

Borski, Jennifer - DNR

From: Chuck Koehler <CKoehler@herrlingclark.com>
Sent: Monday, March 18, 2024 8:51 AM
To: beau@littlechutewi.org; Borski, Jennifer - DNR
Subject: Sandies Issues and Strategies

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Hi Beau and Jennifer,

This outline is merely a summary of my notes from our group phone call this morning about the Sandies Dry Cleaner location in the Village of Little Chute. [after this was dictated I received Jennifer's email forwarded by Beau so at this point I haven't compared the two]

The main focus of this phone call was for Jennifer to explain the State's lien status on this property but we also discussed a few questions after that that I will mention as well.

1. At present there is approximately an \$8,000 lien on the property for work performed by the State.
2. The Village can buy the property subject to the lien without paying the lien off, but of course if the property were resold by the Village without paying it, the lien would have to be paid before the Village would receive any proceeds of sale.
3. The State has the right to increase this lien even after the Village buys the property for any work performed prior to the sale and Jennifer estimated, approximately \$22,000 additional expenses in the process of being updated at the present time. The State has the authority to waive all or part of the lien but a written request must be submitted to the state by the Village with justification for the waiver request and then signed by the Village President. Jennifer's email now projects a lien total of \$48,207.89, but this number is still not final.
4. At present, Jennifer states that the people in charge of the waiver do not think a parking lot alone would justify a waiver by the State. They would want to see the Village's redevelopment plan preferably with a new vertical structure on the site as a condition for a waiver.
5. Without waiver if the Village converts this to a parking lot it is doubtful the Village would be able to recover its demolition and capping expenses.

Other matters discussed included the following, but Jennifer had a 10:00 am time limit and said she could reconvene to deal with some questions not yet discussed.

1. We concluded that the Village should obtain the \$700 confirmation of limited government unit exemption status as a precaution.
2. Even with LGU status the Village can be liable for any environmental matters made worse under Village ownership whether done intentionally, negligently or completely inadvertently.

3. Before any demolition takes place the Village would need a plan put forth by an “environmental consultant” and submitted for DNR approval. This is not Jennifer’s area of expertise and she suggested we contact Michael Prager and Toren Beggs for details involving this process.
4. Jennifer is also unfamiliar with the requirements to obtain federal exemption status from the EPA. As I recall the EPA was previously involved in this project taking emergency measures. She advised that Michael Prager could provide further information for federal exemption status.
5. One thing that Jennifer was familiar with is that a “Phase I” environmental report for the property would have to be provided to the EPA dated no longer than 180 days prior to the exemption requests submission [which likely would also be before the Village would take title by purchase]. Presumably, this is something that could also be requested from the EPA prior to taking the title from the current owner and it seems this would be advisable to reduce the Village’s risks of environmental liability.
6. Demolition and capping plan prepared by the environmental consultant would have to include procedures for temporary capping during demolition in all probability to prevent absorption of rainwater below the ground surface. Jennifer says the basement no longer exists but there is still a crawl space which prevents water penetration and there will be corresponding water penetration risks without temporary capping.
7. Something we did not talk about was the reasons for the DNR abandoning the three temporary ground monitoring wells, maybe that was discussed with you Beau before this phone call with other DNR representatives.
8. The Village could request a waiver of the lien prior to commencing any work and prior to acquiring title to the property for the current owner.
9. The Village could make an “Offer to Purchase a Contract” with the Owner subject to numerous contingencies for closing, such as state and federal liability determinations, and an acceptable bid for the engineering, analysis, demolition, temporary capping and permanent capping of the demolition site, restoring the Village the right to back out of the Offer to Purchase and terminate the offer if any of the contingencies were not met or completed to the satisfaction of the Village.
10. We did not get into either SAG grants or Wisconsin Economic Development Grants discussions which are items brought up at the last Village board meeting by Dave Kittle. More inquiry on these would be possibly justified but one might suspect that the parking lot alone may or may not qualify for such grants.
11. Dave Kittel from the Village recently mentioned that finding demolition contractors for this project at this point without full access to the structure has been difficult out of concerns for may be a partial building wall or foundation that could put the adjoining structure at risk during demolition.
12. The DNR now has an Access Agreement with the Owner’s Power of Attorney individual. WE haven’t reviewed the document, but it may allow Village separate access agreement for the Village with the Owner’s POA.

13. The DNR was capping and abandoning 3 monitoring wells which Jennifer said has been completed. We did not discuss why this was being done and what if nay impact this would have on the property, or obligations on the Villagade regarding existing conditions if the Village takes ownership.
14. Finally, we pointed out that any future buyer of this lot, from the Village, after demolition and capping, no longer has a liability exemption such as the LGU exemption for the Village. Whether any Buyer would be interested in buying the property for any purpose or constructing any vertical above ground it remains an opened and unanswered question.

Thank you.

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