

Highway Shop FAQ

In discussing this project, a number of questions have been raised by County Board members and others. This is a tally of those questions and answers. Other questions are of course welcome, and as this project proceeds we will add to this list.

Q. Why now?

A. For the first time in 20 years if not longer, Polk County has the opportunity to make a major improvement in public infrastructure without raising property taxes. The current highway facility is obsolete, inefficient and potentially dangerous, making its replacement the top priority of the County. Timing is also perfect in other ways: the current proposal saves the County \$5 million through purchase of an existing building, and extremely low interest rates make this an opportune time to borrow.

Q. You say there's no tax increase needed to build the new facility, but isn't it true that you could cut taxes if you didn't build it?

A. That's not realistic: the County has the responsibility to maintain public infrastructure, and delaying this project would only increase its cost. Savings are immediate as well: storing equipment indoors adds to its life, and the new shop will provide for far more efficient operations.

Q. Why buy an existing building?

A. Because it saves the County around \$5 million. The building can be easily converted to meet all of the County's storage needs. We have had a full engineering study that examined the building and assessed its condition, and have incorporated all remodeling costs into the estimates.

Q. Why locate in Balsam Lake?

A. Because it saves \$5 million in building costs, is centrally located in Polk County, and is close to the rest of County government.

Q. What if the current highway site has pollution problems?

A. We do not believe that to be the case: a Level 1 pollution analysis was conducted by an environmental engineering company in 2014 and found no significant issues, and the underground storage tanks were replaced in October 1999 and all contaminated soil was removed. The new tanks are a safe suction set up (double walled fiberglass tanks) with leak detection and considered generally leak proof.

Q. Isn't the village getting a great deal? Or isn't the County coming out ahead?

A. The village and County are both breaking even, trading a five acre parcel for the three acre current highway building site. The Village is giving up future revenue from any new development on the parcel the County is buying, but is gaining a prime site for development right at the Village front door.

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Q. What's this TID payment? Isn't that a windfall for the Village?

No. The Village invested well over \$1 million in purchasing the land, bringing in utilities, curb and gutter, etc. This was to be paid back through an arrangement something like a special assessment, the TID payments. These costs of development have not been recovered, and all the County is agreeing to is to pay the portion of these assessments that Bishop would have paid.

Q. Does the language on "adjacent parcels" in paragraph 2.7 of the Village agreement obligate the County to paying more over time?

A. No. The following sentence specifically limits the liability of the County to the amount paid in 2017 for the duration of the project or 20 years, whichever is less. This is about \$23,000 per year.

Q. Can't we negotiate a lower purchase price?

A. Construction of a highway facility triggers features of eminent domain law which, among other things, gives property owners the right to a full narrative appraisal of the property sought to be acquired and can require that the property owner be paid just compensation, which is defined by Wisconsin law as fair market value.

Q. Isn't the old highway building architecturally significant?

A. Although the structure has some modest WPA design elements, it was built as a single-purpose structure, a highway building, and no reasonable other use is practical without being cost-prohibitive. The Village of Balsam Lake has included redevelopment of this site in its plans.

Q. Isn't \$11 million too expensive?

A. The intent is to build something that will last fifty years or more. Because of the savings from the Bishop building, the County is obtaining a property worth far more than that, at a price less than what other counties have recently spent on their new facilities. However, the County Board will determine final costs.

Q. What about cost overruns?

A. No one can predict the future, but we have built in a 10 percent contingency for cost overruns. As noted, design elements can also be changed by the County Board to reduce (or increase) costs.

Q. How do we pay for it?

Through a mix of cash, pay as you go, and bonding. The mix of funding options can be decided later, but the recommendation is to bond only for the new construction and pay cash for everything else (including the building purchase).

Q. What decisions does the County Board have to make going forward?

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If the land purchase goes ahead, the answer is all of them: who to hire as an architectural and engineering firm, what design of a new building to construct, how much it will cost, who to hire to build it, and how to pay for it. It is anticipated that a number of extra meetings of the County Board will be needed in the coming months to make these decisions.

Q. What about the lower yard (where the current salt shed is located)?

A. It is anticipated that the County will no longer have a use for this property after the new shop is constructed, and some discussion has been held with the Village concerning its potential use.

Q. How do we know it is a 6 inch slab?

A. Through a review of all of the original engineering documents and construction documentation assuring the facility was built according to specifications.

Q. Doesn't there need to be a referendum on this project?

A. No. State law does not require it, and as it doesn't involve a tax increase there is no other reason to undertake the expense of conducting a referendum. Comments on the building are always welcome, and the County Board will be discussing this project in a number of upcoming meetings.

Q. Didn't Burnett County's facility cost a lot less than what is proposed for Polk County?

A. Not really. The cost reported for Burnett County did not include a lot of costs included in the Polk County estimate (site preparation and shop equipment) and more of their facility is mezzanine space than ours, which is far cheaper on a square foot basis (theirs was designed to include Forestry; ours isn't). They also started a couple of years ago, and construction costs are up a bit. Finally, we also have a contingency built in to ours "just in case" – their costs are actual. As we are using the same construction manager and the same general overall construction, we should come in at about the same costs per square foot for the same type of space after adjusting for inflation.