



ANDRÉ JACQUE

STATE SENATOR • 1ST SENATE DISTRICT

Phone: (608) 266-3512

Fax: (608) 282-3541

Sen.Jacque@legis.wi.gov

State Capitol - P.O. Box 7882

Madison, WI 53707-7882

*Testimony before the Senate Committee on Government Operations, Legal Review and Consumer Protection
Senator André Jacque
February 17, 2022*

Chair Stroebel and Committee Members,

Thank you for holding this hearing on Senate Bill 907, which would allow the Town of Gibraltar in Door County to create a tax incremental district in the same manner as a city or village.

Rep. Kitchens and I introduced SB 907 to grant an exemption to the Town of Gibraltar in Door County that will allow them to create a tax incremental district (TID) to help with constructing much-needed workforce housing in the area.

While a shortage of affordable housing is a concern throughout the state, the high property values in northern Door County make the problem particularly severe.

Under current state law, a town may establish a TID if the equalized value of all of its taxable property is at least \$500 million and its population is at least 3,500. However, the Legislature has granted exemptions to the Town of Brookfield in Waukesha County, the Town of Somers in Kenosha County, the Town of Freedom in Outagamie County and the Town of Cable in Bayfield County to create a TID without having to satisfy the value and population requirements.

While the Town of Gibraltar falls short of the population stipulation, its taxable property of nearly \$1 billion far exceeds the equalized value requirement.

The town is seeking the TID to pay for the installation of sanitary sewer lines and an interceptor that will service 102 workforce housing units. That interceptor will also open up additional land for future development such as more workforce housing.

Without the TID, town officials and engineers say they will not have enough funding to complete the project, which is sorely needed to help address the labor shortages we are seeing in our area.

Thank you for your consideration of Senate Bill 907.



JOEL KITCHENS

STATE REPRESENTATIVE • 1ST ASSEMBLY DISTRICT

Testimony for the Senate Committee on Government Operations, Legal Review and Consumer Protection

Senate Bill 907

Thursday, Feb. 17, 2022

Thank you Chairman Stroebel and committee members for holding a public hearing and giving me the opportunity to testify on Senate Bill 907, which would allow the Town of Gibraltar in Door County to create a tax incremental district to pave the way for new workforce housing units.

It is no secret that we are currently facing a severe labor shortage in our state. However, this issue is even more prevalent in the Town of Gibraltar with its high property values, reliance on tourism and elderly population. I would also like to point out that even though the town's property values are high, the average income of its residents is more modest.

Under current state law, a town may establish a TID if the equalized value of all of its taxable property is at least \$500 million and its population is at least 3,500.

However, the Legislature has granted exemptions in the past to the Town of Brookfield in Waukesha County, the Town of Somers in Kenosha County, the Town of Freedom in Outagamie County and the Town of Cable in Bayfield County so they could create TIDs without having to satisfy the value and population requirements.

The reason this law was put into place is to protect taxpayers in smaller communities whose property values are not that high. While the Town of Gibraltar falls short of the population stipulation, its taxable property of nearly \$1 billion far exceeds the equalized value requirement.

Even though I am confident that Gibraltar TID would succeed, town residents would be able to manage the additional taxes if the project were to fall through. Nevertheless, as requested, we have amended the bill to require the developer's agreement to include a letter of credit that guarantees repayment of the debt service on the project costs. The TID must also be terminated no later than Sept. 30, 2032.

The town is seeking the TID to pay for the installation of sanitary sewer lines and an interceptor that will service more than 100 workforce housing units. That interceptor will also open up additional land for future development such as more workforce housing.

Without the TID, town officials and engineers say they will not have enough funding to complete the project, which is sorely needed to help address the labor shortages we are seeing in our area.

Before I close, I would like to let all of you know that officials from the Town of Gibraltar have traveled here today to go into more detail on the workforce housing project. So, if you have questions specific to that topic, they will be more than happy to answer them.

I appreciate you taking the time to listen to my testimony and I hope you will consider supporting this bill that will greatly benefit our employers and workers. Please let me know if you have any questions.