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To: Board of Education Members
Dr. Mary B. Pfeiffer, District Administrator

From: Victoria L. Holt, Assistant District Administrator of Central Services, Human Resources *vlh*
Paul E. Hauffe, Director of Business Service *PEH*
Jonathan L. Joch, Director of Revenue Enhancement & Business Services Support *JLJ*

Date: July 17, 2012

Re: **Utilization of School District Property**

At the April 24, 2012 Finance & Personnel Committee meeting there was a discussion regarding the future of the four parcels of land that the District currently owns. The Personnel & Finance Committee asked Mr. Hauffe and Mr. Joch to put together a report and bring it to the Board of Education with information regarding the following topics.

1. History & background detail of district property purchases.
2. Location & size of the district's four parcels.
3. Date purchased.
4. Original cost & approximate current value of district parcels.
5. Map and pictures of district's parcels. (Attachment A)
6. Preliminary ideas or considerations on what to do with the district parcels.

The intent of this report was not to generate a recommendation, but rather provide the Board with useful information as it considers future uses of these district parcels.

I. History

The Neenah Joint School District currently owns four vacant real estate parcels, which were purchased between the years of 1971-1999. These parcels were purchased as potential future sites for new schools. At the time of purchase, demographic projections suggested that there would be significant growth within the District's attendance boundaries. These parcels total 101.4 acres of vacant land covering four separate sites within the District. In fact, over three quarters of the acreage has been purchased since 1995. In 1992, the District created a special "Tax Rate Stabilization Fund" (a sub-fund of the General Fund) to facilitate the purchase of any land parcels that might benefit the District as it made future facility plans. The initial deposit of funds (\$600,000+) into the Tax Rate Stabilization Fund came from the successful and early closings of Tax Incremental Districts located within the City of Neenah. The Board of Education during those years had the foresight to plan for the purchase of additional land and did not want to burden future Board's or taxpayers.

In early to mid 1990's District Administration utilized regional planning sources to review anticipated residential growth patterns in the District as well as individual municipalities' long range plans. (Attachment B)

II. School District Vacant Parcels

Location	Date Purchased	Size of Land	Original Cost	*Current Market Value
Jacobsen	January, 1971	15.0 acres	\$30,000	\$151,617
Keating	July, 1973	9.03 acres	\$16,000	\$135,150
Irish Road	July, 1996, 1999	60.0 acres	\$600,000	\$815,850-\$1,493,952
Pendleton	October, 1996	17.3 acres	\$170,000	\$255,000
		101.4 acres	\$816,000	\$1,393,500-\$2,071,602

*Baker Tilly Virchow Krause, LLP Study from September 2010

The recent/prolonged economic downturn certainly may have affected the current market value since the Baker Tilly Virchow Krause study was presented to the NJSD in September 2010.

A. Jacobsen Road Site (15 acres)

This land was retained in a 1996 transaction with the Grundman family. The land, when originally purchased by the District in 1971, was farmland. The Town of Menasha planned for an extension of Jacobsen Road, to the west, and this parcel would be positioned on the north side of that extension. This property, identified as a possible elementary school site, is located between current Spring Road Elementary and Clayton Elementary schools. This transaction was part of a larger transaction (trade/purchase) with the Grundman family.

In 2007, the Jacobsen Road extension was completed and the District was assessed for curb, gutter, and sewer on the portion of property that fronts Jacobsen Road. That cost (\$183,500) has been deferred by the District until 2018-19 and is carried by the District as a long term liability. The District does incur annual interest costs on this balance until it is paid.

B. Keating Site (9.03 acres)

This tract of land in the Town of Neenah is currently landlocked. This parcel is located just to the west of Neenah High School. This small parcel might not have the size to accommodate a traditional school building. This property has been vacant since its purchase in 1973.

C. Irish Road/American Drive Site (60 acres)

This land was purchased, along with the previous parcel, in 1996 and sized for a potential secondary school facility. The actual cash outlay (\$480,000) needed to make this purchase came from the Tax Rate Stabilization Fund.

The District is currently leasing most of this parcel and the Jacobsen Road parcel for farming purposes. The annual rental income that is generated is approximately \$3500. A portion of this property has also been inquired for use as a regional dog park.

D. Pendleton Site (17.3 acres)

The Pendleton site, located in the southwestern portion of the District, was purchased in October 1996 for \$170,000. The property, located west of Highway 41 and south of Breezewood Lane was sized to contain a large elementary school.

The District incurs annual costs of \$600 (mowing) to maintain the property.

III. Student Enrollment & Building Usage

Student Enrollment Trend K-12 (Third Friday Count) *

School Year	Elementary	Middle School	High School	
1997-98	2888	1595	2020	6503
1998-99	2879	1582	2068	6529
1999-00	2825	1562	2144	6531
2000-01	2840	1529	2138	6507
2001-02	2789	1544	2196	6529
2002-03	2692	1504	2221	6417
2003-04	2686	1502	2167	6355
2004-05	2680	1507	2147	6334
2005-06	2682	1493	2159	6334
2006-07	2637	1484	2125	6246
2007-08	2638	1415	2128	6181
2008-09	2658	1421	2092	6171
2009-10	2710	1401	2104	6215
2010-11	2750	1388	2107	6245
2011-12	2749	1371	2036	6156

* Data provided from 2012-13 NJSD Budget Report

The chart above shows that student enrollment in the District has not gone up. In fact, during the past five school years the student population has essentially stabilized, with much lower growth projections than what was expected at the time the District purchased the parcels. Student enrollment growth has not materialized to the extent at one time anticipated. Currently, the District has Washington Elementary School that is closed. This building has 30,620 square feet and ironically is the newest of the elementary school buildings, being constructed in 1967. The District also has Taft Elementary School which currently is partially operated as well.

Other than the farming there are no annual revenues associated with the vacant parcels. Also, we pay no property taxes on the four vacant parcels of land because these properties are owned by the District. Other than the special assessment on the Jacobsen Road site, there is no long term debt associated with these parcels of land.

Discussion Points

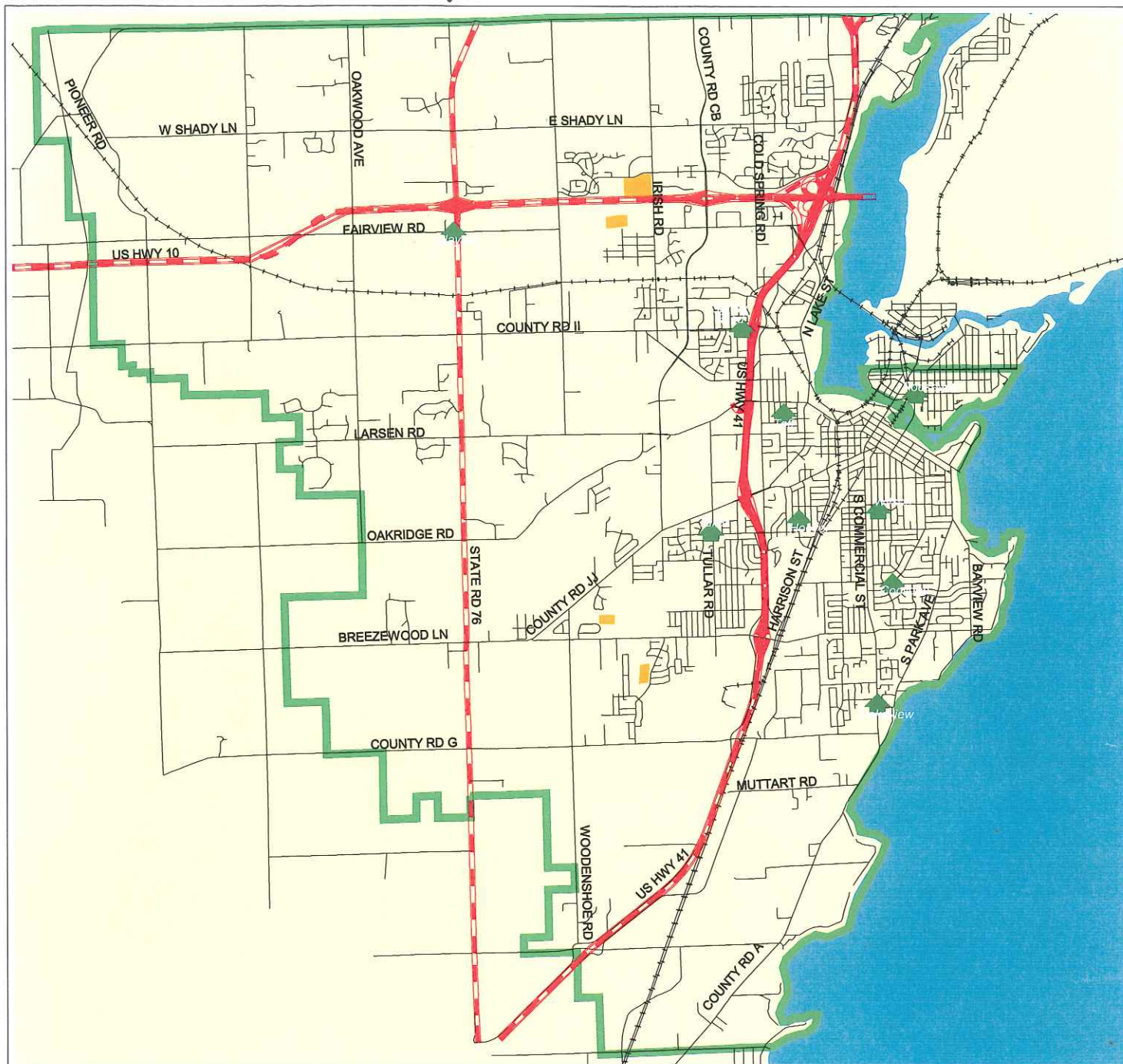
- ✓ Are the current occupied school sites sufficient to house the District's current and future students?
- ✓ Will the NJSD need the parcels in 5, 10, 20, 30 years?
- ✓ Will "schooling" in the future be dependent on actual physical sites or facilities?
- ✓ Work with City of Neenah, Town of Menasha, Winnebago County. Update a long-term census. Update with regional planning sources their student enrollment and residential growth patterns.
- ✓ Gather facts, create master facility plan for NJSD buildings.
- ✓ Identify the most valuable properties.
- ✓ Are the current parcels we own the "prime" locations we want?
- ✓ Do we want to exchange current properties for one the District finds more desirable?

Choices

- District can hold onto the parcels and do nothing.
- Hire a professional firm to provide information on the value of land as well as possible opportunities for the District to lease or sell the land.
- Lease land for agricultural purposes.
- Lease land for cell phone towers, wind mills, "green" projects.
- Lease land for community (dog park).
- Sell land to developer.
- Sell land to daycare, churches, affordable housing.
- Invest in improvements, and attempt to make the land a revenue generator (Green Bay Packer model).

As mentioned earlier, the intent of this report was to provide background information on the history of our four land purchases. A number of discussion points and possible choices were listed in this report to engage the Board in a discussion at the July 24, 2012 Board of Education meeting. Both Mr. Hauffe and Mr. Joch will be available to help answer any questions that you may have regarding this important topic.

ATTACHMENT A



Neenah Joint School District Elementary Attendance Areas (effective 2004-2005)

Prepared by: Neenah Joint School District
September 17, 2004



0 0.5 1 1.5 Miles

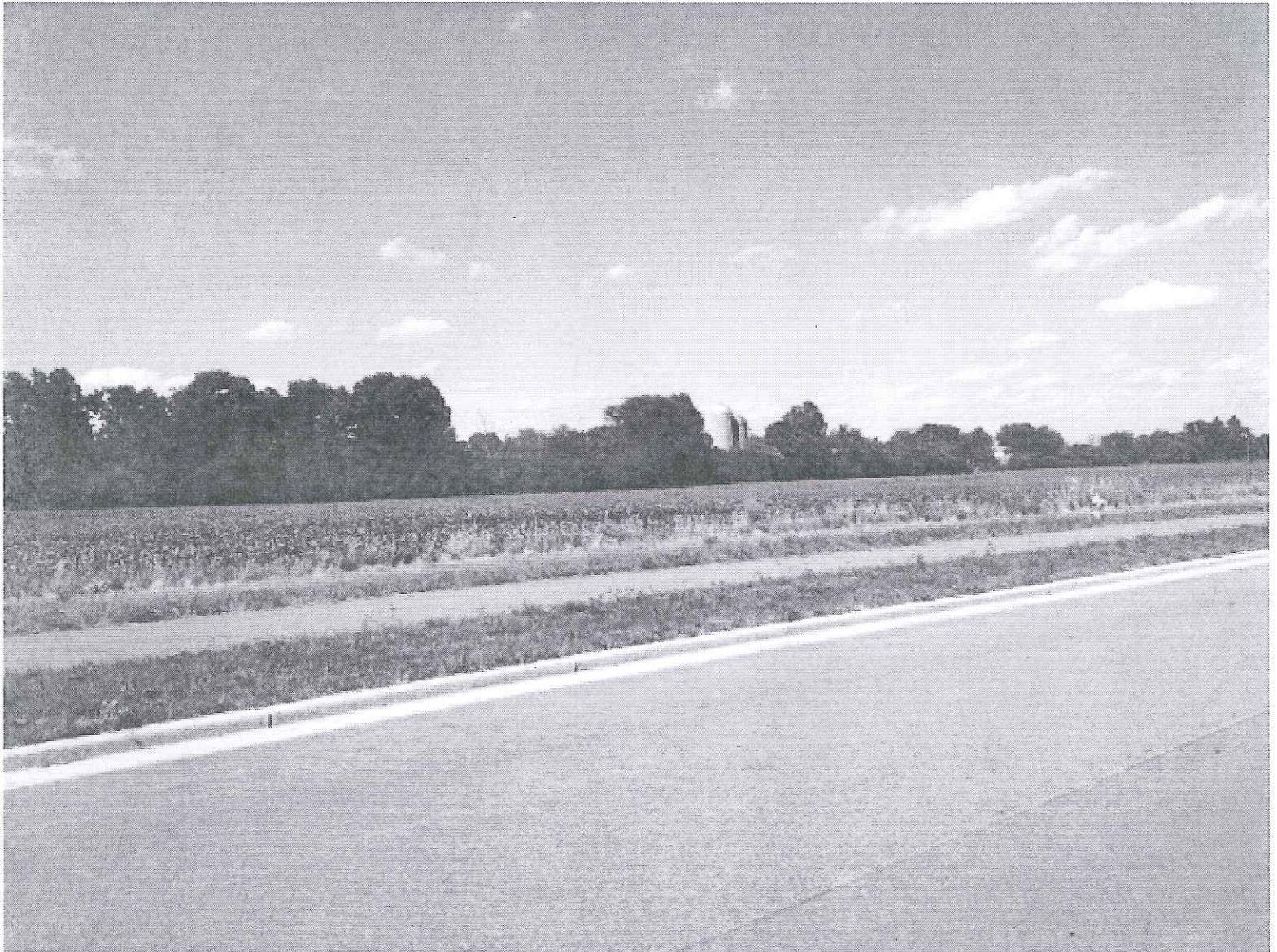


-  Major Road
-  Streets
-  Railroads
-  School District Boundary
-  Water
-  Background

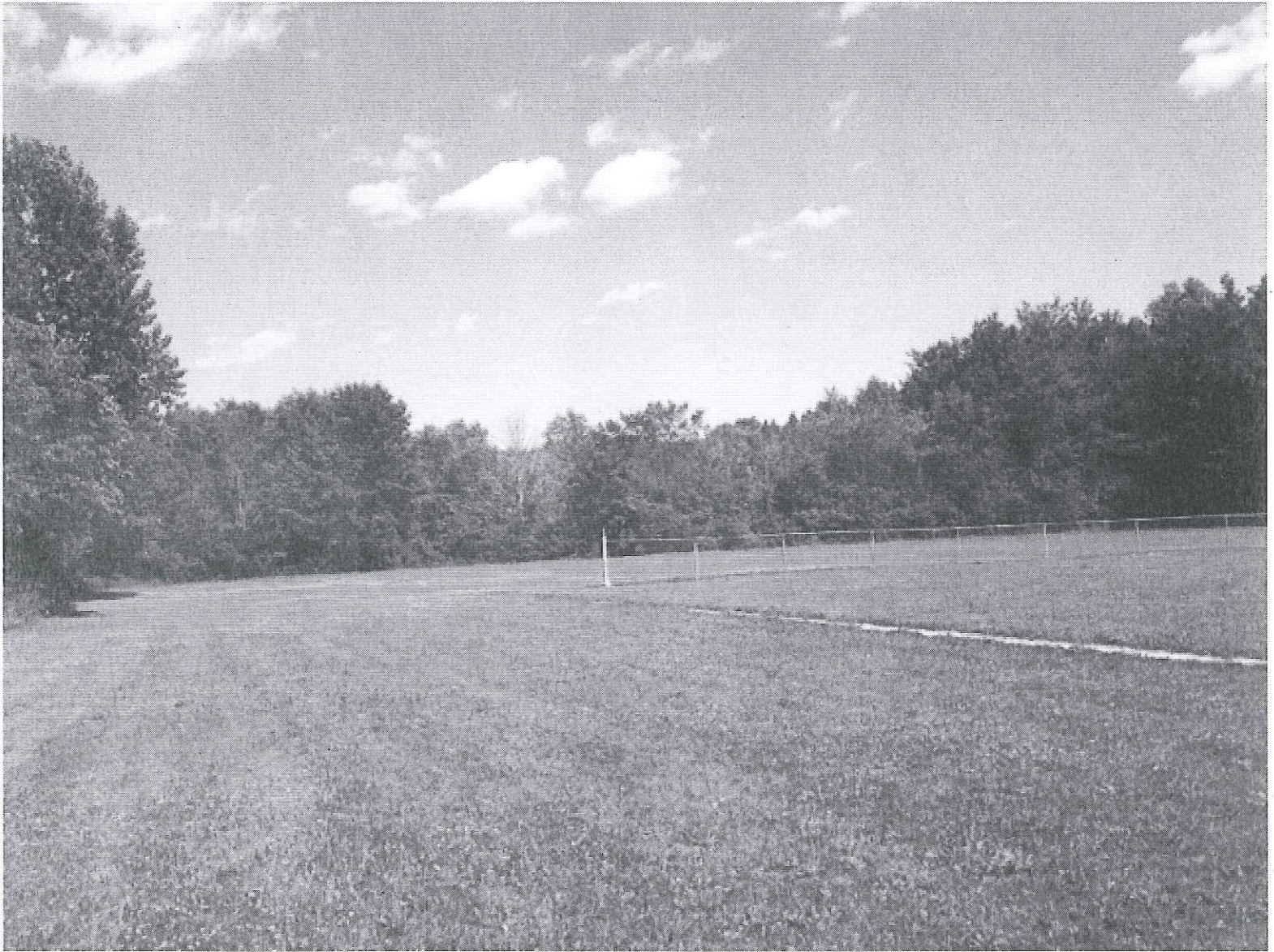
 District Property (Vacant)

JACOBSEN ROAD SITE

15 acres



KEATING SITE
9.03 acres



IRISH ROAD / AMERICAN DRIVE SITE

60 acres



PENDLETON SITE

17.3 acres



ATTACHMENT B

NEENAH JOINT SCHOOL DISTRICT PRESS RELEASE Re: Future School Site Considerations

The Neenah Joint School District Board of Education has worked collaboratively with the district's municipalities to plan and project for future school site needs. Projections for anticipated community land development/use from the East Central Regional Planning Committee, the City of Neenah Department of Community Development, and the town planners indicate that the most potential for residential growth in the district is in the southwest and northwest areas. In its long-range planning, the Board has discussed the use of each of the district-owned vacant parcels and the need for future school facilities.

The current district-owned properties are:

<u>Site</u>	<u>Location</u>	<u>Size</u>	<u>Purchased</u>
Kensington	S.W. corner of Kensington/Bayview City of Neenah	10.491 acres	1983
Keating	Breezewood Lane (N) Town of Neenah	9.01 acres	1973
Grundman	Irish Road (W)/ Jacobsen Road (N) Town of Menasha	30 acres	1970

Kensington:

The Board has determined that the Kensington property is not in the appropriate location to best serve the long-range needs of the district. That site was originally obtained as an elementary school site; but because of the changing demographics, the site would not be appropriate for an elementary school. The Board has decided to dispose of that property. It has been offered to the City of Neenah for park consideration; however, the park board has determined that the parcel is not a priority in their park site planning, and the mayor has conveyed that information to the Board of Education. It is the intent of the Board to market that acreage as residential lots and to use the proceeds to acquire property in areas of the district that are projected for long-term residential growth.

The Board has determined that a better location for a future elementary school facility would be west of Highway 41. The Board is currently pursuing a land purchase with the City of Neenah in an area west of Highway 41 and south of Breezewood Lane.

Grundman:

The Board has accepted an Offer to Sell additional acreage on the Grundman farm site from Mr. and Mrs. Leon Grundman. The district currently owns 30 acres of the original Grundman farm west of Irish Road and North of Jacobsen Road extended. The district has retained 15 acres of the 30 acres for a future elementary site and has purchased/traded from the Grundmans a 55-acre tract north of Highway 10/441 extended on the west side of Irish Road for long-range school site planning considerations.

Keating:

In addition, because of its proximity to Neenah High School, the district will in all likelihood use the 9.01 acre Keating site in conjunction with the City of Neenah for educational/environmental/park/playfield purposes.

The current Board recognizes the foresight of past Boards of Education to acquire property for future school facility needs. Based on the changing residential patterns within the school district, a desire to maintain the philosophy of neighborhood elementary schools, and projected demographics, the current Board of Education has taken and will finalize action to give future Boards of Education the site resources for facilities that may be needed for the district's educational programs.

6/4/96

REGIONAL

(F) Kampo Property
PAGE B-1
 Friday, July 26
 1996

Neenah schools look to future

■ **The decision to buy 17 acres of land coincides with the city's plans to develop a new park and recreational trail**

By Duke Behnke
 Post-Crescent staff writer

NEENAH — The Neenah Joint School District intends to buy 17 acres of land south of Breezewood Lane in the Town of Neenah for a future elementary school.

The Board of Education this week authorized the purchase of the

property from Fred T. Kampo Sr. for \$170,000. The site lies along the west side of future Pendleton Road about 1,400 feet south of Breezewood.

In a separate action, the city of Neenah is close to acquiring 28 acres of adjacent town land for a future public park and recreational trail.

The parkland, according to a tentative agreement, will be purchased from Kampo for \$55,000.

The property lies immediately east of the site of the town's new fire station and west of the school site. It has 300 feet of frontage on Breezewood and extends 2,800 feet to the south, or about half way to County G. It also has a small amount of frontage on future Pen-

dleton.

The school district's impending purchase follows last month's acquisition of 55 acres of the Leon Grundman farm in the Town of Menasha, also for future school site considerations.

Both the northwest and the southwest areas of the district hold considerable potential for residential growth.

"We have positioned this district for the future in terms of sites for educational purposes, and we are very pleased about that," Supt. Richard Carlson said.

The money for the purchase will be drawn from the district's tax-rate stabilization fund. Half of the total is due Sept. 1, with the balance due Sept. 1, 1997.

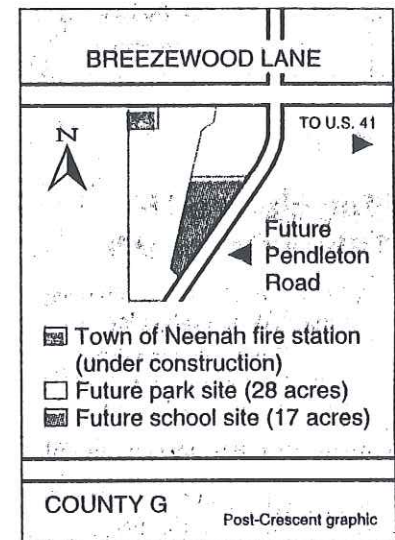
Carlson said a new elementary school south of Breezewood probably wouldn't be needed until after the year 2000.

The property in which the city is interested consists of five acres of meadow, which likely would be used as a picnic area, and 23 acres of upland wetland, which accounts for the lower cost per acre than the school property.

The wetland is unsuitable for buildings but ideal for running, hiking and cross-country ski trails.

Director of Parks and Recreation Eileen McCoy said discussions have "centered on using it as a nature area with low-impact recreational uses."

Please see **NEENAH, B-3**



Neenah planning for future

From B-1

The southern half of the wetland is wooded. A creek that drains south through the property eventually connects with the Neenah slough near County G, leading planners to envision extending the recreational trail downstream all the way to Little Lake Butte des Morts.

McCoy said the wetland also could be used by the future elementary school for educational activ-

ities, and Carlson agreed.

"This is an excellent example of joint planning on behalf of the city and the school district," he said.

The city already has applied for a \$27,500 grant from the state Department of Natural Resources to offset the land acquisition costs. The balance could be drawn from the Arrowhead Park trust fund.

McCoy said the city has no immediate plans to annex the park land and that the development of the trail could occur prior to an annexation.