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June 14, 2017

Mr. Kevin McKnight
Wisconsin Department of Natural Resources
625 E. County Road Y, Suite 700
Oshkosh, WI 54901

**Reference: Lien Waiver Request for Shilobrits Cleaners, 1231 S. Commercial Street,
Neenah, Wisconsin; BRRS No. 0271228433**

Dear Mr. McKnight:

On behalf of the City of Neenah, I am submitting this formal request to the Wisconsin Department of Natural Resources (WDNR) to waive the State's liens on the former Shilobrits Cleaners property at 1231 S. Commercial Street, Neenah, Wisconsin.

Background

Historic records indicate that environmental issues on the property were identified in 1997 when notification of possible contamination was provided to Mr. and Mrs. Shilobrit, the owners. The WDNR has worked with the owners on remediating the property since that time, and a conditional closure was awarded the site in late 2008. As a result of the remediation, at least two liens totaling more than \$41,000 were placed on the property by the WDNR. The owners of the property have since passed away and the building has been unoccupied for many years. Maintenance of the property has been nonexistent and property taxes have not been paid on the property since 2008. No heirs to the estate of the Shilobrits have expressed any interest in taking ownership and the property has essentially been orphaned. Furthermore, Winnebago County has refused to foreclose on the property due to the underlying environmental issues that remain. As a result, the property has rapidly deteriorated and has been deemed a threat to public health and safety by the Neenah Building Inspector.

The City of Neenah would like to take control of the property to remove the public health and safety issues from the site and to maintain the property in an acceptable manner until such time the site can be consolidated with other commercially obsolete properties abutting the property. This effort may provide a redevelopment site along the S. Commercial Street business corridor that would be reasonably attractive to a developer to warrant private investment, thus converting a blighted property into something that is viable and contributes to the well-being of the community. Under the current conditions, that property dimensions are such that the site is subpar for redevelopment. Additionally, with the underlying environmental liability and with the existing property tax and WDNR liens totaling more than \$75,000, it is highly unlikely that any private entity would invest in the property even if it could be acquired. As noted, the structures on the site have deteriorated to the point that they cannot be repaired and will need to be razed. Cost estimates to complete this work and to provide the proper environmental caps on the site range from \$40,000 - \$50,000. Almost \$12,000 of these costs will be for asbestos abatement.

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Dept. of Community Development

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Two economic hurdles stand in the way of the City's vision to improve the Shilobrit property. The first hurdle involves the transfer of ownership of the orphaned property to the City with no property tax liability. The City has had a numerous conversations with Winnebago County over the past year related to a transfer. Initially, the County was unwilling to proceed with a foreclosure and take ownership of the property due to the underlying environmental issues on the site. There was also an apparent inability on the County's part to waive the outstanding property tax lien of over \$33,000 from the property. Through the course of our conversations, Winnebago County has come to better understand the issues surrounding the property and has determined a transfer can be made directly to the City and the taxes can be waived assuming the transfer occurs per State Statute 75.17. The County has verbally agreed to transfer ownership of the site utilizing the methods outlined in the noted State Statute.

The second item is the outstanding liens held on the property by the WDNR. Should the City be required to repay the more than \$40,000 in lien, the acquisition, demolition and proper capping of the site this will not be economically feasible for the City. Again, it is the City's intent to take ownership of the property, remove the blighted structures, properly cap the site and then continue to maintain the property until such time it can be consolidated into a more acceptable redevelopment opportunity. The waiver of WDNR liens is a necessary first step in the transfer of ownership to avoid undue liability to the City.

The clearing of the two aforementioned items will allow the City of Neenah to move forward with the acquisition and cleanup of the blighted Shilobrit property. Long-term, it is the vision of the City that the property will once again contribute to the vitality of its neighborhood and to Neenah in general.

Request

The City of Neenah requests the Wisconsin Department of Natural Resources provide the City with lien waivers for the liens they currently hold on the former Shilobrtis Cleaners property at 1231 S. Commercial Street, Neenah, Wisconsin.

If you have any questions, or are in need of additional information, please do not hesitate to contact me.

Sincerely,



Chris Haese
Director of Community Development
City of Neenah