



CITY OF MANITOWOC

WISCONSIN, USA

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March 15, 2019

TO: Mayor Justin M. Nickels
Manitowoc Common Council

FROM: City Attorney Kathleen M. McDaniel

RE: Canadian National Property Acquisition

On June 6, 2018, the City of Manitowoc entered into a purchase agreement to acquire lands owned by Canadian National Railroad for \$800,000. The properties being acquired include the property known as the CN Peninsula bounded by North 10th Street and the Manitowoc River and the property immediately south of Evergreen Cemetery. These properties are shown in the hatched areas below:



Subsequent to that, the City has entered into several agreements extending the deadline to close on the property to allow the City time to conduct environmental due diligence. The deadline to close on these properties is now March 27, 2018.

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The City has conducted significant environmental due diligence with respect to soils and groundwater, including testing for emerging contaminants. The City has worked in conjunction with Harris Byers of Stantec, Attorney Andrew Steimle of Steimle Birschbach as real estate counsel, and Attorney Art Harrington of Godfrey & Kahn as environmental counsel. The City has also applied for a local government unit (LGU) exemption from the Wisconsin DNR, which we expect to receive prior to closing.

The environmental due diligence results were discussed with the Council at a special Committee of the Whole meeting held on March 5, 2019. At that time, counsel for the City requested authorization to proceed forward with closing the transaction on or before March 27, 2019. The Mayor, the Community Development Director, and the City Attorney are all in agreement that the City should proceed forward with closing subject to receipt of the LGU letters from the DNR.

At this time, staff are asking for authorization to do the following:

1. Proceed with closing and acquiring the CN properties on or before March 27, 2019, subject to the DNR issuing LGU letters. This would include executing all closing documents and any and all other documents as reasonably necessary or convenient to finalize the transaction, with the Mayor, City Clerk, City Attorney, and Community Development Director authorized to sign.
2. Transfer \$800,000 from the general fund to CN for the purposes of acquiring the properties.
3. After acquisition, file all appropriate paperwork with the Wisconsin DNR and US EPA to allow the City to utilize available grant funds for the environmental assessment work on the property.
4. Continue work with Stantec, the DNR, and the EPA to evaluate the site for future development purposes under existing Master Services Agreement.