

MILL VALLEY COMPREHENSIVE REDEVELOPMENT PLAN



CITY OF NEW BERLIN
WAUKESHA COUNTY, WISCONSIN
JANUARY/2009



CHAPTER 1: EXECUTIVE SUMMARY

A. Project Location

The Study Area is located in the extreme Southwest corner of the City of New Berlin immediately South of Interstate Highway 43, east and west of Racine Avenue (CTH Y) (**Figure 1-1**). The lands west of Racine Avenue consist primarily of an existing nonmetallic (sand and gravel) mining operation and the lands in the Study Area to the east consist of an existing gas station and an adjacent undeveloped lot.

B. Background

The City of New Berlin identified the existing sand and gravel operation as the site of a future business park in the City of New Berlin Growth and Development Master Plan.

In 2003, the City of New Berlin approved a Reclamation Plan for the mining operation for the lands west of Racine Avenue along with a Plan of Operation. These documents stated that the mining operation was in existence for over 50 years and further stated that the total reclamation of the area would not be completed for another 50 years (or around the Year 2050).

In August, 2003, the City was approached by a group of developers (On Point Investment Co., LLC) who were interested in exploring the possibility of developing a business park on the west side of Racine Avenue, south of I-43. The developers also inquired as to the availability of municipal sanitary sewer and water service to the proposed development.

Subsequent to this request, the City of New Berlin and the City of Muskego entered into an agreement to determine the legal, technical, and financial feasibility of the extension of municipal sanitary sewer and water to the area. The results of the study, which was performed by Ruckert/Mielke, found that the most cost-effective source of municipal sanitary sewer and water services was from the City of Muskego.

C. Purpose

In October, 2003, at the request of the potential developers, the New Berlin Common Council directed the City Plan Commission to determine if the proposed development was consistent with the City's Growth and Development Plan and also directed the Department of Community Development to investigate the feasibility of creating a tax incremental district as a means of financing portions of the proposed development.

As the City investigated possible development scenarios for lands within the Study Area, several individuals and entities raised concerns regarding the impacts the development (either continued sand and gravel operations or new uses) would have on their properties and lives. These concerns included storm water, groundwater, traffic, environmental and quality of life issues.

D. Scope

Recognizing the potential magnitude of the impacts of the possible redevelopment of the lands within the Study Area, the City of New Berlin in March, 2006, entered into a professional services agreement with the firm of Ruckert/Mielke for the preparation of an analysis of the potential environmental, sanitary sewerage, water supply, storm water management, traffic and transportation, land use, real estate market feasibility, geotechnical, groundwater and fiscal impacts of the redevelopment.

This report is the culmination of a detailed multi-faceted study of each of the various components that impact the development. Essentially, the Study answers the following questions:

- What has occurred to date?
- What are the impediments to development?
- How can these challenges be mitigated?
- Does the market data support this type of development at this location?
- What type of restrictions and guidelines should be placed on the development in order to maximize its potential?
- What types and costs of infrastructure are necessary to develop this area?
- What are the impacts (environmental, quality of life, financial) of this development on the surrounding lands?
- What are the sources of funds to develop this property so that, in the end, it will be a benefit to the taxpayers—not a burden?
- Where do we go from here?

The analysis included the preparation of preliminary sanitary sewerage, water supply, and storm water management system plans in order to identify the public infrastructure facilities required to serve the proposed development.

E. Findings

The findings and recommendations of the impact analysis may be summarized as follows. Supporting information for the summary presentations is provided in the body of the report.

1. Recommended Land Uses

The New Berlin Growth and Development Plan, the New Berlin Economic Development Plan, and the New Valley Sand and Gravel Reclamation Plan recommend that the Mill Valley site be redeveloped as a long-range job center similar to the Westridge Business Park and planned as an attractive destination that is compatible with the area's natural resource and land use patterns.

The environmental impact analysis indicated that, with good design, the environmental impacts of the proposed development may be expected to be minimal. Careful attention will, however, have to be given in the final design of the preservation of the delineated environmental corridors in the development area. These corridors, which are shown on **Figure 1-2**, contain almost all of the best remaining natural resources of the area. The preservation of these corridors in essentially natural open uses will avoid the creation of serious and costly environmental and developmental problems.

2. Market Analysis

A three-part market analysis was performed on the Study Area. The first analysis focused on the overall structure surrounding the subject property, to suggest a level of demand for current and future real estate markets. The second analysis focused on the identification of specific market segments that would be likely customers for the subject site. The third analysis focused on the assessment of the competitive market condition of each of the specific market segments identified as potential customers for the subject location.

Outcome of these analyses were utilized in the development of the land use plan and for estimating the value of the development within the Study Area. The potential estimated value of development in the Study Area is in excess of \$150,000,000.

3. Design Guidelines

Design guidelines for each of the three land use areas within the Study Area were developed. A Special Plan Overlay District (SPO) is recommended for the Mill Valley Business Park area.

4. Sanitary Sewerage

A preliminary sanitary sewerage system plan was prepared to provide service to and within the proposed development, and attendant costs were estimated. The analysis indicated that no significant problems should be encountered in providing the needed sewerage facilities and services.

Sanitary Sewer service was determined to be most cost-effective from a technical standpoint if provided through the City of Muskego sanitary sewerage system. This is predicated, however, on the ability of the City of New Berlin and the City of Muskego to reach a suitable intermunicipal agreement for service.

5. Water Supply

A preliminary water supply system plan was prepared to provide service to and within the proposed development, and attendant costs were estimated. The analysis indicated that no significant problems should be encountered in providing the needed water supply services.

Water supply was determined to be most cost-effective from a technical standpoint if provided by the City of Muskego water system. As with the sanitary sewer service, this determination is predicated on the two Cities reaching a suitable intermunicipal agreement for service.

6. Storm Water Management

A preliminary storm water management plan was prepared to provide service for the proposed development, and attendant costs were estimated. It should be noted that the plan was designed to exceed current City guidelines and infiltrate 100 percent of the storm water; more than is required by current City guidelines. The final storm water management system should be designed using consistent criteria for the major and minor systems, and careful attention should be given in the design of the street and block layout to provide overland flow paths adequate to accommodate the runoff from major rainfall events without flooding of buildings. With proper design of the storm water management system, the proposed development should have no significant adverse impacts on flooding or on the rate, volume and quality of storm water runoff, either on-site or off-site.

The preliminary storm water management plan for the Mill Valley Project focused on eco-friendly or green storm water design including infiltration basins, rain gardens, bio-retention swales and infiltration trenches. Facilities such as these improve water quality, reduce storm water runoff rates and volumes, and, given proper placement and design, can provide valuable wildlife habitat and functional value. In addition, these practices can be incorporated into the City's Public Education and Involvement Program by providing a venue for school visits that include park settings with educational signage or locations for the study of plant biology, urban hydrology, and natural science. In addition to providing a learning environment for school children, these facilities can provide areas where local environmental groups become involved with programs such as weeding and facility maintenance, prairie burns, and adopt-a-rain garden programs.

7. Traffic and Transportation

A preliminary traffic and transportation analysis was performed. The traffic and transportation analysis included the preparation of estimates of the traffic volumes that may be expected to be generated by the proposed development, the distribution of that traffic on existing facilities and attendant needed improvements. Off-site as well as on-site impacts were considered in the analysis.

It should be noted that this TIA was based on traffic counts conducted in 2005/2006, the proposed land uses defined in 2006 and traffic projections and interchange improvements planned at that point in time. After the TIA was completed, WisDOT developed preliminary improvement plans for roundabouts at the I-43 ramps with Racine Avenue. WisDOT and Waukesha County recommend that TIA's be updated after 3 years due to changes in background traffic and surrounding development plans, if the development studied has not been built. Therefore, if the proposed development plan is modified from what was assumed in the TIA or the proposed development is delayed until late 2009 or 2010 or later, it is recommended that the TIA be updated with current traffic counts, current WisDOT interchange improvement plans and current land use/development plans at the time the proposed development is expected to move forward to construction.

8. Environmental and Geotechnical

Ninety-four test pits were excavated through the Study Area. A Phase I Environmental Site Assessment was performed and nine monitoring wells were installed. No significant environmental or geotechnical issues were encountered.

Based on the results of the test pitting, it is anticipated that where natural soils are encountered at foundation elevations, new structures could likely be supported on shallow spread foundations. However, where fill soils are encountered, new structures may require support on intermediate or deep foundations. Alternatively, ground improvement methods such as dynamic compaction should be considered to densify the in-place fill soils. Floor slabs for buildings and pavements for roadways, drives, and parking lots could likely be supported at grade provided the surficial soils are firm under the weight of proofrolling and no organic soils are present at depth. It is recommended that additional subsurface investigations be performed to support the design of new buildings, roadways, and storm water management structures.

9. Groundwater Impacts

Tests were conducted and analyses were performed to determine the impacts of the development on groundwater quality and quantity. Based upon these analyses, 100 percent of the storm water can be contained and infiltrated on-site with no detrimental impacts on groundwater.

10. Financial Analysis

Based upon the proposed development plan, the preliminary sanitary sewer, water supply, and storm water management system plans prepared to serve that development, and the traffic and transportation analysis, an estimate of the capital costs for complete development was prepared. A breakdown of the capital costs are in **Appendix 1-1**.

The total capital costs are estimated at \$25.4 million. Of this total, it is recommended that \$12.7 million, or 50 percent, would be allocated to the developer. The remaining \$12.7 million, or 50 percent, would be borne by the City.

It is anticipated that the City would create a tax incremental finance district to assist in funding the City's portion of the development costs. It is projected that the TID would pay off all outstanding debt within 13 years based upon a ten year build-out of the development.

F. Recommendations

Based upon the findings of this development impact analysis, the following recommendations are made for consideration by the City:

1. The City's existing land use plan should be updated to reflect the findings and recommendations of this report;
2. The City should enter into negotiations with the City of Muskego for sanitary sewer and water supply service for the development culminating in an intermunicipal agreement;
3. Based upon the outcome of the sanitary sewer and water supply service negotiations, the financial model for the development should be updated to reflect the agreed upon costs for service;
4. The City should enter into a development agreement with the developer. This agreement should clearly define each party's obligations and responsibilities regarding final plan preparation, temporary and permanent zoning, park and open space land dedication, required infrastructure improvements, impact fees, cost sharing and project development staging. The agreement should recognize that the information and development plan provided to date by the developer does not constitute an acceptable preliminary development plan as defined by City ordinance, and that the developer is bound to proceed through the normal City development plan approval process.