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**MEETING NOTES**  
**Community Development**  
**Sterling Ponds Residents/Corporate Park**  
**July 21, 2011**  
**6:30 p.m.**  
**River Falls Public Library, Lower Level**

**CALL TO ORDER** – meeting convened at 6:30 p.m.

Scot Simpson, City Administrator; Buddy Lucero, Planning Director; Carl Gaulke, Municipal Utilities General Manager; Reid Wronski, City Engineer; Steve Baisden, Planning Intern; Mayor Don Richards, City Councilors David Reese, Scott Morrissette, Jim Nordgren, and Tom Cafilisch; Park Board Chair Susan Reese; Scott Johnson, Arcon Development; Arik Lovegreen, Deb Dufrene, Jerry Brown, Michael & Joelle Whooley, Robert & Mary Johnson, Chad & Sherry Frank, Ellen Lowe, Julie Hawkins, Mitch Theisen, Rich Loney, Kristin Loney & Gavin Wiersma, Therese Stacy, Greg Unruh, Karen Lunzer, Becky Nekola, Brent & Erin Bitter, Suzanne Hanley, Amy Wright, Staci Kealy, Kim Lucio, Jackie & Richard Gardell, and Alex Tupan

**NOTE: Resident's questions/comments are in *italic*.**

Buddy Lucero, Community Development Director, welcomed everyone. Everyone went around the room and introduced themselves.

Lucero spoke on background information regarding Sterling Ponds. Sterling Ponds was originally Delander property. Development began in 2002. The property was zoned as a Traditional Neighborhood Development (TND) and is a mix of uses; high density resident, low density, and a mix of commercial and offices. It was platted for 632 units, and to date, 135 units have been approved.

City Administrator Scot Simpson talked about why it's important for the City to be involved in the development of a corporate park, tax percentages, how the dollars impact City taxes and level of services. He explained in Wisconsin there is uniformity in the tax rates for residential and commercial. Some states have higher rates for commercial and industrial in order to keep residential taxes lower. What that means to Wisconsin residents is that if you don't have commercial growth, the tax burden falls upon the residents. River Falls provides a high value for taxes paid. One of the reasons that can be done is commercial growth, which balances the burden of future taxes. A typical house doesn't generate enough taxes to pay for services, so commercial and industrial development is necessary. The City has been successful in the development of the River Falls Industrial Park and Whitetail Ridge Corporate Park. The niche has been primarily with research and development companies and light manufacturing.

One of Council's main priorities for staff in 2009 was to identify properties for a future park. With the current market land prices are low, which is good for the City. The City looked at 9 sites that were relatively flat and had 40+ acres for 8 to 10 lots. Terrain around River Falls is a challenge and sites were narrowed down by cash analysis. The City was the initiator of discussions with property owners, with the exception of one property. A couple owners were not interested in selling. The City ended up with 2 – 3 sites that had a willing seller. One was the Mann Valley site which was a bank-owned property. The City purchased 85 acres of that property. The Huppert Brothers farm was a consideration but they did not want to sell. The City wanted property within the Urban Area Boundary. The City reviewed many

potential corporate park development sites that were 40 acres or more. Currently Whitetail Ridge Corporate Park has about 25 acres remaining and River Falls Industrial Park has about 10 acres remaining. A typical industrial site is about 5 acres. When the Sterling Ponds site was researched it has a location near the future interchange, infrastructure in the City, flat land, and still has approximately 150 acres available for housing development.

*A resident stated and wanted to make it clear to attendees that the City has signed a purchase agreement with Arcon Development.*

On June 29, 2011 the City sent a letter to residents stating they were thinking of purchasing the property.

*Question: Residents wanted to know why it was sent then.* Simpson stated that when negotiations take place, State law provides that the Council goes into closed session. The first public action after closed session is to approve the purchase agreement. This is the first step in the process. Simpson said the letter was sent out the day after the vote as a courtesy to get the information to neighbors as directly and quickly as possible.

*Residents felt the letter should have said that the City had signed a purchase agreement and that it gave the impression that they would be involved in the decision as to whether or not to purchase the property.* Simpson made it clear that the City is not asking for permission from the residents to purchase the property or to develop the property. The Council makes the decision as to the goals of the community, which included identifying property for a potential future corporate park. Staff negotiated in the best interest of the community. A purchase agreement is not a done deal. The purpose of this meeting is so that residents understand that the City realizes there are concerns. There are decisions to be made, such as what kind of buffering is requested, required, what kind of connection does the neighborhood want if any. This meeting is to get feedback from the residents about specific ideas for the development. The property still needs to be rezoned, which has to go through the Plan Commission and City Council. The purchase agreement lays out a process and also the time to have these discussions.

*Question: Do any of the City Councilors live in Sterling Ponds?* Simpson answered no, but he did not feel that would affect their ability to look at the project objectively.

*A resident stated that they bought their homes in that subdivision based on what they were told about the development at that time, and felt that Arcon did not follow through on their end. She questioned the marketing and promotion of the neighborhood.*

Scott Johnson from Arcon Development stated at this time it costs about \$30,000 to \$40,000 to produce a lot that would be difficult to sell for even \$20,000. That is the way it is nationwide in many markets and is locally here in River Falls. It is not economically feasible to develop at this time and banks will not loan money for development.

*A resident stated there is development in Hudson.* Johnson stated that there is development on existing lots that have sold for 15 to 25% of their previous cost. Arcon has stayed with the project as best they could. They are beginning to see new development in the metro area.

*A resident stated he felt it was clear that they have isolated the Sterling Ponds neighborhood with this industrial park. The resident stated that successful cities have found ways to separate industrial development from residential development. Given the economic situation right now, this is short sided because it says we can buy cheap land and develop it. From a residential perspective he felt this takes the incentive away to invest in their (the residents) properties and taking care of their homes, because of a drop in property values. He stated that successful cities have found ways to keep these types of development separate. He feels this is why there are zoning laws. He stated he knows that adverse condemnation actions against cities have been awarded because of detrimental impacts on properties.*

Staff stated that the zoning on this property is Traditional Neighborhood Development which allows residential, commercial and office.

*Question: Why not purchase more acreage on the Mann Valley site and develop that area?* Simpson stated that there would have to be a significant investment in that site - water and wastewater to get to the development. Spending millions to extend the water and wastewater is possible. Because of the success of Whitetail Ridge Corporate Park, the City has money (TIF) that can only be used to invest in economic development. That money has to be used for economic development within a half mile radius of an existing park. Sterling Ponds meets that requirement. If the City were to develop Mann Valley, the money would have to come from general obligation taxes. The two main reasons to develop Sterling Ponds are proximity to Whitetail Ridge Corporate Park, existing infrastructure, and the ability to use tax increment funds.

*Question: Why can't the Council vote to use the funds for the other park?* The answer was because it's State law.

*Question: How much money is there?* Simpson stated at the end of the TIF period, probably about \$3.5 million.

*Question: How much money is currently available?* The City is generating roughly \$400,000 per year. They are now in the black for that TID district. The park is almost 20 years old. The City doesn't believe it will raise or lower utility costs. The City believes residential growth will be slow.

*Question: Would this decrease utility rates?* No. There are a number of fixed costs like water towers and the wastewater treatment center. Simpson indicated that the development would likely reduce the pressure for increases in utility rates.

Simpson believes the City has a good track record in bringing in businesses.

*Question: What types of companies they are talking with?* Simpson said the location is a draw for companies. The industrial park in Hudson is much different than what the City is proposing. River Falls focuses on research and development, software, and light manufacturing types of companies. The City wants to attract smaller companies.

*Question: What about all the empty buildings (mention of existing buildings)?* Simpson commented that the former UFE and the Hillside Plaza (former AgStar Financial building) both have tenants.

The top of Whitetail Ridge Corporate Park was discussed. The cost of infrastructure to reach the top is high for the 20 to 25 acres available for development. The Council has stated that they will not develop the top of Whitetail Ridge for industrial.

*Question: Does the City have a commitment from any companies to come into this corporate park (Sterling Ponds)?* No. Simpson commented that this is not being driven by a specific company's need for space.

*Question: How long to fully develop it commercially?* After development there may be about 40 acres to use for approximately 10 four-acre parcels, which is about 15 years of inventory. Right now there is about 5 years of inventory (in existing parks).

*Question: So this would be about 20 years of inventory, based on that? If it was developed residentially it would bring in more taxes.* Simpson responded that residential development costs more in services, whereas commercial generally does not. There was discussion about residential development vs. commercial development costs.

*The resident stated he wanted the have the City look at the development in another way because he feels a corporate park is going to have a detrimental effect on the residents in Sterling Ponds.*

Sterling Ponds residents read a petition that they said was signed by over 80 and presented it to the Simpson, of which a copy is attached to these notes.

*Question: One of the residents stated she had not heard any way that the proposed park would benefit the residents. Simpson stated he talked about utility rates. She asked if anyone's property taxes have gone up? Council member Caflisch stated that taxes have not gone up because of the City. He advised that if you look at your tax statement it's the school district portion that has increased.*

*Question: She asked councilors attending and staff attending where they live in River Falls. She asked if they would want this in near their residence. She asked what was the point of calling this meeting? She stated you had to have known from the survey that everyone was pretty angry about the proposed park. Simpson stated that what the City learned from the survey was that there were those that were against it in theory and that some people wanted to come here with an open mind and get their questions answered. Simpson stated that sometimes there are those that will buy property next to certain types of development just because they know what is going to be there – no surprises.*

Simpson stated that their (residents) opinions can impact the covenants, such as vibration, odor, noise, lighting, and what will be used as buffers, etc.

*Question: Has it already been established that the park is going in there? Simpson stated it has not been established. A resident stated that she felt the hostility or animosity (from residents) came from the wording in the beginning of the survey.*

*Question: A resident asked what is the next step, as residents, to help make it the best that it can be? Are you going to sit down with us and let us make suggestions? What will the layout be and can they have a say in when the buildings are built? Will they meet before or after the decisions have been made? Lucero gave a timeline as to how the project would progress. He emphasized that the process for development would take a number of years.*

*Question: Has the safety factor been looked at because there are many children in the neighborhood? Access to the residential development was discussed. The access will be at Radio Road. There may not be access into the residential development, except for an emergency access. A corporate park generates less traffic than a residential development.*

*Question: Is there a tentative plan for Chapman Drive? Because of the waterway, there will be an access point and a stop light at Chapman. The question was asked if they (the residents) want to have an access to Chapman Drive. This is a design question that will have to be reviewed.*

*Question: Would Chapman be turned into a City road? When the Radio Road interchange goes in Chapman will more than likely become a City road.*

Staff briefly talked about marketability, economic changes, marketed as a self-sufficient community.

*Question: Does this change the image of what River Falls normally has? Does River Falls have a plan? Lucero states they want to maintain a visual corridor and maintain the buffer and trees. Business and Corporate parks are changing. A small neighborhood center is still part of the overall development plan.*

*Question: The property between the existing houses on Sussex Street and the proposed ridge, will that space be filled in with homes? Scott Johnson stated yes, it will be developed with homes. This is the second time he has studied the impacts of a business park on residential property. He's interested in selling because of the market. This would enable him to finish developing the area.*

Scott Johnson from Arcon stated that the next phase would be that strip of homes. There is a significant amount of people that don't want to look at houses behind them – they'd rather look at open space. He's confident that he can sell those homes along the buffer once they're built. The covenants would be the same. The price point would be the same as they are now.

*Question: A resident questioned the lots that were sold to CJ Homes. Those floor plans are all the same and there was to be a variety.* Johnson said to call him if there are problems. He gave his contact information to discuss it.

*Question: Would you share your marketing strategy (for remaining development)?* Johnson answered that the market right now is non-functional. Once the market price is greater than the cost of the lot they will start developing again. Johnson felt if they look at developing only residential, they are looking at decades and decades, and the odds of it happening at nil. Excess inventory is really detrimental and if you can look at other uses for that property that is beneficial to the City, that use should be considered. The proximity to this proposed park is really no different than the proximity to Whitetail Ridge Corporate Park. He stated to really look at the issues. Lighting is a big one. Whitetail Ridge lighting is perceived as bright. Simpson has looked at it and believes it is not the interior of the park that's the lighting issue – it's on Paulson Road. This is a design issue that will be addressed if this project goes forward.

A corporate park is a destination. There are not normally big issues involving crime or vandalism. Safety is not normally an issue but needs to be considered. The City is considering ways to make this compatible.

*Question: A resident asked if would be more advantageous to wait until this property goes into foreclosure and then get it at a better rate?* Simpson said that was actually discussed – if they hadn't reached an agreement for a reasonable cost, the City may have waited.

*Question: What is the price for this land?* Simpson said the purchase price is \$1.2 million.

Lighting and traffic is an issue that will be discussed. If there is a connection, proper signing will be used to keep traffic out. A corporate park causing property values to go down is a general statement. Some of the more successful projects are a mix of uses. It's all in the specifics and design. There are also areas where business parks have increased property values.

Because of green space, good looking buildings, lighting, traffic, quiet on the weekends, Johnson thinks it's a good fit.

*Question: Staff was asked if that if single family parcels are lost, will they recalculate to make single family proportionate (in relation to multi-family)?* Simpson stated that he will go over calculations and discuss if residents feel it is necessary. The City feels it will be a positive development and people in the neighborhood will view it as positive.

*Question: Residents asked if this corporate park is going to be built, why not purchase that additional strip of land that Johnson was going to build homes on and make a bigger buffer?*

Johnson discussed covenants. When this subdivision was developed, the covenants were for the first phase. There are no covenants on the 74 acres because it hasn't been developed. The covenants are on developed lots. Johnson stated he is going to use the same covenants on the row of homes that he will be developing.

*Some of the residents would prefer the City purchase that strip of land and use it as more buffer.* Johnson feels the homes would be a better buffer.

Lucero summarized by giving a brief timeline of the process.

*Question: Is it OK to ask Arcon or staff for statistics or case studies of developments like this and similar situations to see what has worked?* Simpson said yes. This development is not going to happen anytime soon. This is a cooperative project with Arcon, the neighbors, etc.

*Question: A resident asked where the businesses would be in relationship to that road/buffer?* Johnson felt about 500 to 600 feet away. Johnson isn't opposed to selling that land to the City but he felt a row of homes would be a better buffer. Johnson is asking the City to finish the park.

Simpson stated that people were beginning to leave so the formal meeting will end, however, if some residents had questions staff would stay and speak with them.

The meeting adjourned at 8:30 p.m.

Respectfully submitted,

Robin Schrank, Recording Secretary