

No. 632, A.]

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## CHAPTER 515

AN ACT to repeal 66.431 (3) (e) (intro. par.) and 3; to amend 66.431 (5) (a) 3 and 4. a and b, (6) (a) and (b) (intro. par.), 1 and 3, (9), (12) and (13); to repeal and recreate 66.431 (3) (e) 2, (4) and (15); and to create 66.431 (5) (a) 4. c, as created by chapter 3, laws of the special session of 1958; to amend 67.04 (2) (zn), 67.05 (5) (b) and 67.12 (12) (a); and to create 67.25 and 219.07 of the statutes, relating to the clarification of the powers of a redevelopment authority to undertake and carry out blight elimination, slum clearance and urban renewal programs and projects and the activities included in such programs and projects; to provide for the utilization by an authority of private financing to assist such projects through the issuance and sale of its bonds or obligations; and to clarify the authority of a city and other public bodies to assist such projects, and the provisions of the laws governing the borrowing by a city for this purpose.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 66.431 (3) (e) (intro. par.), and 3 of the statutes, as created by chapter 3, laws of the special session of 1958, are repealed.

SECTION 2. 66.431 (3) (e) 2 and (4) of the statutes, as created by chapter 3, laws of the special session of 1958, are repealed and recreated to read:

66.431 (3) (e) 2. Persons otherwise entitled to any right, benefit, facility or privilege under this section shall not, with reference thereto, be denied such right, benefit, facility or privilege in any manner for any purpose nor be discriminated against because of race, color, creed or national origin.

(4) DEFINITIONS. As used or referred to in this section unless the context clearly indicates otherwise:

(a) "City" means any city in the state.

(b) "Public body" means the state or any city, county, town, village, town board, commission, authority, district, or any other subdivision or public body of the state.

(d) "Local legislative body" means the board of aldermen, common council, council, commission or other board or body vested by the charter of the city or other law with jurisdiction to enact ordinances or local laws.

(e) "Blighted area" means any area (including a slum area) in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare, or any area which by reason of the presence of a substantial number of substandard, slum, deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a city, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use, or any area which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community.

(f) "Blight elimination, slum clearance and urban renewal program", "blight elimination and urban renewal program", "redevelopment, slum clearance or urban renewal program", "redevelopment or urban renewal program", and "redevelopment program", mean undertakings and activities for the elimination and for the prevention of the development or spread of blighted areas.

(g) "Blight elimination, slum clearance and urban renewal project", "redevelopment and urban renewal project", "redevelopment or urban renewal project", "redevelopment project", "urban renewal project", and "project" mean undertakings and activities in a project area for the

elimination and for the prevention of the development or spread of slums and blight, and may involve clearance and redevelopment in a project area, or rehabilitation or conservation in a project area, or any combination or part thereof in accordance with a "redevelopment plan", "urban renewal plan", "redevelopment or urban renewal plan", "project area plan", or "redevelopment and urban renewal plan" (either one of which means the redevelopment plan of the project area prepared and approved as provided in subs. (6) and (7)). Such undertakings and activities may include:

1. Acquisition of a blighted area or portions thereof;
2. Demolition and removal of buildings and improvements;
3. Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out in the project area the objectives of this section in accordance with the redevelopment plan;
4. Disposition of any property acquired in the project area (including sale, initial leasing or retention by the authority itself) at its fair value for uses in accordance with the redevelopment plan;
5. Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the redevelopment plan; and
6. Acquisition of any other real property in the project area where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities.

(h) "Project area" means a blighted area which the local legislative body declares to be in need of a blight elimination, slum clearance and urban renewal project.

(i) "Real property" includes all lands, together with improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest, right and use, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise.

(j) "Bonds" means any bonds (including refunding bonds), notes, interim certificates, certificates of indebtedness, debentures or other obligations.

SECTION 3. 66.431 (5) (a) 3 and 4. a and b of the statutes, as created by chapter 3, laws of the special session of 1958, are amended to read:

66.431 (5) (a) 3. Within the boundaries of the city to acquire by purchase, lease, eminent domain, or otherwise, any real or personal property or any interest therein, together with any improvements thereon, necessary or incidental to a redevelopment or urban renewal project; to hold, improve, clear or prepare for redevelopment or urban renewal any such property; to sell, lease, subdivide, retain or make available for the city's use; to mortgage or otherwise encumber or dispose of any such property or any interest therein; to enter into contracts with redevelopers of property containing covenants, restrictions and conditions regarding the use of such property in accordance with a redevelopment or urban renewal plan, and such other covenants, restrictions and conditions as the authority deems necessary to prevent a recurrence of blighted areas or to effectuate the purposes of this section; to make any of such covenants, restrictions, conditions or covenants running with the land and to provide appropriate remedies for any breach thereof; *to arrange or contract for the furnishing of services, privileges, works or facilities for, or in connection with a project; to temporarily operate and maintain real property*

*acquired by it in a project area for or in connection with a project pending the disposition of the property for such uses and purposes as may be deemed desirable even though not in conformity with the redevelopment plan for the area; within the boundaries of the city to enter into any building or property in any project area in order to make inspections, surveys, appraisals, soundings or test borings, and to obtain an order for this purpose from a court of competent jurisdiction in the event entry is denied or resisted; to own and hold property and to insure or provide for the insurance of any real or personal property or any of its operations against any risks or hazards, including the power to pay premiums on any such insurance; to invest any project funds held in reserves or sinking funds or any such funds not required for immediate disbursement in property or securities in which savings banks may legally invest funds subject to their control; to redeem its bonds issued under this section at the redemption price established therein or to purchase such bonds at less than redemption price, all such bonds so redeemed or purchased to be canceled; to develop, test and report methods and techniques, and carry out demonstrations and other activities, for the prevention and elimination of slums and blight; and to disseminate blight elimination, slum clearance and urban renewal information.*

4. a. To borrow money and issue \* \* \* bonds \* \* \*; to execute notes, debentures and other forms of indebtedness; and to apply for and accept advances, loans, grants \* \* \*, contributions and any other form of financial assistance from the city in which it functions \* \* \*, from the federal government, the state, \* \* \* county \* \* \*, or other public body, or from any sources \* \* \*, public or private for the purposes of this section, and to give such security as may be required and to enter into and carry out contracts or agreements in connection therewith, and to \* \* \* include in any contract for financial assistance with the federal government for or with respect to blight elimination and slum clearance and urban renewal such conditions imposed pursuant to federal laws as the authority deems reasonable and appropriate and which are not inconsistent with the purposes of this section.

b. Any debt or obligation of the authority shall not be deemed the debt or obligation of the city \* \* \*, county, state or any other governmental authority other than the redevelopment authority itself.

SECTION 4. 66.431 (5) (a) 4. c of the statutes is created to read:

66.431 (5) (a) 4. c. To issue bonds from time to time in its discretion to finance its activities under this section, including, without limiting the generality thereof, the payment of principal and interest upon any advances for surveys and plans, and shall have power to issue refunding bonds for the payment or retirement of such bonds previously issued by it. Such bonds shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues, and funds of the authority derived from or held in connection with its undertaking and carrying out of projects under this section; provided that payment of such bonds, both as to principal and interest, may be further secured by a pledge of any loan, grant or contribution from the federal government or other source, in aid of any projects or activities of the authority under this section, and by a mortgage of any such projects, or any part thereof, title to which is in the authority. Bonds issued under this subsection shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction of the state, city or of any public body other than the authority issuing the bonds, and shall not be subject to any other law or charter relating to the authorization, issuance or sale of bonds. Bonds issued under this section are declared to be issued for an essential public and governmental purpose and, together with interest

thereon and income therefrom, shall be exempt from all taxes. Bonds issued under this subsection shall be authorized by resolution of the authority and may be issued in one or more series and shall bear such date, be payable upon demand or mature at such time, bear interest at such rate, not exceeding 6 per cent per annum, be in such denomination, be in such form either with or without coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place, and be subject to such terms of redemption (with or without premium), be secured in such manner, and have such other characteristics, as is provided by the resolution, trust indenture or mortgage issued pursuant thereto. Such bonds may be sold at not less than par at public sale held after notice published prior to such sale in a newspaper having general circulation in the city and in such other medium of publication as the authority determines or may be exchanged for other bonds on the basis of par; provided that such bonds may be sold to the federal government at private sale (without publication of any notice) at not less than par, and, if less than all of the authorized principal amount of such bonds is sold to the federal government, the balance may be sold at private sale at not less than par at an interest cost to the authority of not to exceed the interest cost to the authority of the portion of the bonds sold to the federal government. In case any of the officials of the authority whose signatures appear on any bonds or coupons issued under this subsection cease to be such officials before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this subsection shall be fully negotiable. In any suit, action or proceeding involving the validity or enforceability of any bond issued under this subsection or the security therefor, any such bond reciting in substance that it has been issued by the authority in connection with a project or activity under this subsection, shall be conclusively deemed to have been issued for such purpose and such project or activity shall be conclusively deemed to have been planned, located and carried out in accordance with this section.

SECTION 5. 66.431 (6) (a), (b) (intro. par.), 1 and 3, (9), (12) and (13) of the statutes, as created by chapter 3, laws of the special session of 1958, are amended to read:

66.431 (6) (a) The authority may make or cause to be made and prepare or cause to be prepared a comprehensive plan of redevelopment and urban renewal which shall be consistent with the general plan of the city, including the appropriate maps, tables, charts and descriptive and analytical matter. Such plan is intended to serve as a general framework or guide of development within which the various area and redevelopment and urban renewal projects may be more precisely planned and calculated. The comprehensive plan shall include at least a land use plan which designates the proposed general distribution and general locations and extents of the uses of the land \* \* \* for housing, business, industry, recreation, education, public buildings, public reservations and other general categories of public and private uses of the land. The authority is authorized to make or have made all other surveys and plans necessary under this section \* \* \*, and to adopt or approve, modify and amend such plans.

(b) (intro. par.) For the exercise of the powers granted and for the acquisition and disposition of real property \* \* \* in a project area, the following steps and plans shall be requisite:

1. Designation by the authority of the boundaries of the *proposed* project area \* \* \*, submission of such boundaries to the local legislative body, and adoption of a resolution by two-thirds of such local legislative

body declaring such area to be a blighted area in need of \* \* \* *a blight elimination, slum clearance and urban renewal project.*

3. Approval of a redevelopment plan of a project area by the authority may be given only after a public hearing conducted by the authority and a finding by the authority that such plan is feasible and in conformity with the general plan of the city. Notice of such hearing, describing the time, date, place and purpose of the hearing and generally identifying the project area, shall be given by publication at least \* \* \* *once* during each of 3 consecutive weeks in a newspaper or newspapers having general circulation in the city, the last publication to be at least 20 days prior to the date set for the hearing. In addition thereto, a notice shall be served at least 20 days prior to the date set for the hearing on the proposed redevelopment plan of the project area upon each owner of real property of record within the boundaries of the redevelopment plan in the same manner as a summons is served. \* \* \* *If* such owner cannot be found after diligent search, within the county in which such project is located or the contiguous counties, then notice may be given by posting the same at least 20 days prior to the date of hearing on any structure located on the property; or \* \* \* *if* such property consists of vacant land, a notice may be posted in some suitable and conspicuous place on such land. Such notice shall state the time and place at which the hearing will be held with respect to the redevelopment plan and that the owner's property might be taken for urban renewal. For the purpose of ascertaining the name of the owner of record of the real property within such project boundaries, the records, at the time of the approval of the project boundaries, of the register of deeds of the county in which such project is located shall be deemed conclusive. Failure to receive such notice shall not invalidate the plan. A sheriff's affidavit of service of such notice or posting thereof filed as a part of the records of the authority shall be deemed prima facie evidence of the giving of such notice. All interested parties shall be afforded a full opportunity to express their views respecting the proposed plan at such public hearing, but the hearing shall only be for the purpose of assisting the authority in making its determination and in submitting its report to the local legislative body. Any technical omission in the procedure outlined herein shall not be deemed to invalidate the plan. Any owner of property included within the boundaries of the redevelopment plan and objecting to such plan shall be required to state his objections and the reasons therefor in writing and file the same with the authority either prior to, at the time of the public hearing, or within 15 days thereafter, but not subsequently thereto. He shall state his mailing address and sign his name thereto. The filing of such objections in writing shall be a condition precedent to the filing of a petition under sub. (7) (a).

(9) In connection with every redevelopment plan, the authority shall formulate a feasible method for the temporary relocation of persons living in areas that are designated for clearance and redevelopment. In addition, the authority shall prepare a plan which shall be submitted to the local legislative body for approval which shall assure that decent, safe and sanitary dwellings substantially equal in number to the number of substandard dwellings to be removed in carrying out the redevelopment \* \* \* are available or will be provided at rents or prices within the financial reach of the income groups displaced. *The authority is authorized to make relocation payments to or with respect to persons (including families, business concerns and others) displaced by a project for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the federal government.*

(12) CO-OPERATION BY PUBLIC BODIES AND USE OF CITY FUNDS. To assist any redevelopment or urban renewal project located in the area in

which the authority is authorized to act, any public body may, upon such terms as it determines: furnish services or facilities, provide property, lend or contribute funds, and perform any other action of a character which it is authorized to perform for other general purposes, and to enter into co-operation agreements and related contracts in furtherance of the purposes enumerated. *Any city and any public body may levy taxes and assessments and appropriate such funds and make such expenditures as may be necessary to carry out the purposes of this subsection, but taxes and assessments shall not be levied under this subsection by a public body which has no power to levy taxes and assessments for any other purpose.*

(13) For the purpose of financially aiding an authority to carry out blight elimination, *slum clearance* and urban renewal programs and projects, the city in which such authority functions is authorized (without limiting its authority under any other law) to issue *and sell general obligation bonds \* \* \* in the manner and in accordance with the provisions of ch. 67, except that no referendum shall be required, and to levy taxes without limitation for the payment thereof, as provided in s. 67.035.* Such bonds shall be fully negotiable \* \* \* and *except as provided in this subsection shall not be subject to any other law or charter pertaining to the issuance or sale of bonds. \* \* \**

SECTION 6. 66.431 (15) of the statutes, as created by chapter 3, laws of the special session of 1958, is repealed and recreated to read:

66.431 (15) LEGAL SERVICES TO AUTHORITY. The legal department of any city in which the authority functions can provide legal services to such authority and a member of the legal department having the necessary qualifications may, subject to approval of the authority, be its counsel; the authority may also retain specialists to render legal services as required by it.

SECTION 7. 67.04 (2) (zn) of the statutes is amended to read:

67.04 (2) (zn) To acquire sites; to prepare, to carry out, acquire, lease, construct and operate housing projects for families displaced under \* \* \* ss. 66.40 to 66.43 and for families displaced by reason of any street widening, expressway or other public works project causing the demolition of dwellings; to provide for the construction, reconstruction, improvement, alteration and repair of any such housing project or any part thereof; to acquire land for housing redevelopment projects and for the clearance of slum and blighted areas; *and to provide financial assistance to blight elimination, slum clearance, redevelopment and urban renewal programs and projects under ss. 66.43, 66.431 and 66.435.*

SECTION 8. 67.05 (5) (b) of the statutes is amended to read:

67.05 (5) (b) No city or village shall issue any bonds for any purposes other than for replacing sums expended for emergency relief purposes during the years 1929 to 1936 \* \* \*, waterworks, lighting works, gas works, bridges, street improvements, street improvement funding, hospitals, airports, harbor improvements, river improvements, breakwaters and protection piers, sewerage, garbage disposal, rubbish or refuse disposal, any combination of sewage, garbage or refuse or rubbish disposal, parks and public grounds, swimming pools and band shells thereon, veterans' housing projects, street railway property, or paying the municipality's portion of the cost of abolishing grade crossings, for the purchase of sites for engine houses, for fire engines and other equipment of the fire department, for construction of engine houses, and for pumps, water-mains, reservoirs and all other reasonable facilities for fire protection apparatus or equipment for fire protection, school purposes or vocational school purposes, for buildings for the housing of machinery and equip-

ment, for providing financial assistance to blight elimination, slum clearance, redevelopment and urban renewal programs and projects under ss. 66.43, 66.431 and 66.435, or for refunding any of the bonds issued for any of the aforesaid purposes, or for bonds issued to refund securities originally issued pursuant to s. 66.066, until the proposition for their issue for the special purpose thereof \* \* \* has been submitted to the electors of such city or village and adopted by a majority voting thereon. Whenever the common council of any city or the village board of any village \* \* \* declares its purpose to raise money by issuing bonds for any purpose other than those above specified, it shall direct by resolution, which shall be recorded at length in the record of its proceedings, the clerk to call a special election for the purpose of submitting the question of bonding the city or village to the electors thereof. Such elections shall be noticed, conducted, canvassed and the result declared as provided in this subsection, except that the notice of such special election and the ballot used thereat need not embody a copy of the resolution, but shall contain a statement of the purpose and the amount of the bonds proposed to be issued.

SECTION 9. 67.12 (12) (a) of the statutes is amended to read:

67.12 (12) (a) In addition to the powers heretofore given, any county, city, village, town, school district or town sanitary district may borrow money for the acquisition of lands for public purposes, for permanent improvements of lands, for public work or improvement, and the enlargement or extension thereof, or for equipment or machinery or for general and current municipal expenses, or to provide financial assistance to blight elimination, slum clearance, redevelopment and urban renewal programs and projects under ss. 66.43, 66.431 and 66.435, and in the case of cities and villages for the acquisition and development of industrial sites to the extent permitted by s. 66.52 (3).

SECTION 10. 67.25 of the statutes is created to read:

**67.25 VALIDATION OF CERTAIN BONDS AND PROCEEDINGS.** Any proceedings by a city prior to the effective date of this section (1959) for the issuance of general obligation bonds as authorized by s. 66.431 (13) in effect at the time of such proceedings, to provide financial assistance to blight elimination, slum clearance, redevelopment and urban renewal programs and projects being carried out under s. 66.43, 66.431 or 66.435 may be continued under this chapter and, notwithstanding lack of power in the city to issue bonds under this chapter at the time of the adoption of an initial resolution or referendum of the electors approving such bonds, such proceedings are hereby validated, ratified, approved and confirmed, and any bonds authorized prior to or after the effective date of this section as a result of the proceedings are and shall be binding, valid and enforceable obligations of the city, and the city may levy taxes without limitation for the payment thereof as provided in s. 67.035.

SECTION 11. 219.07 of the statutes is created to read:

**219.07 REDEVELOPMENT AUTHORITY BONDS LEGAL INVESTMENTS AND SECURITY.** All banks, trust companies, bankers, savings banks and institutions, building and loan associations, saving and loan associations, credit unions, investment companies, insurance companies, insurance associations and other persons carrying on a banking or insurance business, all executors, administrators, guardians, trustees and other fiduciaries, and the state and all public officers, municipal corporations, political subdivisions, and public bodies may legally invest any sinking funds, moneys, or other funds belonging to them or within their control



in any bonds or other obligations issued by a redevelopment authority created by s. 66.431, or issued by any redevelopment authority or urban renewal agency in the United States, when such bonds or other obligations are secured by an agreement between the issuer and the federal government in which the issuer agrees to borrow from the federal government and the federal government agrees to lend to the issuer, prior to the maturity of such bonds or other obligations, moneys in an amount which (together with any other moneys irrevocably committed to the payment of principal and interest on such bonds or other obligations) will suffice to pay the principal of such bonds or other obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such bonds or other obligations at their maturity. Such bonds and other obligations shall be authorized security for all public deposits. It is the purpose of this section to authorize any persons, political subdivisions and officers, public or private, to use any funds owned or controlled by them for the purchase of any such bonds or other obligations. Nothing contained in this section with regard to legal investments shall be construed as relieving any person of any duty of exercising reasonable care in selecting securities. This section shall apply notwithstanding any restrictions on investments contained in other provisions of the statutes.

Approved September 29, 1959.

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