately two weeks later, a final preferred master plan will be unveiled at a public meeting held by the RDA.

Desired Outcomes

The desired outcomes are:

1. A preferred master development plan for the site that is the result of a joint planning effort between the community and developers.
2. The best possible redevelopment for the site given existing conditions and constraints on both the communities' and developers' part.
3. Healing the divide and mistrust in the community around development issues.

Previous Planning Efforts

A number of plans have been adopted that address redevelopment and land use in the proposed Planning Area.

1. *Rail Corridor Redevelopment Planning Area: Pedestrian River Crossing and Bike Trail Options Plan*. Funded by a 2005 DNR River Planning Grant, and a 2006 BUILD Planning Grant, this plan identified a route for a pedestrian/bicycle path along the north bank of the Yahara River (through the Planning Area) and connecting to the trail system on the north side of downtown and identified Yahara River bridge crossing options from the north side of the river to Mandt Park.
2. *Redevelopment District #1 Plan*. Funded in part by a 2007 BUILD Grant, this grant helped establish the RDA and prepared a redevelopment plan, adopted in March of 2008, under Wis. Stats. §66.1333. The Plan and subsequent Council actions gave the RDA authority to exercise its jurisdiction over the redevelopment area. It contains an inventory of the area, a Strengths/Weaknesses/Opportunities/Threats analysis, a housing market analysis, and redevelopment goals, such as:
 - a. Increase the Number of Housing Units Available in the Redevelopment Area;
 - b. Replace Heavy Industrial uses with Additional Residential, Commercial, and Parks & Open Space Uses; and
 - c. Utilize the Yahara River as a Natural Feature and Amenity.
3. *City of Stoughton Rail Corridor Neighborhood Plan*. This plan, adopted in March of 2010, encompassed a much larger area than the Planning Area proposed as part of this grant request, running from the Yahara River on the north side southward past Downtown Stoughton, to the Yahara River again as it curves back east. This Plan goes further than the Redevelopment Plan listed above, in that it created a more detailed concept for redevelopment, formulated design guidelines, and contained additional implementation strategies.
4. *Tax Increment District #5 Project Plan*. The TID #5 Plan created a funding mechanism for implementing previous planning efforts. It assisted in redevelopment of a 2.5-acre industrial site along the Yahara River into “Elven Sted” – an award-winning 33-unit workforce housing project.
5. *Stoughton Comprehensive Plan*. Adopted in 2005, updated in 2012 with another update starting this year, the Comprehensive Plan shows “Planned Mixed-Use” for the Planning Area. Page 61 of the Comprehensive Plan states that “The City should take an assertive, pro-active approach to transforming this Planned Mixed Use site away from the heavier industrial uses toward higher value, compact uses that take advantage of its locational advantages, such as river views and access, convenience to downtown shopping, civic uses, and possible future commuter rail, and linkages to existing community parks and neighborhoods. This site is envisioned for a mix of retail, office, and higher density residential development. This Plan recommends that a detailed Redevelopment Plan for this area be prepared in cooperation with site property owners and neighboring property owners and residents. This redevelopment process will likely take a period of years, and require a market analysis, detailed site investigations for underground contamination and specific clean-up activities before any development proposals are put forward.”
6. *Pre-Redevelopment Site Investigation Activities*. Funded by a WEDC Community Development Initiative (CDI) Grant, the RDA was able to conduct a Phase 1 Environmental Assessment of the redevelopment area, take soil borings to determine suitability for construction and conduct limited soil sampling and testing, performed a title search to understand land-ownership issues in the area, update a market analysis and prepare a draft request for development proposals.

Primary Contact Person

Laurie Sullivan, Finance and Economic Development Director

City of Stoughton

381 East Main St.

Stoughton, WI 53589

Lsullivan@ci.stoughton.wi.us

[\(608\) 873-6691](tel:(608)873-6691)

BUILD Steering Committee

The BUILD Steering Committee will be the Redevelopment Authority (RDA). The RDA is committed to an inclusive planning process that involves the entire community. Membership of the RDA consists of:

- Peter Sveum | Chair | Coldwell Bank Success
- Steve Sletten, PG,CPG, Ramaker, Inc. | Vice Chair
- Scott Truehl | City of Stoughton - Council Rep | Friede Construction
- Regina Hirsch | City of Stoughton - Council Rep | Advanced Engines Development Corp. | Sustainable Stoughton
- Ron Christianson | Former Council Member | Resident of redevelopment area | Thermo-Fischer
- John Kramper | Senior Credit Analyst, McFarland State Bank
- Dan Kittleson | Vice Chair | Executive Vice President & CFO, Oak Bank
- Brian Kahl Alternate | Stoughton Trailers

Project Cost

Stoughton BUILD Grant Project Budget

1	Planning Consultants				
		Hours	Rate	Cost	
	Senior Planner	70	\$ 140	\$	9,800
	Facilitator	60	\$ 55	\$	3,300
	Planning Assistant	80	\$ 55	\$	4,400
	Total Consultant			\$	17,500
2	Developer Grant			\$	10,000
3	Printing & Supplies			\$	1,500
4	Communications & Ads			\$	1,000
	Total Budget			\$	30,000

Local Match

The City of Stoughton and the Stoughton RDA understand there is a minimum 50% match required for BUILD Grants. We also understand that local match expenses cannot be incurred by the municipality until after the municipality is notified in writing by the County of an award of BUILD funds. We further understand that In-kind contributions do not count toward the match requirement. The Stoughton City Council will likely commit to this match by considering the following resolution on August 23, 2016:

A RESOLUTION AUTHORIZING THE SUBMISSION OF A DANE COUNTY BUILD
GRANT APPLICATION AND CERTIFYING AN
INTENT TO PROVIDE LOCAL FUNDING MATCH

WHEREAS, monies are available from Dane County under the Better Urban Infill and Development (BUILD) Program; and

WHEREAS, the Redevelopment Authority (RDA) has successfully negotiated a purchase agreement for the MillFab property; and

WHEREAS, the availability of the MillFab property has been a major obstacle to moving forward with the City's redevelopment plans for the area and now that it is under the City's control the RDA is able to solicit developer interest in the area; and

WHEREAS, the City Council, RDA and citizens wish to engage the selected developer(s) in a community planning effort to prepare the best master plan possible for the area; and

WHEREAS, after due consideration, the Redevelopment Authority (RDA) has recommended that a BUILD Program grant application requesting \$15,000 be submitted to Dane County for costs associated with a one-week master planning charrette; and

WHEREAS, the RDA has reviewed the need for the proposed project and the benefit(s) to be gained therefrom and finds that the project is in the public interest, and consistent with the objectives of the BUILD program;

NOW THEREFORE BE IT RESOLVED THAT the Stoughton City Council authorizes the submission of a BUILD Grant Application and does hereby commit to providing a local funding match of 50% (\$15,000);

The above and foregoing resolution was duly adopted by the Stoughton City Council at a regular meeting held on August 23, 2016.

APPROVED:

Donna Olson, Mayor

Lana Kropf, City Clerk

The above resolution has been authorized by the governing body of the Stoughton City Council by Resolution No. _____. dated August 23, 2016.

RESOLUTION OF THE COMMON COUNCIL

A resolution authorizing the submission of a Dane County BUILD Grant Application and certifying an intent to provide local funding match

Committee Action: Redevelopment Authority recommends approval 5-0

Fiscal Impact: \$0

File Number: R-100-2016

Date Introduced: August 23, 2016

WHEREAS, monies are available from Dane County under the Better Urban Infill and Development (BUILD) Program; and

WHEREAS, the Redevelopment Authority (RDA) has successfully negotiated a purchase agreement for the MillFab property; and

WHEREAS, the availability of the MillFab property has been a major obstacle to moving forward with the City's redevelopment plans for the area and now that it is under the City's control the RDA is able to solicit developer interest in the area; and

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Council Action: ☒ **Adopted** ☐ **Failed** **Vote** 9-0 -1 abstain

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



Donna Olson, Mayor

Date 08/24/2016