Date: September 15, 2026

To: Common Council

John Weidl, City Manager

From: Rachelle Blitch, Director of Financial and Administrative Services

Re: Impact Analysis of the Proposed Jefferson Street Project

Executive Summary

Evaluating the Municipal Service Impact of the Proposed Jefferson Street Project

A structured approach is necessary to ensure that new development within a TID does not create an undue financial strain on municipal services. This assessment identifies key areas affected by the projected growth, estimates service demands, and outlines strategies for funding required infrastructure improvements. Overall, the anticipated population increase from this development is expected to have a negligible impact on city services.

In addition, while new increment generated during the life of the TID remains within the TID fund, once the TID closes, all new assessed value will flow back to the underlying taxing jurisdictions, including the City. This added value strengthens the long-term fiscal capacity of the City and helps ensure we can continue delivering quality services to residents.

Scope of Development

The proposed development within the TID includes:

- 45 multifamily units
- Projected population increase of a minimum of 45 and a maximum of 148 residents
- 13,000 sq ft of commercial space

Using the U.S. Census Bureau's ACS average household size for multifamily housing (~2.0 persons per unit), the development would add approximately 90 residents. This growth will not significantly affect municipal services, and the following sections outline projected costs and funding strategies to support these areas.

It is also important to note that the property is currently fully tax-exempt, as it is owned by the Community Development Authority (CDA). Because the CDA is responsible for all maintenance obligations, the site presently represents a liability rather than a tax-generating asset.

Historical vs. Projected Tax Value

Prior to the CDA acquiring the properties the three parcels were assessed as follows:

- BIRW 00001: $202,000, taxes $3,273.99

- BIRW 00003A: $38,200, taxes $557.87
- BIRW 00002: $50,800, taxes $834.36

Total Previous Value: $291,000

Total Previous Annual Taxes: $4,666.22

Following the redevelopment, preliminary value is projected at $13.5 million, with estimated annual taxes of $223,480 (based on 2025 mill rate). This dramatic increase illustrates the long-term value this project will create once the TID closes.

Public Works & Infrastructure Considerations

Water, Wastewater, and Stormwater Systems

- **Funded by User Fees:** Unlike other city services, water and wastewater systems are funded through user fees, not the property tax levy. This means new developments must pay their fair share for utility usage.
- **Capacity for Growth:** Existing water, sewer, and stormwater systems have sufficient capacity to support the proposed development. However, any necessary system upgrades will be evaluated as part of the city's long-term planning.
- **Connection Fees:** All new developments are subject to connection fees, which help offset costs for expanding or upgrading water and wastewater systems.

Parks & Recreation

New development will generate parkland development and acquisition fees to support expansion of green spaces without burdening existing taxpayers.

Solid Waste & Recycling Services

Multifamily housing is classified as commercial property and is responsible for privately contracting solid waste and recycling services.

Transit & Transportation Services

The shared-ride taxi service is funded through federal, state and local sources. Operating costs depend on service hours rather than ridership, meaning population growth does not increase expenses. Increased ridership could help offset costs through additional fare revenue.

Public Safety

Police

- Public safety services (police) are entirely funded by the general fund, with some additional support from grants and state aid.

- The national standard for police staffing is 2.2 officers per 1,000 residents. Current staffing (1.9 officers per 1,000 residents) remains adequate.
- The projected population increase does not necessitate additional staffing.

Fire/EMS

This development is not a senior living or CBRF project, which typically generates higher call volumes. While Fire/EMS demand can vary based on multiple factors, no significant increase is anticipated.

Administration

Administrative departments—including the Community Development Department, Clerk's Office, City Manager's Office, City Attorney, Finance, and Human Resources—are not expected to experience service strain from this development. This project will also generate permit revenue, which will help support administrative functions.

Library Services

Library operations are funded through the general fund and Act 420 reimbursements for non-resident users. The current staffing and resource levels are sufficient to serve the anticipated population increase.

Summary

The proposed Jefferson Street mixed-use development is expected to have minimal impact on municipal services, supported through user fees, impact fees, existing capacity, and long-term tax-base growth. The developer has already agreed to utilize pay-as-you-go financing for TID-funded improvements, ensuring that project-related costs are supported directly by the new increment. The redevelopment will convert currently tax-exempt property into a major revenue-producing asset, strengthening the City's financial position once the TID closes and enhancing our ability to sustain high-quality public services.