

Industrial park projects not cheap

Written by MICHAEL LoCICERO
Wednesday, 12 March 2014 16:13

Silver Beach Road paving, installing retention pond seen as vital to stimulate village development

If the Village of Belgium wants to attract more businesses to its industrial park, it's going to have to pave Silver Beach Road, according to officials. It's also going to have to install a stormwater retention pond.

The key is how to pay for those projects.

Initial cost estimates provided by

McMahon Group, the village's engineer, put the cost for paving the road from the industrial park to Highway LL at about \$1.3 million and a price tag of \$1.1 million for the retention pond.

If approved, construction could begin on the projects by June 2015.

"This is a fairly comfortable schedule for getting things done," Matt Greely, associate/senior project engineer for

McMahon Group, said at Monday's Village Board meeting.

The village established a tax-incremental financing district (TIF) in 1995 to subsidize current and future improvements.

Along with the Silver Beach projects, the TIF is expected to help pay for the reconstruction of Main Street, burying of utility lines and lighting for the street.

More businesses in the industrial park would mean an increase in the value of surrounding businesses to generate additional tax revenue to help pay off the TIF.

Dave Wagner, the village's financial advisor with Ehlers & Associates, said all of the pond and possibly one-half of the road would be TIF-eligible.

The rest of the project would likely be paid for by village taxpayers, unless it receives Transportation Economic Assistance (TEA) grants.

TEA grants are available for transportation improvements that are essential for economic development, according to the Department of Transportation.

The program provides 50% state grants to governing bodies to attract businesses to Wisconsin or encourage business to expand to stay in the state.

"About two-thirds of the Silver Beach project would be TIF-eligible," Wagner said. "With some of the road being outside of the village, we can't include the entire cost of the road in the TIF."

Industrial park projects not cheap

Written by MICHAEL LoCICERO
Wednesday, 12 March 2014 16:13

Trustee Ken Hirschmann acknowledged the projects were critical to the long-term future of the village, but was worried about the burden that might be placed on taxpayers if the projects move forward.

“I understand this is a critical thing for our village, but we can’t just keep piling on our residents,” Hirschmann said. “We’re just spending and spending and not taking any breaks.”

Construction on Main Street will likely begin in 2017 and without a fully-paved Silver Beach Road, there will be no easily accessible thoroughfare in the village.

“We need another way to get through the village,” Trustee Vickie Boehlein said.

The TIF should be paid off by 2022, with 2023 being the last year of revenue collection, Wagner said.

Right now, the TIF generates about \$520,000 per year.

If there is no growth in the TIF, residents could see an increase of as much as \$1 per \$1,000 valuation in village taxes if the projects are approved, although refinancing is an option.

The current tax rate is \$1.35 per \$1,000, according to Wagner’s report.

“It’s really a double-edged sword,” Trustee Jason Acevedo said. “This is something we need to do to generate more business in Belgium, but the burden on the taxpayers could be tough to swallow.”

Right now, the five businesses in the industrial park each have to have their own retention pond.

If the area gets a significant rainfall, there is a good chance the businesses will be flooded.

“All of these projects are going to be seen as aesthetics,” Village President Rich Howells said. “The fact is, we need these improvements to make Belgium a viable location for tourism and economic development.”

Another reason for approving the project, Acevedo said, is if it doesn’t happen now with a TIF in place, future elected officials will be faced with having to pay for the entire Silver Beach project.

“If we don’t do it now, there will be a board saying they should have done it and that’s why are taxes are so high,” Acevedo said. “The burden on taxpayers is ridiculous, but we have to improve this village.”