



MEMORANDUM

TO: Finance Committee

FROM: Karen Harkness, Director of Community and Economic Development
Matt Rehbein, Economic Development Specialist

CC: Directors Vandehey, Gazza, and Saucerman
Deputy City Attorney Behrens

DATE: December 5, 2019

RE: Purchase of Property at 3001 East Glendale Avenue in Appleton, WI

The property at 3001 E. Glendale Avenue was recently listed for sale for \$795,000. This property consists of buildings totaling approximately 27,850 square feet on 5.48 acres of land (listing sheet attached).

The site is located immediately east of the Municipal Services Building (MSB) in the City's Northeast Industrial Park.

MSB has outgrown its current site and has been investigating options to meet its growing needs. The purchase of 3001 E. Glendale would provide for expansion opportunities for City equipment, tasks, and services. With this site being located adjacent to the existing facility, this property is a natural expansion for the City's long-term goals and an opportunity we believe should not be passed up on.

An offer to purchase for \$455,000 was submitted on November 22, 2019 and after two counter offers, approved by the seller on December 4, 2019, subject to a number of contingencies including approval by Common Council (attached).

In performing due diligence, OMNNI Associates was retained to perform a Phase I and then a subsequent Phase II Environmental Assessment. These Assessments identified environmental concerns on the site (Phase I & Phase II Environmental Reports available upon request). OMNNI Associates prepared a conservative estimate of costs to address the environmental conditions on the site. At this time, \$45,000 is estimated to complete the necessary environmental work.

As part of due diligence, a wetland delineation was also completed. The identified wetlands should not prohibit utilizing the property for the City's desired purposes.

This acquisition was not anticipated during the 2020 budget preparation process and, as such, was not included. Staff is requesting a budget adjustment to allow for the purchase of the site and to conduct and complete the environmental mitigation. This will require a 2/3 vote of Council to approve.

Staff Recommendation:

The purchase of property at 3001 E. Glendale Avenue in Appleton, WI by the City of Appleton for \$455,000 with an additional \$45,000 to be set aside for environmental considerations and \$3,000 for anticipated closing costs for a total allocation of \$503,000 BE APPROVED.