

Despite support, board can't OK sale of bonds until purchase deal negotiated

The Ozaukee County Board appears to have the will but not a way to include \$600,000 for the purchase of former VK Development land in a borrowing package it was expected to approve Wednesday.

The problem is not necessarily a lack of support for the proposed purchase of Lake Michigan bluff land and the creation of a 150-acre nature preserve on Port Washington's far south side, but rather timing.

Until the conservation groups working on the project negotiate an option to purchase the land, the county cannot borrow money to contribute to the effort, County Administrator Tom Meaux said.

But even if the money is not included in the proposed borrowing package, the county still has the means to contribute financially at a later date, he said.

"We have a lot of options beyond this borrowing, everything from a line of credit at our local bank to a loan from the state trust fund," Meaux said.

The board on Wednesday approved the sale of \$6.9 million in promissory notes to finance projects ranging from highway improvements and technology upgrades to building maintenance and construction.

As part of the package, supervisors had been prepared to borrow \$600,000 for the nature preserve project, which they added to the proposed borrowing plan last month by a 15-7 vote. But in order to do that, there must be a signed agreement to purchase the land by June 25, which is when the sale of the bonds and notes will be finalized.

That appears impossible, and shortly before the County Board meeting, the Executive Committee decided to postpone a vote on the borrowing for the land purchase.

The coalition working to preserve the land — the Ozaukee Washington Land Trust, The Nature Conservancy and Ozaukee County Planning and Parks Department — must wait until an appraisal it commissioned, as well as one that must be done by the Wisconsin Department of Natural Resources, are completed before it can make an offer on the property and negotiate a purchase. Those appraisals aren't expected to be completed until next month, Land Trust Executive Director Shawn Graff said.

Timing stymies county's plan to borrow for nature preserve

Written by BILL SCHANEN IV

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The county is seen as a key player in a plan that calls for 150 acres east of Highway C, which includes nearly one mile of Lake Michigan shoreline, to ultimately be owned and maintained by the county as a public park.

A contribution of \$600,000 toward the purchase of a property that will cost millions of dollars is important, Graff has said, because it would demonstrate the county's commitment to the project.

"People might think a \$600,000 contribution from the county for a multi-million dollar piece of property is a drop in the bucket, but it's very important to the partners involved in this and the fundraising effort," he said. "It would show that the county has skin in the game, and that would be very meaningful for fundraising."

Even if the county doesn't include the \$600,000 in the borrowing package it's currently considering, its support of the project and the continuing possibility of a financial contribution is important, Graff said.

"We're in a good position and can head into fundraising being able to say we have support from the county, which may include a financial contribution to this project," he said.

But before fundraising can begin, the coalition must negotiate an option to purchase the property with Waukesha State Bank, which is seen as the most formidable hurdle.

The bank is asking \$18 million for the 206-acre parcel, which it acquired through foreclosure, and every indication has been that it wants sell the property in its entirety.

The conservation coalition initially proposed purchasing the entire parcel, but that sparked opposition from the City of Port Washington, which annexed the land more than 12 years ago for a sprawling VK Development subdivision complete with lakefront mansions and a resort hotel.

Those plans have long since died, but the city has continued to count on development on the land.

Intense negotiations between the city and the conservation groups last month resulted in a compromise. The 150 acres between Highway C and the lake, which includes the environmentally sensitive Cedar Heights Gorge and Port Washington Clay Banks, was set aside for preservation.

Land east of Highway C and north of the proposed preserve area, as well as parcels west of Highway C on either side of Stonecroft Drive, have been earmarked for development.

The question now is how the bank will respond to the plan to divide the parcel.

"We've met with the folks at Waukesha State Bank to talk about this new configuration and the bank was very receptive," Graff said. "They gave us the go-ahead to start the appraisal

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process.”

Yet the bank continues to market the property aggressively with advertisements in the Wall Street Journal's Mansion real estate section, the most recent of which ran last weekend.

“We expected as much,” Graff said. “I'm sure the bank would still prefer to sell the entire parcel, but at least they're receptive to our plan.”