

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR_RCP_pt01a
- 97hrAC-EdR_RCP_pt01b
- 97hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤

➤ Clearinghouse Rules ... CRule

➤

➤ Committee Hearings ... CH

➤

➤ Committee Reports ... CR

➤

➤ Executive Sessions ... ES

➤

➤ Hearing Records ... HR

➤

➤ Miscellaneous ... Misc

➤ 97hr_JC-Fi_Misc_pt04n_DPR

➤ Record of Comm. Proceedings ... RCP

➤

Joint Finance

16.515/16.505

14 Day Passive
Reviews

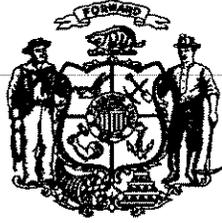
3/13/97 -

5/7/97

Building Commission
Manitoba 3/13/97

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE



ASSEMBLY CHAIR
SCOTT JENSEN

Room LL 1 MLK
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 264-6970

JOINT COMMITTEE ON FINANCE

March 17, 1997

Secretary Robert Brandherm
State of Wisconsin Building Commission
101 East Wilson Street
P.O. Box 7866
Madison, Wisconsin 53707

Dear Secretary Brandherm:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your request dated February 21, 1997, pursuant to s. 13.48(14)(d)(4), Stats., concerning the sale of the federally owned Employment Security building located at 110 South 9th Street in Manitowoc, Wisconsin.

No objections to this request have been raised. Accordingly, the request is approved.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of Scott Jensen in black ink.

SCOTT JENSEN
Assembly Chair

cc: Members, Joint Committee on Finance
Linda Nelson, Department of Administration
Bob Lang, Legislative Fiscal Bureau

BB:SJ:jc

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative Scott Jensen
Co-Chairs, Joint Committee on Finance

Date: February 25, 1997

Re: 14 Day Passive Review of a Proposal for the Sale of Surplus Property

Attached please find a copy of a proposal from Secretary Brandherm concerning the sale of the federally owned Employment Security building located at 1110 South 9th Street in Manitowoc, Wisconsin to the county of Manitowoc or to another buyer for \$167,500. Pursuant to s. 13.48(14)(d)(4), Stats., the Building Commission is required to notify the Joint Committee on Finance of its intention to sell or transfer a parcel of surplus land having a fair market value of at least \$20,000.

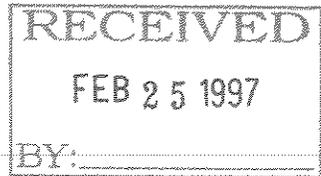
Please review the attached materials and notify **Senator Burke** or **Representative Jensen** no later than **March 13, 1997** if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

BB:SJ:jc
Attachment



State of Wisconsin / BUILDING COMMISSION



Tommy G. Thompson
Governor

Robert N. Brandherm
Secretary

101 E. WILSON ST.
P.O. BOX 7866
MADISON, WISCONSIN 53707

February 21, 1997

The Honorable Brian Burke, Chair
The Joint Committee on Finance
P.O. Box 7882
Madison, WI 53707

The Honorable Scott Jenson, Chair
the Joint Committee on Finance
P.O. Box 8952
Madison, WI 53708

Dear Senator Burke and Representative Jenson:

RE: Sale of Surplus Property - Employment Security Building - Manitowoc

This request is submitted as required by s. 13.48(14)(d)(4) as a notification of the intent to sell the federally-owned Employment Security building at 1110 South 9th Street in Manitowoc to Manitowoc County or another buyer at the price of \$167,500. There have been two private appraisals of the property, one at \$160,000 and one at \$175,000. We believe the average of the appraisals to be representative of the value of the building. Since this is a federally-owned building, proceeds of the sale will be returned to the U.S. Department of Labor.

The sale of this building is part of a long term plan by the department to sell seven of its remaining ten Employment Security (Reed Act) buildings constructed in the 1960's with federal funds. Generally the buildings are no longer large enough to meet program needs of co-locating DWD services with other agencies in "one-stop" Job Centers and are no longer needed for taking unemployment insurance claims. In addition, most of the buildings selected for sale would require substantial renovations in order to replace aging and failing HVAC systems. The department has already sold its buildings in Wausau, Madison, Kenosha and Janesville. The buildings in LaCrosse and Racine are now listed for sale.

The Building Commission approved this request on Wednesday, February 19, 1997. A copy of the agency request is attached for additional background information.

We understand that s. 13.48 (14)(d)(4) provides 14 working days for review by the Joint Committee on Finance and would appreciate a letter approving the sale or scheduling a hearing on this matter so that, if approved, the department and Manitowoc County or another buyer can proceed with the closing. Please feel free to call me at 266-1031 if you have any questions regarding this transaction.

Sincerely,

Robert N. Brandherm
Secretary

DRW:RNB:amm

Attachment

cc: Robert Lang, Legislative Fiscal Bureau

Agency Request for
State Building Commission Action
February 19, 1997

Requesting Agency: Department of Workforce Development

Requested Action:

Approval to sell the federally owned Employment Security (Reed Act) building, 1110 South 9th Street, Manitowoc, which has housed the local offices of the Unemployment Insurance and Workforce Excellence (formerly Jobs, Employment and Training Services (JETS)) Divisions.

Source of Funds: Only federal funds are involved.

Explanation:

With the department's recent change to handle claims for Unemployment Insurance via a sophisticated telephone/computer system referred to as Telephone Initial Claims there is no longer a need for most Unemployment Insurance (UI) offices in the state. The UI division has vacated the Manitowoc building.

The department's Workforce Excellence Division was the only remaining occupant of the 1110 South 9th Street building. They recently moved to the new Manitowoc Job Center, 2 North 8th Street. The DWE/JETS staff need to be co-located in a "one-stop" job center in order to provide effective services in a coordinated manner with other local related agencies. The South 9th Street building would not be a suitable location for the job center.

The building was constructed in 1966 at a cost of \$174,700 solely with federal funds.

U. S. Department of Labor approval to sell the building has been requested and is expected.

Proceeds from the sale are expected to be returned to the federal government.

The sale of this building is part of a long term plan by the department to sell seven of its remaining ten Employment Security (Reed Act) buildings constructed in the 1960's with federal funds. Generally the buildings are no longer large enough to meet program needs of co-locating DWD services with other agencies in "one-stop" Job Centers and are no longer needed for taking unemployment insurance claims. In addition, most of the buildings selected for sale would require substantial renovations in order to replace aging and failing HVAC systems. The department has already sold its buildings in Wausau, Madison, Kenosha and Janesville. The buildings in LaCrosse and Racine are now listed for sale.

The Department has followed State of Wisconsin procedures to sell the property.

The property was offered for sale to other governmental agencies, state and local. Manitowoc County indicated an interest in the building and has submitted an offer to purchase.

The department obtained two independent appraisals by MAI appraisers. Copies of their valuations of the building are at attachments A and B. The estimated market value established by the appraisers is as follows:

Michael J. Barnard & Associates, Green Bay Thomas M. Geurts, MAI	\$160,000
Moegenburg Research, Inc. Elm Grove Peter A. Moegenburg, MAI	\$175,000

The Manitowoc County offer of \$167,500 dated January 21, 1997, is found at Attachment C.

The Department has accepted, pending approval by the State Building Commission, the U. S. Department of Labor, and the Joint Finance Committee, the Manitowoc County offer of \$167,500. The department and Manitowoc County would like to close the sale by March 31, 1997.

Attachments

- A - Michael J. Barnard & Associates, Thomas M. Geurts, MAI appraisal report
- B - Moegenburg Research, Inc., Peter A. Moegenburg, MAI appraisal report
- C - Accepted offer from Manitowoc County

File Ref: mswordmaanbidcm.doc

Michael J. Barnard & Associates

Real Estate Appraisals

Thomas M. Geurts, MAI

Michael J. Barnard, MAI (1922-1993)

Detlef H. Weiler, MAI

December 12, 1996

Mr. Richard Wegner
Acting Secretary
Wisconsin Department of Workforce Development
P.O. Box 7946
Madison, WI 53707-7946

Dear Mr. Wegner:

As requested, we have appraised the office building located at 1110 South Ninth Street in the City of Manitowoc, Manitowoc County, Wisconsin, for the purpose of reporting to you our opinion of its market value.

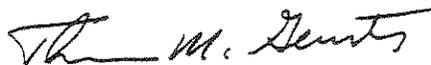
Based on the examination and study made, we have formed the opinion that, as of November 20, 1996, the property had a market value of:

ONE HUNDRED SIXTY THOUSAND DOLLARS

(\$160,000)

The following report presents the results of our investigation, analysis, and conclusions on which the estimate of value was based. The report has been prepared in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice.

Sincerely,

MICHAEL J. BARNARD & ASSOCIATES

Thomas M. Geurts, MAI
Wisconsin Certified General Appraiser
Certificate Number 17



Detlef H. Weiler, MAI
Wisconsin Certified General Appraiser
Certificate Number 237

TMG/DHW/cg

MOEGENBURG RESEARCH, INC.
REAL ESTATE APPRAISAL AND CONSULTING

December 10, 1996

Mr. Richard C. Wegner, Acting Secretary
State of Wisconsin
Department of Workforce Development
201 East Washington Avenue
P.O. Box 7946
Madison, Wisconsin 53717

Re: Manitowoc Office Building Appraisal - Purchase Order Number ILG00868

Dear Mr. Wegner:

In accordance with your request, we have completed a *complete appraisal with a summary report* of an office building located at 1110 South 9th Street in the City of Manitowoc, Manitowoc County, Wisconsin. The subject improvements consist of a masonry office building constructed in 1966. The single-story brick building has a full basement, which is not serviced by an elevator. The first floor contains 3,900 square feet. The building is situated on a 13,598-square foot (0.31 acres) rectangular mid-block site. We have valued the property on an "As Is" basis.

Purpose and Function of the Report

The purpose of the appraisal is to estimate the market value of the fee simple interest in the subject property, including all rights in realty (land and buildings), as of December 3, 1995. The function of the report is to assist the Department of Workforce Development in the asset valuation of the property as part of the potential disposition of the property.

Appraisal Standards and Reporting Guidelines

The report is subject to the Code of Ethics and Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. The report has also been written to comply with Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA); the OCC Appraisal Standards of 12 CFR, part 34; and the Guidelines for Real Estate Appraisal Policies and Review Procedures adopted by the bank supervision offices of the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Office of the Comptroller of the Currency, as of December 14, 1987.

The accompanying report, of which this letter is a part, describes the site, building improvements, pertinent data considered, and discusses the methods of appraisal used in reaching our conclusions. The opinion of value contained herein is subject to the Statement of Assumptions and Limiting Conditions included within the appraisal report.

December 10, 1996

Page 2

Limitations of Use and Applicability of Conclusions

Neither the appraisal report, the materials submitted, or our firm name may be used in any prospectus or printed materials prepared in connection with the sale of securities of participation interests to the public. The appraisal report is made subject to the Statement of Assumptions and Limiting Conditions contained in the report.

Due to the nature of real estate investments and the variety of economic factors that influence value, the value conclusions presented in the appraisal report are valid only for the date of value stated above. Please see our policy on updating appraisal conclusions included in the Appendix to the appraisal report.

Appraisal Methodologies Applied

Given the nature of this assignment, we considered the Cost, Sales Comparison, and Income Approaches in estimating the market value of the subject property.

Estimate of the Property's Marketing Time

Given current market conditions in the Manitowoc area and the property type involved, we feel an appropriate marketing time for the sale of the subject property is from 6 to 15 months assuming a reasonable marketing effort.

The appraised value assumes an exposure period of 6 to 15 months. The marketing time estimate is our opinion of the length of time necessary to market the real property in the future. The future price that may be achieved for the real property (at the end of the marketing time) may or may not be equal to our current appraised value estimate, depending on potential changes in the physical real estate, demographic and economic trends, the real estate market, tenancy, and property operations, among other factors.

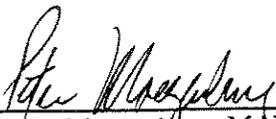
Fee Simple Value Conclusion

The fee simple value of the subject property on an "As Is" basis was estimated using the approaches to value as described in the attached report. Based upon the analysis presented, we have estimated the "As Is" market value of the fee simple interest, as of December 3, 1996, to be as follows:

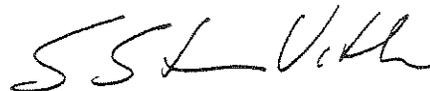
ONE HUNDRED SEVENTY FIVE THOUSAND (\$175,000) DOLLARS

We enjoyed serving you in this matter.

Sincerely,



Peter A. Moegenburg, MAI
Wisconsin Certified General Appraiser No. 296



S. Steven Vitale, MAI
Wisconsin Certified General Appraiser No. 506

79 (Seller warrants) ~~XXXXXXXXXXXXXXXXXXXX~~ the property ~~is~~ (is not) located in a flood plain (Strike as applicable).

80 Seller represents that the property is zoned B-3
81 Seller warrants and represents to Buyer that Seller has no notice or knowledge of any:
82 (a) planned or commenced public improvements which may result in special assessments or otherwise materially affect the
83 property.
84 (b) government agency or court order requiring repair, alteration, or correction of any existing condition.
85 (c) underground storage tanks or any structural, mechanical, or other defects of material significance affecting the property,
86 including but not limited to inadequacy for normal use of mechanical systems, waste disposal systems and well, unsafe
87 well water according to state standards, and the presence of any dangerous or toxic materials or conditions affecting the
88 property.
89 (d) wetland and shoreland regulations affecting the property (Caution: see maps.)

90 EXCEPTIONS TO WARRANTIES AND REPRESENTATIONS STATED IN LINES 79 TO 89:

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94 The following items shall be prorated as of the day of closing: general taxes, rents, water and sewer use charges, ~~XXXXXXXXXX~~

95 ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ and any and all unpaid utilities.....

96 owners' association assessments, fees, and any and all unpaid utilities.....

97 Any income, taxes, or expenses through the day of closing accrue to Seller.

98 General taxes shall be prorated at the time of closing based on the net general taxes for the current year, if known, otherwise

99 on the net general taxes for the preceding year. ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ Personal property taxes shall be prorated as follows:

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101 ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ If property has not been fully assessed for tax purposes, or reassessment is completed or pending, tax proration shall

102 be on the basis of ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

103 Special assessments, if any, for work on site actually commenced or levied prior to date of this offer shall be paid by Seller. All

104 other special assessments shall be paid by Buyer. (Caution: Consider a special agreement if area assessments or property owners'

105 association assessments are contemplated.)

106 Seller shall provide to Buyer at Seller's expense at least five (5) business days before closing ~~XXXXXXXXXXXXXXXXXXXX~~

107 ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

108 2. A commitment from a title insurance company licensed in Wisconsin to issue title insurance in the amount

109 of the purchase price upon recording of proper documents;

110 showing title to the property as of a date no more than 15 days before such title proof is provided to Buyer to be in the condition

111 called for in this offer, and further subject only to liens which will be paid out of the proceeds of the closing and standard title

112 insurance exceptions or abstract certificate limitations, as appropriate. Buyer shall notify Seller of any valid objection to title in

113 writing by closing. Seller shall have a reasonable time, but not exceeding 30 days, to remove the objections, and closing shall be

114 extended as necessary for this purpose.

115 ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

116 ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ proposed changes of the land contract and that the covenants on this land contract are sufficient to meet all of the obligations of

117 ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

118 ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

119 If the transaction fails to close and the parties fail to agree on the disposition of earnest money, then earnest money held by

120 broker shall be disbursed as follows:

121 1. To Buyer, unless Seller notifies Buyer and broker in writing no later than 15 days after the earlier of the Buyer's written

122 demand for return of the earnest money or the date set for closing, that Seller elects to consider the earnest money as

123 liquidated damages or partial payment for specific performance.

124 2. To Seller, subject to amounts payable to broker, provided the above notice is given and neither party commences a lawsuit

125 on this matter within 30 days after receipt of the notice.

126 In making the disbursement, Broker shall follow procedures in Section RL 18.09(4), Wis. Adm. Code.

127 Disbursement of earnest money does not determine the legal rights of the parties in relation to this agreement.

128 Both parties agree to hold the broker harmless from any liability for good faith disbursement of earnest money in accordance

129 with this agreement or present Department of Regulation and Licensing regulations concerning earnest money.

130 If the property is damaged by fire or elements prior to time of closing in an amount of not more than five per cent of the selling

131 price, Seller shall be obligated to repair the property and restore it to the same condition that it was on the date of this offer. If such

132 damage shall exceed such sum, this contract may be cancelled at option of Buyer. Should Buyer elect to carry out agreement

133 despite such damage, Buyer shall be entitled to the insurance proceeds relating to damage to property; however, if this is by land

134 contract or a mortgage to Seller, the insurance proceeds shall be held in trust for the sole purpose of restoring the property.

135 SPECIAL PROVISIONS: See Attached Addendum A

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141 Seller and Buyer agree to act in good faith and use diligence in completing the terms of this agreement. This agreement binds

142 and inures to the benefit of the parties to this agreement and their successors in interest.

143 *Daniel Fischer*

144 Daniel Fischer, County Clerk (Buyer) ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ (Buyer)

145 Manitoowoc County, WI Manitoowoc County, WI

146 Buyer's Social Security No. Buyer's Social Security No.

147 THIS OFFER IS HEREBY ACCEPTED. THE WARRANTIES AND REPRESENTATIONS MADE

148 HEREIN SURVIVE THE CLOSING OF THIS TRANSACTION. THE UNDERSIGNED HEREBY AGREES

149 TO SELL AND CONVEY THE ABOVE-MENTIONED PROPERTY ON THE TERMS AND CONDITIONS

AS SET FORTH AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT.

150 Dated: January 21 1997

151 Offer is rejected (Seller initial)

152 Offer is countered (Seller initial)

153

154

155 Seller's Social Security No. (Seller)

156 This offer was drafted by (Licensee and firm)

157 It was presented to Seller by on 19.....

158 EARNEST MONEY RECEIPT

159 Broker acknowledges receipt of initial earnest money as per line 12 of the above offer.

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ADDENDUM "A"

Special Provisions:

1. Property is sold in an "as is" condition: The responsibility to correct any and all code violations will be the buyer's.

2. Buyer is responsible for looking into any and all City, County and State Ordinances to assure that the intended use of the property is a permitted use. Seller makes no representations as to permitted uses.

3. Once accepted by the Department of Workforce Development, this offer to purchase does not become final and the Department does not agree to sell and convey the property until this proposed sale is approved by the United States Department of Labor, the Wisconsin State Building Commission and the Wisconsin Legislature's Joint Committee on Finance.