

CITY OF RICHLAND CENTER

AGENDA ITEM DATA SHEET

Agenda Item: Consider Request from Lydia's House Ministries Regarding Warranty Deed, Title Search, and Loan Forgiveness for Property Located at 929 W Seminary St (Tax Parcel 276-2012-0900)

Requested by: Ashley Oliphant, City Administrator

Council Meeting Date: August 18, 2026

Background: The City became owner of the above-referenced property, when SWCAP recorded a Quit Claim deed conveying the property to the City on August 27, 2025, without the City's prior consent or knowledge. Lydia's House Ministries (LHM), which has operated the property as a homeless shelter since 2014, has requested that the City:

1. Perform a title search at the City's expense;
2. Draft and provide a warranty deed conveying the property to LHM at the City's expense;
3. Forgive an approximately \$75,000 debt executed by SWCAP in favor of the City on February 23, 2007, which by its own terms is defined as due upon the earlier of October 31, 2031, or SWCAP's sale or conveyance of the property, or its discontinuation of 60-to-90-day transitional residential housing for homeless families; and
4. Convey the property to LHM at no cost, free and clear of any financial encumbrance.

LHM would be responsible for recording the deed at its own expense.

Wis. Stat. § 62.22(2) authorizes a city to donate property to a nonprofit private corporation for public purposes. Staff will confirm LHM's nonprofit status and the public purpose served by the transfer, and recommends the City obtain a formal operating agreement from LHM describing the services and population it will continue to serve, consistent with prior correspondence, as a condition of any conveyance.

Under a broad interpretation of Wis. Stat. § 62.23(5), the parcel would constitute "public grounds," which requires referral to the Plan Commission for consideration and report prior to final Council/Committee action on the sale, donation, or change of use of public grounds. This matter will accordingly be referred to the Plan Commission before final action is taken.

Plan Commission Action on July 22, 2026: Motion by Jarvis, second by Cairns to issue a favorable report and recommendation to the Common Council regarding the proposed conveyance of city-owned property located at 929 W Seminary Street (Tax Parcel 276-2012-0900) to Lydia's House Ministries, finding that:

1. Comprehensive Plan Consistency: The proposed conveyance and continue operation as a transitional housing shelter align with the 'Residential' designation on the City's Future Land Use Map.
2. Zoning Compliance: The historical and continuous operation of the property as a residential transitional shelter predates June 14, 1990, and has continued without interruption, constituting a legal nonconforming use pursuant to Chapter 400.04(3)(a) of the Code; therefore, no further zoning action or rezoning is required prior to transfer.
3. Statutory Referral: This action shall serve as the official consideration and report of the Plan Commission as required by Wis. Stat. §62.23(5) for referral to the Common Council for final disposition.

General Government Committee Action on July 28, 2026: Motion by Cairns, second by Walters to recommend to the Council to approve conducting the title search paid for by the General Fund. Motion carried unanimously.

Suggested Action:

Motion to authorize the City Administrator and legal counsel to proceed as follows regarding the above-referenced property:

1. Procure a title search on the property, with costs paid from the general fund.
2. If the title search reveals no defects, encumbrances, or other issues warranting further Council review, proceed to convey the property to Lydia's House Ministries, including preparing and delivering a warranty deed.
3. Before or at the time of conveyance, take the steps necessary to release the mortgage of record so the property transfers free and clear of that encumbrance. The disposition of the underlying note and any action to recover the sums owed by SWCAP is reserved for separate Council determination and is not authorized or waived by this motion.
4. Execute an operating agreement with Lydia's House Ministries requiring continued operation of the property as transitional residential housing for homeless families for a term of not less than ten (10) years, secured by a recorded deed restriction or right of reverter so the use requirement runs with the land, ensuring the public investment in this conveyance serves its intended public good.

If the title search identifies any issue, or if the mortgage cannot be satisfied and released before or at conveyance, the matter shall return to the Council for direction before the City

Attachments: None