

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
JOHN GARD

315 North, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-2343

JOINT COMMITTEE ON FINANCE

August 5, 1999

Mr. Mark D. Bugher, Secretary
Department of Administration
101 East Wilson Street
Madison, WI 53703

Dear Secretary Bugher:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your request, received July 16, 1999, pursuant to s. 13.48(14)(d)4., Stats., concerning the proposed sale of the UW-Madison family practice clinic in Verona for \$200,000.

No objections have been raised concerning this request. Accordingly, the request concerning the proposed sale is approved. It should be noted, however, that use of the proceeds from the sale of the surplus land will be determined under a future section 13.10 meeting of the Committee.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John Gard in black ink.

JOHN GARD
Assembly Chair

BB:JG:jc

cc: Members, Joint Committee on Finance
Vicky LaBelle, Department of Administration



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

July 23, 1999

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Committee Review of Sale of Surplus Property -- UW-Madison Family Practice Clinic

Under section 13.48(14)(d)4. of the statutes, when the State Building Commission proposes to sell or transfer any surplus state land having a fair market value of \$20,000 or more, the Commission must notify, in writing, the Co-Chairs of the Committee of the proposed action. If the Co-Chairs do not notify the Building Commission of a scheduled meeting to review the sale within 14 days, the Building Commission may sell the property. If a meeting is scheduled to review the sale, the parcels may be sold only upon approval of the Committee.

On July 16, 1999, the Secretary of the Department of Administration on behalf of the Building Commission provided notification to the Co-chairs on the proposed sale of surplus property in Verona. The surplus property consists of a family practice clinic with 8,114 square feet of space. The average appraised value of the property, based on two appraisals made in 1993 is \$419,500. Both appraisals were based on the land being zoned commercial; however, over the last six years the property has been zoned residential and only one offer has been received. The proposed sale would be for \$200,000 and is contingent on upon a change in zoning to commercial. The property has been for sale since 1993 and is currently listed for \$263,300.

In accordance with s. 13.48(14)(d)4., if the Committee wishes to hold a meeting on the proposed sale, the meeting must be scheduled by August 6, 1999. If the Committee has no objection to the proposed sale, no meeting of the Committee is required and the proposed sale would be considered approved by the Committee effective August 6, 1999.

If a sale is approved by the Committee, the monies associated with the proposed sale, after paying off outstanding bonds used to finance that property, are deposited in the Joint Finance Committee's appropriation for release to the agency or the Building Commission. If the property

was used by a single agency, not more than 50% of these funds can be released by the Committee upon the request of the agency to supplement any agency appropriation, except a sum sufficient appropriation, without a finding by the Committee under s. 13.10 that an emergency need exists. Similarly, upon the request of the Building Commission, the Committee can transfer the remaining funds, depending on the amount of funds released to the agency, to the building trust fund, without a finding of an emergency.

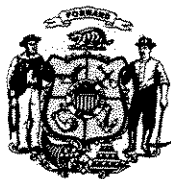
The Secretary of Administration indicates that the UW is planning to use the proceeds from the sale of this property to pay outstanding debt on this and other Family Practice clinics and that the Building Commission concurs with this use of the sale proceeds. Under section 13.101(13), the use of the proceeds from the sale of surplus land would be determined under a subsequent section 13.10 meeting of the Committee.

BL/TC/dls

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Re: 14-Day Review Approval

Date: July 21, 1999

Attached is a copy of a letter from the Department of Administration, received July 16, 1999, which notifies the Committee of a proposed sale of UW-Madison family practice clinic in Verona for \$200,000. The notice is pursuant to s. 13.48(14)(d)4., Stats., which requires a 14-day review of Building Commission proposals to sell or transfer any surplus state land having a fair market value of \$20,000 or more. Under s. 13.101(13), Stats., the use of the proceeds from the sale of the surplus land would be determined under a subsequent section 13.10 meeting of the Committee.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Tuesday, August 3, 1999**, if you have any concerns about the request or if you would like the Committee to meet formally to discuss it.

Also, please contact us if you need further information.

Attachment

BB:JG:dh

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR

MARK D. BUGHER
SECRETARY



Division of Facilities Development
Post Office Box 7866
Madison, WI 53707-7866
Voice (608) 266-2731
Fax (608) 267-2710
TTY (608) 267-9629

July 9, 1999

The Honorable Brian Burke, Chair
Joint Committee on Finance
316 South Capitol
Madison, WI. 53702

The Honorable John Gard, Chair
Joint Committee on Finance
315 North Capitol
Madison, WI. 53702

Dear Senator Burke and Representative Gard:

RE: Approval to Sell the former UW-Madison Family Practice Clinic
at 524 W. Verona Avenue, Verona, WI.

At its meeting on June 24, 1999 the State of Wisconsin Building Commission approved the sale of the property to Janeen Smith for \$200,000. The Commission is hereby requesting the approval of the Joint Committee on Finance of the sale of the property under the provisions of s.13.48 (d)(4).

The property was offered for sale to other governmental agencies, state and local. None expressed an interest. The University of Wisconsin Board of Regents obtained two independent appraisals by MAI Appraisers in April 1993. The estimated market value based on the average of the two appraised values of \$419,000 and \$420,000, is \$419,500. Both appraisals were based on the land zoned commercial. However, it is zoned residential. The prospective buyer appeared before the Verona Plan Commission requesting rezoning from residential to commercial, which was approved by the Verona Common Council on June 14, 1999.

The offer from Ms. Smith was \$200,000. This was the only offer to purchase received in the six years the property has been on the market.

The sale of the building was initially approved by the Building Commission in June 1993. Generally the building was no longer large enough to meet the programmatic needs of patients and to accommodate the educational and research requirements of the Department of Family Medicine and Practice. The Department of Family Medicine and Practice Clinic's faculty and staff and family practice residents and clerkships for third-year medical students were moved to a 21,075 gross square foot leased facility in 1994.

Under the laws that existed in 1993 under s. 13.48(14)(c), Wis, Stats., "Net proceeds from the sale or lease of the lands or buildings shall be deposited in the bond security and redemption fund under s. 18.09 to pay the principal and interest on any bonds use to

The Honorable Brian Burke
The Honorable John Gard
Friday, July 9, 1999
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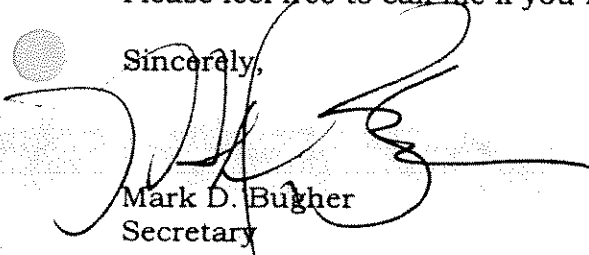
finance those lands or buildings, and any premium due upon refunding any of those bonds. If there are no such bonds outstanding, the net proceeds shall be used to pay the principal and interest on the bond which is from any revenue source from which there were appropriations to support those lands or buildings and which bears the highest true interest costs in comparison to any other bond from such revenue sources." Consistent with the laws that existed in 1993, the University has been planning to apply the proceeds from the sale to outstanding debt on this and other Family Practice clinics.

Under current law, [s. 13.48(14)(c) and s. 13.101(13)(b)], the net proceeds are deposited in an account managed by the Joint Committee on Finance. If the building, structure or land was used by a single agency, the agency may request transfer of up to 50% of the net proceeds. The Building Commission may request transfer of the entire amount of the net proceeds to the Building Trust Fund.

The Commission is therefore requesting the approval of the Joint Committee on Finance of the sale of the property and the transfer to the University of all the net proceeds from the current \$200,000 offer.

Please feel free to call me if you have any questions regarding this transaction.

Sincerely,

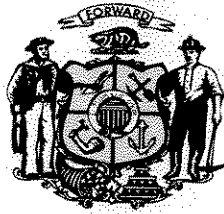


Mark D. Bugher
Secretary

Cc: Robert Lang, Legislative Fiscal Bureau
Robert N. Brandherm

TOMMY G. THOMPSON
GOVERNOR

MARK D. BUGHER
SECRETARY



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July 9, 1999

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Please feel free to call me if you have any questions regarding this transaction.

Sincerely,



Mark D. Bugher
Secretary

Cc: Robert Lang, Legislative Fiscal Bureau
Robert N. Brandherm