



# Proposed City of La Crosse/Town of Shelby Cooperative Boundary Agreement

## FREQUENTLY ASKED QUESTIONS

October 19, 2017

### **Why are the City and Town pursuing this agreement?**

The City and Town are closely intertwined. We share a school district, a local economy, and a complex boundary. Annexations of Town land into the city, and proposals for housing developments in the Town have resulted in conflict over the years. The purpose of this agreement is to build trust and predictability for the City, the Town and property owners.

### **How has this agreement been drafted?**

Regional discussions about the benefits of boundary agreements started in 2014. A Working Group of elected officials and staff for the City and Town started meeting in 2015 and have been meeting every 1-2 months in 2016 and 2017. There are been periodic updates and consultation with the Town Plan Commission and Board and City Plan Commission and Council, and consultation with the City and Town attorneys. City and Town officials shared the draft agreement with the public in December 2016, including a public information meeting on December 12 attended by about 70 people. The process has been facilitated by planning consultant MSA Professional Services, Inc., on behalf of the La Crosse Area Planning Committee.

### **How long would this agreement last?**

The agreement is proposed to last 20 years, and would extend automatically for 5-year extensions if neither party actively withdraws.

### **What if either party wishes to alter the terms of this agreement after adoption?**

The agreement allows for amendments at any time if both parties agree to the amendment. Any perceived violations of the agreement can be resolved through processes described in the agreement, including legal action and remedies.

### **I have acreage in the Town of Shelby that could maybe be developed for housing. How does this agreement affect my options?**

There is nothing in the proposed agreement that would compel you to sell or develop your land. For owners who want to develop, the agreement increases the potential for development in much of the Town, by allowing for public sewer and water service and/or by making City approvals more predictable. Please review the Executive Summary document for the relevant policies in your part of the Town.

### **I live in Area 1 (Development Requires Annexation) and I have my own well and septic system that meet County codes. If I am annexed or attached to the City for any reason, what will happen to these systems?**

The draft agreement specifically allows property owners with functional, code-compliant private water and sewer systems to continue using those systems until replacement is necessary, or until 20 years have elapsed from the time of annexation, even if public service is readily available.

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**Will the City be waiving its Extraterritorial Plat Review Authority through this agreement?**

No. The City will continue to exercise its plat review authority within three miles of the City limits. Through this agreement the City is committing to approval of land divisions creating 5 or more parcels in the Area 2 Town Growth Area if they meet the standards described in the agreement.

**I have an existing home in the Town of Shelby. Will I be annexed to the City because of this agreement?**

If your home is in Area 2 (Town Growth) or Area 5 (Rural Preservation) you cannot be annexed to the City during the term of this agreement, voluntarily or otherwise.

If your home is in Area 3 (Town Islands) or Area 4 (Bluffland Transition), you could petition for annexation but cannot be required to annex as a result of this agreement.

If your home is in Area 1 (Development Requires Annexation), you will be attached to the City 15 years after the agreement is approved by both the City and the Town.

If you live in Area 1A, you could petition for annexation, and there are two scenarios that could result in your required annexation or attachment to the City:

- 1) Your home is on a larger parcel of land that you voluntarily subdivide and develop. In this situation, the agreement requires annexation of the existing home.
- 2) As a result of other lands around your home developing and annexing to the City, your property becomes part of a “town island” (not connected to the rest of the town). Absent a boundary agreement, a town island cannot be created and your property would need to be annexed immediately. The draft agreement would allow a town island to be created, and then your property would be attached to the City 20 years after the agreement is adopted.

**What would the Town gain by the requirement of City service for new Town development in Area 2A?**

Sewered development is likely to generate 2.5X or greater Town tax revenue than unsewered development. For example, it is estimated that there are about 400 acres of land in the “Sewer Required Town Growth Area” identified in this agreement (Area 2A). Conservatively, there are 125 acres available for homes after accounting for steep slopes, wetlands, roads, stormwater facilities, etc. If unsewered, that would optimistically allow for about sixty (60) 2-acre lots. If sewered, it could eventually host 200-250 homes on ½-acre lots. We can assume somewhat smaller homes on the smaller, sewered lots valued at \$300,000 per parcel, and somewhat larger homes on the larger, unsewered lots valued at \$400,000. Based on these assumptions, the sewered development would generate \$60 million in property value and about \$200,000 in Town tax revenue, while the unsewered development would generate about \$24 million in property value and about \$80,000 in Town tax revenue (see the table below). While the Town will pay an additional \$6,800 in per-household fees for the 200 units (\$34/household), it will net about \$113,000 in revenue. By comparison, the Town’s entire revenue sharing commitment to the City for its 2,000 current households is \$68,000.

Town Revenue Illustration – Development of 180 acres for Residential Use		
	<i>Without City Services</i>	<i>With City Sewer and Water</i>
Typical Lot Size	2 acres	½ acre
Number of Homes Likely	60	200
Typical Improved Value per Parcel	\$400,000	\$300,000
Total Taxable Value	\$24,000,000	\$60,000,000
Town Revenue (\$3.34/\$1,000)	\$80,000	\$200,000

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### **How was the boundary map developed?**

The City/Town Working Group developed this map over many months of discussion and negotiation. Most of the discussion focused on the 14/61 corridor, especially lands near Justin Road and Leske Road. This map represents Agreement in Principle by the City/Town Working Group; both the City and Town believe they have a balanced agreement that respects the interests of each party.

### **The agreement would require the Town to share revenue with the City, increasing to \$34 per household. Where will this money come from?**

The revenue sharing funds will be paid from the Town's General Fund through the property tax levy. It is anticipated that new tax revenues from new development, including new sewer development in the town, will offset and, over time, far exceed this cost.

### **What will the City and Town gain by approving this agreement?**

*Both the City and the Town will gain:*

- Property tax revenue growth due to new residential development
- Economic development in the southern part of the County, supported by an increased workforce and customer base
- Support for the School District of La Crosse due to growth in enrollment and property tax revenue
- Avoidance of conflict and lawsuits, saving time and money
- Further collaboration for fire, police, and other municipal services
- Active collaboration and mutual support in pursuit of a joint City-Town library district so that the Town's tax dollars go to a library that Town residents use

*The Town will also gain:*

- A Town Growth Area where subdivisions can be approved without annexation
- Extension of City sewer and water service without annexation, without rate surcharges, and with discounted connection fees
- Use of all City services, such as recreational facility fees, at "resident" rates
- Ownership of the Shelby Youth Baseball Hillview Complex Parking Lot, transferred from the City
- Tax revenue from annexed lands based on improved values

*The City will also gain:*

- Revenue sharing to offset City costs resulting from Town resident use of City infrastructure
- Area reserved for city growth, including lands scheduled for attachment
- Improved planning for growth areas
- Consistent development standards for Town developments