

St. Croix County, Wisconsin
Government Center
1101 Carmichael Road
Hudson WI 54016



St. Croix County
Government Center Campus
Land Use Evaluation
Final Report

Finance Committee-June 7, 2007
County Board – June 19, 2007

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St. Croix County Government Center Campus Project

Government Center Campus Land Use Evaluation Report

April 30, 2007

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Executive Summary

Introduction

From 2004 through 2006 St. Croix County, Wisconsin created a decision-making process named “The Plan for the Plan” that focused on the disposition of excess land surrounding the St. Croix County Government Center in Hudson. As part of the evaluation process an appraisal was completed in 2006 by Jeff White of Valuation Specialists out of Eau Claire.

In January of 2007 the County hired the Barsness Consulting Services (BCS, Inc) to hold meetings, gathering comments and information from County residents. Additionally, BCS was to assist in the preparation of strategies and next steps that the County might use to dispose of surplus land. As part of the scope of work, BCS was to complete the following activities:

- a. Assist and guide the County Finance Committee and staff on the process or steps for declaring surplus land, selling or otherwise changing ownership, and creating a development program (including theme) for public land.
- b. Identify reasons “why it is in the County’s best interest” to dispose of surplus land. BCS was to review existing policies and past practice and make recommendations regarding steps necessary for declaration of surplus land.
- c. Identify planning principles and goals for future complementary land uses proposed by the County (such as *private* sector retail, restaurants, offices supporting courthouse, buffered residential uses, public spaces and trails
- d. After holding public information-gathering meetings or workshops with surrounding property owners, businesses, and other stakeholders to discuss concepts and consider generalized land use plan, BCS was to identify the need for providing additional housing, retail and office **market analysis** and to estimate current and future demographic trends guidance regarding financial resources used to implement development of retail, office, affordable housing goals.
- e. Determine County financial objectives (sell what and when) and outcomes (where proceeds will be invested or leveraged elsewhere in the County system).
- f. BCS was to recommend a conceptual land use plan in time for City approval and inclusion in the scheduled 2008 update of the City Comprehensive Plan and Zoning. This plan would then become the basis for an official development master site plan and later submissions to the City for land use approvals and permits.

Since January 2007, BCS has met and hosted many residents, businesses, non-profits and other public agencies to gather feedback on the potential development of the County Government Center site. This information along with market conditions and trends formulated the recommendations included in this report. A summary of those recommendations area listed below with the supporting documentation found in the corresponding sections of the larger Report.

I. Demographics, Market, and Site Economics

An assessment of current and projected demographic, economic, and market conditions helped define the highest and best use for the County Government site. The changes in the County's population coupled with economic and market conditions contribute to the viability of the proposed land uses, the value of the property, and the financial effects of developing the site.

When the appraisal was completed in spring 2006 demand for residential property was high. A market shift occurred in 2007 slowing the single family housing market and reducing the economic viability of the County government site for residential development. The market downturn in conjunction with public opinion not to develop homes on the site (especially the Northwest Quadrant) shifts the development potential to other market sectors, primarily offices and active senior owned housing products.

Additional market research on commercial/office property values suggested that the price per square foot be adjusted upwards from the appraised value of \$4.66 to \$7.00 per square foot. Using these values, an analysis of land sale proceeds and annual tax revenue for each quadrant was completed. The table is a tool to assist the County in its decision process related to the development of surplus land. A range from low to high was developed for the land sale proceed and tax generation. The detailed analysis can be found at the end of the Economic and Market Information section.

Recommendations are based on current market conditions and population trends and include:

- 1) To accommodate an increase in future service requirements the "Plan for the Plan" should be used to evaluate County land and facility assets.
- 2) The County should preserve the northern half of the site (Northeast and Northwest Quadrants) for future needs. It is more economically beneficial to expand public uses on the County government site rather than to purchase a different tax generating parcel.
- 3) Satellite facilities in the north and eastern parts of the County should be part of the overall County service delivery system.
- 4) If residential develop occurs on the site it should be directed toward either the active senior or affordable market niches that generally contain high quality, centrally maintained facilities
- 5) Office development provides the greatest value for the property, both in terms of sale proceeds and annual tax revenue
- 6) Private sector interests would be more apt to pay \$7.00 per square foot for property zoned for mixed use, the YMCA and other quasi-public users may encourage the County to sell the property at the lower \$4.66 per square foot rate ascertained in the appraisal. This is a policy decision that would need to be considered.
- 7) Should the County determine a different pricing scale for public and non-profits, the appraisal number at a minimum should be adjusted for annual inflation and strong consideration should be given to using the commercial appreciation rate associated with the City of Hudson for the past three years.
- 8) A "reservation" fee could be charged to allow potential user to secure a site while they raise funds.

- 9) Investment of land sale proceeds should be considered for the following activities:
 - a. Additional investment in economic development is necessary to attract head-of-household jobs
 - b. Expansion of existing County facilities
 - c. Assist in developing satellite offices in the northern and western parts of the County.
 - d. Match long term projects with long term debt.

II. Recommended Land Uses

Northwest Quadrant Recommendation:

The County retains this 31.5 acre quadrant for current operations and future County building expansions because the County already occupies portions of the site and has created a “sense of place” around which other developments have been created. The County should affirmatively request that, **for the Northeast Quadrant**, the City retain the land use designation of “P, Public” on the City of Hudson 2008 Comprehensive Plan, and also retain the current zoning for the property “R-1, Single Family”, wherein public uses such as the existing county buildings and complementary uses are permitted.

Northeast Quadrant Recommendation:

The County retains ownership of the 16.4 acres of land for future use and the County affirmatively request that, **for the Northwest Quadrant**, the City retain existing designations within City of Hudson Comprehensive Plan (Public) and Zoning (“R-1” Single Family).

Southwest Quadrant Recommendation:

Rezone and sell the land within the Southwest Quadrant; Request land use designations within City of Hudson Comprehensive Plan of Public\Private Mixed Use and request zoning of Mixed Use – Planned Unit Development. Create 3 super lots, subdividable for flexibility, with the proposed uses: YMCA, Public\Private Offices, Senior Multi-Family, Public City or County Uses.

Southeast Quadrant Recommendation:

Rezone and sell the land within the Southeast Quadrant; Request land use designations within City of Hudson Comprehensive Plan of Public\Private Mixed Use and request zoning of Mixed Use – Planned Unit Development. Create 4 super lots, subdividable for flexibility, with the proposed uses: Library, Public\Private Offices, Public Safety, or Public City or County Uses.

To realize the full potential of the site, the County should consider the following actions:

- 1) Surface Water Management Plan: As the vacant lands surrounding this quadrant begin to develop, the County will be responsible surface water management. This may mean participating in a program that pro-rates the share of overall drainage improvements into a subregional pond from which piping would then carry the water south under Vine Street.
- 2) Land Conservation Plan: A management plan for the remaining undeveloped land needs to be created by the County in order to control\preserve the grasses, brush and trees and reduce the liability potential on the permanent paved pathways and the temporary unpaved trails, as well as with grass fires.

- 3) Development Standards: Through the next phase of planning, the master architecture plan process, the County should encourage the City and the developer(s) to establish a mutually agreed upon set of guidelines for architecture, shared parking and ponding, site plan design and landscaping, street and paved pathway for any property developed within the entire site.
- 4) The County should complete a State Endangered Resources Review and an Environmental Assessment Statement – Phase 1 of this site and complete a set of soil borings in prominent building locations to assure developers the site is buildable and to determine depth of organic material in the low areas.
- 5) Infrastructure Cost Assessments: The County should decide how the new road (estimated at 2,200 lineal feet) and utilities will be paid for and by whom.
- 6) A legal description of the new parcels should be drawn up by the County Surveyor or a consulting engineer. This legal description can then be used by the City to identify the land use designations and zoning for the parcel.

III. Connections to the County “The Plan for the Plan” Conceptual Framework

The County’s “Plan for the Plan” process to identify surplus property and determine the County’s next best use or disposition of property has been used as the guide throughout the evaluation of the 82 acre Government Center Site. The County Finance Committee has been responsible for guiding the process and adhering to the “Plan’s” principles and policy guidelines.

The Government Center Site has been evaluated for fair market by Jeff White in 2006 and reviewed by Barsness (BCS) in 2007. Barsness has also reviewed long term property tax implications and benefits of different types of development, as well as the needs of the County and other public agencies for use of some (or all) of the site. The “Plan” called for gathering public information and agency comments and solicitation of resident comments, done from February through April. (See the Information and Comment Appendix.) Seven major themes arose from the information\comment period:

- 1) Expansion space for County operations should be preserved.
- 2) Green space preservation, high quality design, energy innovation, and good project planning are imperative.
- 3) Community-wide public facilities create a sense of place - library, YMCA, fire, police, pathways, training, and meeting space are highly valued.
- 4) Growth and development motives are suspect and frustrating.
- 5) Concern over traffic, safety, and lack of solutions at Carmichael and Vine
- 6) Retail development (strip development) and its impacts have very little support.
- 7) Residential development was questioned near single family housing, county and office uses; much more detail and sophisticated design\development are needed.

All decisions and reports have been reviewed by the Finance Committee and submitted to the County Board for final decisions. The evaluation has been based on a site concept plan and has considered compatible land use options and physical impacts, including traffic designs. (See the BCS Evaluation Report.) The “Plan” states that no property will be sold until a plan for the site has been approved by the County Board.

IV. Next Steps based on the County “The Plan for the Plan” Conceptual Framework

In the next months, the County Board will be asked to follow “The Plan for the Plan” through a number of logical steps. The Board will have to decide on the appropriateness of the conceptual site plan, which retains over 57% of the site (47 acres) for County operations, converting approximately 35 acres to new uses and public infrastructure improvements. Once a conceptual site plan is accepted, the next steps are to submit an application to the City of Hudson for land use and zoning approvals.

Once the land use decisions have been completed by the City of Hudson, the County, following the “Plan for the Plan” will decide the degree and method of commitment to the public agencies interested in some of the site. In the next steps, the Finance Committee will also evaluate the benefits of direct land sale with covenants; land sales with development agreements; or a Request for Proposals from the development community, with final approval by the County Board.

Depending upon the time taken within the City and County decision making process, actual construction on the site may be possible in 2008 and 2009.

Introduction

In 2004 through 2006 St. Croix County, Wisconsin created a decision-making process (named “The Plan for the Plan”) for the disposition of excess land surrounding the St. Croix County Government Center, 1101 Carmichael Road, in Hudson. The County site currently consists of 82 acres and is zoned residential by the City of Hudson. One of the first actions was to determine the fair market value of the land. Approximately 50 acres were considered surplus for County uses and were appraised for future commercial uses of approximately 23 acres (primarily offices and public uses) and 27 acres for residential uses. The County also considered selling portions of the site at fair market value to public or private sector interests.

Appraiser Jeff White was hired by the County to determine the value of the land. In March of 2006 he estimated the value at \$204,000 per unimproved acre for commercial –retail and office uses and \$71,800 per unimproved acre for residential uses.

Following “The Plan for the Plan” in January of 2007 the County hired the Barsness Consulting Group (BCS, Inc) to hold meetings, gathering comments and information from County residents. BCS also assisted in the preparation of strategies and next steps that the County might use to dispose of surplus land. While no decision has been made regarding the sale, if the County Board eventually decides to sell portions of the site, the goal would be to maximize the County’s value and return as well as create a public and/or private sector opportunity to develop the remainder of the site. In addition, the County will evaluate strategies to ensure that if the property is sold it will be developed as a complement and asset to the existing Government Center.

BSC Role – Phase 1

BCS was hired to:

- a. Assist and guide the County Finance Committee and staff on the process or steps for declaring surplus land, selling or otherwise changing ownership, and creating a development program (including theme) for public land. The Government Center, public spaces and walking trails are considered primary users, with other existing and proposed uses to support/complement the Government Center campus.
- b. Identify reasons “why it is in the County’s best interest” to dispose of surplus land. BCS was to review existing policies and past practice and make recommendations regarding steps necessary for declaration of surplus land.
- c. Identify planning principles and goals for future complementary land uses proposed by the County (such as *private* sector retail, restaurants, offices supporting courthouse, buffered residential uses, public spaces and trails). BCS was to review/compare County goals with City of Hudson zoning and land use requirements and determine mutually acceptable *public* projects such as a Regional Library (estimate 4 acres or more), EMS\Fire, Police, other Public Office Space, Senior Housing, Document Center, Parks, Trails and storm water ponding. BCS was to determine how to share parking surfaces among public and private users. Finally, BCS was to review and gather comment on conceptual mixes of uses with various stakeholders representing city and county-wide interests.
- d. Determine road (Carmichael and Vine) right-of-way requirements and estimate the general costs of improvements to expand roads for future uses. BCS was to determine how/where the road and utility service improvements would be located, designed, paid for by ratio of County, City, and future private land owners and determine key street access points to the site.

- e. After holding the public information-gathering meetings or workshops with surrounding property owners, businesses, and other stakeholders to discuss concepts and consider generalized land use plan, BCS was to identify the need for providing additional housing, retail and office through a general **market review**; to estimate current and future demographic trends; and to provide guidance regarding financial resources used to implement development of retail, office, affordable housing goals.
- f. Determine County financial objectives (sell what and when) and outcomes (where proceeds will be invested – Capital Fund - or leveraged elsewhere in the County system), determine the need for a cash flow proforma estimating costs and revenues per year of the development program; suggest commitment agreements (sale, lease, contracts, and typical terms); and determine the level of County and City of Hudson support for new public roads and utilities.
- g. BCS was to recommend a conceptual land use plan in time for City of Hudson approval and inclusion in the scheduled 2008 update of the City Comprehensive Plan and Zoning. This plan would then become the basis for an official development master site plan and later submissions to the City for final land use approvals and permits. High quality detailed site and architectural planning will be done by the developer(s), including the grading plans and placement of roads and structures, as well as the mass (height and width) of the new buildings, which must complement and support the County image created with the Government Center. The County and City will approve the concept site plan *before* a developer is designated or a Request for Proposals is distributed.
- h. Assist in the preparation of documents for official hearings with City of Hudson Council and Planning Commission. BCS was to work with County and City to integrate the County Government Center concept site plan into the new City Comprehensive plan and act as liaison/facilitator as directed by staff.
- i. Review the plans and proposals with the County Attorney.
- j. Near the conclusion of this stage, BCS was to develop a matrix or listing of specific outcome measures and implementation strategies to evaluate success over a 5 year period based upon County policies.

BCS Role - Phase 2:

Work with County Finance Committee and staff to create development goals, policies and strategies relating to the disposition and the new land uses. This Plan serves as the basis for preparation of the specific land uses, detail site and building plans, and ultimately the Request for Proposals (RFP) from the private sector development community. BCS provides the following:

- Facilitation of a work session(s) and/or discussions with the County Finance Committee and Staff regarding existing and new goals, policies and strategies for the County sale and transfer of surplus land through negotiations with County selected development partners and/or public sector users. BCS provides summaries and recommendations.

BCS Role – Phase 3 (must be approved separately by the County)

Creation and Marketing of Government Campus Development Program

- a. Prepare a Request for Proposals (RFP); an RFP marketing plan and promotional items for site development proposals.
- b. Assist staff in the creation and distribution of materials and RFP, developer recruitment, and evaluation of Request for Proposals for specific public and private retail, office, and housing projects and services.
- c. Assist staff in the future negotiations and management of County-to-Developer development agreements.

Evaluation of Financing Opportunities (must be approved separately by the County)

- a. Prepare a listing of public and private financing options associated with the long term return on investment and sale of surplus land.
- b. Provide grant writing services for particular infrastructure projects and programs to Regional, State and Federal agencies.
- c. Provide financial management of existing or new programs including quarterly and annual reports, outline of future budgets and the development of a return on investment criteria.

Government Center



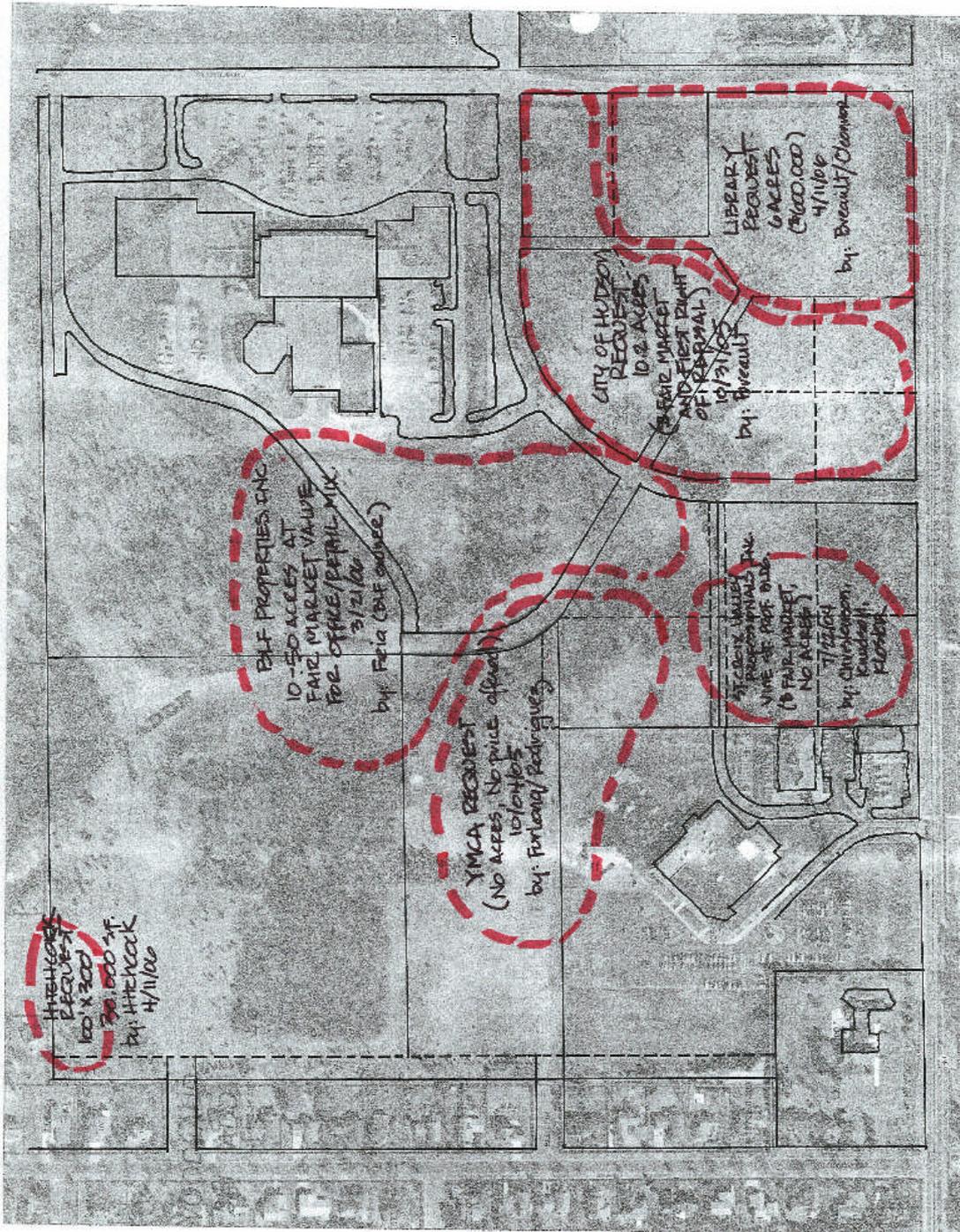
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Land Interests Map

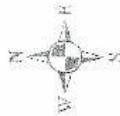
Business Consulting Services, Inc (BCS)
May 7, 2007

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Shown: City of Houston, Texas, and Surrounding Areas
Long Island City, Texas



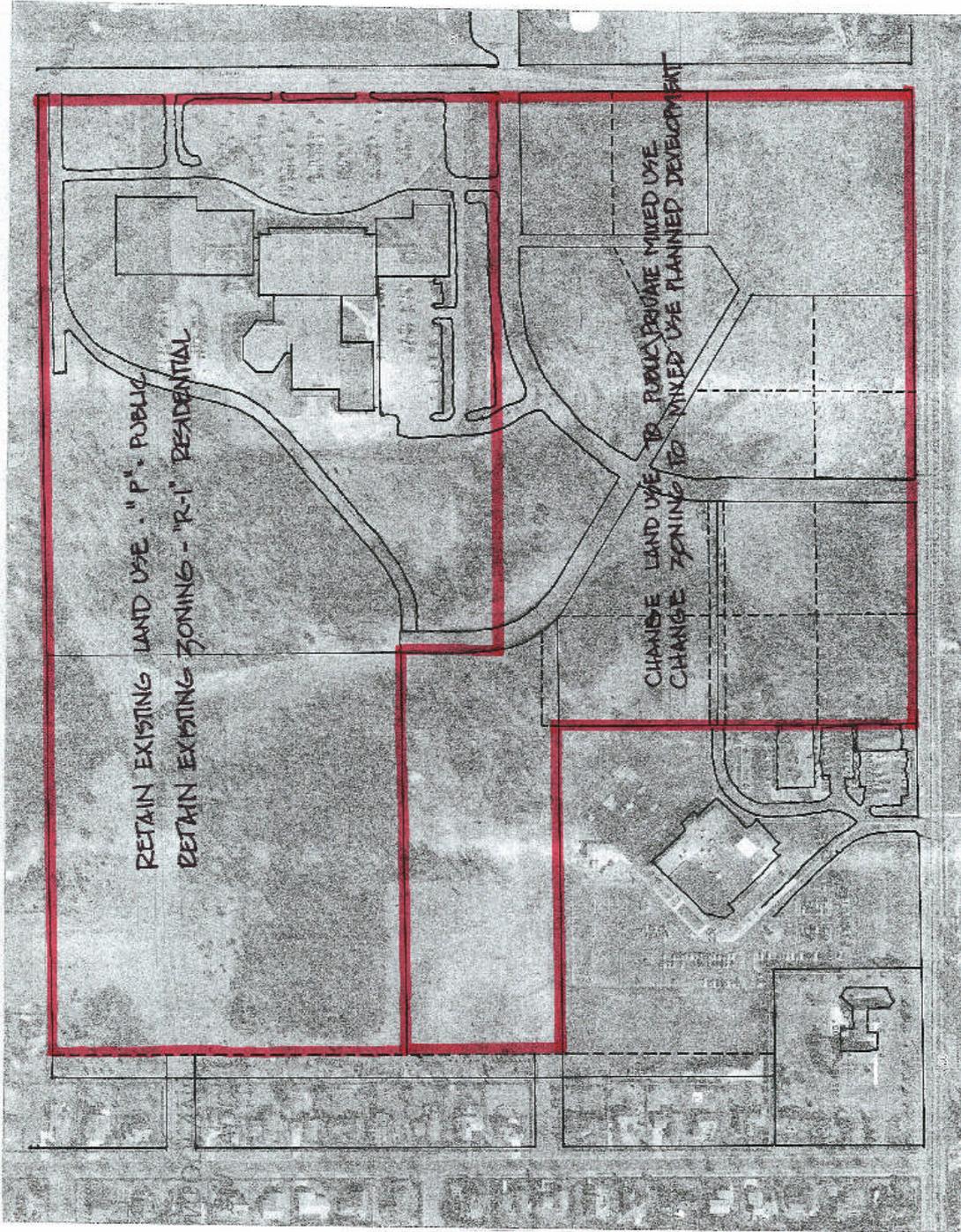
Government Center



1 inch equals 200 feet

Proposed Land Use Plan

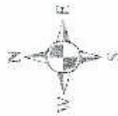
Proposed Zoning



ST. JOHNS COUNTY
 PLANNING AND ZONING DEPARTMENT
 100 WEST BROADWAY, SUITE 200
 ST. JOHNS, FLORIDA 32057
 PHONE: 321.576.1234

Source: St. Johns County Planning & Zoning Department
 7/20/2014

Government Center



1 inch equals 200 feet

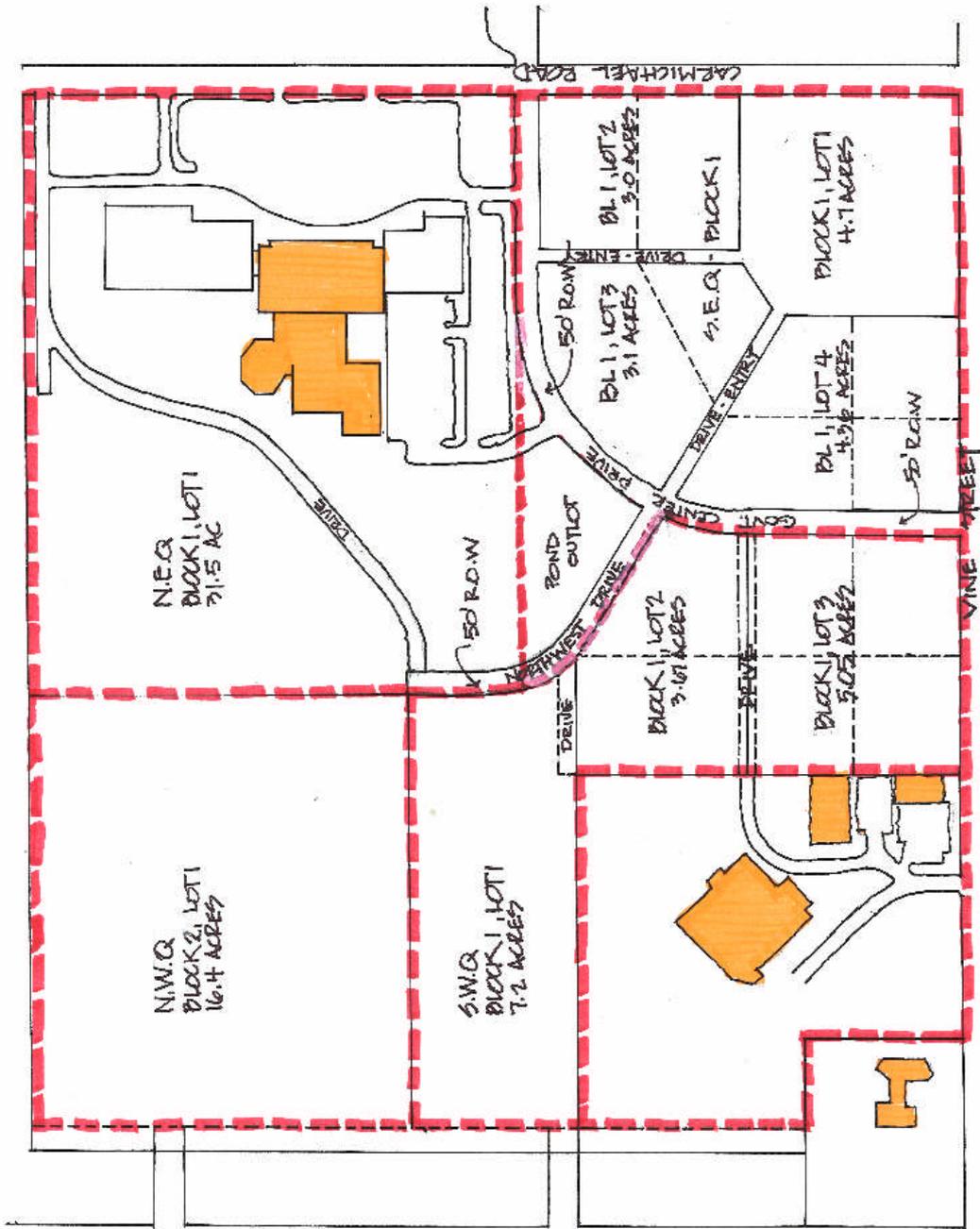
Illustration Concept Plan

 Existing Buildings

Burness Consulting Services, Inc. (BCS)
May 7, 2007

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Source: St. Louis County Planning & Zoning Department
Linda Thompson



Economic and Market Information

An assessment of current and projected demographic, economic, and market conditions helps define the highest and best use for the County Government site. The changes in the County's population coupled with economic and market conditions contribute to the viability of the proposed land uses, the value of the property, and the financial effects of developing the site.

Demographics and Economic Conditions

Population

St. Croix County was the fastest growing county in Wisconsin from April 2000 to January 2005 according to the Wisconsin Department of Workforce Development. During that time the County grew by 19.8 percent and had the highest net in-migration in the State of 15.7 percent. The majority of the population increase was in younger and working age groups between 16 and 60 years. This trend will continue with the County population projected to increase from 75,686 in 2005 to 95,202 in 2020. (Source: Wisconsin Department of Workforce Development)

These population figures do not account for the tremendous population explosion across the St. Croix River in Minnesota. The federal government considers St. Croix County to be part of the Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area. According to the Metropolitan Council, the agency responsible for regional planning, the Twin Cities Metropolitan Area is projected to grow by 930,000 people between the years 2000 and 2030. It is realistic to predict that not all of the new households will be located in Minnesota, but that St. Croix County will actually achieve a population increase greater than what has been predicted by the Department of Workforce Development. In fact, the Metropolitan Council predicts that 60% (190,000) of the new households or 558,000 people will live in the developing areas surrounding Minneapolis-St. Paul.

The continued increase in population growth for St. Croix County will require additional county services and infrastructure. How St. Croix County responds to the increased demand for county services can be managed in part through the strategies within the "Plan for the Plan." The aligning of County assets and service delivery systems will be essential for effective governing. Collaboration with other service providers including local governments and non-profits will be necessary to maximize resources without impacting the financial well-being of the providers.

Workforce

Workforce dynamics have changed significantly in the past year. For the first time, transportation costs are now equivalent to housing as the largest household expenses, according to the Center for Housing Policy. Together, transportation and housing expenses account for 57% of the average household budget. Commuters are evaluating their options for reducing their expenses. The choices are reduced quality of life and less disposable income – locally, finding a comparable head of household job closer to home, or moving to affordable home closer to their employer.

In St. Croix County the average resident commutes 26.1 minutes and the majority of the commuters, approximately 85%, drive into Minnesota (US Census). This provides an opportunity for those employers seeking to minimize employee turnover and control labor costs. The price of gasoline is contributing directly to the decisions being made by both employers and employees about where they chose to invest; either in a business or

housing location. The County could capture more head-of-household employment opportunities by encouraging businesses through local investment. The availability of a larger but stable and trained workforce of non-commuters is an attractive alternative for businesses considering moving to the eastern edge of the Metropolitan Area.

Recommendations

The economic conditions created by increasing transportation costs, population growth and a significant commuting workforce combine to present both economic opportunities and challenges. It is unlikely that any of these trends will stop or reverse. For St. Croix County the direction should be to manage and leverage resources. Recommendations include:

1. To accommodate an increase in future service requirements the concept of the “Plan for the Plan” should be used to evaluate County land and facility assets.
2. The existing County government site can be used for the expansion of county services including human services, courts, and administration. The site has ample capacity to house additional square footage, provide for a campus setting, and is already under county ownership.
3. Satellite facilities or service centers in the north and eastern parts of the County should be part of the overall County service delivery system. Population growth will not necessarily occur only in the urbanized areas, but in the rural ones as well.
4. Additional investment in economic development is necessary to attract head-of-household jobs. By encouraging more head of household jobs on surplus county parcels, there is an opportunity to capture the existing commuting workforce which provides benefit not only to local businesses, but especially to local residents by allowing them to reduce their transportation costs and increase their net disposable income.

Market Information

A number of sources were used to gather information related to the existing market for both the residential and office sectors. Included among the sources were the 2006 County authorized appraisal, economic data gathered either by cities or the county, sales listings through various web sites, other market studies, and the public meetings held with the non-profit, public and private sector organizations serving the St. Croix County area. All sources are cited at the point of reference. In the case of property sale listings, multiple web sites were accessed to verify the data, including individual real estate agencies and national data bases.

Residential

In March 2006, the County hired Jeffrey White of Valuation Specialists, Eau Claire, Wisconsin to complete an appraisal of the property. Valuations provided by Mr. White were based on either all or half of the site being developed into residential uses. Since that time, the residential housing market has slowed and demand for new single family units has decreased, and many experts expect a 2 to 3 year recovery time.

Building permits in the county's largest urban area, the City of Hudson, have fallen from:

<u>Year</u>	<u>New Housing Unit Building Permits</u>
2005	208
2006	94
2007	9 first quarter only

Listings through local real estate companies, sheriff sales, and foreclosures show a large inventory of existing homes for sale in the area. Reports through local media, housing developers and builders confirm that the growth in the local single family housing market will continue to be flat for two years or more depending on the economy and the cost of fuel.

Although growth in the single family housing sector has slowed, other housing sectors continue to have demand. A housing study completed in 2004 for the St. Croix County United Way stressed the need for long-term affordable housing opportunities for area residents. This need will only increase with the projected population growth. The study also stressed the disconnect between the wages earned and fixed incomes such as pensions (lower than livable wage) and the rising cost of homes in western Wisconsin. This discrepancy between what residents of all ages can earn by working in the area and cost of housing is another reason for the County to provide or support additional incentives for private sector economic development and residential efforts.

Senior housing demand in the entire metropolitan area should remain strong over the next two decades according to the 2006 Maxfield Research senior housing report, especially for the ownership products such as cooperatives, condominiums, and townhomes which are geared toward the active, independent lifestyle of recent retirees. Demand for more service intensive senior housing will not see the same growth potential, however, with the leading edge of the baby-boomers reaching their mid-70's around 2020, additional assisted and memory care facilities will be needed.

Given the current single family market conditions, any residential development on the site should be aimed at the active senior housing product. It is an attractive location for this type of product, and with walking trails is ideally located near the YMCA, and proposed library on the site, along with the existing and future retail uses one mile or less from the Government Center site.

Office Market

The alternative to residential development on the site is commercial (office and retail) development. The Hudson office market shows some vacancies with lease rates running from \$15.50 to \$25.00 per square foot, with retail space attracting the higher lease rate. A search on *LOOPNET*, a web based commercial listing site, showed an inventory for both leasable space and office condos. Sizes varied from 1,200 up to 21,500 square feet with many of the available spaces in a mixed use setting. Land values ranged from lows at around \$3.00 per square foot for property in the Hudson Business Center up to \$19.00 square foot for Interstate frontage.

**Land Valuation Assessment
St. Croix County, Wisconsin**

Commercial Land for Sale, Hudson Area, Wisconsin				
Property Description	Zoning/Use	Lot Size (acres)	List Price	Price per sq ft
Lot 2 Hanley Office Park	Commercial	0.87	\$ 510,000	13.50
Lot 1 Sterbenz Dr.	Commercial	3.58	\$ 545,958	3.50
805 Heggen St	Commercial	2.13	\$ 1,558,000	16.79
Lot 3 Outpost Circle	Commercial	11.00	\$ 1,399,000	2.92
1/2 mile so of I94 @ Hanley	Commercial	6.00	\$ 2,700,000	10.33
1/2 mile so of I94 @ Hanley	Commercial	6.00	\$ 3,000,000	11.48
1/2 mile so of I94 @ Hanley	Commercial	60.00	\$ 15,681,600	\$ 6.00
Carmichael & Hanley	Commercial	3.89	\$ 2,372,272	14.00
Carmichael & I-94	Commercial	16.02	9,769,637	14.00

With the increase in interest rates, office condo ownership has become less desirable. Leasing office space has again become the preferred method for operations. Interest in expanding on the county government site has been shown by the owners of the neighboring office buildings. Additionally, the YMCA has expressed their desire to expand their western Wisconsin programs and operations as part of a future expansion.

New office development would be either public agency space or professional office uses which complement the Government Center such as attorneys, auditors, realtors, engineers and surveyors, or financial institutions. Secondary uses in this area could include public buildings, public meeting, training and education spaces.

Any private development on the site would result in a two-fold economic benefit to the County; land sale proceeds and annual tax revenue. The first consideration prior to selling any parcels should be toward meeting the County's own long term facility needs. Consolidating public uses on the current county owned instead of selecting a new site preserves the number of property tax generating parcels. BCS studies have shown that active multi-use county government sites average approximately 40 acres or less.

Recommendations

When the appraisal was completed in spring 2006 demand for residential property was high. A market shift occurred in 2007 slowing the single family housing market and reducing the economic viability of the County government site for residential development. The market downturn in conjunction with public opinion not to develop homes on the site (especially the Northwest Quadrant) shifts the development potential to other market sectors, primarily offices and active senior owned housing products. Recommendations are based on current market conditions and population trends and include:

1. The County should preserve the northern half of the site (Northeast and Northwest Quadrants) for future needs. Population growth will put pressure on County services and infrastructure. The need for expanded human services, courts, and administrative services will result in additional building space.
2. It is more economically beneficial to expand public uses on the County government site rather than to purchase a different tax generating parcel. A campus structure provides an amenity and more

efficient access to County and other public services. Additionally, the consolidation of key services to this location will enhance the value of surrounding and neighboring parcels; especially other public types of uses such as the YMCA and a Library.

3. If residential develop occurs on the site it should be directed toward either the active senior or affordable market niches that generally contain high quality, centrally maintained facilities. These two populations would receive the greatest benefit by being close to public amenities such as County Government Center, potentially Human Services, the YMCA, and a Library. Additionally, the demand for these types of residential development remains high and will continue into the next twenty years.
4. Office development provides the greatest value for the property, both in terms of sale proceeds and annual tax revenue. This product commands the highest sale price and market values. Additional background related to valuations will be addressed in the next section.
5. Interest in developing program and office products has been expressed by the YMCA and neighboring office building. This represents potential buyers that have established themselves as good neighbors. The County should strongly consider selling to these buyers if a fair market value price and design standards are agreed upon.

Land Valuation Analysis

One main objective of the County Government Center site assessment was to determine a fair market value that is reflective of current market conditions. In order to achieve a reasonable value, different real estate resources were review and their data compiled. The information focuses primarily on for sale data. Actual sales data is collected through the Real Estate Transfer Returns forwarded to the Wisconsin Department of Revenue and the information is confidential. With the help of St. Croix County staff, it was learned that a policy review is being undertaken by the State of Wisconsin concerning this particular set of data and that at this time no actual sales data or files were available.

The listing or for sale information came from the following resources:

- The appraisal completed by Mr. Jeff White for the County in March 2006
- A search on *LOOPNET* which is a nation-wide commercial property listing service
- Local real estate agency listings accessed via their web sites
- St. Croix County Economic Development Corporation

Methodology

A review of the appraisal showed that three properties were used to arrive at the appraised value of \$4.66 per square foot for unimproved or raw land. The majority of the appraisal focused on residential development, not commercial or office. One of the parcels selected as a comparable site was sold to Menards, a retailer who does

not pay fair market value for their property; instead the developer who sells the parcel increases the sale price of the outlot parcels so that the entire development site average is closer to fair market value. This was the case with two of the three parcels. Menards paid \$5.76 per square foot and the adjoining site paid \$8.24 per square foot. Both were raw land sales and did not include infrastructure improvement costs.

Additional market information regarding pricing was needed to more accurately depict the commercial/office market in the Hudson Area. Utilizing the internet, multiple commercial land listings were identified as being comparable to the appraisal examples and to the County Government Center site. All are located within commercial areas and permit office development. The higher sale prices represent properties that are for mixed use which allows the blending of commercial, office and retail uses. Additionally, the properties located adjacent to the Interstate command a higher value due to their visibility and in many case access. Larger sized parcels are priced lower permitting the buyer to realize a benefit through an economy of sale purchase.

Given the location of the County Government Center, the type of office product development likely to occur and current listing pricing for similar sites, inflation and the timeline of development, a value of \$7.00 per square foot for unimproved or raw land was determined. Infrastructure will need to be constructed and the associated costs determined. The County should remain diligent regarding the separation of land and improvement costs.

A summary of the parcels used for the land valuation assessment including their location, size and listing price can be found in the following table. For comparison purposes the parcels identified in the appraisal have been included and an overall average price per square foot from the sample calculated.

Land Valuation Assessment St. Croix County, Wisconsin

Commercial Land for Sale, Hudson Area, Wisconsin					
Property Description	Zoning/Use	Lot Size (sq. ft.)	Lot Size (acres)	List Price	Price per sq ft
Lot 2 Hanley Office Park	Commercial	37,784	0.87	\$ 510,000	13.50
Lot 1 Sterbenz Dr.	Commercial	155,945	3.58	\$ 545,958	3.50
805 Heggen St	Commercial	92,783	2.13	\$ 1,558,000	16.79
Lot 3 Outpost Circle	Commercial	479,160	11.00	\$ 1,399,000	2.92
1/2 mile so of I94 @ Hanley	Commercial	261360	6.00	\$ 2,700,000	10.33
1/2 mile so of I94 @ Hanley	Commercial	261360	6.00	\$ 3,000,000	11.48
1/2 mile so of I94 @ Hanley	Commercial	2613600	60.00	\$ 15,681,600	\$ 6.00
Carmichael & Hanley	Commercial	169448	3.89	\$ 2,372,272	14.00
Carmichael & I-94	Commercial	697831	16.02	9,769,637	14.00
Lot 5 Ban Tara	Commercial	63598	1.46	1,208,354	19.00
Appraisal - Menards	Commercial	233482	5.36	1,344,101	5.76
Appraisal - 2400 Hanley	Commercial	383328	8.80	3,160,100	8.24
Appraisal - Carmichael Rd	Commercial	696960	16.00	2,139,687	3.07
TOTALS & AVERAGES		6,146,638	141.11	\$ 45,388,709	7.38

Economic Benefit

An evaluation of the potential economic benefit of each quadrant was completed. There are two main financial benefits related to development: land sale proceeds and tax revenue generation. The revenue gain through a land

sale, the proceeds, is a single cash injection, whereas, tax revenue is generated annually if the property is sold to a private sector user.

Each quadrant of the County Government Center site has a recommended land use scenario(s) associated with it. These scenarios will be discussed in greater detail in the next section of the report. An abbreviated summary statement for each quadrant:

Northeast Quadrant: **Retain the County ownership of land** and the existing designations within City of Hudson Comprehensive Plan (Public) and Zoning (“R-1” Single Family).

Northwest Quadrant: **Retain the County ownership of land** and the existing designations within City of Hudson Comprehensive Plan (Public) and Zoning (“R-1” Single Family).

Southwest Quadrant: **Rezone and sell the land** within the Southwest Quadrant; Request land use designations within City of Hudson Comprehensive Plan of Public/Private Mixed Use and request zoning of Mixed Use – Planned Unit Development. Create 3 super lots, sub-dividable for flexibility, with the proposed uses: YMCA, Public/Private Offices, Senior Multi-Family, Public City or County Uses.

Southeast Quadrant: **Rezone and sell the land** within the Southeast Quadrant; Request land use designations within City of Hudson Comprehensive Plan of Public/Private Mixed Use and request zoning of Mixed Use – Planned Unit Development. Create 4 super lots, sub-dividable for flexibility, with the proposed uses: Library, Public/Private Offices, Public Safety, or Public City or County Uses.

To aid in the decision making process related to the possible sale and/or development of County owned properties a table depicting the corresponding potential land sale proceeds and tax revenue generation was created. Each quadrant has range from high to low to evaluate the land sale and tax revenue. The low value is determined by the using either the lowest square footage to be developed or the appraisal land price value of \$4.66 per square foot and in some cases both. Conversely, the high value uses either the largest possible building square footage and/or the adjusted land sale price of \$7.00 per square foot. The market value of the building is held constant at \$125 per square foot for the shell; this value does not include the additional value of tenant based improvements.

The lowest land sale proceeds are generated by keeping the Northeast and Northwest Quadrants available for future County government needs. Using the value established in the appraisal the land sale proceeds are estimated at \$6,495,667. This number is close to the top range provided by Mr. Jeff White in his appraisal. Mr. White used residential as the main development product in his analysis which commands a lower sale price than office, hence the differential between the appraisal high land value and this assessment’s low value.

In this analysis the highest land sale values are realized by including some type of development, either office or residential, in the Northwest Quadrant (rather than County ownership for expansion). Utilizing an adjusted value of \$7.00 per square foot and coupled with the southern quadrants, the site could command a value of \$11,214,783.

Similarly, the annual tax revenue figures are determined by the amount of land that retains private sector ownership. The more publicly owned parcels on the site the less annual tax revenue generated. Private development of only the Southwest Quadrant produces \$392,606 annually in total taxes once 200,000 square feet has been built. Again, by privately developing the Northwest, Southwest and Southeastern Quadrants the total annual tax revenue could approach \$1,740,905.

With the potential for other public and non-profit users locating on the County Government site the land sales will likely be toward the middle to upper range of value. The annual tax revenue generation, however, will lean more towards the middle to lower end of that range of numbers. All these factors need to be considered prior to development on the site.

Recommendations

1. Private sector interests would be more apt to pay \$7.00 per square foot for property zoned for mixed use, the YMCA and other quasi-public users may encourage the County to sell the property at the lower \$4.66 per square foot rate ascertained in the appraisal. This is a policy decision that would need to be considered.
2. Should the County determine a different pricing scale for public and non-profits, the appraisal number at a minimum should be adjusted for annual inflation and strong consideration should be given to using the commercial appreciation rate associated with the City of Hudson for the past three years.
3. A “reservation” fee could be charged to allow potential user to secure a site while they raise funds. The fee could be applied against the sale price. In this scenario, the County should establish an annual appreciation rate that is applied to the balance of the sale price until the actual purchase is completed.

Potential Economic Benefit by Quadrant

Quadrant	Northeast Quadrant		Northwest Quadrant Scenario 1		Northwest Quadrant Scenario 2			
Proposed Use	County Government Expansion		County Government Expansion		Office		Residential	
Acres	31.5		16.4		16.4		16.4	
Range	Low	High	Low	High	Low (Appraisal)	High (Adjusted)	Single Family	Multi-family
Building square footage/ residential units	52,000	147,000	0	428,000	NA	428,00	35	100
Estimated Market Value	N/A	N/A		N/A	NA	\$ 53,500,000	\$ 7,595,000	\$ 14,000,000
Total Gross Annual Taxes	N/A	N/A		N/A	\$ 789,845	\$ 813,078.36	\$ 121,932	\$ 214,836
Land Sale	N/A	N/A		N/A	\$ 3,329,029	\$ 5,000,688	\$ 1,177,996	\$ 1,457,343

Quadrant	Southeast Quadrant		Southwest Quadrant	
Proposed Use	private and/or public uses (1)		private and/or YMCA	
Acres	16		16	
Range	Low	High	Low	High
Building square footage/ residential units	190,000	396,000	200,000	416,000
Estimated Market Value	\$ 23,750,000	\$ 49,500,000	\$ 25,000,000	\$ 52,000,000
Total Gross Annual Taxes	0 (2)	\$ 755,789	\$ 392,606	\$ 790,535
Land Sale	\$ 3,247,834	\$ 4,878,720	\$ 3,247,834	\$ 4,878,720

Assumptions:

mil rate for City of Hudson	0.013898612
price/acre unimproved single family residential	\$ 71,829
Price/acre unimproved multi family residential	\$ 88,862
Private office value/square foot w/o T1	\$ 125
Price/acre improved commercial zoned land	\$ 304,920
Price/acre improved commercial zoned land	\$ 202,990

Source

SCC Web
 appraisal
 listings
 construction firms
 adjusted: appraisal & listings research
 appraisal only

Notes:

- (1) Potential public uses include Library and Public Safety
- (2) Entire site comprised of public uses

Summary of Financial Impact

Quadrant	NE Quadrant	NW Quadrant	SE Quadrant	SW Quadrant	Totals
Low annual tax revenue	0	0	0	\$ 392,606	\$ 392,606
High annual tax revenue	0	\$ 194,581	\$ 755,789	\$ 790,535	\$ 1,740,905
Low land sale revenue	0	0	\$ 3,247,834	\$ 3,247,834	\$ 6,495,667
High land sale revenue	0	1,457,343	\$ 4,878,720	\$ 4,878,720	\$ 11,214,783

Northeast Quadrant Recommendation:

Summary of Recommendation: Retain the County ownership of land and the existing designations within City of Hudson Comprehensive Plan (Public) and Zoning (“R-1” Single Family).

For this study the Northeast Quadrant of the County Government Center contains 31.5 acres. The 165,000 square foot County Government Complex of buildings (1993) occupies this site. These buildings and parking, for approximately 365 visitors and employees is the center of day-to-day county government offices, jail, and court activities for the county.

The site contains front and side parking for the existing building. A paved path crosses the property along the northern border, with town homes and single family homes abutting the northern property line. To the east, across Carmichael Road are the City of Hudson Grandview Athletic Fields; while to the northeast is the Middle School of the Hudson School District. Along the west edge of this quadrant is a ravine in which the City of Hudson has obtained a utility easement and constructed a sanitary sewer pipe system. Ponding and surface water piping in some yet-to-be-determined configuration(s) will eventually be constructed near the southwest corner of this quadrant to contain run off from the buildings and parking.

The County has existing expansion plans and is working on future expansion uses of the buildings and supporting parking (Ayers). BCS estimates that expansions of two to three stories could be added in stages to the north and south sides of the existing office portion of the Government Center building. This would add up to 150,000 square feet or more of additional office or similar space. Depending upon usage, parking space would more than double to nearly 900 spaces. The site would still have between 15 and 18 acres of undeveloped land surrounding the building complex on the north and west sides. A portion of this remaining land is low, or steep sloped and wooded and should be preserved because, without substantial grading and the associated cost, it is not conducive to large parking lots or flat one story buildings.

St. Croix County has limited debt outstanding on the site. It would be in the best economic interest to use the existing site for future expansion purposes. To purchase land elsewhere within the Hudson area would require an actual cash outlay of between approximately \$5.00 per square foot up to \$12.00 based on current property listings. This equates to between \$1,089,000 and \$2,613,600 for a 5 acre site to accommodate a 150,000 square foot building.

Additionally, to locate a County facility on a different site would move another parcel to public use, essentially removing it from the property tax roles. A 5 acre parcel with a \$1,089,000 market value (land only) would produce \$15,000 in annual tax revenue; not considering the lost tax revenue from any new development taking place on the parcel. It is better to continue to group public uses together maximizing the number of taxable parcels within St. Croix County.

BCS recommends that the County retain this 31.5 acre quadrant for current operations and future County building expansions because the County already occupies portions of the site and has created a “sense of place” around which other developments have been created. The County should

affirmatively request that, **for the Northeast Quadrant**, the City retain the land use designation of “P, Public” on the City of Hudson 2008 Comprehensive Plan, and also retain the current zoning for the property “R-1, Single Family”, wherein public uses such as the existing county buildings and complementary uses are permitted.

To realize the full potential of the site, the County should consider the following actions:

1. **Removal of Impound Facility:** Due to the nearly complete development in this area, the exterior storage of barb-wire fenced wrecked vehicles and the fluids leaking from these vehicles should be moved to a more appropriate industrial site.
2. **Building Expansion:** The existing Government Center building was designed with efficient expansion in mind. The first modular (up to 3 story) expansion could be on the north side of the existing building, while a second expansion could be placed on the south side, all within the northeast quadrant. County consultant Ayers and Associates is completing a space study at this time.
3. **Surface Water Management Plan:** As the vacant lands surrounding this quadrant begin to develop, the County will be responsible for capturing more of its surface water runoff and retaining it; releasing it later at the same rate as if this northeast quadrant was undeveloped. This may mean participating in a program that pro-rates the share of overall drainage improvements into a subregional pond from which piping would then carry the water south under Vine Street.
4. **Land Conservation Plan:** A management plan for the remaining undeveloped land needs to be created by the County in order to control\preserve the grasses, brush and trees and reduce the liability potential on the permanent paved pathways and the temporary unpaved trails, as well as with grass fires.
5. **Extend the south boundary of the northeast quadrant approximately 150 feet to the south, for future alignment of streets and driveways along Carmichael at proposed Government Center Drive.** This, along with medians to create sheltered left turn lanes, would reduce unsafe competing left turns from the center lane along Carmichael Road
6. **A legal description of these new parcel should be drawn up by the County Surveyor or a consulting engineer. This legal description can then be used by the City to identify the land use designations and zoning for each parcel. In the future, for ease of description and recording changes, the County should plat the northeast and northwest quadrants as Government Center Addition 1, Block 1, Lot 1 and Block 2, Lot 1 (or something similar).**

Northwest Quadrant Recommendation:

Summary of Recommendation: Retain the County ownership of land and the existing designations within City of Hudson Comprehensive Plan (Public) and Zoning (“R-1” Single Family).

The Northwest Quadrant of the County Government Center study contains 16.4 acres. There are no improvements in this area, which has approximately 2.5 acres of low land ravine and steep sloped areas. These natural areas should be preserved because it would not be environmentally sensitive or cost effective to construct large parking lots or flat one story buildings. In addition, there are approximately 5 acres of grazed woodlot with mature trees but little under story plants. The site currently has limited visual or physical access to Carmichael Road, thus severely limiting its commercial value.

The site currently is undeveloped. A paved path crosses the property along the northern border, with single family homes (most sensitive to the impact of development proposals) abutting the northern and western property lines. To the east, the County jail facility and parking is most visible. Also along the east edge of this quadrant is a ravine in which the City of Hudson has obtained a utility easement and constructed a sanitary sewer pipe system at a depth of 6 to 8 feet.

Ponding, infiltration beds, and surface water piping in some yet-to-be-determined configuration(s) will eventually be constructed near the southeast corner of this quadrant to contain run off from buildings and parking throughout the site. The south boundary of this quadrant overlooks a vacant field within the southwest quadrant, as well as the north side of the YMCA buildings, fields, and parking.

BCS estimates that if the site were totally developable and accessible, multi-story buildings could add approximately 428,000 square feet of 2 to 3 story building space for offices or multi-family uses (300-400 units). Single family housing (40-50 units on 12,000 square feet lots) could also be constructed. Depending upon usage, needed exterior parking space varies from 150 to 400 spaces for housing and up to 1215 for office complexes, assuming no more than 51% of the site was used for parking. Wetland\surface water ponding and right of way could consume over 4 acres of the land, with some of the surface water ponding features on private property. Multi-story office or apartment\condominium buildings consume much less land per unit than single family units, especially with underground parking and could allow for more public green space

The economic impact for this quadrant would be the same as the Northeast Quadrant if the County retains the 16.4 acres for its own future use. However, should the County decide to release the area for private development, revenue from land sales and taxes would be realized. The break down between potential uses is projected to be:

Quadrant	Northwest Quadrant Scenario 2			
Proposed Use	Office		Residential	
Acres	16.4		16.4	
Range	Low	High	Single Family	Multi-family
Building square footage/ residential units	0	428,00	35	100
Estimated Market Value	\$ -	\$ 53,500,000	\$ 7,595,000	\$ 14,000,000
Total Gross Annual Taxes	\$ 789,845	\$ 813,078.36	\$ 121,932	\$ 214,836
Land Sale	\$ 3,329,029	\$ 5,000,688	\$ 1,177,996	\$ 1,457,343

Assumptions:

mil rate for City of Hudson		0.013898612	Source	SCC Web
price/acre unimproved single family residential	\$	71,829		appraisal
Price/acre unimproved multi family residential	\$	88,862		listings
Private office value/square foot w/o TI	\$	125		construction firms
Price/acre improved comercial zoned land	\$	304,920		appraisal & listings r
Price/acre improved comercial zoned land	\$	202,990		appraisal only

Depending on the development scenario, the County could through a sale for private development see a land sale value from an approximate low of \$1,177,996 for single family uses to a high of \$5,000,688 for office. These numbers are based on a low sale price of \$4.66 per square foot as determined by the 2006 appraisal completed for the County to a high of \$7.00 per square foot. The high was determined using a mean from current commercial listings and the appraisal.

Tax revenues will also vary based on the end use. Again, single family units produce the least annual tax revenue and office generates the highest. The tax revenue projections use the total mill rate for the City of Hudson and include both the projected land and building values.

In the review of other multi-use government sites in Dakota County, Ramsey County, (and the City of Maple Grove, Mn.) and in Wisconsin, the average size of these multi-use government sites was 40 acres or less. By combining the Northeast and Northwest Quadrants and retaining ownership, the County could have a 47 acre site, which should easily support all County Government Center expansion of buildings and uses for the foreseeable future.

If the City of Hudson wishes to create another new park, open space, or buffer in this quadrant, the site (or portions thereof) could be sold to the City at its 2006 appraised market value or the City and the County could negotiate some other fair price.

BCS recommends that the County retain this 16.4 acre quadrant for future County buildings and uses. The County already occupies the Northeast Quadrant of the site and has created limited county access drives (not public streets) into the site from the east. The County should affirmatively request that, **for the Northwest Quadrant**, the City retain the land use designation of “P, Public” on the City of Hudson 2008 Comprehensive Plan, and also retain the current zoning for the property “R-1, Single Family”, wherein public uses such as the existing county buildings and complementary uses are permitted.

In addition, before completing a master plan or forestry management land conservation plan for the existing vegetation in this area, the County should request the city to resolve the need for a city street crossing this Northwest Quadrant from Grandview through to Carmichael, which could potentially alleviate some traffic congestion and safety access issues to the adjoining residential area.

To realize the full potential of the site, the County should consider the following actions:

1. **Surface Water Management Plan:** As the vacant lands surrounding this quadrant begin to develop, the County will be responsible for capturing more of its surface water runoff and retaining it; releasing it later at the same rate as if this Northwest Quadrant was undeveloped. This may mean participating in a program that pro-rates the share of overall drainage improvements into a sub-regional pond from which piping would then carry the water south under Vine Street.
2. The County should complete a State Endangered Resources Review of this site.
3. **A Land Conservation Plan:** The County should create a plan for the existing vegetation remaining on the undeveloped land to control\preserve the grasses, brush and trees and reduce the liability potential on the permanent paved pathways and the temporary unpaved trails, as well as with grass fires.
4. The County should place signage on this site alerting the public that while the site is open to the public for passive pathway recreation, the County is retaining this site as a possible future expansion site for St. Croix County Government Center buildings or uses.
5. A legal description of this new parcel (Northwest Quadrant) should be drawn up by the County Surveyor or a consulting engineer. This legal description can then be used by the City to identify the land use designations and zoning for each parcel. In the future, for ease of description and recording changes, the County may wish to plat the Northwest Quadrant as Government Center Addition 1, Block 2, Lot 1 (or something similar).

Southwest Quadrant Recommendation:

Summary of Recommendation: Rezone and sell the land within the Southwest Quadrant; Request land use designations within City of Hudson Comprehensive Plan of Public\Private Mixed Use and request zoning of Mixed Use – Planned Unit Development. Create 3 super lots, subdividable for flexibility, with the proposed uses: YMCA, Public\Private Offices, Senior Multi-Family, Public City or County Uses.

For this study the Southwest Quadrant of the County Government Center contains 16 acres. This quadrant of land is vacant but does have adjoining uses including two multi-tenant office buildings and the Hudson area YMCA. The YMCA, the Schools, and the Public Government Buildings are important parts of the community's social fabric. There should be land for these three uses to expand as population and usage grow. These buildings and parking lots are active, with day long users and traffic.

For illustration purposes, by dividing the quadrant into 3 proposed super lots, then into smaller, more functional and flexible lots, a total of 7 lots of at least one acre each could be created. There will be a need to address road and utility improvements, common ponding and driveways, along with shared parking by easements or other land or title encumbrances.

BCS estimates that two to three story buildings could be added in stages to the north and east sides of the existing YMCA and offices, adding building foot prints of approximately 200,000 square feet and a total building area (multiple stories) of 416,000 square feet (or more depending on use and design) of additional office or similar space. Office space would be either for public agencies or professional office uses which complement the government center such as attorneys, auditors, realtors, engineers, surveyors, and financial institutions. Secondary uses in this area could include public buildings, and independent and/or assisted senior (possibly affordable senior) multi-family housing which could share programming with the YMCA and a proposed library.

Depending upon building design and usage, and limiting the parking to 50% of the site, a range of 800 to nearly 1,200 parking spaces could be spread throughout the site. More than 2.3 acres of surface water ponding and a minimum of 1.6 acres of additional green space would be required. Anticipating that some of the space would be sold to the YMCA and to the owners of the existing office complexes for expansion and parking, it is possible that the most efficient use of the land would be expanding adjacent building complexes or "mirror image" buildings near to or attached to the current buildings. Flatter land areas would then be used for parking, access, and open field activities by the YMCA. A small portion of the land along the east side of the existing offices is steeper slopes which have grown into low shrubs\woods. With some grading in these areas and with sensitive "walkout design" on the slopes for smaller buildings, the slopes could be maintained, landscaped or replanted.

A paved path should cross this site from west to east, and eventually connect to the paved paths along the public buildings, allowing for pedestrian access from the residential areas to the west. Along the east edge of this quadrant is one of the original lowlands through which the City of Hudson has obtained a utility easement and constructed sanitary sewer piping system to a depth of 6 to 8 feet. Ponding in some yet-to-be-determined configuration(s) will eventually be constructed near the southeast corner of this quadrant to contain run off from the buildings and parking.

The City has expansion utility plans (and treatment capacity) for this future development that will pipe sanitary and storm sewer south, under Vine Street. Traffic from the Southwest Quadrant and from existing YMCA and office lots will have two additional access point to the site; one from Carmichael through the southeast quadrant, and one from Vine Street approximately 600 feet east of the intersection with Carmichael. Vine Street may be redesigned in elevation and in width to allow for a three lane road, with an additional outside right turn lanes into and acceleration lanes from the main street within the Government Campus, tentatively named (for study purposes) Government Center Drive.

The Southwest Quadrant has high economic potential of the entire site. Excluding the Northeast Quadrant which houses the county facilities, it has a large amount of acreage and buildable area compared to the three remaining quadrants. Its location, both in terms of geography and neighboring uses, makes it attractive for private sector development.

Quadrant	Southwest Quadrant	
Proposed Use	private and/or YMCA	
Acres	16	
Range	Low	High
Building square footage/ residential units	200,000	416,000
Estimated Market Value	\$ 25,000,000	\$ 52,000,000
Total Gross Annual Taxes	\$ 392,606	\$ 790,535
Land Sale	\$ 3,247,834	\$ 4,878,720

Assumptions:

mil rate for City of Hudson
 price/acre unimproved single family residential
 Price/acre unimproved multi family residential
 Private office value/square foot w/o TI
 Price/acre improved comercial zoned land
 Price/acre improved comercial zoned land

Source

SCC Web
 appraisal
 listings
 construction firms
 adjusted: appraisal & listings research
 appraisal only

Utilizing 200,000 square feet as the low developable building foot print, the economics for the site begin at \$3,247,834 for land sale revenue. This is based on the appraised value of \$4.66 per square foot for the 16 acres site. Taxes would equate to approximately \$392,606 annually using both the land and building values.

At the high end of the range is the 416,000 square foot building(s). The potential land sale revenue would be \$4,878,720 using the \$7.00 per square foot figure previously discussed. Utilizing the building and land value under this scenario projects annual tax revenue of \$790,535.

Although private sector interests would be more apt to pay \$7.00 per square foot for property zoned for mixed use, the YMCA and other quasi-public users may encourage the County to sell the property at the lower \$4.66 per square foot rate ascertained in the appraisal. This is a policy decision that would need to be considered. Should the County determine a different pricing scale for public and non-profits, the appraisal number at a minimum should be adjusted for annual inflation and strong consideration should be given to using the commercial appreciation rate associated with the City of Hudson for the past three years.

BCS recommends that the County sell this 16 acre quadrant, some of which should be to adjoining uses such as the YMCA and the professional offices (which complement the Government Center) for expanded parking, access and future building expansions. The County should propose to the City that this Southwest Quadrant be designated as a future mixed use development in the Hudson Comprehensive Plan with the primary uses being the YMCA, open athletic fields, and office space and with secondary uses of independent and/or assisted senior multi-family housing, or other public (City or County) uses complementary to the existing county buildings and uses and be zoned similarly for mixed uses through the City planned unit development and subdivision process.

To realize the full potential of the site, the County should consider the following actions:

1. **Development Standards:** Through the next phase of planning, the master architecture plan process, the County should encourage the City and the developer(s) to establish a mutually agreed upon set of guidelines for architecture, shared parking and ponding, site plan design and landscaping, street and paved pathway for any property developed within this quadrant so that the new improvements remain high quality and complementary to the major buildings (Government Center and YMCA) and the residential areas to the west and southwest.

Other methods of assuring quality development on this site could include: the County recording restrictive covenants on this site regarding the required quality of site development and architecture; the County establishing quality development criteria in the development agreement; the City and County agreeing upon development guidelines (prior to sale of the property) to be adopted as part of the mixed use planned unit development.

Before selling the parcels, the County and City should also agree upon a common strategy for establishing shared parking, driveways, and surface water ponding covenants across all land in the development, as well as restrictive covenants prohibiting direct driveway access on to Carmichael and Vine from any lot.

2. **Surface Water Management:** As these vacant lands begin to develop, the County and other owners will be responsible for capturing more of the surface water runoff and retaining it, later to be released at the same rate as if this quadrant was undeveloped. This may mean participating in the pro-rated share of overall drainage improvements into a subregional pond from which piping would then carry the water south under Vine Street.

3. The County should complete a State Endangered Resources Review of this site and complete a set of structural soil borings in prominent building locations to assure developers the site is buildable.

4: **Land Conservation Plan:** The County should create a management plan for any remaining undeveloped (or unsellable) land to control/preserve the grasses, native flowers, brush and trees and reduce the liability potential on the paved pathways and unpaved trails, as well as with grass fires.

5. **Infrastructure Cost Assessments:** The County should decide how the new road (estimated at 2,200 lineal feet) and utilities will be paid for and by whom. If the County wishes the developer(s) to assume the cost and construction of ponding, paving, streets and utilities, it may be necessary to negotiate a land price which includes a portion of those costs. If the County wishes to spread these costs to benefiting properties within the development (assessing these costs), the County must

collaborate with the City on engineering designs, costs, bids, construction, and the assessment rate to adjoining properties, including parcels the County retains.

6. A legal description of this quadrant (Southwest Quadrant) should be drawn up by the County Survey or a consulting engineer. This legal description can then be used by the City to identify the land use designations and zoning for the parcel. In the future, for ease of description and recording changes, the County and/or developer(s) will be required to plat the Southwest Quadrant as Government Center Addition 2, Block 1, Lot 1 through Lot 3 (or something similar).

Southeast Quadrant Recommendation:

Summary of Recommendation: Rezone and sell the land within the Southeast Quadrant; Request land use designations within City of Hudson Comprehensive Plan of Public/Private Mixed Use and request zoning of Mixed Use – Planned Unit Development. Create 4 super lots, subdividable for flexibility, with the proposed uses: Library, Public/Private Offices, Public Safety, or Public City or County Uses.

In this study the Southeast Quadrant of the County Government Center site contains approximately 15 acres. This quadrant of land is vacant, but abuts the primary intersection of Carmichael and Vine. Road access to that intersection should be set back at least 600 feet, and the County/City should control/prohibit access any closer by recording access easements. The Library and its new sharable internet and communications technology should be the “anchor” to the quadrant and should have the most prominent location near the major intersection, but with access from proposed Government Center Drive. Since there will be a number of public buildings in this area, the building sponsors should heed the comments from the public meetings about quality and design; lasting buildings; and community images. The Library, Schools, and the Public Government Buildings are important parts of the community’s social fabric. There should be land for these uses to expand as population and usage grow. These buildings and their parking lots are active with day long users and traffic. By dividing the southeast quadrant into smaller, more functional lots; 4 super lots could be created. As an illustration, re-subdividing the four super lots would add development flexibility and a total of 6 to 9 lots at least one acre in size could be created. There will be a need to address road and utility improvements, common ponding and driveways, along with shared parking by easements or other land or title encumbrances.

BCS estimates that two to three story buildings could be added in stages , adding building foot prints of approximately 190,000 to 198,000 square feet and a total building area with multiple stories of 300,000 to 400,000 square feet (depending on use and design) of additional office or similar space. Office space would be similar to the Southwest Quadrant; either public agency space or professional office uses which complement the Government Center such as attorneys, auditors, realtors, engineers and surveyors, or financial institutions. Secondary uses in this area could include public buildings, public meeting, training and educations spaces, all connected by paved pathways.

Depending upon building design and usage, and limiting the parking to 50% of the site, a range of 1,200 to nearly 1,600 parking spaces could be spread throughout the site. More than 2.3 acres of surface water ponding and a minimum of 1.5 acres of additional green space would be required. With some grading in the sloped areas adjacent to the Carmichael and Vine intersection, these buildings could be 3 stories with sensitive “walkout design” on the lower northwest side and 2 stories on the southeast side facing the intersection. The slopes could be maintained, landscaped or replanted and become an integral part of the overall natural landscape.

A paved path should connect all buildings in this quadrant, and eventually connect to the paved paths along Government Center Drive, allowing for pedestrian access from the residential areas to the west. Along the west and northwest edge of this quadrant is one of the original lowlands for which the City of Hudson has obtained a utility easement and constructed a sanitary sewer pipe system. Ponding in some yet-to-be-determined configuration(s) will eventually be constructed near the northwest corner of this quadrant to contain run off from the buildings and parking. The City has

expansion utility plans (and treatment capacity) for this future development that will pipe both sanitary and storm sewer south, under Vine Street. Traffic from the southeast quadrant

The economic potential for the Southeast Quadrant has the greatest range. Should the entire 15 acres be developed solely by public and non-profit uses, the County will only receive the proceeds from land sales and no recurring tax revenue. Land sale figures range from the appraisal low of \$4.66 per square foot or \$3,044,844 up to the market adjusted rate of \$7.00 per square foot or \$4,573,800 for the 15 acre site.

Quadrant	Southeast Quadrant	
Proposed Use	private and/or public uses (1)	
Acres	16	
Range	Low	High
Building square footage/ residential units	190,000	396,000
Estimated Market Value	\$ 23,750,000	\$ 49,500,000
Total Gross Annual Taxes	0 (2)	\$ 755,789
Land Sale	\$ 3,247,834	\$ 4,878,720

Assumptions:

mil rate for City of Hudson	0.013898612
price/acre unimproved single family resi	\$ 71,829
Price/acre unimproved multi family resic	\$ 88,862
Private office value/square foot w/o TI	\$ 125
Price/acre improved comercial zoned la	\$ 304,920
Price/acre improved comercial zoned la	\$ 202,990

Source

SCC Web
 appraisal
 listings
 construction firms
 adjusted: appraisal & listings research
 appraisal only

Notes:

- (1) Potential public uses include Library and Public Safety
- (2) Entire site comprised of public uses

Conversely, should the private sector develop the entire 15 acre site by maximizing the building foot print to 396,000 square feet, annual tax revenue could potentially reach \$755,789. The gap in tax revenue from all public to all private uses is significant. Careful consideration should be given to having a balance or mix of uses, thus providing some reoccurring revenue for the local governments. In many cases the high quality, long lasting public buildings become the “amenities” or attraction for other high quality private sector development investments either on the County site or other nearby sites

As stated with the Southwest Quadrant, the County needs to determine a land pricing policy for sales to other public and non-profit users that can be applied to the entire County Government Center site. Potential users could be allowed to “reserve” a preferred site for a fee that will be applied to the final purchase price.

BCS recommends that the County sell portions of this 15 acre quadrant, some of which should be to adjoining uses such as the Library, professional and public offices, offices (which complement the Government Center), public safety, training and meeting space. The County should propose to the City that this Southeast Quadrant be designated as a future mixed use development with the primary uses being the Library, office space, public safety, meeting spaces and other County\City public uses

complementary to the existing county buildings and uses on the City of Hudson 2008 Comprehensive Plan, and be zoned similarly for mixed uses through a planned unit development and subdivision process.

To realize the full potential of the site, the County should consider the following actions:

1. **Development Standards:** Through the next phase of planning, the master architecture plan process, the County should encourage the City and the developer(s) to establish a mutually agreed upon set of guidelines for architecture, shared parking and ponding, site plan design and landscaping, street and paved pathway for any property developed within this quadrant so that the new improvements remain high quality and complementary to the major buildings (Government Center and YMCA) and the residential areas to the west and southwest.

Other methods of assuring quality development on this site could include: the County recording restrictive covenants on this site regarding the required quality of site development and architecture; the County establishing quality development criteria in the development agreement; the City and County agreeing upon development guidelines (prior to sale of the property) to be adopted as part of the mixed use planned unit development.

Before selling the parcels, the County and City should also agree upon a common strategy for establishing shared parking, driveways, and surface water ponding covenants across all land in the development, as well as restrictive covenants prohibiting direct driveway access on to Carmichael and Vine from any lot.

The County and City should also agree upon the future road design for Carmichael Road and Vine Streets. These are the “Civic Boulevards” to the eastern portion of the Hudson and adjoining townships. They should be designed as special entry roads to the school, county, park\athletic, and church facilities as well as residential neighborhoods in this area. Civic boulevards are many times highlighted in a city’s comprehensive plan with designs to match the high quality buildings and amenities along its right of way including pathways, landscaped medians with sheltered left turn lanes, special lighting, street trees, etc. This should be the entrance visitors, county and city residents discover as they come to the Government Center, library and other amenities.

2. **Surface Water Management Plan:** As these vacant lands begin to develop, the County and other owners will be responsible for capturing more of the surface water runoff and retaining it, later to be released at the same rate as if this quadrant was undeveloped. This may mean participating in the pro-rated share of overall drainage improvements into a subregional pond from which piping would then carry the water south under Vine Street.

3. The County should complete a State Endangered Resources Review of this site and complete soil borings to determine the depth of organic material near and in the lowland areas, and a set of structural soil borings in prominent building locations to assure developers the site is buildable. In addition, the County should complete an Environmental Assessment Statement (Phase 1) records search to determine the historical pollution or contamination history of the entire 82 acre site.

4. **Land Conservation Plan:** The County should create a management plan for any remaining undeveloped (or unsellable) land to control\preserve the grasses, native flowers, brush and trees and

reduce the liability potential on the permanent paved pathways and temporary unpaved trails, as well as with grass fires.

5. A legal description of this new parcel (Southeast Quadrant) should be drawn up by the County Surveyor or a consulting engineer. This legal description can then be used by the City to identify the land use designations and zoning for the parcel. In the future, for ease of description and recording changes, the County and/or developer(s) will be required to plat the Southeast Quadrant as Government Center Addition 3, Block 1, Lot 1 through Lot 4 (or something similar).

5. Infrastructure Cost Assessments: The County should decide how the new road (estimated at 2,200 lineal feet) and utilities will be paid for and by whom. If the County wishes the developer(s) to assume the cost and construction of ponding, paving, streets and utilities, it may be necessary to negotiate a land price which includes a portion of those costs. If the County wishes to spread these costs to benefiting properties within the development (assessing these costs), the County must collaborate with the City on engineering designs, costs, bids, construction, and the assessment rate to adjoining properties, including parcels the County retains.