



# JULIE LASSA

## STATE SENATOR

**Testimony on Senate Bill 105/Assembly Bill 123**  
**Senate Committee on Economic Development and Local Government**  
**Wednesday, May 20, 2015**  
**300 Southeast**

Thank you, Chairman Gudex, and fellow committee members for holding a public hearing today on Senate Bill 105 and Assembly Bill 123, which I am pleased to join Representative Krug and Senator Roth in introducing on behalf of the Town of Rome in northern Adams County. This is a fairly simple and narrowly crafted bill that will help spur development within the township. The legislation would permit Rome to make direct cash grants or loan subsidies to an owner, lessee, or developer of land in a tax incremental district (TID) that includes a golf course.

Thanks to the location of other successful business enterprises there, Rome has been fortunate to see substantial interest from other developers, one of whom is a world renowned golf course creator, Mike Keiser. The Sand Valley Golf Resort, which is well under construction, has already unveiled plans to build a second course on the site with the potential for five courses total. All of these courses will provide economic growth for the area. Mr. Keiser's previous ventures have been very successful; for example his resort in Bandon, Oregon, has attracted other businesses to the town as it is a premier golf destination. Currently, statutes do not provide for a town or municipality to include cash grants or loan subsidies to owners, lessees, or developers of a golf course as part of the project costs. The bill would authorize this for this one particular TID. Making this small change will help ensure that Rome, Wisconsin becomes a destination for golf enthusiasts all over the world.

While it might be difficult to imagine a prime golf location in a small town in Central Wisconsin, this region has the potential to become one of the country's best areas for golf. Mr. Keiser has said in previous interviews that good golf courses need an ocean, and he found an ocean of sand in Rome. On this site the sand is 100 to 200 feet deep. It presents a very unique opportunity to design and build a "dunescape" golf resort. Mr. Keiser has already contracted with Bill Coore and Ben Crenshaw to design the first course on the Sand Valley location and David McLay Kidd for the second. These architects have previously designed the Bandon Dunes resort for Mr. Keiser. The topography of Rome and the rich natural resources have the ability to make this a world-class golf destination. Combine Sand Valley with the other great courses we have in the area, such as SentryWorld, Lake Arrowhead, and Bull's Eye Country Club, and Central Wisconsin will surely be one of the top golf destinations in the United States.

Rome is one of many small communities in Central Wisconsin that have been negatively impacted by the decline of the paper industry in the region. Adams County is also one of the most economically challenged areas in the entire state. Fortunately, Rome has been proactively addressing this situation by attracting new business and diversifying its economy. The Sand Valley Golf Resort in Rome is one example of these efforts. The first course has the potential to create 50-100 jobs with more coming as more golf courses in the resort open. As seen in other golf resorts, this project also has the ability to generate other developments in the township and the surrounding area.

Senate Bill 105, and its companion, Assembly Bill 123, will help the Town of Rome extend the success of its business development efforts and make an investment that will benefit the taxpayers and residents of Rome and provide a boost to the economy of Adams County. AB 123 was reported out of the Assembly Ways and Means Committee on a unanimous vote and received wide bi-partisan support when it passed the Assembly. I'm happy to have partnered with Representative Krug and Senator Roth on introducing these proposals, and I hope you will give it your support as well.



# SCOTT KRUG

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## **Testimony on SB 105/AB123, Senate Economic Development & Commerce Committee, May 20<sup>th</sup>, 2015**

Chairman Gudex, committee members, thank you today for holding a public hearing on SB 105/AB123, legislation that will distinctly shape the future of Adams County, WI and the Town of Rome. Living in the Town of Rome I can tell you firsthand there is a great deal of excitement about our recent economic development wins.

Typically Adams County, WI is one of the most economically depressed areas of the state. However, it has amazing assets of natural beauty that can draw new opportunities of tourism if simply allowed by the state of WI to have some flexibility to draw interest from developers. One such developer took a chance a few years ago and we are now fortunate to have the most advanced world-class trap shooting range in the United States. The success of the Wisconsin Trapshooter Association "Homegrounds" project was also in part dependent on a tweak of state law. Now other developers are beginning to show more interest. This bill allows the town of Rome in Adams County to take advantage of these opportunities by working with developers to assist in shaping a new world-class golf resort facility that will rival anything in the United States. A small change in TID requirements will assist in a development that will bring hundreds of jobs and millions of dollars in investment to a very typically depressed region of the state.

With me today to explain more about the project is Rick Bavkoka with the Town of Rome board and Michael Keiser Golden Sands Golf Complex developer. Again thank you for giving us the opportunity to discuss SB 105/AB123 today.



TID's or Tax Incremental Districts are allowed by State Statute for use by cities and villages as a tool for economic development in their municipalities. Towns are not typically allowed a TID. TID's allow for grants and loans to accelerate development and to provide for infrastructure improvements within the district. Governors of both parties have long used the TID Statutes to provide for economic development in our state. This bill primarily allows a town, specifically the Town of Rome to create a TID with the goal of accelerating the course development and providing a loan to the Town for infrastructure necessary to support the development, roads, power, natural gas, etc. It was sponsored by Assembly Rep Scot Krug and Senator Roth. The bill has bi-partisan support; Democrat Sen. Lassa is a co-sponsor. We also have Sen. Luther Olson and Assembly Rep Ballwig from Adams County in support of the legislation. Assembly Bill 123 and Senate bill 105. It has passed through Assembly ways and means committee and will be scheduled for a Senate hearing in May, then moved to the floor for a full vote and Governor signature.

The Town of Rome **cannot loan** or grant money to the developer, but a TID can. In all prior course projects, the Keiser family has not taken out loans for their courses. Sand Valley did not ask us for loans or to create a TID. **We, the Town of Rome asked him to consider a TID because of the benefits to the Town.**

The TID proposal in draft form would consist of a 12 million dollar loan. 9 million to the developer, to be repaid with money from golf course operations (profits) and three million to the Town to be repaid from the property tax proceeds from the district. Local commercial banks would provide the bonds. A strict legal agreement, called a developers agreement controls the loan and the allocation of the money. The Keiser's have offered as collateral, the entire project, in which they have already invested more than 10 million dollars. Expenditures are allowed within the first six years of the TID creation, from a project list approved through the developer's agreement. These expenditures are controlled and oversight is provided by a five member TID Board, not the Town or the Developer. When the loan is repaid, the TID expires and the entire district pays taxes as normal.

Without a TID, the Town would have to borrow money to complete road work necessary to the project. The funds to repay the loan would come from our levy and take away money needed for Town operations. The Town would bear the expense of infrastructure improvements by ourselves. A TID shares that burden with the county and schools. The TID district would create enough money for loan repayment without impacting our levy. The TID will allow the project to grow faster and all of the taxing bodies within our district would have a higher tax base when the TID expires.

The land within the TID boundary is now or was in Managed Forest Law. MFL land does not pay property taxes, nor is it included in our equalized value. Once the TID is created, Sand Valley has agreed to withdraw its entire development from MFL.

Two events are then triggered. The deferred taxes on the MFL land are collected, the exact amount is determined at the time of withdrawal, but should net the Town of Rome in excess of one million dollars. This money is ours with no restrictions.

The second event is that all property within the TID starts to pay full property taxes. The Town, the County, the School and Tech School's share of those taxes stay in the TID for repayment of the loans. I have attached a worksheet to further illustrate how this benefits the Town.

A question asked at the Assembly hearing was; "Why should the County and Schools give up their share of the tax to benefit the Town?"

Again two reasons

The 1400 acres as it existed in MFL contributed zero taxes to the County or School. Nothing. With the TID creation, they will not have any tax base taken away from them. Without the TID, the development would grow incrementally as money was available to build additional courses. The TID allows for two courses right away and additional interest in internal developments and additional interest in our Town.

This is where the County and Schools benefit. In 2010 Rome's assessed value was \$740 million; last year it was \$610. The real estate fail hit everyone hard in lost income. We still have not recovered. Sand Valley has attracted attention to our area. We are starting to see a recovery of those property values. The estimated value of Sand Valley at the completion of the TID is \$18 to \$25 million dollars. The stimulus it provides to a residential recovery could and should be more than \$100 million dollars. The County and the School would see four times the value of the development in increased assessment outside the TID.

The Rome TID bill includes an important amendment. Current TID language requires a golf course to occupy 75% of the land within the TID. This bill would eliminate that requirement. The reason is to allow conservation areas within this TID; areas that preserve the Sand Barrens geology and protect the natural habitat; areas that allow for public walking, biking, horseback and cross country skiing trails. The Keiser family is building a golf course project, but they are adamant about preserving the striking beauty of the landscape. They are not moving dirt, but utilizing the natural terrain. It is a project that all of us can be very proud of having in our Town.

The Town Board is working very hard to make this project a reality. The TID is a tool to minimize risk and economic burden to our Town. The Sand Valley project can be an economic benefit to all of Central Wisconsin.

Thank you for your questions and continued support of our Town and this project.

Respectfully,

Phil McLaughlin  
Town Chairman

Rick Bakovka  
Town Supervisor

Lori Djumadi  
Town Supervisor

Dave Repinski  
Town Supervisor

Jerry Wiessinger  
Town Supervisor