

**NEW BERLIN COMMUNITY DEVELOPMENT AUTHORITY**

**NEW BERLIN CITY HALL COUNCIL CHAMBERS**

**MINUTES**

**May 6, 2004**

The Community Development Authority Meeting of May 6, 2004 was called to order by Mayor Wysocki at 7:30 A.M.

In attendance were Mayor Wysocki, Alderman Kenneth Harenda, Alderman Thomas Augustine, Bob Dude, John Fillar, Doug Barnes. Also present were Greg Kessler, Director of Community Development; Mike Holzinger, Director of Finance and Administration; Nikki Jones, Associated Planner. Danielle Cast was excused.

Approval of 04/01/04 CDA Meeting Minutes (CDA-04-01) – Motion by Mr. Dude to approve the CDA Minutes of 04/01/04. Seconded by Alderman Harenda. Motion carried unanimously.

Community Development Authority Secretary's Report. (CDA-04-02) – Application was made for the Waukesha County Block Grant to assist with New Valley Redevelopment.

Pinewood Creek Certificate of Compliance (CDA-04-04-03) – Motion by Alderman Augustine to accept the Compliance Certificate for Pinewood Creek. Seconded by Mr. Fillar. Motion carried unanimously.

**OLD BUSINESS**

5. New Berlin Industrial Park Modernization Draft Plan / Doug Barnes

Mr. Barnes presented the initial draft plan of the New Berlin Industrial Park Redevelopment Plan. Mr. Barnes explained that members of CDA have seen more than 75% of this plan and indicated he would go through some of the areas that they hadn't reviewed yet.

The competitive and the regional analysis was done by a firm that has put together various charts and graphs. The chart on Page 4 and the map on Page 5 shows where the two industrial parks are in relationship to the surrounding areas. The next chart shows a comparison of first impressions and the criteria. Page 8 shows the tenant matrix showing the types of manufacturing going on in the parks followed by a demographic analysis on Page 9. Also included were maps on total household density, per capita income, and employed civilian population by block group. Found in the transportation section is a map showing industrial parks in relationship to interstates.

The section on Infrastructure Improvements has already been discussed at previous meetings. Mr. Barnes said the conditions of the roadways in the parks need to be improved. Mr. Barnes referred to the characteristics of Style A, B, and C roads in the park shown on Page 16 and 17 of the Plan and the itemized chart on costs.

The Deer Creek Storm Water Improvements section of the plan describes ways to get stormwater improvements in the industrial park. There is an identified need for some kind of underground storage facility at Calhoun & Lincoln.

WE-Energies has designed and proposes to install a new program of delivering power to the park. The objective to this plan is to improve the supply and reliability of the electrical service to the park. Page 20 diagrams The Distribution Vision 2010.

The selected street lighting fixtures are pictured on Page 22. Also on this page is a picture of the

monument sign and an aerial map showing the locations of the monument signs. Gateway entrances and street signage are described. A chart showing the itemized costs for roads, side paths, storm sewer, lighting, and landscaping appears on Page 24. Information in the Architectural Building Standards and Landscape Standards section includes the guidelines that the CDA has said they want to see in the park as discussed in other meetings.

Mayor Wysocki said as we take this forward for public input I want to reiterate that the purpose here is not to create additional burdens to business owners. The things included in this plan started at the request of the majority of industrial park people.

Mr. Kessler said what you have in front of you is the draft. It is the nuts and bolts portion of this redevelopment plan. The financial and implementation component is just started. We need to define this information. Mr. Kessler directed the CDA 's attention to a draft Request For Proposals which was included in their packets. This is to hire a financial consultant to help us with this component of the plan. The Mayor and I both feel it is critical that we get the input from the CCA at this point. I hope you have had a chance to look this over.

Alderman Augustine – The upgrading of the park sounds great, but my question is, if we build it will they come? In other words, what is it that attracts industries to industrial parks? For instance, the WE Energies plan for no interruption of current would certainly be attractive. My thought was that there are studies out there that will allow us to understand if there are certain things we should be adding to the concepts that cause current and future industries to be attracted to the park. The other thing is the idea of these upgrades expected of businesses. If we require it, will they leave or won't come in the first place? I would like to see a revitalization plan that has a cause and effect.

Mr. Kessler went over the enhancements that the plan offers.

Mayor Wysocki emphasized the need and desire to have proper lighting in the park for second shifts, etc. Again, the idea is to retain businesses we have by responding to many of their requests through this revitalization plan. Mayor Wysocki said I truly believe that into the future local municipal government operation's survival depends on the local economy.

Mr. Dude said we are talking a lot of money and I think what we need is an analysis with risk probability. We need to look at the cost benefit both for the city and the people who work out there. We need to look at the risk/reward side of it. A clear cost structure is needed.

Mayor Wysocki – We have a paid a lot of attention to the physical aspects, now we are going to have to get into the fiscal aspects. We recognize this.

Mr. Kessler – We can approach financial consultants to see what type of analysis we can get for how much we have available.

Mr. Dude – What you might even want to do is approach the consultants and ask them what areas of the plan should be revised and look at the risk analysis. It's no sense in getting into crunching numbers if we don't like the concept behind it.

Alderman Augustine – I was wondering if the staff could advise the CDA where we might find articles and literature that would tell us the current status of what companies are looking for in industrial parks now and in the future.

Mr. Kessler – We have a lot of that information on our shelves upstairs. One excellent resource is the Urban Land Institute. Mayor Wysocki asked that these materials be segregated so CDA committee members can take a look at them.

To summarize, Mayor Wysocki said Mr. Barnes will invite the author of some of the statistical analysis in the plan to our next meeting to clear up some of the issues and questions in regards to cost breakdowns. Mr. Kessler said I am preparing a mailing list of all the property owners and tenants in the industrial park, and as soon as we can get the financial consultant going on refining the fiscal numbers, get questions

answered on the demographic numbers, and come up with an acceptable scope of work that the CDA likes, we will notify them that the plan is available in draft form.

Mr. Kessler reminded the members that the signage package distributed in their packets is what is approved.

## NEW BUSINESS

### 6. Mill Valley Redevelopment Plan Update/Merits of Project Discussion

Mr. Fillar – As we went through this project, we saw presentations from staff and some of these presentations included the reasons for doing this, in other words what value this would be to the City of New Berlin. As I was watching these presentations and looking at these reasons I thought that perhaps we went through them a bit too quickly and there may have been a presumption among some people that this needs to be done, so lets go ahead and do it. I'd like to slow down and back up just a bit and go through some of the reasons that I have seen for doing this and to discuss them one point at a time. I have sent all of you a list of nine items. Mayor Wysocki added one so now we have ten.

The Common Council on March 23 passed a resolution asking us to study the possibility of redeveloping this land and I thought if we are going to study this, we are going to spend money on it. That is an important issue right there. I keep hearing TIF District over and over again which means we are going spend city money. If that is the case, then I think we really ought to go through just what the people in New Berlin will be getting out of this. The point was stressed at the meeting on the 23<sup>rd</sup> that this is to be a study and that possibly we would be looking at sharing the costs with Muskego and the developer. So now I would like to discuss these ten items one at a time.

*Best Use of Land* – Mr. Fillar said I agree 100% that land next to a freeway interchange should be occupied by high value developments such as industrial or commercial. Mayor Wysocki said I would like to comment that I agree with you and maybe it incorporates my tenth point that it does follow the land use component of our Master Plan. Mr. Kessler said I just want to add for historical perspective that the land has been annexed for this purpose.

*Extra Assessment \$\$* - Mr. Fillar said this means dollars to the city in terms of taxable assessment. I agree with this but most of the assessment money will go to the Muskego school district and New Berlin will eventually get some money from this if it is a TIF. The City of New Berlin will get some of this money eventually when it closes out, typically TIF Districts take a long time to close out so you are looking at quite a wait before we get anything and then what will come through for the most part will be for the Muskego school district. I should point out the way TIFs work, if this district is set aside as a TIF District, it is taxed at it's base value which fundamentally is what it is worth right now. If the taxes on that base amount are exceeded by what it takes to service that district, it becomes a net looser for the city. The city has to provide services, police, fire, and plow the roads and there is usually not adequate reimbursement so it actually increases our tax bills. That is the hidden cost of a TIF District. When I joined CDA I wanted to be part of a group that could bring assessment on board right away and not have to wait a long time for it. That is the problem I have with TIF, if we do a TIF.

Mayor Wysocki said my comment on this issue is that if we look at the success that we had with the Westridge TIF, in fact that was closed within nine years, it did add to the city's taxable base now taken away from the commitment of payment so we removed that cost factor, took the approx. 1.1 million and now available new improvement at new tax dollars for the city. It did have a considerable positive impact with regards to our operational issues on the revenue side. I agree with Mr. Fillar that there needs to be an analysis based on a risk management issue and an analysis that does show whatever component there is of truly new revenue as opposed to what costs it would take on at an operational level. In the priority of why I believe this project is important, although extra tax dollars is no doubt a significant component, I think there is a greater value in the final analysis in terms of the environment. In no matter, shape or form would I ever support something that was not at least revenue cost neutral and would work through the final results of an additional element of revenue increase as a result of this land use component of our Master Plan. We have not answered all this yet, but it is a legitimate question to ask.

We will not know this until we do the final analysis.

*Jobs Created by Businesses Located within the Development* – Mr. Fillar said I agree with this although I am not sure if job creation should be a municipal responsibility. In a free enterprise society such as ours, this has traditionally been the responsibility of private investors. If a job is not created within the borders of New Berlin, let's say this was not built and developed as a job creation center, it would most likely be created somewhere else nearby and therefore serve the same useful function.

Mayor Wysocki – I don't believe that government creates jobs. I do believe that government creates an environment within which jobs can be created by business. I do believe that the additional jobs and additional economy that would be created would be a significant positive impact on our community.

Mr. Dude – I do believe that the city has an advantage because people do want to live around where they work. I agree with you that it is not the responsibility for government to create jobs, but it certainly is in New Berlin's best interest to have jobs located near them. It helps you as homeowners and sellers.

*Elimination of Nuisances (visual eyesore, truck traffic, dust, noise, vibration, etc.)* – Mr. Fillar said my first thought was that these nuisances were there before homes were built around it since the quarry is about 80 years old. Also according to the conditional use permit, this quarry is not allowed to be a nuisance and I sometimes wonder if a more direct approach to this might be to stop them from being a nuisance. I found out that most of the homes surrounding this quarry are in Muskego. It looks like if we eliminate nuisance, it looks like for the most part we will eliminate it for the people who live in Muskego which is something you might want to keep in mind when it comes time to negotiate payment proportions. Also, Johnson Quarry will remain and also seem to be a nuisance. If New Valley is a nuisance, wouldn't Johnson Quarry be a nuisance also? Yet, our plan does not deal with the Johnson Quarry part of it. Perhaps dealing with the whole thing should be included in this proposal.

Mayor Wysocki – When I think of the nuisance, there is no way you can limit the truck traffic that comes in and goes out of the quarry. We do have enforcement for watering the internal road system for dust but the very nature of digging out these mineral deposits creates dust that is part of the operation. The visual eyesore is a smaller issue of nuisance.

Alderman Harenda – The quarry has been there long before those houses have been built. I get a lot of calls, from Muskego side as well as New Berlin. As far as myself as well as the residents that live next to it, I would rather see something else there other than a quarry.

Mr. Kessler – 99% of the calls we get refer to these issues, not ground water issues. Because they were nuisances is why they were shut down and we are in this position.

*Elimination of Threat to Ground Water* – Mr. Fillar said I don't believe that quarry is believed to be a threat to the ground water while in operation or for whatever reason this thing is now being used. It is not quarry, but from what I understand they are doing some recycling there. That should not be a threat to the ground water and I would think they would close if they ever did cause a threat. Johnson Quarry is still in operation and therefore, they would also be a threat unless it becomes part of this project.

Mayor Wysocki – It is an elimination of a threat. It is the concept of analyzing your risks. We have statewide laws that regulate these types of mining operations but my point is, there is risk. How much do we really want to risk at all to the potential for damage or contamination to what now has become a high profile and highly recognized natural asset that we truly need to protect. In my view, the potential for risk to the groundwater is there. The problem is that this is the type of risk that there is no solution to. Once it is contaminated, there is no way to bring it back other than literally building a water treatment plant. In my philosophy of sustaining our balances relative to the land and the commitment we have to future generations, it is important if we can eliminate that potential threat to the ground water.

Mr. Kessler – Whatever happens in that quarry, there is a direct access to the groundwater and a potential threat.

Mr. Fillar – Can we, as Commissioners, get a tour of the quarry?

Mr. Kessler – Yes, we will coordinate a date.

*Enhancement of Ground Water Recharge Capabilities* - Mr. Fillar – I would like to get some further explanation on this. It seems to me if you have a rather deep hole in the ground full of porous material you have about the ultimate in recharge. How can the water get out of there?

JP Walker, City Engineer - The biggest discharge area right now is the creek that comes along the southeast corner and then heads towards Linnie Lac. Groundwater discharges to that creek area. That is the biggest point of how it gets out of there.

Mayor Wysocki – The current operation actually draws water out. There is a pumping operation that discharge groundwater during the operations. The pumping capacity that is existing there would be eliminated. The type of land use that we are proposing has less of a water demand, about half. The second thing, is the enhancement in terms of ground water recharge through our storm water system designs. This all was explained in a presentation by Ruckert and Mielke that shows New Berlin has a shallow aquifer and is recharged over a ten year period unlike deeper aquifers that take hundreds of years. My point is that with the knowledge we have at this point and the professional abilities we have within staff and possible with some assistance of consultants, we will be able to begin to proactively on our part of the city that is going to have to rely on ground water for the future, have something that is a positive contributor to that.

Alderman Harenda – I agree that we need to care for the quality as well as the quantity of the water in an area that will never be receiving water from Lake Michigan at additional costs in the future.

Mr. Fillar – Is it the intention of this development to capture all of the ground water into a recharge area and not have anything run off?

Eric Nitschke, Division Engineer of Storm Water – The entire site is not meant to take 100% of the storm water and infiltrate it as recharge. One of the main reasons for that is that if you infiltrate it too quickly, you do create problems because the ground acts like a filter with the micro-organisms that break down, so you could potentially contaminate the ground water. There is a fine balance that comes with recharge. I think an important note to make, as J P Walker said earlier, is that this area drains to Linnie Lac area and it is right on the edge of the Prospect Hill recharge area. Another important thing about this is we have the opportunity to treat the water before it goes back into the infiltration basins. Right now as it stands with the quarry, that water does not have the pretreatment processes that we would be able to imply.

*Developer ready and willing to invest time and money in project and oversee its completion* – Mr. Fillar said I personally think it would be a good idea to turn it over to someone who can handle the whole thing. Other developers may want to take a shot at this and we ought to give them a chance. Perhaps there are other investors that would be willing to fund the entire project so we don't have to put any money into it.

Mr. Dude – We have talked about risk/reward. Anyone who risks their money will want at least about 20% return. A bank that owns the property would certainly be looking for a developer that would help out in that situation. There are various players in this thing looking for rewards. The reward has got to be pretty high because of the risk involved. I don't think you will find a lot of people that will jump to do this.

Mr. Fillar- I want to point out as we go through these, I am not necessarily taking a negative position on these, I just want to bring them up for discussion.

*Fill is available at this time* – Mr. Fillar said I believe the point was made that there is a large project going on in Tess Corners and one at a dump in Muskego so it just happens that there is a lot of fill available. Does that mean that it is very unlikely that this will ever happen again in the near future.

Mayor Wysocki – The reason to highlight that item is that trucking costs are very expensive to haul materials from one site to another so the shorter the distance, obviously the lesser the cost. Issues of concern is the quality of the material. I am not here to debate those standards but there are levels of

quality of fill material so if you can get some very good earth to be part of that fill, it goes back to the discussion on the ability of micro-organisms and the fact that you don't have any other things in that material. So to answer your question directly, I'm sure fill will always be available, the issue is how far away and what the costs might be. This cost would be up to the developer and we would always be looking that the material put in there would be appropriate.

*More industrial sites needed because Westridge will be built out in 3-4 years.*- Mr. Fillar said this needs clarification. Does this imply that industry will have no place to go if this particular development is not reclaimed. Once again I think our city is not responsible for establishing industrial sites. It is the responsibility of private enterprise. Basically, if this thing is not done in the city, it will be done somewhere else it would seem to me and that this is really not meant to be a big issue in terms of its value toward New Berlin.

Mayor Wysocki – As you know, our Master Plan is a compilation of subsets of plans. The reason why I agreed with this is a review of our current Economic Development Plan which is a component of our Master Plan and it talks a lot about the local economy and the projections of that and the importance of that profiled in terms of industry and manufacturing being critical components. The Economic Development Plan, at some point comes into and meshes with our land use. I would suggest to you that the genesis for this kind of statement begins with our Economic Development Plan that we recently approved at Plan Commission level. I ask that you review that plan again.

Mr. Kessler – I want to go back to the original GDMP Plan which is in essence a land use element update of the city's 1987 Master Plan. At the beginning of that document it talks about analysis and growth projection for population. That is how this whole area came about as being the next business center. These are terms right out of the Master Plan, there is nothing made up about that. The implication is not that you have to keep creating business land. We anticipate Westridge to be full in the next 3- 4 years, now this project is phasing in. That is all that is being said, it is not saying Westridge is built out, lets create more land. It is just a response to what the Master Plan said.

Alderman Harenda – Through all the conservation I've had and presentations I've seen, it was referring to the GDMP. The thing that I raised at Common Council level is that I wanted to feel comfortable going forth with this review knowing that there is a significant need in the area for this development.

Mr. Kessler – That is the details of the development guarantee that comes into play in the municipal agreement.

*Conforms to the Master Plan* – Mr. Fillar said I wonder if the Master Plan was set up as policy to let us know what could happen or what is supposed to happen. If it is supposed to happen, does that mean the city takes initiative to make sure it happens.

Mayor Wysocki – The Growth Development Management Plan begins by saying that we are now at a point in our city's development history that we can see the end of it and talks about the probability that based on the plan itself that we will be built out. That is the first time that I have seen that. We have had our first Master Plan in the 60's, we had another Master Plan adjustment in the early 70's and we had our major comprehensive Master Plan approved in the early 90's and now with the recent update in 2000. Throughout the process very often it was said, we have a Master Plan in place but it may be adjusted as time goes on. We are at a point of being beyond the midpoint of development and what will drive our Master Plan now is conformance because we have much more of the plan in place. Now we are in the part of the plan that says there is more to be implemented than changed. We have reached a point in the physical development of our city with a more recent view of that and rather than saying it could change in the future, and I'm not saying certain things won't because we are not in total control of our destiny, but for what we can see we really are beyond that point of asking what is going to come next. We know what is going to come next. It's planned. It's identified.

Mayor Wysocki thanked Mr. Fillar for allowing for this discussion.

Mr. Kessler asked if within the next week the committee members could check their calendars and e-mail him vacation days and any other days they could not meet so that sub-committee meetings for the Mill

Valley Redevelopment will be arranged.

Mr. Fillar asked City Attorney Blum to give legal advice if four members were in a sub-committee. Attorney Blum said it would need to be noticed as a CDA meeting.

Mr. Kessler asked for clarification on noticing the sub-committee meetings. Attorney Blum said that these are defined sub-committees of the CDA, therefore we consider it a public meeting and with the open meetings law would need to be agendaized and properly noticed.

Motion by Alderman Harenda to adjourn the meeting at 9:40 A.M. Seconded by Mr. Dude. Motion carried unanimously.