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December 21, 2017

Verona City Council  
111 Lincoln Street  
Verona, WI 53593  
(608) 845-6495

Dear Mayor Jon Hochkammer; City Council President Elizabeth Doyle; and Alders Diaz, Gaskell, Linder, Reekie, Stiner and Touchett:

The Verona Area Board of Education would like to thank the Common Council for meeting with us on November 27<sup>th</sup>. With a project of this immense scope and resulting in such lasting impact on the residents of the City of Verona (as well as the City of Fitchburg and the other municipalities that make up the Verona Area School District), we believe it is imperative that our two governmental bodies work cooperatively each step of the way so that this project is judged a success by all measures. Our respective administrators and staff have already been deeply involved in aspects of this project. However, our two governmental entities will ultimately be tasked with making key decisions that will directly affect the project's outcome and the constituents whom we've been elected to serve. We believe that the November joint meeting was an important step in cultivating stronger communication and collaboration to allow both entities to better plan for the new high school campus while addressing the needs of our overlapping, yet distinct, constituencies.

One of the main concerns raised by the Council at our joint meeting was ascertaining and/or quantifying the benefit that a connector road to the new high school represents for the City of Verona. We would like to take this opportunity to share with you some of the many benefits that we believe the City of Verona will realize through our building project. Please refer to the enclosed document for details.


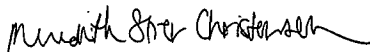


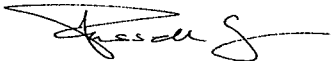
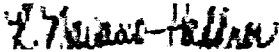

It is important to note that while we believe the outlined benefits are vital to a discussion of the value the new high school campus, including sufficient road access, will bring to city residents, we also strongly believe that the City bears responsibility for upholding its previously expressed financial commitment to the Verona Area School District. In December 2016, the City confirmed to the District its willingness to provide \$5M of support for a connector road. In August 2017, the City -- through its Administrator -- personally reaffirmed this level of financial support to the District after the City deemed a Paoli Road connection to be impermissible. No contingencies on the City's financial support were communicated to the District at either time. The Board acted in substantial reliance on these assurances of City support when we drafted the referendum questions in January 2017 and also when we voted to approve additional amenities for the campus in August 2017.

We would like to note that in addition to financial support from the City, the understanding between the City and District has historically included a land sale to help cover costs for necessary high school road infrastructure. We now see that Council members may not be in unanimous support of a property acquisition, and we are willing to discuss plans that do not include such a sale. While we believe the Sugar Creek/New Century property would be an asset, given the City's comprehensive downtown redevelopment plan, it is certainly feasible for us to sell the property independently. However, this does not negate the District's reliance on the City's previous assertions of financial assistance, nor does it lessen our need for the City to unequivocally reaffirm its monetary support toward the costs of the connector road.

The District's future planning and overall building scope are directly impacted by the City's decision on this issue. Discussions between the City staff, District staff, and the Board of Education have been ongoing for well over a year, and any further delay on this issue will be detrimental to our construction timelines, which have been communicated to the City's staff on numerous occasions. Our community is looking forward to the new high school opening on September 1<sup>st</sup>, 2020, and we are unwavering in our dedication to work arduously to ensure that opening date is realized. As such, we respectfully ask that the Common Council review the information that we've set forth and, keeping in mind the District's reliance on the City's previously stated financial commitment, conduct a vote as soon as practicable to determine the level of financial support the Common Council is willing to provide.

Please do not hesitate to reach out with any additional questions or concerns. We look forward to increased communication between our two governing bodies and would be happy to provide any additional information that would help expedite this process. Thank you again for your willingness to work with us on this exciting project that will shape the Verona Area community for generations to come.

Sincerely,

The Verona Area Board of Education

Noah Roberts, President; Meredith Stier Christensen, Vice President; Amy Almond, Treasurer; Tom Duerst, Clerk; Russ King, Member; Kristina Navarro-Haffner, Member; and Renee Zook, Member

## **Benefits of the Proposed High School Connector Road for the City of Verona**

### **Current Quantitative Value to the City of Verona:**

1. **Right of Way (ROW) Dedication:** While the City no longer believes that a previously discussed access point at Paoli is prudent, the City *has* indicated that VASD will still be required to dedicate approximately 14.75 acres of land near the eastern and southern boundaries of the VASD property. The City has indicated that this land will be used as ROW for a future connector road for lands south of U.S. Hwy 18/151. The district-owned property identified in this ROW has a value of approximately \$463,000. It is important to remember that this land was originally purchased by all Verona Area School District taxpayers, yet the donation of this land directly benefits the City of Verona.
2. **Roadway Earthwork:** As part of the site development, mass grading for the connector road along the north and east sides of the school property as well as the road that connects to S. Nine Mound Road will be completed and paid for by the District. This has an estimated cost of \$285,000. If these two roads were built as standalone projects, the cost for the earthwork would be \$600,000.

### **Future Quantitative Value to the City of Verona:**

1. **Value of Sugar Creek Property:** Past discussions between the City of Verona and VASD have involved a sale the District-owned Sugar Creek/New Century property to the City. Two separate appraisals of this property have been completed in the past year. Those appraisals ranged from \$2.9M for a clear site to \$2.6M for a site that retains only the New Century Building. Given the local interest in the preservation of the New Century Building, a reasonable estimate of the value of this property is \$2,600,000.
  - a. **Future Development of Sugar Creek Site:** Located immediately adjacent to the proposed Sugar Creek Commons development and the City's recently approved TID, the Sugar Creek/New Century property is ideally situated to provide commercial/retail development for the downtown area, which will generate both future property taxes and income taxes for the City of Verona. Currently, that District-owned property generates no tax dollars.

Furthermore, the City's acquisition of the 12.5-acre Sugar Creek/New Century property would allow City leaders the unfettered opportunity realize their vision for a robust downtown area. Rather than reacting to developer proposals, the City would be able to proactively drive exactly the type of development that City leaders envision.

2. **West End Mixed-Use Project:** The West End development plan (now known as Market 5) was initially a mixed-use residential/retail plan. Now that plan is entirely focused on retail development. We believe that a main driver for this change is the proximate location of the new high school to that development, and the enhanced visibility and access that the high school will generate for those businesses. Commercial development driven by the location of the new high

school will provide an as-yet-undetermined measure of future property tax relief for the City of Verona homeowners.

3. **City of Verona Comprehensive Plan:** As mentioned above, the City has indicated that the District will be required to set aside dedicated Right of Way land near the eastern and southern boundaries of the District's property. The City's request for ROW through the District's property is consistent with a future 18-151 by-pass bridge, which has been on the City's comprehensive plan for nearly 10 years. The current road configuration arrangement fulfills that aspect of the City's plan. Right of way through the District's property – which is a multi-jurisdictional asset – will provide a singular benefit to the City of Verona and facilitate the City's future southern development.
4. **Financial Benefits Resulting from the Athletic and Aquatic Amenities:** By including high quality aquatic and athletic features in our initial facility design, VASD is situating itself to be a highly competitive destination for special events and competitions. Currently, the size of many of these events surpasses the capacity of other regional districts to serve as adequate host sites. Attracting these events will result in additional "heads in beds" for our local hotels, thereby generating additional room tax dollars for the City of Verona Tourism Commission. Additionally, restaurants and other commercial establishments will directly benefit from this increased visitor traffic, and will help continue to brand Verona as a destination location for many different kinds of activities.

#### **Current Qualitative Value to the City of Verona:**

1. **Referendum Election Results:** The City of Verona electorate voted overwhelmingly in favor of the referendum last April. 75.9% voted "yes" to the question of the high school, and 64.25% voted "yes" on the question of the athletic fields and aquatic center. There is strong support and enthusiasm from the majority of your constituencies in favor of VASD's building project. With a potential City pool on hold, there is even more enthusiasm and demand from the VASD community for the year-round aquatic facilities that the high school will provide.
2. **Best Place to Raise a Family 2017:** A thriving school district draws more residents and promotes more housing growth than business development will. We frequently hear from our families that their choice of home location was driven by the high quality of schools in the Verona Area School District. Our great schools provide the backbone for a vibrant business and commercial environment.

#### **Future Qualitative Value to the City of Verona:**

1. **Connection to the Military Ridge Bike Trail and Stewart's Woods:** Access points to the Military Ridge Bike Trail will be provided through the school site. Our current site plan includes parking that will provide direct Military Ridge Trail access, as well as community access to Stewart's Woods. Both of these natural features will be easily accessible by both our students and the community at large. In the case of Stewart's Woods, there is no current public access, and no other wooded area of its size exists in such close proximity to our city. Our current site plan will provide the only public link between these two natural assets.

2. **Community Access to High School Amenities:** The District has long envisioned a high school campus that not only provides a first-class educational experience for our students, but also serves as an easily accessible VASD community hub. This vision has directed both our site and our facility design process by ensuring that we have design features (such as the Performing Arts Center, the aquatic facility, the fieldhouse, and access to and enhancement of existing natural resources) that will be available to the public, with community access points to the facilities themselves and access to the high school campus via bike paths and easily accessible parking.

#### **Additional Considerations:**

1. **Benefit/Burden:** Currently in the City of Verona, approximately 57% of all taxable valuation is commercial/retail/industrial and 43% is residential. The road costs would be proportionality applied across taxable property types, not just residential taxpayers. The connector road would benefit all of City residents and businesses by reducing traffic congestion on West Verona Road, while the ROW through District property and future 18-151 overpass will provide a streamlined route from the south to access businesses to the City's main business district.
2. **Development Tools and Opportunities:** Given the physical development challenges associated with this school site, it is nearly certain that any other commercial/retail developer would ask the City for a TID for relief on infrastructure costs. Several times during our joint meeting, references were made by the City to requirements that would be made of any other developer of that property. As a non-taxing entity, we cannot ask for a TID. However, the boundary of the latest TID is within a 1/2 mile of portions of this project and development costs within that area could appropriately be included in that TID.
3. **Valuation and District Assets:** Ten years ago, the City of Fitchburg and the City of Verona had a nearly identical percentage of equalized value of the District (~39%). The value of all district buildings 10 years ago was \$99M, and of that, 77% were located in the City of Verona. This meant that in 2006 – 2007, City of Fitchburg residents (in VASD) paid taxes to support infrastructure (school buildings) located largely in the City of Verona. Now, the City of Verona makes up ~62% of all equalized value in VASD. With this new building coming on line, the estimated value of all district buildings (including the new high school) will be \$315M (this figures excludes Sugar Creek / New Century). Of this, 90% will be located in the City of Verona.
4. **Potential Ramifications of Withdrawal of Financial Commitment:** If the City is unwilling to maintain its previously communicated financial commitment, the District will likely need to remove some or all of the additional amenities from our building plans in order to cover these unexpected road costs. The additional amenities that were approved include the addition of large group instruction space, square footage for a post-secondary partner such as Madison College (which will serve students and community members alike), space for a future production kitchen to provide meals for all of the District's schools, upgrading the turf fields to include a more ecologically friendly fill (as an alternate to the industry standard rubber fill), and upgrading the pad underneath the turf fields to provide increased protection of our students (both in physical education classes and in our athletic programs) from injury.

We also approved the addition of a warm water pool as one of the amenities we evaluated in August 2017. While we will continue to utilize the nearly 40-year old Natatorium for as long as financially practicable, it is certain that a district of our size will minimally need two vessels to fully serve our students while continuing to provide aquatic programming to the greater VASD community, the vast majority of whom are City of Verona residents. The addition of a warm water pool would allow the District to expand our aquatic education programming, as well as expand the programming and access to our community. Currently, our middle school students do not have the opportunity to take swimming as part of their PE curriculum. Providing this type of education is critical when viewed in light of the fact that drowning is one of the leading causes of death in children of all ages here in Wisconsin – a risk that is largely preventable with appropriate education. The removal of the second warm water pool vessel immediately adjacent to the planned competition pool will have the effect of significantly limiting VASD's ability to provide the full range of District and community swimming opportunities that are most beneficial to our youngest students, our mobility-impaired students, and our senior citizens.

Building the warm water vessel at the high school during the initial construction process is also substantially less costly than adding such a vessel in the future. When the Board voted in August to include the second vessel in the initial construction phase, the Board was able to utilize the TIF closeout funds previously earmarked to cover such expenses. If a second vessel is delayed until the current Natatorium is off-line, the District will incur substantially higher construction costs for a second vessel and those costs would necessarily be passed along to the taxpayers via referendum.