

TOWN OF GIBRALTAR
SPECIAL MEETING
THURSDAY, MAY 29, 2019
GIBRALTAR TOWN CENTER
HWAY 42, FISH CREEK WI 54212
6:00 PM

1. Call to order: The Special Meeting of the Town Board was called to order at 7:06 p.m. by Town Chair Dick Skare.

2. Roll call/quorum: All supervisors were present.

Members present: Dick Skare, Steve Sohns, Barb McKesson, Bill Johnson, Tim Luetzgen

3. Agenda/proper notice/adopt agenda: *Motion: (Johnson, Sohns) to adopt the agenda, with changes to move agenda item #6 between agenda items number 4 and 5. Carried.*

4. Discussion of potential property development to include conversation with potential developers, consultants, etc.:

Skare recapped the previous meeting and the history of the potential project/property purchases, as well the preliminary ideas for the property that came out of the last meeting on May 16, 2019. Skare explained that he had invited several experts and key individuals from various organizations who could speak in more detail and provide more information about the key areas of public interest defined at the last meeting.

Johnson provided a recap of a meeting with Mariah Good and Rick Brauer of Door County Land Use Services that he attended with Skare and Plan Commission Chair Linda Merline. Johnson recapped the meeting using notes Merline took.

- From the notes, the existing permits for housing were based on the total 240 acres of property owned at that time of the permit request in the 1980s. Of the 600+ permits initially issued, 88 were already used for Half Mile Bridge and another development. Approximately 584 permits remain. These permits are not tied to the entire property but are assigned to be used on 60 acres of the property at the top of the bluff, with 20 acres of that 60 acres assigned to be single family homes on lots, and 40 acres assigned to be used for multiple family housing. Door County Land Use Services must approve where on the top of the bluff the developed area is to be located and how the 60 acres might be split up into separate developments. The separate pieces could be sold to housing developers.
- When the property is sold, the exact number of the existing permits the seller wants to assign to the property being sold must be stated in the legal agreement between the property owner and the buyer, and understood by both parties. That number of permits will then be subtracted from the total number of existing permits. Any permits left over after the 60 acres is developed or sold for development cannot be used for other parts of the property.
- Development of the remainder of the property would be based on the regular permitting process under the current zoning code.
- Trails that are free and open to the public are allowed. Ten events could be held on the trails under the current Temporary Use section of the current zoning code. More than 10 events would require permits to be issued under the current zoning code. Any business use associated with the trails, such as bike rentals, would have to go through the normal permitting process.
- The use/protection of wetlands/creek falls under wetlands section of current County Zoning code.

- If the Town or a developer wanted to have some sort of public school on the property, it would require the usual permitting process.
- Residential homes could involve a cluster development. Homes could not be any smaller than 700 sq. feet. Multifamily housing would be allowed. Dormitory style housing would also be allowed in the residential area, but would require the usual permitting process.
- In regard to available grants and funding, Johnson stated there is a steward fund available that could be involved in the purchase of lands. Knowles-Nelson Stewardship Grants are another avenue to explore, and perhaps the land trust would have some interest. The DNR may also offer some additional grants, but many of the deadlines are in November.
- Snowmobile trails already exist, so that does not pose any issue.
- The County suggested removing the current zoning overlays currently used by the Town.

Chuck Schott asked if an apartment complex could be built with specifications to be used for seasonal housing/workforce housing. Johnson explained the conversation was approached with the possibility of having a variety of types of housing (dormitories, apartments, etc.), some of which could be used for that purpose. Johnson felt the meeting with the County was a positive indicator of what could be done with the property.

Sohns asked for clarification about the permits being tied to the wetlands area because he was under the impression it would be more difficult to get any environmental grants because of the lower portion of the property's connection to the permits on the top portion of the property.

Johnson said, as he understood it, all of the remaining permits could be put on the acres earmarked for that use without being tied to the other areas of the land. Sohn's said he was under the impression that the property could not be split the two properties—buying only the upper or the lower half—without losing the access to those permits. Johnson said that is not true based on the conversation with Land Use Services. Johnson also added that, as far as Brauer and Goode were aware, there were no deed restrictions regarding the issue of biking, the trails, or crossing the wetlands for purposes of the sewer. Johnson said the property is unique because it seems to be unrestricted.

Bill Weddig asked if any part of the property was designated commercial. Skare said that any commercial use would involve rezoning. Skare confirmed that a portion of the property does touch Main Street/Hwy 42 in the village area.

Doug Lindeman asked about the cost of the sewer. Johnson said the previous estimated cost was \$2.5 million but that does not involve the connection. That rough estimated cost gets it up the hill to the property. Any additional details, as the original plan is dated, would need to be worked out.

Bill Weddig added additional information/details about the route of the sewer in the original plan. He also clarified that municipal water was not a part of the original plan, but that may be a future conversation.

Next, Skare introduced a number of experts and key people in attendance at the meeting.

Deby Dehn, business and community engagement officer from Wisconsin Housing and Economic Development Authority (WHEDA), explained a variety of products WHEDA has available related to affordable housing. All will have some income requirement attached to it; however, she also explained options that involve tax credits, which raise the income level attached to it, as well as a product where only 20% of the people living in the development need to be under 80% of the median income mark. Dehn has been involved with Door County Attainable Housing Committee for 12 years and is very familiar with the affordable housing issue in Door County. Her organization's role in the potential project would be to meet with potential developers to go over specific products that might assist what is going to be developed. She also explained another branch of products WHEDA has to help banks finance projects related to affordable housing. She left her business card for anyone who has questions or wants additional information.

Chuck Schott expressed concerned low-income housing and controlling the price after the initial buyers sell and maintaining affordability of the homes.

Steve Case spoke next about the Door County housing issue. He is the retired general counsel for Bay Lake Bank. He spoke at the meeting because of his involvement with the housing issue. He stated he has watched the segment of the population who wants to live here, but the pressure of land ownership that has made that impossible. He is also a member of the Door County Housing Partnership, an organization trying to create a process where both rental and family-owned housing are available to that economic segment of the population in northern Door County. Case mentioned the real objective is to create "attainable housing", as "affordable housing" carries a negative meaning for most people. Based on his experience, the cost of property and the homes that sit on it in Door County have become so expensive that the population that might otherwise economically contribute to the community cannot afford to live here or afford to commute to work here. The other issue is the pressure on the market value of the homes that already exist.

Case stated that the Door County Housing Partnership works to address those issues through the use of a Housing Trust that would create a systemized control of property value. While they are a newer organization, they are in close contact with and follow the formula used by other like organizations who have been successful with this type of system. First, they would identify and create properties. These homes/properties would then be made available at an attainable cost to the population without economic limit and discrimination. There would be an understanding with the buyer that when the house is sold again, the value will increase at a steady, controlled rate so the same affordability can be passed on to future generations. This process would also involve the cooperation and partnership of local government and banks/financial institutions. This is where he thinks they can provide a service and a value to the Town and any potential housing developments intended for attainable housing. Those properties, once established in the Housing Trust, would continue to remain attainable. The benefit gained by the individual owner to live in this community for an affordable and attainable cost would offset the benefit of any future return of the sale.

Noel Halvorsen of NeighborWorks Green Bay offered additional explanation on how some Housing Trusts operate, stating that while there may be a collar around the market value of the property, the property owner may be able to realize more of the value on capital improvements made to the property. Case agreed, saying there are different formulas that can be used.

Halvorsen, President & CEO NeighborWorks Green Bay, spoke next about his organization. Their organization does a lot of home buyer education and counseling in addition to real estate development. Last year they helped families purchase home in 37 of Wisconsin's 72 counties.

NeighborWorks also does a lot of real estate development. He distributed a hand out with examples of some of the homes they developed and their price points, which sold between \$155,000 and \$175,000, and \$160,000 to \$185,000 depending on the style of housing development. In terms of some of the things the Town is considering, these options might be a nice mix to add to the development.

Halvorsen added the importance of exploring a variety of tools available to not only build the homes, but maintain their affordability and attainability. Based on the current scope of the Town's proposed project, Halvorsen said he wouldn't propose his organization lead the project, but be one of the players in it. He also pointed out the fact that they are a not-for-profit organization, which sets them apart from some other organizations and tools available.

Jennifer Engle from USDA Rural Economic Development USDA located Shawno office said her organization offers 40 programs they administer, including various housing and business programs. Tonight, she wanted to talk about the infrastructure part of it and two major programs: the water and environmental program and the community facilities program.

The water/environmental program is for water and sewer, which could play into that aspect of any potential development on the property. That program includes extension of service (in some cases that has included the roads if the sewer extension going with the road), as well as water towers, lift stations, legal fees and professional fees. There are also some loan and grant programs available (loans are government backed loans). There are no pre-payment penalties associated with the loans.

The Community Facilities program could be used for road costs, legal costs, anything related to that project which will be used for community purposes (fire trucks, fire stations, food pantries, etc.)—all capital type items that are community based and for community use. She also left cards for anyone interested in getting more detailed information about specific programs.

Skare asked Engle about qualifications for the available grants and whether the mix of projects would affect the Town's eligibility. Engle said they should not, but her organization would have to get into the census data because it considers various factors in the underwriting process (e.g. Number of residents, average use, comparisons to equivalent systems, median household income, etc.) Applications can be submitted at any time, but Engle advised applying 12 to 18 months ahead of time of the application deadline.

Sohns asked for clarification on what the grants specifically would pay for. Engle said because everything is loan and grant programs it would cover any of those types of projects she mentioned previously and the various steps involved in those projects, with the exception of interim interest.

Skare asked if workforce housing is eligible within the various programs offered. Engle replied there is a multi-family housing guarantee program that offers some additional flexibility and a wider income range, as well as a guarantee.

Sara Kellner spoke next from the perspective of someone who grew up in Fish Creek but lives in Bailey's Harbor due to the lack of affordable and attainable housing in her hometown. She mentioned that she isn't the only one facing this problem; this is a major issue for many families who are year-round workers (e.g. teachers, plumbers, nurses, etc.). They don't want to leave the area, but are being forced to because they can't afford to live here. In her situation, both she and her fiancé are employed with good jobs and earn a decent income, but cannot afford to buy in Gibraltar. Affordable housing and the disrepair of the houses that are "affordable" are common topics of conversation among her circle of friends. Noel Halverson added to Kellner's comments, highlighting the recent housing study and the shortage of 1,000 homes that are needed just to meet the current demand.

Amber Beard spoke next and provided information about her background and professional skillset as it relates to this project. A Door County native, she recently moved back to the area and is the managing director and owner of Project Habitat. In this role, she brings a background and skills in architecture, construction project management, real estate investment, and sustainable wellness development. Currently, she works as a partner with organizations, mostly providing wellness and sustainability expertise, as well as brand identity and project vision. She mentioned the benefit of using this project to increase awareness of wellness and sustainable tourism as Door County is a prime area for such work.

Johnson asked if Beard saw herself in a particular role with the project. Beard offered to volunteer her time and skills where appropriate for this project.

Dale Reiser, of Peninsula Building Systems in Door County, spoke next. Skare first contacted Reiser in 2016 about a preliminary concept plan for the Redmann property. Peninsula Building Systems worked with the Farnsworth Group to develop the "bubble" plan and maps, some of which have been referred to at recent meetings. In addition to those drawings and maps, Reiser handed out concept images that illustrated how the property could be used. Reiser stated the images are concepts only and intended to get people thinking about how this property might be used. He added that a project of this magnitude needs a

developer, but believes handing it off to a single developer is not the right approach as the property and ideas for it involve a mix of needs and amenities (housing, recreation, conservation, etc.).

Jim Frymark from Cedar Corporation, a planning, engineering and consulting firm out of Green Bay, spoke next. His organization has worked with many communities similar in size to Gibraltar. They help such communities facilitate and coordinate development plans/strategies, as well as financing plans, with input from other available resources. They help define the smaller steps and the necessary partners to create and achieve the bigger picture. These strategies and plans are then used to attract the right developers. Examples of successful projects/communities include the Bayfield area near Lake Superior. They worked with the community to identify the right resources to attract the right developer. Washburn, Wisconsin was another example of a successful community project.

Sohns asked Frymark about whether communities hire Cedar Corporation's services to develop the plan prior to owning the property? Sohn's stated his concern over investing a lot of money upfront for a project that could be voted down and never happen.

Frymark said Washburn specifically purchased property for affordable housing. The community then brought Cedar Corporation in to develop a plan and approach. Cedar Corporation provided the community with a conceptual drawing and is now in the process of working with the community to attract developers of the project.

Noel Halverson added additional information about available tax credits and financial tools available for such projects. He stated that while affordable housing has been mentioned several times throughout the evening, his experience shows him that healthy communities involve a mix of unit types and income levels. In Green Bay, they tend to integrate a variety of income levels in their projects, and do so with much success.

Jim Frymark concluded by saying that while a project of this size would be challenging, those that are successful involve due diligence on the town or community's part upfront, as well as retaining the services of those individuals/organizations with more expertise and background. Cost of Cedar Corporation's service to do what they have done for similar communities and projects would be based on further discussion with the board and developed in a proposal. Some clients have them on a retainer at no cost but up to a certain amount for a year.

Sohns asked about the order of steps and where Cedar Corporation fits into the timeline for the projects they have done with other communities. Sohn's questions were 1) Did Cedar Corporation become involved before or after the constituents agreed to the purchase of the property and 2) was there a plan in place at the time of the purchase? Frymark explained that in some instances the community saw an opportunity and brought Cedar Corporation in to develop the plan before the purchase, even though not everyone in the community may not have agreed with the project at that time.

Luca Fagundes, a resident of Baileys Harbor, spoke about the potential for mountain biking trails on the property. Fagundes has been riding and racing bicycles for 20 years. He talked about the work he did with the Door County Silent Sports Alliance and their work to try and improve/expand mountain biking trails in Peninsula State Park, but the group was unsuccessful. At that time, the group was told by the park the DNR was not interested in investing more money into the mountain bike trail system because they made enough money on camping fees. Fagundes said the existing trails are not the types of trails mountain bikers want to ride on, and as a consequence Gibraltar is losing their business to towns like Copper Harbor, Michigan, Crosby, Minnesota, and other similar biking destinations.

Fagundes provided examples of communities that are acquiring additional revenue and the opportunity to extend their shoulder season through the addition of fat tire biking trails. He gave the example of Kewaunee

County who developed a fat tire bike trail because they were able to get involvement in the project at the county level.

Fagundes explained that the necessary infrastructure for a quality mountain biking trail isn't complicated. It doesn't have to be expensive or require a lot of space. He is aware of many cyclists and organizations up here who are eager to get involved with building a trail system, especially seeing that there is a mountain biking trail that already exists on the property that was once used for organized mountain biking and mountain biking races. Fagundes believes this feature is something that could be implemented quickly and inexpensively and have a quick positive impact on the community. Fagundes addressed the concerns about whether there is adequate space on the property for a trail system. He stated there is more than adequate space to create a sizeable trail system that would draw cyclist, and reminded the public again of the existing mountain bike trails previously used in the 1980s.

Sara Lancaster added to Fagundes' comments about the mountain bike tourism and the infrastructure that exists in Copper Harbor, Michigan. She stated that she has mountain biked in Copper Harbor on three separate occasions and compared the accommodations there compared to that which already exists in Fish Creek. Copper Harbor has the trail system, but lacks the accommodations Fish Creek already has in place. The town could be capitalizing on those accommodations more if it had an appropriate trail system. Based on her experience cycling in Copper Harbor, a high-quality trail system does not require a large amount of space.

Skare commented that in 2020 the park will be revamping their trail system, so it could be a good time to coordinate this project in addition to any work the park will be doing to their trail system as a way to potentially connect the two trail systems.

Sohns mentioned that the potential for a trail system was something he saw several years ago when talk of this property first came up. He mentioned that there used to be a snowmobile trail that connected to the ski hill, and what he saw with this property and potential project was the opportunity to connect the existing trails. There could be mountain biking trails and hiking trails overlapping the multi-use/snowmobile trail with multiple access points. The new parking lot could also tie into it. He commented that it would be a great feature to have from a recreational aspect, but it does come back to the questions of cost vs. benefit and how it would pay for itself.

Johnson clarified any questions regarding the ability to have paths and trails on the lower portion of the property. Johnson said that based on the meeting he attended with Door County Land Use Services, the path and trails could be there, but some things may be limited in sensitive areas.

Fagundes reiterated the point that something like this would bring in revenue and could easily co-exist with any mixed-use housing developments. Johnson added that with 60 acres of total acreage available for housing it would be possible. He also mentioned how where he previously lived, neighborhoods were connected to trails.

6. Review/approve ad for Request for Proposals for a firm to conduct all meetings, contact all experts/specialists needed, involve the public in needed discussions and make a final plan or recommendations: There was discussion by both the board and the public about the RFP and amount of time/funds to be invested in upfront research before the option to purchase goes to the electors for a vote.

Johnson asked if the proposal should also include a requirement for knowledge of working with grants.

Sohns asked how much the town is comfortable spending for feasibility research, pointing out the significant difference between a hypothetical \$5,000 investment and a \$25,000.

Johnson stated his concern over the timeline to develop a plan and whether the town will be able to do the

necessary research in order to bring this before the electors by October. He feels they need more time and would like to invest the time and funds to ensure the right preparation is done.

Sohns asked Frymark if there is enough time between now and October to come up with a plan that is sellable to electors. Frymark answered yes and no. He stated there is the possibility of applying for Community Development Block Grants for the planning process of affordable/attainable housing. Sohn asked for clarification as to whether that grant money could be used to devise a plan for the project before the project is even voted on by electors. Frymark stated that is a possibility even if the town does not currently own the property. It is a matching grant, so there would be some cost to the Town. In one example he gave, a community received a block grant to develop a plan for a property they did not yet own and is not on the market yet. They received \$10,000 in grant funding and paid \$5,000 out of pocket (two block grant dollars for every dollar matched).

However, Frymark stated these grants come with a timeline and time constraints, which could pose a challenge to Gibraltar's situation given their October deadline. So, yes, grant money is available, but whether it is possible depends on when you start.

Sohns asked Frymark how much it would cost to hire somebody to apply for the grant. Frymark said it can vary from approximately \$3,500 to \$5,000. The grant funds do not pay for the application fees.

Sohns stated his concern over what would be the next steps and how much more money the Town would invest if they did not receive the grant after potentially spending \$5,000 to prepare the grant.

Bob Kufirin stated he doesn't see how the Town can put together an effective cost analysis and plan to bring before the electorate by October. Sohn stated that the Board was aware of that challenge going into this, but that was the most time the seller would give the Town on the option.

Bill Wolf commented that he is frustrated over the idea of spending money for land the Town doesn't own. He suggested the Town focus on convincing the electors to buy the land, and then look at various ideas.

Sohns said one new piece of information that influences how the Town proceeds is the new information that the lower portion is not tied into the upper portion as far as the permits are concerned. Knowing that Sohn suggested the Town seek out grant money to secure that lower piece of the property and the environmental/watershed issues that go along with it.

Johnson stated that he understands Bill Wolf's concern, but he also feels the Town needs to invest in finding the experts who can help organize and investigate the possibilities to create a plan for the property to sell the community on the property and the project.

Sohns again mentioned the bubble plan Peninsula Building Systems had Farnsworth create to start that process a few years back. The only thing not included in that plan was the economic impact numbers to help sell it to the community from a financial aspect.

Tom Goelz stated that from the perspective of both a Gibraltar tax payer and a developer he thinks it is possible to structure a deal with simultaneous closing with developers, other interested parties and the town. He asked Tad Gilster to clarify the connection between the permits and the wetland portions of the land. Gilster explained that the permits designated for the upper portion of the property remain.

Gilster added that the Option to Purchase is assignable, and suggested the most likely effective way to move this project forward would be to find an entity willing to accept the assignment with direction from the Town and buy the contract. In that situation the Town would not buy anything but would maintain some control over the direction of the project/

Sohns said now that grants could be used to pay for part of this \$2 million price tag, then the upper piece of the package isn't costing the Town as much.

Goelz said he believes it is possible for the town to not pay that much if they structure simultaneous closings, as it makes the risk to the town negligible. He believes that would be sellable to the Town, but that likely couldn't be ready by September/October.

Goelz asked Gilster whether there would be any density loss in regard to the attached permits if a developer bought the entire property and sold the lower portion to the town. Gilster said there would be no negative effects on the permit.

Goelz asked about the land not designated for housing or development in the displayed map. Johnson explained that there are only 60 acres where the dwellings could apply to exist. Gilster explained that Andy Redmann's original application and plan map showed ample greenspace even though it was buildable land.

Skare shared Andy Redmann's original 1980 plan Gilster referred to.

Johnson restated the fact that it is a very unique piece of property with many possibilities. Merline added that the permits are attached to 60 acres, which are not designated as to where they can go. Beyond that, any additional developable property would need to go through the regular zoning process.

Amber Beard stated that community buy in is going to be important and that is going to take a strong emotional connection to a brand and an identity to get that buy in.

Wayne Kudick mentioned the recent housing survey. He is concerned that by not addressing the affordable/attainable housing issue, it opens the doors for the development of huge homes that only a small percentage of the population can afford to live in for part of the year. His concerns are over the sustainability of those types of home and, when those people move out, the negative impact it will have on the population he refers to as the backbone of the community and working here. He stated he wants to build a community where his kids and grandkids can afford to live and thrive, and believes that won't be a possibility if real housing isn't an option.

Bill Weddig stated the sanitary district would need to revisit the original sewer plan. The project, from a sewer standpoint, would need to include as many people on top of the bluff as possible to bring down the costs.

Jayson Merkel asked about any DNR restrictions related to the protected snails and whether that might affect any mountain biking trails. Gilster guessed it may limit some access going up and down the face of the bluff, but that would need to be confirmed.

Sohns asked if the Town is going to approve RFPs before knowing whether or not the town can get an extension on the option. Skare said he felt the RFP should go out and, in the meantime, the Town can explore the possibility of an extension.

Motion: (Johnson, McKesson) to approve the request for proposals with the addition of "knowledge of grants and resources"; and that number 3 in the RFP would become number 4. Carried.

5. Uptown (Redmann) Development Project

A. Set up groups to analyze a specific topic to ascertain feasibility for the development
Examples: Rec./Biking, Housing, Financing, Education, Land Use, Business/Tech, Infrastructure, Real Estate Development:

B. Group appointments:

C. Direct groups on how to proceed, open meetings, reporting to Project Manager, Town Board, etc.:

D. Set next meeting dates, timelines:

Motion: (Johnson, Sohns) to table agenda #5. Carried.

6. Adjourn

Motion: (Johnson, McKesson) to adjourn at 9:35 p.m. Carried.

Respectfully submitted,

*Sara Rae Lancaster
Administrative Assistant*