

156 East First Street  
New Richmond, WI 54017  
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[www.newrichmondwi.gov](http://www.newrichmondwi.gov)

**January 23, 2015**

**CALL OF MEETING TO THE MEMBERS OF THE COUNCIL OF THE CITY OF NEW RICHMOND**

Notice is hereby given that there will be a Special Session of the Council of the City of New Richmond on Monday, January 26, 2015 at 5:00 p.m. in Lower Conference Room #1 of the Civic Center, 156 East First Street, New Richmond, WI 54017.

**AGENDA:**

- 1. Call to Order**
- 2. Clerk's Roll Call**
- 3. Pledge of Allegiance**
- 4. Adoption of Agenda**
- 5. Impact Fees**
- 6. Capital Improvement Planning**
- 7. Communications and Miscellaneous**
- 8. Closed Session per State Statute 19.85 (1)(e) – TIF 6 Development Proposal**
- 9. Open Session – Action on Closed Session Agenda**
- 10. Adjournment**

*Fred Horne, Mayor*

**cc: The New Richmond News  
Northwest Communications  
City Website**



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**TO:** Mayor and City Council  
**FROM:** Mike Darrow, City Administrator/Utility Manager  
**DATE:** January 23, 2015  
**RE:** Special/Impact Fees

During the City Council work-session, staff will provide an overview of Special/Impact Fees which include history, review of the City's Land Rush Program and a proposed fee schedule.

Special/Impact Fee Background- The City of New Richmond began to utilize Special/Impact Fees to address short and long-term development and infrastructure projects in 2003.

Wisconsin law allows the City to charge these fees for public improvements for the following:

- Highways and transportation facilities
- Traffic control devices
- Facilities for collection and treating or sewage
- Law enforcement facilities
- Libraries
- Parks, Playgrounds, etc.

Overview-The City has hired consultants, in the past, to determine appropriate fee levels. Several revisions to the City's policies have been updated throughout the past decade. These include modifications to Park Fees, Water Impact Fees, and Sewer Availability Charges.

Challenges-Perhaps the biggest challenge of Special/Impact Fees is the determination and calculation of these funds per our ordinance and policies. Typically, a cumbersome calculation based upon a Metropolitan Council Procedure Manual needs to be identified. This creates a hardship for staff (in determining the appropriate calculation) as well as a hardship for the developer (in paying higher fees than those found within other Western Wisconsin communities).

Throughout 2014 Community Development staff completed the following:

- Started on an Impact Fee Needs Assessment that included:
  - History and timeline of the City's fees
  - Population projections
  - Community Survey

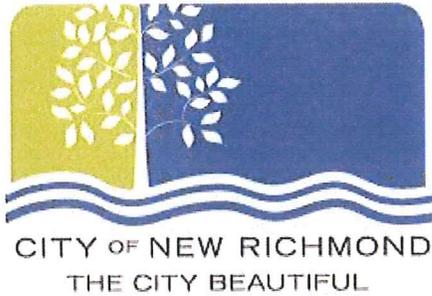
- Examples of New Richmond vs other communities for new residential single family home, new commercial building/manufacturing, existing commercial expansion and new strip mall in an existing development
- Land Rush recap

Below is a list of Special/Impact Fees since 2010:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Special/Impact Fees</b>					
<b>Waived</b>		\$ 95,377.80	\$ 773,518.00	**\$19,927.85	
<b>Special/Impact Fees</b>					
<b>Collected</b>	\$ 83,687.03	\$ 180,291.05	\$ -	\$ 29,065.10	\$ 351,789.00
<b>Number of Commercial</b>					
<b>Projects</b>	8	6	12	5	7
<b>Number of Dwelling</b>					
<b>Units / Residential</b>	16	16	90	7	66

*\*\* Letter of Intent was signed in 2012*

Based upon the projections of growth from the community, I would recommend a minimum of \$400,000 annually in Special/Impact Fees to assist in funding capital improvement projects cover over the next five years. To accommodate this growth, we are proposing a percentage of gross development/construction costs. These projections will be provided at Monday's Council meeting.



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TO: Mayor and City Council

FROM: Mike Darrow, City Administrator

DATE: January 22, 2015

RE: Capital Improvement Plan and Process Recommendation

As you are aware, city staff have prepared a five-year capital improvement plan (CIP) that provides an assessment of capital projects for Council consideration.

Most of these projects were identified as part of the 2014 “Year of the Plan” process or identified as part of the last CIP process which was discussed in 2009/2010. Our intention during the worksession on Monday evening is to provide an overview of these projects with a focus on FY 2015-2016.

Since some larger projects will share costs with New Richmond Utilities, the Utility Commission reviewed these projects during their meeting on Wednesday, January 21, 2015. After some discussion, the Utility Commission approved moving forward with design costs for the following projects:

1. North 4<sup>th</sup> Street - Street Reconstruction (City/Utility Project)
2. Paperjack - Street Reconstruction (City/Utility Project)
3. North Starr - Sewer Reconstruction (City/Utility Project)

Moving forward on items 1 and 2 would be subject to the City Councils’ approval of getting proposals on these projects for design costs only. Additionally, the Utility Commission discussed sending one representative (along with a Council representative) to further explore the idea of an airport/aviation technical park concept.

After review by staff, we will be asking for the City Council's recommendations on moving forward with getting design work completed on larger projects for FY 2015-2016. We anticipate that the costs would fall between \$150-\$170k for North 4<sup>th</sup> Street and Paperjack (if approved) and county/town/private partnership projects.

For your review, I have attached an earlier correspondence sent to you which outlines additional process information related to the Capital Improvement Projects.

**How did we come up with these projects?** Many of these projects were identified by department heads as part of our 2014 "Year of the Plan" process. Others, like the library building project, were identified as part of the CIP planning process that was completed in 2009-2010. Ultimately, the ranking of these projects and project funding will be a policy decision.

**How is the public involved in these projects?** It is important to understand that we are not going to be asking for Council approval of millions of dollars in capital costs without a transparent process. Each project will require additional review by Boards and Commissions, and in some cases, a public hearing/community meeting (library, street projects for example) to move forward. Community input will be critical to this project at the beginning, as well as during project construction.

**Can we add projects or eliminate projects as a part of this project?** Yes! Again, this list is meant to serve as a working guide for our review. If there are projects that we missed or there are things critical to your specific aldermanic district please let me know.

**How certain are we about costs related to these projects?** In many cases we utilized a "cost per lineal foot" process using 2014 cost estimates. We also added a 10-15% contingency to each project. In other cases, we are putting a best guess on future funding, etc. For most projects, up front engineering "soft costs" will be necessary to get detailed costs. We will also continue to look into grants, etc., as will be discussed on the 26<sup>th</sup>.

**What are the steps involved in completing a project/projects?** If, for example, the City Council were interested in SW-14-02 (Replacement of North 4th-Knowles-Sharron Storm Sewer), staff would recommend the following steps:

1. Direct staff to bring in consultants to serve as "project leads" for the

project. (Cedar Corp or SEH as part of the approved consulting pool approved in 2014). Interviews with both firms would occur in February/March to determine the Project Lead.

2. The selected consultant would then be tasked with preparing designs for the street project(s). Typically, the cost to design is a small percentage of the total cost of the project and would need to be paid up front. The design would then be brought back to the Public Works Committee, Utility Commission and Council for approval.

3. Approval would then be based upon the ability to fund the project through grants, borrowed funds, assessments, etc.

4. Formal Council approval, after accepting the design, would then occur. Staff, along with Ehlers, would provide an overview on costs and payment prior to moving forward with the project/project acceptance.

**How do we pay for these projects?** Within the matrix you will see a breakdown of proposed funding sources. These range from property taxes to trade-ins. We are trying to shift projects from 100% borrowed funds. So for example, if all of the proposed funds were approved in 2015, there would be \$4,207,906 in total projects, with \$1,173,455 coming from other sources.

**Are there additional ways to save money on these projects?** Yes. During the meeting we will identify other ideas, including project assessments by property owners for street improvements, which could significantly reduce the cost of street projects as identified within the proposed matrix. These are brainstorming ideas which are meant to generate additional conversation.

**Why are you including the CIP for the Utility Commission?** Since some of these projects would be "jointly-funded" (particularly street projects) it is important for you to understand sources and uses of funds from the Utility as well. The proposed water/wastewater project for the airport would also be a joint decision. That type of project will require input from the Airport Commission, EDC, Public Works, Utility and City Council for it to move forward.