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Beaver Dam Floodway Properties May Receive Additional Grant Funds

The Department of Administration (DOA) announces that new disaster recovery assistance grant funding may be available for 11 commercial floodway properties that were damaged due to flooding by the Beaver Dam River. In late summer 2008, the flooding of the Beaver Dam River damaged 11 commercial properties located on Front and Center Streets in the City of Beaver Dam.

The commercial property owners were displaced in 2008, and the City of Beaver Dam reached voluntary agreements to pay property owners for their loss of property. The City used local funds, later reimbursed by grant funding, to purchase the properties for 100% of the assessed property value:

- Nine property owners reached agreement
- One property was obtained by the City through Court action because the property was owned by an unavailable absentee owner
- One property is still in negotiations

The City of Beaver Dam applied for a disaster recovery grant in March 2009 to recover the local funds they had used to pay the property owners for their property loss. The former Department of Commerce provided a \$1.58 million grant through its Community Development Block Grants – State Disaster Recovery Program. When Commerce issued the grant, it agreed that the City of Beaver Dam was correct in using the assessed property value to purchase the properties because the displacement was caused by a natural disaster.

DOA now administers the Community Development Block Grants – State Disaster Recovery Program. DOA has been in contact with the U.S. Department of Housing and Urban Development (HUD) to help reach resolution with the last property owner.

As part of these discussions, HUD sent a letter to DOA in December 2012 with guidance that Commerce should have given market value to the property owners. The HUD letter said, *“We understand that the State was acting in good faith, but may have gotten some misguidance during the process of applying correct rules and HUD regulations for the Beaver Dam project.”*

Therefore, the State will determine what the market value would have been for those properties in 2008 to ensure the property owners received the amount due for their loss of property. If the market value was higher than the assessed value they originally received from the City, those property owners may receive additional funds. In addition, the State will also ensure that former property owners, occupants, and residential tenants received proper relocation benefits as prescribed by the federal Uniform Relocation Act.

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After informing the City of Beaver Dam, Mayor Thomas A. Kennedy said, “We appreciate the State’s assistance in identifying any additional funds that may be available to these property owners,” said Beaver Dam Mayor Tom Kennedy. “We all followed the regulations as they were explained at the time, so this is exciting news. We will be working closely with the State to ensure all the proper rules are followed as they establish new values and reach out to the property owners in the months ahead.”

DOA’s Division of Housing will be identifying an independent, third party to determine the market values and appropriate relocation benefits in the months ahead. The State will also locate the former property owners to ensure they are aware of the process going forward.

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