

Issues concerning purchase of Monticello Ford Garage, 12-10-2015.

(1) Zoning. The property is in a business zone and government buildings are permitted by conditional use permit which must be approved by the Village plan commission and board.

(2) Code Issues. I have spoken to Mike Fenley (who is also building inspector for the Village) about the extent to which we would have to comply with building codes after purchase. He said that as long as we do not do major remodeling, we would not have to update the building's code compliance. As examples, installing a new garage door and making the premises and the bathrooms handicapped accessible would not trigger building-wide code compliance. According to Larry Fowler, we could alter 25% of the buildings without triggering building-wide code compliance, **but that at 50%, full code compliance would be required.**

(3) Building Inspection. If we decide to pursue a purchase of this property, we will need to have a thorough building inspection to determine other possible code issues and potential areas or equipment that may need repairs. I have obtained an estimate from a company with extensive experience in commercial buildings, and Larry Fowler believes the estimate is reasonable at \$1,750.00.

(4) Insulation. The building is masonry, and Larry Fowler says that the R-value of masonry even if it is very thick is relatively small (2 or 3). There is probably some insulation in the garage roof, according to Larry. The building would be expensive to insulate because interior finish walls of some type would be needed to contain the insulation. Larry Fowler has advised us that the window glass in the first floor has no thermal properties; presumably the same is true of the windows on the second floor.

(5) Basic changes needed to garage part. We would need to install a taller entry door to the garage, which in turn would require raising the sill above the current door. We need about 18' of vertical clearance for our V-plow truck. There is no observable passive moisture control. Larry Fowler notes that the garage is heated by two overhead heating units, one of which runs on waste oil. We would not generate enough waste oil to run that heater, and so it would probably have to be replaced. Larry also points out that there is no firewall between the garage and the showroom/office part of the building, which would have to be installed. There may also be issues with the garage drainage and traps, which would have to be inspected to determine whether they are usable in their current condition.

(6) Basic changes needed to the office/showroom. The premises and the bathrooms are not handicapped accessible at this time and would have to be made so in order for us to use the premises for voting and for meetings. Note that we rented the Legion hall and did not own it.

(7) Excessive interior space. We have estimated that we need a garage of approximately 3,000 square feet. The garage portion of the premises is about 3,600 square feet. The showroom/office part contains about 5,000 to 6,000 square feet per floor on two floors and a

basement, according to Larry Fowler. We had previously estimated that a meeting room and office and storage in the 2013 proposed facility would be perhaps 1,200 square feet.

(8) Underground storage tanks. There were leaking underground gasoline storage tanks on the property. My inquiry to DATCP came back with three tanks removed in 1990. I have forwarded that email to plan commission and board members and town officers. The DNR has no record of remediation. Although municipalities can acquire contaminated sites under some circumstances without incurring liability for remediating past contamination, a purchase of the site would not qualify our town for any of the exemptions. Those exemptions generally apply to such acquisitions as a bankruptcy, taking for unpaid taxes, and so on. As a purchaser, the town would assume responsibility for cleanup if the state were to require cleanup. In this matter we have two choices: (1) obtain a Phase II environmental assessment from a consultant, or require that Monticello Ford obtain it at its expense, or (2) negotiate a discounted purchase price that would reflect the risk we are assuming. A hold harmless agreement with the seller is another option but the seller may be without resources to perform the agreement if remediation in the future is required. In business transactions, if there is contamination, the seller is most often required to remediate the contamination prior to closing the sale.

(9) Special Betterment Assessment. LaVerne Crooks advised me that Monroe Street is going to be rebuilt in the near future and if we buy the property we will have to pay the project cost that is assessed to adjoining property owners. The amount of this assessment is not known at this time.

(10) Emergency Shelter. I have contacted Wisconsin Emergency Management to see if funds might be available to help construct an emergency shelter in this building. The Legion Hall was the former emergency shelter; the Village now sends people either to the church basement or the school.

(11) The empty lot is in the floodplain. According to LaVerne Crooks, the lot that is catty-corner from the garage is in the floodplain, and is not buildable. He said that any structure would have to be elevated in the same way as the municipal pool.

(12) Verification of Assessed Value. The assessed value of the land and building (Parcel 00430000) is \$211,800. The lot (3 parcels) is assessed at \$44,600.

(13) DOR Status. I sent in my no action letter request on November 23, 2015. It is too early to start bothering the DOR for an answer. Unless we obtain a no action letter we will need to consider the DOR's position that levy limits can't be raised for a succeeding year (2017) until the levy for that year is known. The levy to be collected in 2017 will not be known until fall, 2016.

(14) Lien search. We would of course have to learn whether there are any liens on either property and require that they be discharged before we could purchase.

(15) Other. LaVerne Crooks says that they have tried to repair the roof on the showroom building three times in the last ten years. He says that the Village would have no use for any part of the building, even for storage.

(16) Dumpsters and salt shed. The property may not be usable for our recycling dumpsters or a salt shed. The lot, being in the floodplain, in all likelihood can't be used for a salt shed. It is possible that we could cooperate with the village for a salt shed on some other location.

(17) The upstairs hall. The windows are in bad shape. The upstairs is not heated.

(18) Advantages. The building has existing Village water and sewer connections. There is space for meetings, an office, and town records storage. The cost versus new construction (depending on the condition of the building) is attractive, especially because if the town builds new, the town must formally advertise the construction work. All the extensive expenses that go with the preparation of a bid document will be incurred, including, for example, the preliminary design work, topographical survey and soil borings. The downtown area would gain an occupied building.

(19) A possible model for acquisition. The town would require exclusive use of the garage portion of the building. The showroom/office part might be shared with other community organizations, and could replace the Legion building in that role. The town cannot use the lot. Therefore, a possible model for acquisition might be, town buys the garage, and a tax exempt, nonprofit corporation buys the remaining part. The nonprofit corporation would be organized by local organizations such as the Community Club, the Lions, the American Legion, and any other likely users of the facility, including the town. Those organizations would contribute cash to the nonprofit, which would then buy the remainder of the building. The Articles of Incorporation and By-Laws would establish governance of the nonprofit, allocating board seats proportionally to contributing organizations. All contributing organizations would be able to use the building, and would share in renovation costs. This description is just a brief sketch which if this plan is pursued would need to be fleshed out.

(20) Other. Please feel free to add any other concerns.