

**NEW BERLIN COMMUNITY DEVELOPMENT AUTHORITY
MINUTES
April 6, 2006**

The Community Development Authority meeting was called to order by Mayor Chiovatero at 7:30 A.M.

In attendance was Mayor Chiovatero, Doug Barnes, Donald Vaclav, John Fillar, Jeff Seidl, and Alderman Ken Harenda. Also present was Greg Kessler, Director of Community Development; J. P. Walker, City Engineer; and Mark Blum, City Attorney. Alderman Thomas Augustine was excused.

Motion by Mr. Barnes to approve the CDA minutes of March 9, 2006. Seconded by Mr. Vaclav. Motion carried unanimously.

COMMUNITY DEVELOPMENT AUTHORITY SECRETARY'S REPORT

Mr. Kessler suggested the May 4th CDA meeting be cancelled to allow extra time to work on Mill Valley planning.

The first public informational meeting for the Mill Valley Comprehensive Redevelopment Plan will be held on Wednesday, April 26, 2006 from 6:00 P.M. – 8:00 P.M. in the Common Council Chambers. It will be an open house format with the study team from Ruekert & Mielke doing a formal presentation at 7:00 P.M.

CONTINUED BUSINESS

1. Calhoun Road Reconstruction (PG-951)

Mr. Kessler – This item is on the agenda to allow J.P. Walker and myself to answer any further questions you may have. There is no formal presentation.

Mayor Chiovatero – The Community Development Authority, the Board of Public Works, and Plan Commission are asked to give a recommendation to Council on this subject. As far as the cost and obligations, I think the last presentations have given us a realistic look at what this costs. One of the decisions we need to look at, is do we do the road as planned and move forward with the land acquisitions, do we do a down scale which may include just the intersection of Cleveland Avenue and Calhoun Road, or do we do the intersection of Cleveland Avenue and Calhoun Road with a possible overlay on the rest of the road down to Greenfield Avenue for a temporary fix of perhaps four to five years, or do we do nothing. I will open this up for discussion.

Mr. Fillar – I sat down and figured out what this road would cost me personally. Taking the assessed valuation of my house and the assessed valuation of the city and using the \$10.2 million dollars that we would borrow for Calhoun Road, assuming we would pay 5% interest for ten years, it would add about \$1.3 million dollars a year to our levy, assuming the levy picks up the entire cost and there is no funding from any other source. On my house, which is assessed at \$214,300, this would increase my City tax by about \$66/year. This is a huge increase. Right now my City taxes are \$1,056. We are looking at an additional \$66, that is over 6%. As I sit here with my cap on as a CDA Commissioner, I am thinking it would be a good thing to have this road. On the other hand, I am

thinking that I'll have to pay for it out of my own pocket. \$66/year for ten years is about a \$700 commitment for me. I think on that alone, I could not support this, regardless of the good intention.

If any of you want to calculate how much it will cost you personally, I have a simple way of doing it. I used a personal tax rate, which is the value of my property divided by the assessed valuation of the entire City. Take the assessed valuation of your property and divide it by 4.23 *billion dollars, that is your piece of the pie in the City. Every time the City levies something, you have to pay that portion. It's a very small number, it has four zeros in front of it. For example, in my case it is .0000507. Any time something goes on the levy, you multiply by that number, and that will tell you what you will be paying. In this case, I multiplied it by \$1.3 million dollars, which is what the debt service would be on this road.

We are talking a huge amount of money just for this one project. It is almost breathtaking, particularly, when you think of all the other projects coming up. With all these other road projects plus all the necessary funds to run the City itself, I can see our property taxes increasing 50% in four or five years if we are not careful. We have to sharpen the pencil to figure out more ways to pay for this other than the levy.

Alderman Harenda – Following up on the Water Resources Management Utility Meeting minutes, and similar to Mr. Fillar, I think this is a big chunk of money that we have to bite off to fund one project, even though I believe the project is needed in the Industrial Park. Is the staff as well as Ehlers & Assoc. looking for potential alternatives?

Mayor Chiovaturo – All the alternatives were given to us: do nothing, do the intersection, do the intersection and an overlay, or do the whole project.

Alderman Harenda – From that position, I am looking at some kind of rehab or overlay of the road, as well as rebuilding the intersection at Cleveland Avenue and Calhoun Road. From a CDA standpoint, it is something we need to set forth the starting point of all the work we would do in the Industrial Park. With all the other fiscal responsibilities of the community, it is a big chunk.

Mayor Chiovaturo – Both comments are well taken. As far as the debt service, Mr. Fillar did a good job in calculating it out. It is a concern. Our taxes going up 50% in the next five years is probably not going to happen for three reasons. 1) I don't think the public would allow it. 2) I don't think the Council would allow it. 3) Right now the State, if the TPA Amendment goes through, would not be able to legally do it. The only thing we could hope for to soften this, is because of it being a road for full reconstruction, we could take the debt out for twenty years. That was a suggestion made to us by our financial advisors who are helping us with our five year strategic planning.

The Industrial Park Plan that we worked on for over two years talks about a lot of infrastructure changes and storm water issues within the park that need to be handled, therefore, we need to put on our CDA hats and look at what we need and make that recommendation to Council.

Mr. Barnes – I think doing nothing is not an option. Calhoun Road is in bad shape and leaving it as it is, is not an option. I am afraid by going with just the reconstruction of the intersection and the overlay, all we are doing is postponing the inevitable and the costs are just going to go higher. I agree, \$60 on your taxes is a large target, but Calhoun Road is important to the City in more ways than just the Industrial Park. Again, as I mentioned at our last meeting, the improvement of Calhoun Road will take some of the stress off of Moorland Road. Somehow, we need to find a way to redo the road correctly the first time, rather than put an overlay on it and five years later be at the same position. The CIP budget is not going to get any softer. I also don't think at \$10 million, the State is ever going to come in with funding for this road. I think it is too big of a project based on what I have seen. By taking this one, maybe some of our smaller projects can get funded.

JP Walker – I ask the CDA members to keep in mind when considering Calhoun Road, not to short change the need for storm water control, both from a quantity perspective and from a quality perspective. When looking at alternatives, storm water does not go away. Storm water is a key component. We talk about it at the Water Resource Management Utility Committee, but it is an emphasis for the CDA also. In past discussions, we have talked about Calhoun Road being the lynch

pin to improvements, starting in the Industrial Park. One of the key components is storm water. A lot of the water is coming West of Calhoun Road directly impacting the Industrial Park. I just ask you that when you review the alternatives and decide the direction you want to go, do not forget the storm water component.

Mayor Chiovatero – I agree, storm water is a huge component and is also very expensive. Many municipalities are facing the same issue. Unfortunately, in the case where the State is redoing the intersection of I-43 and Moorland Road, the State is not following the guidelines for storm water issues.

It is very important that Council hears our opinions on Calhoun Road. Do we have a recommendation to bring forth to Council?

Mr. Kessler – I suggest handling it similarly to the way we did the Water Resource Management Committee, doing verbatim minutes. Both the Water Resource minutes and the minutes from this meeting will go to the Board of Public Works. The Board of Public Works will make the recommendation to Council. I don't think a recommendation is necessary from us. If it is all right with CDA, we will summarize your comments, get them to the Board, and along with any new designs or options they might be considering, let them make the final recommendation to Council.

Mayor Chiovatero – I think that is a good suggestion. The Council needs to know about all the discussions we have, although I would like to see a recommendation.

Alderman Harenda –As Mr. Barnes stated, we put a lot of time into the Industrial Park Plan, and it is very difficult not to stay on course with this, yet it is hard to spend \$10million+ on this project. When I put my Alderman hat on and look at the big picture of the City, it is not just \$66/year. There are other issues that we have to deal with in the City. I have met with staff, we've dealt with the storm water elements, the quality issues, and the regulatory requirements. It is getting to the point where local municipalities are unable to fund the unfunded mandates. Those are the comments I would bring forth.

Mayor Chiovatero – There is a letter going to the County to make them aware of the intersection changes and the request for additional lanes. I have not heard if they plan to participate in some of the costs.

Mr. Fillar – There was some talk some time ago about the possibility of some new construction in the Industrial Park. That would certainly help if we could get some extra assessed valuation. Perhaps we could revisit this issue of a business improvement district to help fund the storm water improvements and the improvements in the park, in general. I know we are working on this and have had some talks with a few developers and there seems to be some interest. As it is now, I can't see anything happening to this park in terms of it's value increasing. It is actually falling behind in the increases that are typical for residential. It's favorable impact on our taxes are diminishing every year. As long as it is allowed to languish in this condition, it will just keep getting worse. I stress the possibility of looking at the construction, one way or the other.

Mayor Chiovatero – That is a very good point. Just to make everybody here aware of it, the Ehlert Building has been sold and closed on. The new owner has successfully obtained an IRB, in order to improve the building and bring in equipment. That will be a huge improvement in the value of that piece of property.

Mayor Chiovatero – If there is no further discussion, we will have Mr. Kessler pass on the verbatim minutes to the Board of Public Works.

2. Mill Valley Redevelopment Update (PG-926)

Joe Eberle from Ruckert/Mielke, project manager for the study team for the Mill Valley Comprehensive Redevelopment Plan gave a brief update in the progress of the study, explaining they are progressing well. Mr. Eberle also supplied the procedure and format of the first of three informational meetings to be held as one of the methods to get comments and questions from the

public.

Mr. Fillar asked what was the outcome of the meeting on March 10th between New Berlin and Muskego City officials?

Mr. Eberle said they went through the schedule and what the study would encompass. It was more of an informative type of meeting. There were not a lot of questions from the City of Muskego.

Mayor Chiovatero said that both the City of New Berlin and the City of Muskego agreed that we need to move forward to see if this is a viable project.

A copy of the notice for the Public Informational Meeting has been sent to the Mayor and staff of Muskego for distribution to Muskego residents if they choose to do so. Mayor Chiovatero was concerned that the notices that were sent out in New Berlin were sent out in such a wide expanse, that people received them who may not seem to be affected. That being the case, he wondered if the whole city should be notified.

Mr. Eberle said the notice will be in the CNI Newspaper, on our website, and on the cable channel.

Mayor Chiovatero said that sending out that many notices may get a lot of people excited who may not be affected.

Alderman Harenda said that after meeting with Joe Eberle and his staff, he realizes that if the park does develop out, the entire area will be affected. Traffic patterns would change all the way down to Lawnsdale Road. That is why he was in favor of the notices that were sent out. He also felt that the notification would bring more feedback and what they want to see in this part of the City.

Mr. Eberle said that during the information meeting, Ruekert and Mielke would be informing people of the projects that will be happening in the general area, and make sure that they understand that they are not a result of the development of the gravel pit. For instance, County projects such as the intersection of Racine Avenue and National Avenue, I-43 and Moorland Road intersection, I-43 and Racine Avenue. These projects will happen even if nothing happens to the gravel pit.

Mayor Chiovatero thanked Mr. Eberle for keeping us informed.

NEW BUSINESS

3. CDBG 2007 Application/Discussion (PG-565)

Mr. Kessler said Community Development Block Grant applications are due May 2, 2006. This goes back to the discussion with Alderman Harenda about the implementation of the Industrial Park Plan and ways to fund the improvements in the Park. Staff is looking for support from the CDA in applying for these grants.

Motion by Alderman Harenda to direct staff to apply for the 2007CDBG Competitive and Set-Aside grants.

Seconded by Mr. Barnes. Motion carried unanimously.

4. Mill Valley Workshop – Date/Time

**PUBLIC INFORMATIONAL MEETING
MILL VALLEY COMPREHENSIVE REDEVELOPMENT PLAN
NEW BERLIN CITY HALL COMMON COUNCIL CHAMBERS
APRIL 26, 2006 6:00 P.M. – 8:00 P.M.**

COMMUNICATION

5. Communication To: CDA Members
Communication From: Greg Kessler, Director of Community Development
RE: Minutes from the Water Resource Management Utility Meeting held on March 14, 2006.

Committee members acknowledged receipt of this communication.

It is the consensus of the CDA to cancel their next scheduled meeting for May 4, 2006.

ADJOURNMENT

Motion by Mr. Fillar to adjourn the CDA meeting at 8:20 A.M. Seconded by Mr. Seidl. Motion carried unanimously.