City of MONDOVI

156 S. Franklin St., Mondovi, WI 54755 Tel. 715-926-3866

PEESO CREEK TERRACE PROPERTY DISPOSITION POLICY

Council approved April 10, 2018

Purpose:

This policy is temporarily created for the disposition of residential lots within the Peeso Creek Terrace (PCT) residential neighborhood; which is within the Tax Incremental Financing District (TIF or TID) #2. The City obtained these lots in a settlement with the North Creek Developers (NCD). The City Council recognizes that the City is not in the residential development business, and that the longer these acquired properties are retained by the City, the longer they are a detriment to the Citizens of Mondovi. This detriment is in the form of a bond with a balance of nearly $2,300,000 on the date of the creation of this policy. Due to this debt, property owners outside of the TIF 2 District are paying the equivalent of 1.8 mils in property tax or $180 per $100,000 assessed value. The sooner houses are constructed, the quicker the property taxes will increase within TIF 2; the sooner the bond is repaid in full, and the sooner all the property owners within the City boundaries will experience a tax break.

Definitions:

For the purpose of this policy, the following definitions will be used:

ABATE YEARS – the number of years where a tax abatement will be granted for a PCT lot owned by a private individual prior to the City obtaining residential lots within the PCT neighborhood or January 1, 2018; whichever is earlier, if a residential house is constructed at the values indicated in the "Existing PCT Lot Owners" chart.

CITY – the City of Mondovi.

CITY ADMINISTRATOR – the decision authority of this policy when questions arise regarding certain aspects and interpretations of this policy. His/Her decision(s) can be appealed to the City Council.

Lot – a residential lot within the Peeso Creek Terrace residential neighborhood as originally platted for the original development by NCD and prior to the City obtaining said lots or January 1, 2018; whichever is earlier.

Market Analysis (MA) – an examination of the prices at which similar properties in the same area recently sold.

Mil(s) – a fraction of a number used to determine the property taxes due on $1,000 of property appraised value.

NCD – North Creek Developers.

PCT – Peeso Creek Terrace.

TIF or TID – Tax Incremental Financing District.

SALE – means the absolute agreeable PCT lot purchase price; no negotiation.

PCT Market Analysis:

In the best interest of current PCT property owners and residents within the City, and to better understand what the value of the vacant lots truly are, the City secured the professional services of J. C. Norby & Associates, Inc. out of Eau Claire, Wisconsin to complete a Market Analysis (MA). This Analysis was completed on March 21, 2018 and provided a base line value for each lot within PCT for Council consideration. (The MA is attached to this policy as a supporting document).

Sale Values and Rebates:

The Council believes in developing PCT residential lots as quickly as possible for the betterment of the neighborhood and the community as a whole. Therefore, it is the Council's direction to sell the lots 25% below the MA value in a "Fire Sale". After the house is appraised, the property developer/owner will receive a rebate from the City based on the value of the house. Then the City's Assessor will establish the assessed value and the City will rebate the appropriate amount according to the "Lot Chart" below. Under the appropriate column of 175K, the house appraised value is between $175,000 and $200,000; the column labeled 200K is for a house appraised value between $200,000.01 and $250,000.00, and the final column of 250+K is for a house appraised for $250,000.01 or more on one of the lots indicated on the "Lot Chart".

Appraisals:

The City shall have the City Assessor complete an appraisal within 30 days after the City Administrator is notified that the occupancy certificate has been granted to the developer/owner. It is the responsibility of the developer/owner to notify the City Administrator when they receive the Occupancy Certificate and request in writing the established rebate according to this policy.

LOT CHART

LOT	STREET	#	ACRE	MA	SALE	175K	200K	250+K
9	Badger Ave	410	0.42	$16,380	$12,285	$3,071.25	$6,142.50	$ 9,213.75
10	Badger Ave	400	0.42	$16,380	$12,285	$3,071.25	$6,142.50	$ 9,213.75
12	Badger Ave	380	0.49	$19,110	$14,333	$3,583.13	$7,166.25	$10,749.38
13	Badger Ave	370	0.49	$19,110	$14,333	$3,583.13	$7,166.25	$10,749.38
15	Badger Ave	350	0.57	$22,230	$16,673	$4,168.13	$8,336.25	$12,504.38
17	Badger Ave	341	0.46	$17,940	$13,455	$3,363.75	$6,727.50	$10,091.25
18	Badger Ave	351	0.51	$19,890	$14,918	$3,729.38	$7,458.75	$11,188.13
19	Badger Ave	361	0.50	$19,500	$14,625	$3,656.25	$7,312.50	$10,968.75
20	Badger Ave	371	0.45	$17,550	$13,163	$3,290.63	$6,581.25	$ 9,871.88
21	Badger Ave	381	0.45	$17,550	$13,163	$3,290.63	$6,581.25	$ 9,871.88
22	Badger Ave	391	0.28	$11,760	$ 8,820	$2,205.00	$4,410.00	$ 6,615.00
23	Peeso Crk Ln	236	0.28	$11,760	$ 8,820	$2,205.00	$4,410.00	$ 6,615.00
24	Cattail Ln	391	0.28	$11,760	$ 8,820	$2,205.00	$4,410.00	$ 6,615.00
25	Cattail Ln	381	0.38	$15,960	$11,970	$2,992.50	$5,985.00	$ 8,977.50
26	Cattail Ln	373	0.38	$15,960	$11,970	$2,992.50	$5,985.00	$ 8,977.50
27	Cattail Ln	363	0.38	$15,960	$11,970	$2,992.50	$5,985.00	$ 8,977.50
30	Cattail Ln	225	0.59	$23,010	$17,258	$4,314.38	$8,628.75	$12,943.13
31	Cattail Ln	217	0.47	$18,330	$13,748	$3,436.88	$6,873.75	$10,310.63
47	Peeso Crk Ln	241	0.31	$13,020	$ 9,765	$2,441.25	$4,882.50	$ 7,323.75
49	Peeso Crk Ln	227	0.31	$13,020	$ 9,765	$2,441.25	$4,882.50	$ 7,323.75
50	Peeso Crk Ln	217	0.31	$13,020	$ 9,765	$2,441.25	$4,882.50	$ 7,323.75
51	Peeso Crk Ln	211	0.31	$13,020	$ 9,765	$2,441.25	$4,882.50	$ 7,323.75
52	Peeso Crk Ln	201	0.32	$13,440	$10,080	$2,520.00	$5,040.00	$ 7,560.00
53	Mirror Lake Dr	391	0.28	$11,760	$ 8,820	$2,205.00	$4,410.00	$ 6,615.00
55	Peeso Crk Ln	214	0.42	$16,380	$12,285	$3,071.25	$6,142.50	$ 9,213.75
56	Cattail Ln	376	0.42	$16,380	$12,285	$3,071.25	$6,142.50	$ 9,213.75
57	Cattail Ln	366	0.42	$16,380	$12,285	$3,071.25	$6,142.50	$ 9,213.75

LOT	STREET	#	ACRE	MA	SALE	175K	200K	250+K
58	Cattail Ln	360	0.42	$16,380	$12,285	$3,071.25	$6,142.50	$ 9,213.75
59	Cattail Ln	350	0.46	$17,940	$13,455	$3,363.75	$6,727.50	$10,091.25
60	Cattail Ln	210	0.49	$19,110	$14,333	$3,583.13	$7,166.25	$10,749.38
61	Mirror Lake Dr	361	0.44	$17,160	$12,870	$3,217.50	$6,435.00	$ 9,652.50
62	Mirror Lake Dr	367	0.42	$16,380	$12,285	$3,071.25	$6,142.50	$ 9,213.75
63	Mirror Lake Dr	377	0.42	$16,380	$12,285	$3,071.25	$6,142.50	$ 9,213.75

Construction Timeline and Penalty:

Once a developer/owner purchases a PCT residential lot from the City, the developer/owner has 24 months to complete construction or the City will establish a special assessment against the property at a rate of $4,000 per year. This is a mandatory condition for the purchase of a PCT residential lot from the City.

Existing PCT Lot Owners:

In order to ensure a fair assessed value of the lots is determined, that by July 1, 2019 the City Assessor shall reassess all vacant lots privately owned within the PCT neighborhood, to ensure the correct tax amount is being collected annually.

The City Council believes that an incentive should further be offered to the current residential lot owners within the PCT neighborhood to spur their development as well as City owned PCT lots. Therefore, the City will offer the following incentives for a house within PCT neighborhood from a lot not mentioned on the previous Lot Chart. This tax abatement shall only be on the increased property value once the house is constructed that meets the minimum of $175,000 in assessed value. The abatement shall be that which is indicated in the "Assessed Value" chart to the right.

ASSESSED VALUE		ABATE
Minimum	Maximum	YEARS
$175,000.00	$200,000.00	2
$200,000.01	$250,000.00	3
$250,000.01	or more	5

This policy does not alleviate any current property owner, (that purchased their residential lot from NCD prior to January 1, 2018) from the original developer's agreement with NCD, nor the covenants created by NCD and registered with the Buffalo County Wisconsin's Register of Deeds Office.

Tax Liability:

It is the responsibility of the developer or property owner to pay all property taxes once ownership of the lot is acquired by the developer/owner for a true market value of the lot.

Policy Termination:

This policy could expire at any time due to the sale of all the City owned lots and developed houses upon said lots, or at any time by the direction of the City Council – but will not expire or be terminated prior to July 1, 2020.

Waiver of Policy Terms:

The City Council may waive any of the criteria specified within this policy upon a finding that it is in the best interests of the City to do so.