

Below in italics you will find statements made by Waukesha County Administration regarding the Former HHS building/Moor Mud Baths/Grandview Health Resort building.

**Per the Fact Sheet released by Waukesha County Executive on June 11, 2019, "Waukesha County acquired the Moor Downs property in 1972 at the urging of the City of Waukesha, and with the understanding that the property would be used for future County facilities."*

FACT: September 12, 1972, a special meeting of the Common Council was called by the Mayor. The purpose of this meeting was to pass a resolution to refund the taxes that were paid on the property and remove the property from the tax rolls for the rest of the year. The city's contribution to the purchase in this form was about \$50,000-\$60,000. When asked if this same concession would be made to a private purchaser, "the Mayor stated that he would doubt it, because the intent of this matter is to preserve about 60 acres of golf course in the city". In addition, it was stated that the County would obtain needed office space at a reasonable cost. There was no mention of using the land for future expansion. **Sources:** Minutes of a Special Meeting of the City of Waukesha Common Council, September 12, 1972

**Per the press release by Waukesha County Executive on June 11, 2019, "The unelected City of Waukesha Landmarks Commission designated the property as an historical landmark in 2001 without the support of Waukesha County obligating taxpayers to fund all maintenance and repairs."*

FACT: The City of Waukesha Landmarks Commission held a public hearing on January 31, 2001 for the local landmark designation of the Moor Mud Baths property. The City of Waukesha Landmarks Commission at that time had 9 members, one of whom was an elected alderman for the City of Waukesha. Dale Shaver, director of Parks and Land Use was in attendance; most of his concerns centered around the designation of the golf course keeping the county from reconfiguring holes and doing maintenance. Also, in attendance were 9 aldermen from the City of Waukesha who supported the designation. In addition to the alderman on the commission, the total aldermen in favor of the local landmark designation at that hearing was 10. City of Waukesha has 15 aldermen, so that is a two-thirds majority of the City of Waukesha Council. In addition, County Board Supervisor Carl Seitz was in attendance and he spoke out in favor of the designation. Because of Dale Shaver's concerns about reconfiguring holes on the golf course, the Landmarks Commission designated the property with a conceptual golf course which allowed maintenance and reconfiguring holes without approval from the City of Waukesha Landmarks Commission. At no time before, during, or after the designation did Waukesha County submit a written statement objecting to this designation. Also, Waukesha County never appealed the designation. **Sources:** Minutes Public Hearing City of Waukesha Landmarks Commission January 31, 2001, Waukesha Landmarks Commission minutes 2000-2002, and other records at the City of Waukesha.

**There is nothing historic about the building and nothing left inside of historical significance. Also, per Waukesha County Fact Sheet released June 11, 2019, Historic Value: The property has been significantly altered since 1950. The building has gone through multiple renovations to function as a seminary, a college and county offices.*

FACT: The Moor Mud Baths/Grandview resort is on the National Register, the State Register, and a City of Waukesha Local Landmark because it is an intact resort from the springs era. The hotel building, clubhouse, springhouse, and golf course are designated. The National Register and State Register nomination were done in 1982, well after many of the renovations to the property occurred and experts still felt the property was historically significant not only as an intact resort, but because it embodies the commercial development of the health industry in Waukesha County. In addition, these historic designations have nothing to do with the interior. Instead, it is the exterior of the building and how the elements of the site interrelate. Jim Draeger, State Historic Preservation Officer, stated in a letter dated January 24, 2001 regarding the Moor Mud Baths/Grandview Resort, "No other property so strongly embodies Waukesha's resort history". **Sources:** National Register nomination 1982. Letter State Historic Preservation Office, January, 2001

**The building is too expensive to renovate. The cost, according to the County, would be \$24 million to renovate the building*

FACT: The developers who toured the building put the cost at \$9-\$15 million. Gorman was proposing to spend \$9 million to renovate the building into 35 senior apartments . In addition, the County's cost estimate included over \$6 million in soft costs. In comparison, Gorman's proposal had just over \$1 million in soft costs. The County also included items, such as tuck pointing, that are not needed on the building at this time. **Sources:** Waukesha County Building Assessment Report, November, 14, 2013 and Gorman Pricing document in response to RFP, June, 2015.

** Fact Sheet dated June 11, 2019 from Waukesha County Executive states, "In 2014, the County hired a broker to market the property for lease or sale of the building....No offer to purchase was received."*

FACT: The term of lease was 5 years and required the tenant to demolish the non-historic dormitory addition, put in parking, install a sprinkler system, and pay \$100,000 in rent over the 5 year period. In addition, the marketing material offered the building for sale to anyone who would remove it from the site. There was NO OPTION to purchase the building and have it remain on its current site. Jon Beck from Alexander Company inquired about the property for senior living, but lost interest when told that the county would only lease it for 5 years. Gorman and Co. put in an offer to lease the building for 60 years to accommodate the historic and low income tax credits. Gorman's offer allowed the county to demolish the non-historic dormitory addition for parking and would have generated over \$43,000 in tax revenue. **Sources:** Judson Listing April, 2014. Gorman written offer to Judson dated May 9, 2014. Judson follow up for listing dated June 23, 2014. Administrative Review Board Findings of Fact, February 14, 2017.

**Fact Sheet dated June 11, 2019 from County Executive stated that the 2015 RFP resulted in only one offer to purchase.*

FACT: A long list of restrictions and uncertainties kept developers from submitting proposals. Among the issues were that administration wanted to keep all of the parking spaces around the building, despite the footprint that the board approved. So, the building was being sold with no parking spaces. In addition, access/easement requirements and cost were not spelled out. Also in the RFP under contingencies, the developer was required to obtain land for the County's use if the County couldn't rezone land on its campus. These issues, along with a lack of direction from the county, kept developers from investing the time and money required to submit proposals. **Sources:** County Board meeting February, 2015 (169-R-006). County RFP documents May 4, 2015. Testimony Administrative Review Board, Ted Matkom, Gorman and Co. Findings of Fact Administrative Review Board, February 14, 2017.

**Gorman only offered \$400,000 for the building and it is worth \$1.3 million.*

FACT: At the direction of administration, the \$1.3 million appraisal had the following hypothetical conditions: that there is no lead or asbestos in the building, access and easement would be at no cost to the developer, and adequate parking would be available. In addition, administration told the appraiser to use a larger 2.5 acre parcel that did not match the footprint of the 2.2 acre parcel that the county board approved. The appraisal was also not a fair market value. The appraiser states that the value is made with extraordinary assumptions and hypothetical conditions. The County appraisal was released October, 2015 after the RFP closed and after Gorman's offer was rejected. The County Board and RFP committee did not have access to the appraisal. **Sources:** County Appraisal dated April 2, 2015. Administrative Review findings of facts dated February 17, 2017.

**Gorman's offer would go down to zero.*

FACT: Gorman stated that their offer would go down if easement and access costs were excessive. Otherwise, the \$400,000 was firm. In regards to easement, Gorman was willing to do whatever the county wanted but the county did not provide clear direction or costs. For access and parking, the city of Waukesha provided a letter regarding these issues. In addition, when questioned in committee meetings in August, 2015. Alison Bussler stated that all of the issues with Gorman's proposal were resolvable. **Sources:** Committee meetings, August, 2015. Letter from City of Waukesha to Gorman July, 2015. Gorman Public comment at County Board, August 2015. Ted Matkom (Gorman) testimony at Administrative Review Board, 2016.

**Asbestos removal makes it too costly to renovate the building.*

FACT: The estimate for asbestos removal came back as \$785,000 for the historic structure. In many cases, asbestos does not need to be removed if you are not demolishing the building. For instance, asbestos containing floor coverings that are already covered with another layer of floor do not need to be abated. Most of the asbestos, such as the roof and the caulk on the concrete beams, does not need to be abated if the building is

retained. Therefore, the cost of asbestos removal if the building is retained would be substantially lower than the \$785,000 estimate. **Sources:** Asbestos Report October, 2015. Waukesha County Cost Analysis, June 11, 2019.

**We need the land for future County expansion.*

FACT: The current courthouse expansion project won't be completed until 2030 and is a \$90 million renovation. There is extra space being built into the building to allow for expansion beyond 2030. In addition, the trend in government is downsizing and outsourcing. For instance, the County has outsourced the care of female juveniles. Also, the county owns 8 acres across the street at W. Moreland Blvd. and Airport Rd. that can be used for expansion. **Sources:** Public Works Committee, Executive Committee, County Board meetings, various dates. Waukesha County Space studies. Waukesha County courthouse expansion plans.

**The building is in poor shape, so it needs to come down.*

FACT: Administration stated in committee meetings that the building is structurally sound. In addition, the building assessment report does not identify significant structural problems. We had three developers, three architects, and an engineer look at the building and all agreed that the building is structurally sound. The building was built to be fireproof and is poured concrete construction. **Sources:** Waukesha County Public Works Committee, Executive Committee, and Finance Committee various dates. Building Assessment Report, 2013. Historical information on Moor Mud Baths including Sanborn Fire Insurance Maps and architectural plans for the building, various dates.

**Fact Sheet from the County Executive dated June 11, 2019, the vacant building has attracted multiple instances of vandalism, theft and trespassing.*

FACT: The break-ins and vandalism occurred the first few years the building was vacant. Since then, the building has been secured better. **Sources:** Waukesha County committee meetings, 2015-2016.

**The county does not lease buildings.*

FACT: The airport terminal is an example of the county leasing to private business. **Sources:** Waukesha County committee meetings and other Waukesha County records.

**Per Waukesha County Annual and Imminent Cost Analysis released June 11, 2019. Vacant Former HHS Building Ongoing Costs for electric, water, gas, elevator contract, Fire Panel, Annual Insurance Annual Maintenance, for 2013-2018 various amounts.*

FACT: The total costs that are listed in this section are from 2013-2018. The building was occupied through October, 2013. Therefore, the costs for the vacant building are much lower. At the top of the sheet under summary, the annual costs to maintain the building are \$26,397. Also, the cell phone tower on the smoke stack generated \$400,000 revenue from the date of the RFP (May, 2015) until November, 2018. The cell tower revenue more than pays for the maintenance to the building. Doing our own cost analysis if the county had accepted Gorman's offer of \$400,000 in 2015, the county would have saved \$79,191

for 2016-2018 on top of the \$400,000 revenue for the sale. Gorman was going to sign over the revenue for the cell phone tower to the County, so there would be no loss of revenue incurred from the sale. In addition, if the building had been completed in 2017 and started generating tax revenue at \$46,000 per year, there would have been another \$92,000 for taxpayers. Therefore total revenue and savings would have been \$571,191. Other revenue and cost savings for the county taxpayers would have resulted from the jurisdictional transfer of Riverview Drive which the City of Waukesha Public Works Committee supported. If the County sells the building now, this would save the taxpayers the cost of repairing the roof which is \$1,097,400, the cost of demolition which is \$1,619,000, and generate revenue. **Sources:** Waukesha County RFP May, 2015. Gorman Response to RFP, 2015. City of Waukesha Public Works Meetings, 4/23/2015 and 5/7/2015. Committee meetings Waukesha County, 2015-2016. Cost analysis Waukesha County dated June 11, 2019.

**Per Fact Sheet from County Executive, June 11, 2019, "Consistent with City codes, the County approached the City to rescind the landmark designation and allow the County to proceed with taking down the building.*

FACT: The county filed a petition to rescind under Chapter 28.05 (4) of the city code which states, "Any person listed as the owner of record of a landmark site at the time of designation, who can demonstrate to the commission that by virtue of such designation the owner is unable to find a buyer who is willing to preserve the landmark or landmark site, even though he has made reasonable attempts in good faith to find and attract such a buyer may petition the commission for a rescission of the designation." Landmarks Commission heard the testimony and found that the county did not make a good faith effort to sell the property. Also, the Landmarks Commission felt that it was not by virtue of the designation that the county had failed to find a buyer for the property. The designation made this property very desirable to developers. The decision of the landmarks commission was upheld by the Administrative Review Board which is a board comprised of three attorneys who heard testimony from both sides. **Sources:** Landmarks Commission Meeting, June, 2016. Administrative Review Board Findings of Fact, February, 2017.

**The County has not received any other offers for the former HHS building/Moor Mud Baths building. Administration has stated that if we had a reasonable offer on the building, we would consider it.*

FACT: The County received a third offer from Gorman dated September 5, 2014 to purchase the building with a ground lease. This would allow the County to retain ownership of the land if it was needed in the future. In 2017, a developer proposed buying the building to put in housing for developmentally disabled. He met and corresponded with County officials and City officials and had a favorable response. When the idea was brought to County administration, it was stated that they would need to pull the demolition money from the budget that year and put out an RFP for sale of the building. The money was not pulled and there was never an RFP. **Sources:** Email correspondence from Gorman to Waukesha County Board. Email correspondence and meetings between developer and County and City officials.