



Waukesha County

Department of Public Works

May 9, 2016

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Waukesha County would like to petition for the rescission of the Moor Downs Property landmark designation located at 500 Riverview Avenue in Waukesha pursuant to Waukesha Municipal Ordinance 28.05(4). In an effort to assist the City of Waukesha's Landmarks Commission with their decision, we have included information about the history of the building and actions Waukesha County has taken related to the building.

History

The Moor Mud Baths/Grand View Health Resort is listed on the National Register of Historic Places and the State Register of Historic Places. It has earned these distinctions because it is a relatively intact example of a resort from the Springs Era. The property is also a designated local landmark in the City of Waukesha.

Waukesha County History with Property

With the understanding that the property would be used for future county facilities, City of Waukesha Officials urged Waukesha County to acquire the property commonly referred to as the Moor Downs property (and now the former Health and Human Service Building). The County purchased the property in 1972 from the Society of the Divine Savior. The property was facing foreclosure due to the owner's inability to pay property taxes.

The main structure on the property has been used for several administrative offices, most recently, the Waukesha County Department of Health and Human Services.

Waukesha County Long-Term Planning for County Grounds

In addition to the former Society of the Divine Savior property, Waukesha County owned other property in the vicinity of the Government Campus. In 1988, the Waukesha County Board approved partnering with the City of Waukesha to begin parceling off lands adjacent to the former Society of the Divine Savior property for the development of a private industrial park, returning the public property to the tax

roll. The decision to sell off County property reaffirmed the County Board's desire to continue its facility consolidation focus on the former Society of the Divine Savior property.

As part of a County Jail expansion project, the Waukesha County Board adopted a County Grounds Master Plan in 2001, again identifying the Moor Downs property for future expansion.

Land Use Restrictions on the Property

Following the Waukesha County Board adoption of the County Grounds Master Plan, Waukesha County submitted a rezoning request in May 2001 to the City of Waukesha to rezone the Moor Downs property from Residential to a Public Lands and Institutional District to reflect current use of the lands.

While reviewing the rezoning request submitted by Waukesha County, the City of Waukesha in December 2001, changed the zoning on the Moor Downs property from Residential to a new Park District. This rezoning was part of a new City of Waukesha zoning code and map. The rezoning created non-conforming uses in the zoning district. Specifically, institutional use in a Park District.

As a result of the December 2001 City rezoning action, Waukesha County was asked by the City to amend the May 2001 rezoning application to request a rezoning of the lands around the Health and Human Services Building from Park District to Institutional District. The rezone petition was denied by the City Council in 2002. The rezoning denial continued the non-conforming uses in the Park District.

In 2011 as part of the process to construct a new Health and Human Services Building on the Moor Downs property, Waukesha County submitted to the City of Waukesha, a rezoning request to rezone the then current Health and Human Services building and the location of the proposed new Health and Human Services Building from Park District to Institutional again to try to reflect current and planned uses. The City required the zoning petition to be amended to limit the rezoning to only the footprint of the proposed new Health and Human Services Building and denying rezoning for the former building. As a result of the rezoning decision, the former Health and Human Services Building remains a non-conforming structure in the Park Zoning District.

As of today, the former Waukesha County Health and Human Services Building is zoned as Park District. This zoning category significantly limits use of the building.

Former Health and Human Service Building Analysis

Following the acquisition of the former Society of the Divine Savior property, Waukesha County has used the structure for several administrative offices, most recently, the Waukesha County Department of Health and Human Services.

As a result of a 1995 facilities improvement study of the Health and Human Services Building, the Waukesha County Board, approved expending nearly \$1.3 million for building maintenance to extend the service life of the building 10-15 years. The facility analysis showed that it would not have been prudent use of tax dollars to make a greater investment in the building to extend the service life. The decision by the Waukesha County Board to extend the service life of the building 10-15 years started the planning process for a replacement Health and Human Services Building.

In 2010, the Waukesha County Board approved a capital project to construct a new Health and Human Services Building on the Moor Downs property to replace the former building. The new building construction project was approved because remodeling the former building would have been significantly more expensive, did not contain adequate space to consolidate all Health and Human Services in one location for customer service efficiency and would not have met the public health treatment clinic needs. The new Health and Human Services Building was opened in 2013.

In 2013, Waukesha County evaluated use of the former Health and Human Services Building as temporary space for Courts operations during a future Courthouse remodeling project. The analysis showed that it would not have been cost effective to renovate the former Health and Human Services Building even for this temporary use.

Summary of Factors Considered in Decision to Proceed with Sale and Relocation of the Former Health and Human Services Building

On January 28, 2014, the Waukesha County Board approved a Resolution to sell and relocate or tear down the old Waukesha County Health and Human Services Building. The decision to proceed in this manner was made due to many of the factors detailed in this project description. In summary the factors are:

- The property was purchased in 1972 for future County facility expansion.
- The County previously put other County owned lands on to the tax roll to focus expansion needs on the former Society of the Divine Savior (Moor Downs) property.
- Maintaining County use of the land is consistent with the County Grounds Master Plan adopted by the County Board in 2001.
- Denial of previous requests for rezoning has limited use of the building and grounds to uses consistent with the City of Waukesha Park District zoning category.
- In 1995, a facilities improvement study of the Health and Human Services Building determined it would not be fiscally prudent to invest taxpayer funds to remodel or renovate the former Health and Human Services Building for long-term County use.
- A new Waukesha County Health and Human Services Building has now been constructed.
- Additional parking would be beneficial to serve clients using the new Health and Human Services Building.
- Seeking a long-term lease arrangement with a tenant for the former Health and Human Services Building would be contrary to the County Board's desire to maintain flexibility to use the last of the designated lands for future facility development.
- Remodeling of the 1911-1927 sections of the former Health and Human Services Building and demolition of the east wing and construction of a new parking lot would cost taxpayers nearly \$26 million.
- Demolition of the full building and construction of a new parking lot would cost taxpayers \$3.3 million.
- General annual maintenance and risk management cost associated with the vacant building is projected at \$74,000 (in Year 2014 dollars) and will escalate as the building remains.

In accordance with the January 28, 2014 County Board Resolution to Sell and Relocate or Tear down the Former Health and Human Services Building, the County hired Judson and Associates to market the building from April to June 2014. Their efforts included listing the property on several commercial

databases, creating a promotional brochure that was mailed to approximately 850 different companies in different fields and making personal contacts to various developers. The County did not receive any offers to purchase.

County staff brought the results back from the attempted sale along with a capital project to demolish the former Health and Human Service Building. After a rigorous debate, the County Board opted to try and sell the building one more time. Resolution 169-6 directed staff to release a request for proposals (RFP) that would potentially sell a parcel of land that included the former HHS Building.

The County's Second attempt to sell the Former HHS Building

The County released a Request for Proposal (RFP) May 4, 2015 with a due date of June 7, 2016. The RFP schedule included a walk thru of the building and the opportunity to submit any questions. The County received one proposal from Gorman and Company. The County Board Chairman subsequently requested the County extend the RFP due date to accommodate additional submittals. The due date was extended to July 7; however, no additional proposal was submitted. The County RFP Evaluation Committee met to review the Gorman proposal. The Committee believed a significant amount of detail was missing from their proposal. In order to make every effort to seriously consider Gorman's proposal, the County took the unusual step of submitting several questions to Gorman to clarify areas they were deficient in explaining their proposal in detail.

In response to the questions prompted by the County, Gorman provided some information and modified their proposal. Under normal circumstances the County would allow clarifications, but not modifications to a proposal. Gorman changed their proposal from a low income housing project to a senior housing project. Again, the County staff allowed this change to be considered in an effort to give the Gorman proposal the opportunity to be reviewed in detail by the RFP Committee.

The RFP Committee unanimously agreed to recommend that the County not move forward with Gorman's project. They concluded, "The Respondent's proposal and subsequent clarifications did not fully support that this was a viable project for County interests. The committee did not receive enough information from the respondent to evaluate how their proposal fit into the County's campus and surrounding neighborhood, what their definitive access plans were, how they would maintain the historic aspect of the building, what the total impact on parking would be which is already problematic, what the size/scope of the proposed property acquisition would be, or even what cost impact would be on the County to carry out their proposal."

The Committee cited the following financial considerations and key points in their deliberation:

- Gorman proposed purchase price for the property was listed at \$400,000, however, there were a number of factors such as access, parking and footprint that would cause them to reduce their purchase price. Without a firm purchase price, it is difficult to determine whether the county would receive any compensation for the property at all.
- A third-party appraiser estimated the value of the property to be \$1.3 million.
- The County could save up to \$1.8 million by avoiding the demolition of the historic portion of the HHS building.
- However, if the County needs to purchase nearby land to consolidate the campus in the future, acquisition costs are estimated at about \$2 million (including demolition of 11 existing homes).

- If the old HHS property were sold to the Gorman, making it a taxable property, additional annual tax revenues to the County, based on Gorman's estimated property value, would be about \$4,000. (If comparable land were purchased for the County campus to make up for the loss of the old HHS property, the loss of taxable property could be equal or greater than that added by the Gorman proposal.)

In conclusion, Waukesha County requests the Landmarks Commission grant us a petition for the rescission of the More Downs Property landmark designation located at 500 Riverview Avenue in Waukesha pursuant to Waukesha Municipal Ordinance 28.05(4). The County has in good faith attempted to sell this property on two separate occasions and was unable to find a responsible bidder.

If you have any questions related to our request or the efforts the County has put forth to sell the property, please do not hesitate to contact me at 262-548-7740.

Sincerely,

A handwritten signature in black ink that reads "Allison Bussler". The signature is written in a cursive, flowing style.

Allison Bussler

Director of Public Works