



Department of City Development

Housing Authority
 Redevelopment Authority
 City Plan Commission
 Historic Preservation Commission
 NIDC

Rocky Marcoux
 Commissioner

Martha L. Brown
 Deputy Commissioner

January 5, 2006

Alderman James A. Bohl, Jr.
 Office of City Clerk
 City Hall, Room 205

Re: File No. 051171

Dear Alderman Bohl:

I have read File No. 051171, a resolution directing the Department of City Development to take certain actions regarding the redevelopment of the Hartung Quarry landfill. I applaud your interest in reusing this property after the landfill is closed, and your efforts to involve neighbors in determining its future. As you know, the scenarios developed by the Department of Public Works and Department of City Development have a number of features that parallel your vision.

However, we are unable to support certain aspects of the proposal you have put forward.

The resolution directs the department to undertake staff work required to create a tax incremental district and redevelopment district to pursue the following activities:

- 1) Acquire and tear down three to five multi-family buildings to create a cluster of seven small new home sites.
- 2) Create seven additional home sites on the edge of the landfill.
- 3) Install infrastructure required to support new home development.
- 4) Create recreational space on the balance of the landfill site.

We are comfortable with the general design of the recreational space. Our planners indicate it is possible to create 10 highly marketable home sites on three edges of the closed landfill. We assume that new homes built on the edge of the landfill would be valued at about \$300,000 each; the construction of 10 new homes would generate approximately \$3.0 million of tax increment, supporting approximately \$750,000 in borrowing to invest in the development.

Estimates provided to us by the Department of Public Works indicate a cost of \$1.25 million to design and install the infrastructure necessary to develop 10 home sites, and to establish finished grades and create a six-inch top soil planting zone at the remainder of the property in accordance with the plan neighbors prefer. At present, DPW has \$100,000 in its capital budget for closure improvements.

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Alderman Bohl

Your proposal directs the department to acquire and tear down existing multi-family buildings in order to create additional home sites. This plan is infeasible, for the following reasons:

1) Cost estimates done by our real estate staff indicate that the acquisition and demolition of the multi-family buildings and the relocation of their occupants carries an extremely high price tag, ranging from \$1.6 million (acquire three properties) to \$1.9 million (acquire five properties). Our letter to you dated Oct. 31, 2005, provided cost estimates for this work, and shared concerns that a TID could not support this activity. A copy of that letter is attached.

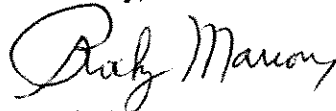
Despite the high cost, incremental value resulting from the replacement of multi-family homes with single-family homes would be minimal, because the properties are currently assessed at about \$1.4 million. The decision to acquire and tear down houses would add tremendous cost and generate minimal new taxes. Funds generated by the TID would be insufficient to pay the cost of acquisition, demolition, and relocation.

2) The configuration of the lots proposed to replace the multi-family homes does not conform to zoning requirements. New homes must front on a public street; the plan does not include street access.

3) The geotechnical condition of that portion of the site may not allow structures to be built on all the proposed lots. Additional study is required on this issue.

Given these significant problems, we are very reluctant to devote staff time to pursuing any vision that involves acquiring and demolishing multi-family homes adjacent to the Hartung Quarry. We will share these concerns with the members of the Zoning, Neighborhoods and Development Committee at the time this file is heard.

Sincerely,



Rocky Marcoux
Commissioner

cc: To all members of the Common Council (with attachment)
Council file #051171 (with attachment)
Kimberly Montgomery
Tom Miller, DPW
Bob Greenstreet
Mayor Tom Barrett