

**ENVIRONMENT AND LAND USE COMMITTEE**  
**Department of Land Management**

**SPECIAL MEETING MINUTES**  
**September 23<sup>rd</sup>, 2015 6:00 PM**  
**COUNTY BOARD ROOM**

Chairman Brandt called the meeting to order at 6:12 PM.

Brandt verified that the Open Meeting Law requirements had been complied with through notifications and posting.

Committee members present: George Brandt, Jeff Bawek, Wade Britzius, Jon Schultz, Kathy Zeglin and Michael Nelson. Curt Skoyen and Rick Geske were absent.

Staff/Advisors present: Kevin Lien, Jake Budish, Virg Gamroth and Corporation Counsel Rian Radtke

Others present: Darlene Rossa, Renee Suchla, Rob Reichwein, Tom Forrer, Owen Berg, Julie Dick, Kevin Irwin, Mark Geske, Karen Geske, Tim Zeglin, Linda Mossman.

**Adoption of Agenda** - Britzius made a motion to approve the agenda, Nelson seconded, motion carried unopposed.

**Adoption of Minutes** - Zeglin made a motion to approve the July 22<sup>nd</sup>, 2015 special meeting minutes, Britzius seconded. Bawek had a minor change on Page 14. Motion to approve the amended minutes carried unopposed.

**Conservation Aids Application Approval** – Brandt commented that this was an item that the Committee wasn't able to get to at their regular meeting. Lien stated this resolution is for the Bruce Valley Creek Habitat Improvement. Lien was looking for a motion to approve the resolution in order to submit an additional funds request. Lien explained this is a Conservation Aids application for 2015-2016. The allotment for this year is \$1,971.00. The Club received the allotment and must match it with their own funds. One application was received from the Elk Creek Rod and Gun Club Association/Conservation Clubs of Trempealeau County and that was for the Bruce Valley Habitat Improvement. Lien read the resolution aloud. Lien added if this resolution is approved it will be forwarded to County Board for final approval on September 28<sup>th</sup>. Britzius made a motion to support the resolution and forward it to County Board, Zeglin seconded. Motion carried with no opposition.

**Discussion and possible action in regard to the Final Report on the Public Health Impacts of Nonmetallic Mining** Brandt announced that property value guarantees have been discussed intensely over the last couple of meetings. According to Brandt there was a fairly even split in the Committee as to whether those were things that were even possible or whether there was a form where that would be possible to, not only enforce but maintain whatever sort of work load would be required for the Committee and staff. The Committee also seemed to be evenly split in whether or not that was something they wanted to pursue. By the end of the meeting, Brandt had a sense that everyone wanted more information and was willing to consider property value guarantees, not because we wanted to be a regulatory kind of Committee, but rather because we understood that a lot of what people are concerned about in relationship to the siting of silica/frac sand mines, was what that is going to do to the value of their property. That isn't the only thing that people are concerned about but that is one of the major

things. Corporation Counsel Rian Radtke has given the Committee good advice which we have all heard over the last couple of months which can be summarized somewhat by saying he hasn't found a form that was one he could recommend to this Committee to use for requiring property value guarantees and has said a number of times if that is an issue, that may be a possibility to deny a permit. That is certainly within the realm of possibility as a reason for denying a permit. Britzius has raised the issue a number of times, saying how much weight do we put on that and what percent of our decision is that or does it get thrown in equally with all the other considerations that we have when dealing with decisions to approve or deny a permit. Brandt concluded by saying this was his summary based on the minutes that he read and his own recollections. Brandt stated we have a real estate agent and an assessor present. Brandt introduced Real Estate Agent Owen Berg. Berg introduced himself by saying he is a Real Estate Agent out of Blair. Berg stated the reason he is here is that the real estate market was very active this summer and he had three properties that were within the sand mine territory and they were completely flat/dead. Berg couldn't get any showings of the properties. The showings that he did get he received a couple of comments back saying they are too close to the sand mine. Berg explained that first he had called Lien and talked with him and Lien referred him to Corporation Counsel Radtke. Berg then started doing some research on his own by calling some of the local Realtors®. According to Berg there was one comment made that there was a place sold over by Arcadia, near a "proposed" sand mine – no mining was there and the price was not affected. They received full price or the price the seller wanted. Another call that Berg made was not returned. Yet another local Realtor®, who works with a lot of buyers in the Trempealeau County area, told Berg that he had gotten three/four calls where they said they want to be in Trempealeau County but they do not want to be near a sand mine. Berg stated so the term here is what is "near" a sand mine? In regard to property value guarantees, Berg did make some calls to the New Auburn area and he did get a hold of some guaranteed contracts/values. Berg spoke with some of the Realtors® in the New Auburn area because other than this area, Berg didn't know where there are other sand mines. Berg thought he talked with 12 different Realtors®. Berg thought the New Auburn/Bloomer was the next "hot spot" for sand mines. The information that Berg received was; one of the Realtors® said in the case of a job transfer where they had to get out of it, they took what is called a "hit" and sold their properties. According to Berg there is a property value guarantee by DRT Sands out of the New Auburn area. Berg inquired if the Committee was aware that the New Auburn sand mines have guaranteed value contracts. Berg stated they are on the public website. Berg acknowledged that at his request, Gamroth had printed them out for him as Berg didn't have access to a computer at the time. Berg stated one can pull them up, and he wasn't going to get into the full details of them, but that they are sort of attractive. One is that the property is put on the market for approximately 150 days and if it isn't sold, they will purchase the property for the asking price. First, one has to get an appraiser and the sand mine company has agreed to pay for the appraisal and then they put it on the market for 150 days. If it doesn't sell, they will offer you the appraised value plus 20 percent above that. Berg thought that was kind of attractive, but again it is only within a half mile of the sand mine or, it says in the document, within a half mile of the roads that they use. Berg informed the Committee of a property value guarantee summary by Preferred Sand. Theirs is just a little bit different with about 270 days on the market. They will pay for the appraisal and then they have what they call "protected" buyers or right of first refusal, etc. If it doesn't sell they will guarantee your price. The properties that Berg had were about a mile from the mine. The feedback that Berg received was that is still too close, so if you put in a guarantee value, how much of a buffer zone would one put in there. Berg noted that one of these guarantees says a half mile; the other one says a mile. According to Berg, he has seen one of Hi Crush's contracts (out of the Blair area) as it was given to him and they had proposed "fair market value". Berg stated real estate isn't sold on a "fair market value" it is sold on "market value". There is "assessed value, fair market value and market value". Berg read one of Hi-Crush's contracts and again they had guaranteed it, Berg thought 280 days on the market for six months or whatever, and then they would purchase it if you were within one mile. One of the properties that Berg had the front 10 feet was in the one mile radius but the house wasn't. Berg said the owner did call

them (mine). They didn't get back to him or they said it was one mile. Berg noted in one guarantee it does say "buildings". When Berg spoke with some of these Realtors®, some of them took a hit; some of them had gotten what they'd asked. Berg knew the Augusta area had a sand mine. When Berg talked to a Realtor® out of there, he just said it didn't seem to bother. Berg knows that is an area heavily populated with Amish and in his opinion he didn't think they are quite bothered with a sand mine. Berg did speak with Bruce King (each MLS (Multiple Listing Service) system has like a government representative) and he is the RPAC (Realtors® Political Action Committee) agent, the guy they send to Madison. When Berg asked King about what is going on with the prices, according to Berg, King responded each sand mine seems to present a different property value guarantee. That is also what Berg found out. Berg did feel like the Committee has a lot more research to do yet on it. The conclusion that Berg reached in this area is that we don't have enough sales to come out and say, "Yes, this seller had to take, i.e. \$80,000 less because of a sand mine". This is Berg's first encounter with properties near sand mines. Berg stated as of today they still haven't been sold. There were some properties that did a price reduction and they got sold. Brandt stated he knew this wasn't Berg's area of expertise, but according to Berg, the state guy (King) had said all these sand mines have their own property value guarantees/contracts. Brandt's question is who initiates the contract or requires them to have a contract. Is there a requirement at all or is it something they do voluntarily or something that the regulatory authority requires them to do, because that is something that we're dealing with here is if it is something we can tell them they have to do and then give them the forms, etc. What Berg read on one of the guarantees, it is between the township and the sand mine, (without speaking directly with anyone from that township), Berg didn't know if that was something that was drafted up between the township and the sand mine or if the township said, "Ok, we'll let you come in and mine our sand but we want a property value guarantee/contract". When Berg talked to King, according to Berg, King said some of the sand mines didn't even offer a property value guarantee. Berg stated there was one instance where they sold the property and they moved the truck route and there was some legal action taken but Berg thought it got settled. These people had bought it and then said, "We're going to now haul the sand over here" and all of a sudden it got moved. The biggest complaint that people had in New Auburn was lights and traffic. That is where Berg gathered most of his information. Berg added that Hi-Crush, Blair is now annexed city property. Berg knows the City never said, "OK, you can mine this sand but we have to have this". Berg thought that guarantee/contract was just something that Hi-Crush offered to the landowners. From what Berg knows and from what he has read, Berg has never seen where the City of Blair had actually drafted up a property value guarantee. Some of these sand mines are already running so Berg questioned if it isn't already too late to draft up a property value guarantee. Brandt confirmed that Berg was asking the question as to what this Committee can do. Berg agreed. Brandt answered that if we have approved any Conditional Use Permits without a property value guarantee, Berg is right; there is probably not much we can do. Brandt continued that we have a handful (two or three cases) where there have been some obvious conflicts. We've required that the company come to some type of agreement with a property owner. It is something they have to do before a Conditional Use Permit is approved or disapproved. We just hold off our decision until they have an agreement and that has sort of worked. What we are trying to do now is: 1) determine if this is important enough that we have a form required of every petitioner for a CUP and then if we do 2) what that form is going to look like. This is something for the future. Berg asked if there was some compensation done for these people before the Committee gave them a permit to mine. Brandt responded there was an agreement, but the terms of the agreement aren't public. All we required was that they had an agreement between the neighboring property and the sand mine. In Berg's opinion, he thought that we should or he would recommend a property agreement/property value guarantee in the future, if we are going to continue sand mining in this area. Berg thought that is something coming down the road where there is going to be more properties located next to sand mine that aren't going to be sold for their value or not going to sell at all. Berg noted that one of the contracts was just drafted in December 2014 so it is fairly new. Berg was just speaking from this experience that this is the first time he had properties where it was

close to a sand mine and he couldn't get anything out of it. One of the first things Berg said, which Lien had written down was, "What is "near" a sand mine". Lien asked Berg how close the properties were which Berg hasn't been able to sell. Berg responded on the one property, his front yard was within a mile but his house was approximately one mile and twenty five feet. From the other two properties you could see the sand mine. They are on Rat Road and if you look straight across the valley you can see the processing plant. Berg added whether one is looking at a processing plant or a mine it is not what you want to see when you are in the country. Lien asked, Berg to give his professional opinion as to what distance he has seen. Berg responded that everybody would think a mile would be far enough but in this case it wasn't but then again does one have any open view of the sand mine, i.e., it is a mile and there sits these big sand mine towers, but then if you go a half mile away like where Berg's brother lives in Blair he can't see the Hi-Crush plant. Berg didn't think he would hear it either because they built these big berms. It is going to depend on the location. Berg questioned how far the sand mines would be willing to go out for property value guarantees. In Berg's opinion he thought five miles would probably be great but it probably isn't going to happen because it isn't going to be feasible for the sand mines to buy properties that far out unless they put in some buffer zones with trees, etc.

Upon an audience member asking to speak, Brandt asked if the Committee want to allow questions/comments from the public. The Committee consensus was to allow the public to speak.

Tim Zeglin wanted to ask Mr. Berg how long he has been in the real estate business. Berg responded a little over twenty years. Zeglin asked Berg to correct him if he was wrong, but Zeglin thought he heard Berg say that he had three properties and Berg was unable to get any showings and couldn't sell them. Zeglin asked Berg if that has ever happened in 20 years (simultaneously three properties and the common denominator being that they are all near a sand mine) Berg responded no. Upon Britzius asking if all three of these properties have homes on them, Berg responded yes, very nice homes - \$200,000 homes on them. Britzius asked where the potential buyers come from - if they are local folks or do they come from out of town. Berg responded they were actually shown by other Realtors®. Berg had a couple of local showings but they weren't by the sand mines, but there were two other Realtors® that had made comments about the fact that they were nice properties but they don't want to be near a sand mine. Berg stated location has a lot to do with a site so Berg thought when people are looking at these sites on the Internet they Google them and find out where they are and so because Town of Preston is the hot spot for sand mining they already knew they were by a sand mine before they even bothered calling Berg. It wasn't like Berg was taking people out there and then they were saying, "Oh it's near a sand mine". Berg thought he wasn't getting any calls on it due to the fact that they already knew where it was located before they called Berg so they didn't come and look at it either. Britzius said that Berg had stated he made a lot of calls to the New Auburn and Augusta, etc. Britzius stated it sounded like Berg had the impression that there were a lot of property value guarantees out there. Berg responded there was one Realtor® that he called out of Eau Claire that had sold homes to the sand mine people. Berg mentioned two of the sales that were up there were actually employees of the sand mine. Berg mentioned there was another Realtor® that said, "Yes it was good because he sold properties in the City of Eau Claire. Another comment Berg heard was that there were some sales that were bought by investors. They bought the properties in the hope that they would flip them and maybe see sand under them later. Berg explained some sales were property value guarantees, some investors, some taking the hit and moving on and some taking a reduced price, so there were mixed comments on it. Kathy Zeglin asked if, when Berg spoke to other Realtors®, properties were selling for less than the appraised value. Berg answered there was some as some of these properties were not under a property value guarantee. Berg wasn't sure how many sand mines were up in that area, probably five or six, but some of them didn't have any property value guarantees. Upon K. Zeglin asking if he had any percentages, Berg stated no and that he felt he had more research to do.

Mark Geske introduced himself. Geske inquired of Berg as to why these homes were for sale in the first place. Berg responded the two homes were owned by a single mother who had just gotten divorced and cannot afford two homes. The other home is owned by an elderly couple and they used this home as a summer home as they just can't take the winters any more. Geske commented that he is an electrician and right now he is wiring two homes for two different people who sold to Hi-Crush because they didn't like the close proximity to the sand mine. They are building new homes away from mines. According to Geske, the reason that they sold their homes (and neither wanted to sell their homes) because of the proximity to Hi-Crush so there is some of this happening. Geske has had some experience with having properties next to a mine in Jackson County and they were very unpleasant. Ten years ago Geske had owned some property with a friend of his which bordered Badger Mining. We tried to sell it for over a year. They didn't have a Realtor®; they just had a sign on the road. Geske said they probably had 50 inquiries. With every one, when they found out about the sand mine, they just balked at it and that was the end of it. Most of these people were not from the area that were looking. There were no buildings on this property other than a hunting cabin but it was a prime hunting property. At the time hunting properties were selling pretty easy. Geske ended up selling the property to Badger Mining. He didn't want to but Geske explained that he owned the property with a high school friend and it came down to that he either had to buy him out or we had to sell to Badger Mining. We knew Badger Mining wanted the land as they had been asking to buy the land for ten years already. The problem was that Geske owned more land below it and he was supposed to get an easement through that land, if it ever got divided or sold, so that Geske could get to his other piece of property but the mine balked at that. This had been just a verbal agreement between Geske and the fellow that he owned the property with so Geske was given the ultimatum to either buy the property or Badger Mining was going to buy it. Geske then owned another piece of property down below there and we ended up selling that to Badger too because of the unpleasantness. Geske's father had a house and he was at the age that he wanted to move to a more populated area and he tried to sell the house for awhile without a Realtor®, just by word of mouth, and we had no one interested in it. Geske's Dad went to Badger Mining and asked them if they would buy his house (he was trying to sell the house and twenty acres), and they said "yes". According to M. Geske, two weeks later, they came back and said, "If we agree to buy the house we need 100 acres". Geske's Dad said he wasn't willing to sell 100 acres so they didn't buy the house. Two more years went by. Geske's Dad wasn't trying hard to sell the house but he was verbally trying to sell it and we had no offers - again, because of the close proximity to the mine. Brandt summarized that it sounded like M. Geske was saying that the experience of moving your property or being able to determine the way you wanted to dispose of your property was compromised by the nearness to Badger Mine. Geske said, "Absolutely". Brandt continued saying that in a sense it was also sort of making it difficult for you and your friend to come to some conclusions and your Dad, who Brandt assumed was Wally Geske, was having some issues related to that. M. Geske said if we wanted to sell everything to Badger Mine, they were more than happy to buy it as they had been asking to buy it forever. They wanted the land. We were there before they came. M. Geske thought they came in 1976. Brandt thanked Geske for his comments. Brandt thanked Berg also for his research and asked him to stay in touch with the Committee.

At this time Brandt introduced Assessor Kevin Irwin. Irwin stated he has been an assessor working in that field for 33 years. Irwin explained he has been doing some assessing in Trempealeau County since 1989 and he does have a number of municipalities. In fact, Trempealeau County is the largest area that he does assessments in. Irwin said he was asked to give a presentation and what he ended up doing was taking a look at the industrial mining map that is on the County website. He took about a mile around that in terms of property and property values that have occurred since 2012 thru 2015 present day. Britzius asked how many mine sites Irwin was talking about. Irwin responded just about every single one of them; Hale, Lincoln, Burnside, Preston, Arcadia, Dodge and Trempealeau. All of those areas is where Irwin took the information from. Irwin does have access through the Wisconsin Department of

Revenue (DOR) website to be able to go back that far to see all of the properties that have been sold. Irwin did not look into family sales or corporation's transferring land essentially to sell, so those are all properties that Irwin did not include even though there were quite a few more. Starting with the Town of Hale, Irwin presented that there were a couple of homes that had sold within that mile vicinity. One was in September, 2013, it sold for \$150,000, the estimated FMV (Fair Market Value) was \$130,000. Irwin knew that Berg had mentioned that essentially FMV was not really the appropriate method to value it and to some extent Irwin would agree with that. It is an approximation of where those homes may be sold for in an assessment purpose and so we are looking at a small number of homes trying to assess all the other ones fairly. Given that it is an estimation and it could be a couple of years old but it is also related to current sales and the fact that the DOR sets market values of the townships on an annual basis and those percentages/ratios are reflected forward onto the townships, villages and cities and so they are adjusted on an annual basis. In actuality, an average value would be more typical than a fair market value (FMV) and so it is an estimated value. Irwin doesn't have any appraised values of these and so it is the next best step in terms of how to see how they compare to properties. In the Town of Chimney Rock there was one property that sold for \$86,000 and the estimated FMV was \$73,400 so both of those sales were higher than the assessed value. In the Town of Burnside there was a property that sold for \$80,000 and the FMV was \$85,000 so that is one that actually had sold at a discount. In the Town of Preston, in 2015, there was one that sold for \$203,000 and the actual estimated FMV was \$203,000. These are all historical and Irwin couldn't project into the future what other properties may sell for and that is why Irwin is just going with what has sold and what has presented itself. In 2015 there was another property in the Town of Preston sold for \$80,000; the estimated FMV was \$86,000. In 2012, a property sold for \$105,000, the estimated FMV was \$93,000. There was a one acre parcel in Town of Preston that sold for \$550,000, the estimated FMV was \$100,000, so this was definitely a property that the sand mine had wanted as it was close to the mine. In 2012, another property sold for \$325,000, the estimated FMV was \$300,000. In the Town of Preston, a property sold for \$240,000, the estimated FMV was \$200,000. In 2012, a house sold for \$80,000, the estimated FMV was \$76,000. In 2013, a house on two acres sold for \$140,000 which was exactly what the estimated FMV would be. In 2014, 3.1 acres and a house sold for \$77,000, the estimated FMV on that was \$50,000. Brandt asked, in the Town of Preston, if these sales were from individuals to the mining companies or are these between individuals. Irwin responded the majority of them are individuals; there are a few that are purchased by the sand mine. In fact, there was one in Arcadia that was purchased by the sand mine for \$400,000, the estimated FMV was \$225,000 and they re-sold it a year later in 2015 for \$239,000 with 1.6 acres less, so it actually sold twice for higher than what the estimated FMV was. Since we are in Arcadia, in 2014 a property was bought as a sand mine purchase for \$369,000, estimated FMV was \$250,000. There was a house in 2015 that sold for \$79,000; the estimated FMV was \$76,000. Another property sold for \$223,500, the estimated FMV was \$246,000 so that one was not quite 10% more than the estimated FMV. Another property was sold in 2012 for \$250,000 and the estimated FMV was \$266,000. Another property in Arcadia sold for \$225,000 and the estimated FMV was \$142,000. In the Town of Trempealeau, in 2014 a property sold for \$79,000 and the estimated FMV was \$63,000, so there are homes that have been sold in close proximity to the mines. Whether the mines were up and running at the time Irwin didn't know. Irwin just went back to 2012 as a starting point and that is where he began his investigation. Karen Geske commented, in regard to assessed values, when Irwin went into Arcadia he mentioned that there were two properties that were sold (Geske thought they were a Guza home and Clark home). Geske stated those two properties that would have sold for those high values to the sand mine were properties that the sand mine needed to purchase at a premium price in order to get their "balloon on a string" in order to annex property to the City of Independence. Geske had just heard those two properties had recently sold at a lesser value. According to Geske the one gentleman (Guza) had the first option to buy back his property. He had already purchased property on the Montana Ridge. He opted not to buy back that other property. Brandt commented he felt K. Geske was illustrating another part of this which is the annexation issue. Irwin responded that unfortunately he didn't go into the cities

or villages to take a look at sales. He knew Independence and Whitehall were probably within a mile but in Whitehall Irwin knew there were very few properties that would have been affected by that and he couldn't think of many that would have been for sale. Independence on the other hand was much closer on a couple of different fronts. Darlene Rossa commented that she had just talked to Clarence Becker and that Clark property which is only  $\frac{3}{4}$  mile away from that pit just sold and the asking price was \$245,000, the appraised price was \$220,700 and it was bought for \$239,000. Brandt explained that she was describing the Clark property near Independence. Schultz questioned, within real estate or assessing, if sales relative to fair market value is tracked in any way, or is there an aggregate statistic or even perhaps broken down by townships so that the Committee could compare the information that Irwin is giving to what the norm is. Irwin explained that typically the problem with that is there aren't a lot of sales in the township that would actually be able to be ratioed, so once you get into the towns, as soon as you start getting into the larger parcels, five, six or ten acres, sometimes the classifications are mixed so at that time there isn't a direct correlation with being able to ratio those assessments anymore. That being said, if it is a purely residential or agricultural site then those are assessed at 100% value, so if it only includes acreage in residential or in agricultural site then those ratios tend to have a relationship however when you are looking at a couple, up to maybe 2% or less of the properties in a town, village or city actually selling a year it doesn't give you a lot of properties to take a look at anyway. When one starts to say how close they are to the sand mines then it is even fewer than that. Schultz asked, on a broader scale, for the entire State of Wisconsin if there was information for residential sales relative to sale price, relative to fair market value and what is the sale range. Irwin responded that it varies from area to area so if you have hot areas you will have homes that are being purchased for more than what the assessed value is. Areas around Blair have always been typically one of the last areas to actually see any increase and one of the first ones to go down because it is just that much further away from metropolitan areas. Schultz asked what that variance would be. Schultz questioned in a rural township in western Wisconsin relative to fair market value what does Irwin see homes sell for. Irwin's answer was that it is "all over the map". Irwin added that is the hard thing because as Berg had mentioned before it is all about location. Schultz added and that every township has a different assessor. Schultz was just wondering if that is tracked because then that would give the Committee something to compare to Irwin's data that he is presenting. Schultz understood it is a problematic issue because the information is so variable. Berg answered that sometimes he has seen it up to 20%. It will depend on the interest rate. The real estate industry does track that. Berg stated that years ago before the balloon busted there was property, when talking values, that were hitting the Internet at 9:00 AM and by noon they had an accepted offer – in the South Carolina and Florida area. The broker that Berg worked for, when the balloon busted, she went to Florida and bought three condos for 50 cents on the dollar, so like Irwin said, Berg stated it will vary. When the economy is strong and the interest rates are down one will see it jump up to 20% above the assessed value or estimated FMV. Sometimes it will go down. Berg has sold properties below the assessed value and he has sold properties way above. Schultz noted that Irwin has taken the time to look at what is within a mile of a permitted project so it would be nice to compare that to sales outside of a mile. Schultz was just wondering what information is out there already. Irwin continued saying the mines actually had quite a variation in price per acre that they had purchased land for. Irwin thought when they first got started and there wasn't a lot of knowledge about what the potential was some of the properties they went for about as much as what regular agricultural land would have sold for – large parcels, somewhere in the neighborhood of \$2,000-\$2,500 and maybe up to \$3,000. That has all changed. Once people have found out how much value there is in properties, especially property close by a mine or that are needed, they jump up dramatically, so one is looking at a minimum of \$7-9,000 per acre up to \$47,000 per acre. Irwin stated there was one sale that was submitted for a value of \$60 million and that was \$127,000 per acre. Brandt clarified that was in Trempealeau County. Upon Britzius asking how big the parcel was, Irwin responded it was sizeable. Irwin mentioned another property in the Town of Preston and it was only 5.6 acres with \$135,000 house on it. Brandt said it has been mentioned a couple of times that location is the issue. If one wanted to

buy 10 acres in the Town of Trempealeau right now one might have a hard time doing that as there are a lot of people looking for 10 acres because of the pressure from La Crosse. Likewise in the northern part of the County from Eau Claire, so we are dealing with issues related to industrial sand mining throughout the County. The location used to be a view of the river, bluff tops, long views down the valley, nearness to town or nearness to a City and now another element becomes, in a sense, nearness to a sand mine within how this County is developing. We need to keep an eye on that. That is one of the reasons we are having these presentations tonight. Brandt asked Irwin to continue. As Irwin was listening about the property guarantees, he said this is the first time he has ever heard of it and it was interesting. Irwin stated it is a nice feature that they (mining companies) have, that they will purchase the property if they are on the market. According to Irwin, 150 days is not a long time for a property to be on the market in some rural areas. Many times it can be up to two years before one can actually sell and that depends upon if the house is able to be sold, the credit requirements that has come through the federal government has essentially said that if your house is peeling you either need to paint it or side it. If you have bad windows on it we would like to see those windows replaced. If the roof is bad it has to be replaced. Just doing those three items may exceed what your profit potential is for that house or even to be credit worthy, therefore it may end up selling at a discount because of those repairs that are necessary. It may have to be sold to somebody that has cash and therefore they don't need to go through the process. Irwin added that is one of the things that a lot of rural areas or even homes in the city's and villages are subject to, so it is not just a rural situation. In regard to price guarantees, Irwin said what about rumble strips in the highway. Irwin stated they didn't used to be there. There is noise that is created on State Highway 53 if somebody goes over the white line. To Irwin that is a huge problem because one starts getting into the community's and they (Ettrick and all along Highway 53) are very close to the highway and one can hear those strips for quite a ways, but is there any compensation given for that. When one starts hearing that noise constantly night after night it does affect it. Brandt commented he has never heard that before. Upon Irwin being asked if he lives near Highway 53, he responded he doesn't live on Highway 53 but he has been in homes that have access to State Highway 53 and it is noisy and it is like being next to a railroad train as the noise is there and you never know when to expect it. Bawek stated that comment basically shows that there is a noise issue that has to be dealt with when we site it. Irwin added some of these noises we can't control. Irwin stated Trempealeau County is rural. There is a lot of dairy, beef and grain bins still in the area and they all produce noise. Who's to say whose noise is acceptable and not. Brandt commented, interestingly, it is this Committee. Irwin added that this is a perfect example of where one draws the line. Irwin gave the example that someone asked to increase their herd and questioned if the people of Galesville are upset with the odors coming from the west. According to Irwin, at times it is pretty noxious and it is noticeable. Irwin asked if there were price guarantees for that – probably not. Irwin mentioned high capacity wells –draining water out of the aquifers. If they were shallower and if there were areas where there were more higher nitrates would that be affecting the better quality water – probably not, but if one goes into an area where more water is drawn than is potable, to Irwin that would be more concerning. Bawek asked Irwin if he had an area of expertise in that. Irwin responded that he has followed it for quite a while. Irwin thinks that one has to take a look at not only sand mines but also agriculturally and how many of the high capacity wells are in an area, how much their drawing and if there was a way to monitor the levels to see if they are being recharged or not. Brandt thought this was an interesting issue because for a while some members of the legislature tried to deny DNR the opportunity to take into consideration other wells within an area before allowing another high capacity well to be put in. In other words, they (DNR) were supposed to make a determination on each of them individually. Brandt said that rule or requirement has been lifted. Bawek asked if Irwin pertains that potential draw down to assessed value. Irwin responded if you start to have to replace wells on a continual basis it is going to affect property values and so yes, it can have a detrimental affect. If one is looking at replacing a well for \$50,000 that is part of the cost. Brandt noted that Irwin had mentioned high capacity wells but also nitrates in wells. Brandt is familiar with nitrate issues in the southern part of the County. Irwin added at

that point, if you have sufficient water capability at a lower depth that is not necessarily something that can be used residential, that would probably be the source they should probably tap into first rather than going into something that is higher value. Brandt stated there is no clear point about property value guarantees here. As the assessor, you are describing those things which can affect the value of the property but what we are seeing is that sales of the property are not necessarily related specifically to the assessed value of the property but have more to do with the location of the property in terms of the relationship to the mines. As the assessor for quite a few of the townships that were mentioned here in the County (Irwin clarified he does Ettrick, Gale, Unity and the City of Whitehall), Karen Geske asked how many mines are in the Town of Unity. Irwin replied none. Geske's question to Irwin was going to be (she thought he perhaps comes in and helps to do the assessments in these other townships) if one goes and assesses a mine, what is an acre of mine land assessed at. Irwin responded in the City of Whitehall he is at \$12,500 per acre. K. Geske asked in the near future, if Irwin believes or sees himself determining, when he has to assess a home next to a sand mine or within a one mile radius, as to whether or not he would make a different type of determination on the value of the home based on it being next to open pit mining or would he just be assessing it at the same value as a piece of property in town on four acres. K. Geske questioned if there is any kind of different ratio that is going to come out of this, in the end, with how Irwin assesses homes. From the information that Irwin has seen right now probably not. At least the ones that Irwin has seen in other areas tend to bring about the estimated FMV, with a few exceptions of course. Irwin stated this is also problematic in other areas. As soon as one says "sand mines" and then you say what about the houses next to the one that is not kept up and is a piece of junk. What do you do with that? That is an eyesore and a continual eyesore for whoever lives next door to it. Unfortunately, Irwin still values the home by what they are because when he has made adjustments in the past, he has them proved wrong, so it is hard to say with a gut feeling what it may or may not bring in terms of value. That is why we always have to look at historical value or historical prices. Brandt commented that K. Geske's question is probably coming from a different place/direction than what we might consider. We're interested in, to some extent, what the value of property in the County is and if the value of some residential properties are going to start dropping because of nearness to the mines. Whether the mines value can hold it up and hold our countywide valuation up is another question. Irwin thought what the Committee has to take a look at is where did we come from. Since 2008 until almost 2014 the values have been suppressed. It wasn't until this last year really that we have actually seen some more robust sales throughout the County. Irwin questioned if people are waiting until they can actually get back to where they were, probably in 2005, at that point or are they going to sell for less and try to get out. Irwin stated there are a lot of properties that have been in families for many, many years and they don't necessarily want to sell for any price because that is where they are. It is a tough one. What Irwin has been seeing is the more a house needs repair, there are fewer people out there willing to take them on as "flips" and they do sell at a discount. Regardless of where they are, Irwin said that is what is happening. Rob Reichwein asked if it would be wise for this Committee to have an appraiser here as well to see what a bank looks at. Reichwein continued that even if the assessed value is "x" and the appraiser says it is not appraised at this rate because it isn't going to sell because, i.e. it is too close to a property that needs to be fixed up or a sand mine or a high traffic road or Highway 53 that has a lot of noise on it, they are not going to give the appraisal that the bank needs to loan the buyer the money. Even if the assessed value is higher, Irwin commented that would be problematic again because even over four years and with the large area that Irwin was looking at there didn't seem to be a lot of sales to begin with. There were some, but when you're starting to look at appraisals, one is trying to go within the last six months. At that time then, one is shrinking the base even further as appraisals generally have an Offer to Purchase along with it and so the appraiser gets that number and so all they have to do is find properties that are going to be comparable to that, so they are coming in with a known value. Assessors don't have that opportunity. According to Irwin, they probably have about 10% of the properties throughout the town that we have had sold in 3 to 4 years that we are looking at to make a comparison. Appraiser's have a much easier time to come up with numbers

than assessors. Brandt thanked Reichwein adding that he had made a good point. Julie Dick with the Blair Press commented that she writes up the results for the home sales report from the Wisconsin Realtors® Association every month. She just got the most recent statistics and if one looks at those ads and they can say anything you want them to because of how low the number of sales are. If you have one more home sell in August this month than a year ago this month then sales are up 4%. If there are three fewer homes sales then they're down 30%. According to Dick, it is not exact statistics when one is working with these numbers, even at the most basic level. Irwin stated you start to take a look at the median values of the homes that are sold, in fact, the Eau Claire paper just ran that with probably an eight county area and it only takes one or two high value sales to kick those numbers up to a much higher level than what they were a year before. Irwin thought Pepin County is one that stuck out in his mind as going from a \$65,000 average price down to about a \$49,000 average price for homes in 2015, so one or two sales can make a huge difference. Britzius was curious if Irwin's message was that it is really difficult if not impossible to set values on properties. Irwin responded it is not impossible but it is difficult and Irwin thought Tim could probably back him up on that having been an assessor for many years too. Britzius stated last week he talked to a person, who like yourself has many years of experience as an assessor and was very interested in this topic, and what she told Britzius is that she's dealt with situations in urban areas where a Walmart or other businesses comes in (a business which disturbs a lot of land or was a residential area) and property values around there drop. In most cases there have been legal contracts or property value guarantees as a matter of fact. Britzius asked her to see if she could find some of that language for the Committee to look at. Britzius added there is experience beyond our rural experience. She also commented to Britzius that it wouldn't be so hard if one is willing to take time, but it wouldn't be so hard for an experienced assessor to go back and do some research and get a reasonable price for a property before the sand mine was on the scene. Britzius stated, obviously there are all kinds of variables that would have to be stirred into that but it would never be perfect, but she said that it could be done. Britzius questioned if that made sense to Irwin also. Irwin stated it could be done but with the downturn of 2008 where would you want to start. Britzius thought it could be done and at some point it would become arbitrary as one would say the downturn affected it so one has to go back to 2005, etc. Irwin commented when you are looking at price guarantees you almost have to look at what is there now rather than the past. Britzius stated the biggest concerns of the County Corporation Counsel is how do you set the value and that could be a real messy process. Irwin said quite honestly if they had the price guarantees established in 2008, people would have been able to make money on the housing for six years after that because the market has been down. Britzius responded that was the situation before the sand mine came so that is what the value was before the sand mines. Irwin stated the economy has taken somewhat of a toll on everyone so when you have some that are guaranteed at a certain price in a certain time that would be difficult to hold on to. Irwin would immediately go out and purchase properties around that area just because it is never going to go down and the potential is only on the upside. Brandt commented we talk a lot about the residential but there is the ag side too. Brandt suspected that ag land is not worth as much as it was two years ago because of the commodity prices. Irwin responded that going up to five miles for a price guarantee, as Berg had mentioned, would take into account all of the City of Whitehall, all of the City of Independence, and the City of Blair, so the Committee is probably going to have to take a look at it and say, "How does this affect it". Berg had stated that his brother owned property a half mile away and he really didn't have any noise. Irwin said it is all about where the buffers are and where they aren't. What can be used for noise suppression and also visually? Irwin stated he lives within a quarter of a mile from the interstate and at one time his neighbors had taken down probably (between five of them) about 100 trees, so we hear the interstate a lot more than when we first purchased. These trees were a natural buffer for noise suppression and without them it is huge. In terms of the economy in Trempealeau County, Schultz was at a meeting about a half a year ago where it was discussed and he really thought with our strong employment that we didn't really experience a dip in terms of real estate values. That was the impression that Schultz had is that we were kind of this unique spot in the state in terms of real estate

values during that time period because of our strong employment. Irwin responded that it did help. In Trempealeau County, Irwin stated we didn't have the great ups and downs like the western side of the State. Schultz commented we didn't have the "bubble" from the 90's thru pre-2008 so then also the impact post 2008. Schultz really thought we were a little bit of an exception to that national trend of 2008 being a real estate crisis. Back to his question, Schultz stated in real estate there is so much data and Irwin had mentioned this data base that he has and you've given us sale values, the prices of the sale and the assessed fair market value and these are sales within one mile of a mine, but there is really no actual tracked ratio of sales versus that FMV, so within that glorious spreadsheet of real estate data that is not tracked. Schultz asked what the next step was to compare the numbers Irwin gave the Committee, sale price versus fair market value, so that we can compare that to sales beyond that one mile radius. Schultz asked if we have that capacity to find that out. Schultz stated the numbers Irwin gave us is data but we need to be able to compare that to something to know what it means. As Irwin had mentioned before, the DOR actually takes a look on an annual basis and tracks sales of homes in the rural areas as well as cities, villages and townships, all together. Depending upon the economics or if the prices are going down or going up they do make annual adjustments based on that. The problem is that normally when you're looking at smaller townships, you don't have a lot of sales. There may be only two or three sales to really give you any information and that is not really reliable when you start taking a look at those small numbers. Schultz commented if we have those numbers we can discuss their reliability also. Irwin continued that when you have more properties, like in the Town of Trempealeau they have a lot of homes that are sold on an annual basis, as does the Towns of Gale and Caledonia, however if you're looking at Ettrick there might be only 6 to 7 homes that are actually sold that are true residential sites so they aren't as reliable in terms of trying to go back and say this is what the data says. Schultz thought over time they may become reliable, i.e. if a sale price in the Town of Ettrick is 6-10% above FMV price and if that is a trend over 10-20 years then we know. Irwin commented that is a long time. Schultz responded yes, great and the longer the better and also every township has different assessors too so one has to account for that variable. Schultz would love to see that spreadsheet. Brandt commented one would see the history of the change of land use in the County. Brandt stated we continue to talk about that, we've talked about land use for going on 20 years or more, in this Committee, in the Zoning Committee and the Land Conservation Committee and Brandt thought that is what the spreadsheet would show. Schultz was just referring to the value of the sale versus market or assessed value. Irwin responded that the only problem with that is when you do a revaluation then you have a new base that you have to work with. Schultz reiterated that the numbers that Irwin is giving the Committee, Schultz didn't know what to compare that to, as we have no base line to compare that to, so he was unsure what that means. Schultz didn't know if it was a good trend or a bad one. Upon Brandt asking Irwin if he had more information to go through, Irwin responded that he went through every single township those being Arcadia, Dodge, Trempealeau, Preston, Hale, Burnside, Chimney Rock and Lincoln. Zeglin questioned Berg and Irwin in that we are dealing with two different terms here; fair market value on an assessor's level and appraisal on a Realtors® level. Zeglin stated the two are not the same and asked if they could give her any definition of those. The way Zeglin understood it, as far as a Realtor® is concerned, a property should sell for more than FMV, historically, listed on the tax receipt. Berg responded that would depend on the property. Berg explained that if a property is assessed at \$100,000 and we are going to sell this property in June but in February and March the landowner added on a big bedroom and a bathroom then you're not going to sell that property as assessed value because you just added a lot of value to it, so what we do is we do a market analysis on it and we do a comparable market (what other three bedroom, two bath homes sold for). Berg continued that there are three values; assessed value, fair market value and then there is market value. In explaining market value, Berg questioned, in example, what would happen if Ashley Furniture left. The assessed value is not going to go down but you can almost bet your market value is going to go down. That is what happened when Whitehall Packing pulled out. Market value is determined by economy, interest rates, employment, etc. When one gets an Offer to Purchase, like Irwin said, the appraiser looks at that Offer

to Purchase and then he will go on the computer and look at comparable properties however he may not know that across the street that there is four-plex there. They are looking for comparables, they actually look at the appraisal, but they don't know if it has oak or pine cabinets, etc. and each house is a little bit different so all of your properties are going to vary, but that is where you have your value. Berg said they could also do just the opposite, i.e. the house is assessed at \$100,000 and you rented it out (we all know about nightmares with renters). The assessed value didn't go down but Berg goes in there and looks at it and the place is ruined and he can't sell it for \$100,000, so then one has to do adjustments. The assessed value is still at \$100,000 but the market value might only be \$80,000. Zeglin stated she was just trying to get to the statistics that Irwin gave the Committee based on FMV if those figures were reasonable in the Realtor® world. Berg stated Irwin goes on assessed value, he doesn't go on FMV. Berg stated Irwin goes on assessed value and Berg goes on market value. Irwin stated the estimated FMV is just an average of properties that have sold. The assessments are ratios of the properties that are sold so the assessed value is compared to the sale price and if there are enough of the sales to give good information then those numbers are essentially brought forward by the State to the total value of the residential class. If properties are selling at 10% higher than what the assessments are, your estimated FMV would essentially be 10% higher than what your assessment is and consequently the same thing if you are in an economically depressed time and properties are selling for 10% less than it would reflect a lower estimated FMV for your property versus the assessed value. In terms of what Berg was saying, Irwin stated we don't necessarily have an opportunity to change our values on an annual basis because of the time and money that it would take to do that. We would essentially have to go out to every single property on a yearly basis and take a look at it, inside and out, within a very short time close to January 1<sup>st</sup> and take that information and say this is going to be the assessment. Irwin would say that assessments are generally changed about every six to eight years in terms of values, so it might be a longer time that it actually does change. Irwin stated the only time when all three of these numbers come into play would be in the year of a re-valuation. If that is done then the estimated FMV, the appraised value and the assessed value would all come together at one time. Zeglin commented it may take years for the FMV to reflect the Realtor® market or for the DOR to adjust those numbers. Irwin responded that every year DOR does that. That is why they take a look at the sales on an annual basis and say if the assessor is doing their job and everything is equitable then it should show a high concentration of homes in an acceptable range plus or minus 10-15% from the sale price. So when you are looking at that, the more sales that you have, the more confidence that you have in terms of how those sales are coming in. Irwin thought he was giving a little more in-depth information than he probably needed to at this point. Brandt commented what you are dealing with is an element of a property value guarantee which is what number is set by whom and when. Brandt added that we have heard quite a bit related to that specifically. An issue that we also have heard about, that we don't have an ability to create is the data as to how far is far enough for a property value guarantee to be required in a conditional use permit if we were to go that way. What we have also heard is that there are real estate agents, including Berg, who think property value guarantees are a good idea. Berg agreed to Brandt's statement. Irwin commented he wouldn't say that it is not and that it is kind of a "slippery slope" because Irwin wasn't sure if agriculture producers have to go through the conditional use permit process or not but it certainly would affect neighbors more than what it has. Brandt noted that was the second time that Irwin raised that issue and there is a history with this Committee related to agriculture – that is to say that preference has been given to agriculture because we understand ourselves to be an agricultural county/community and community is changing in regard to where our preferences lie. Brandt stated the reason you guys are here and why it is that we are struggling with this is because of what we see from the Health Impact Study Committee's recommendations, as well as the people who come through here to talk to us related to industrial sand mining is there is anxiety, there is fear and there is not knowing what is going to happen in the future. What we're trying to do and the reason this got raised is that we are trying to address those emotions, those realities/people's reality to get a sense of certainty. Something so that they know that even if they don't want to move, but they have to move that

they are going to be guaranteed some value for that which is so important to them and that is the reason that we are talking about this. Brandt added that we appreciate your (Berg and Irwin) perspectives greatly. It doesn't tell us anything that we don't already know which that we don't know everything and that is why there are people like you to give us an opportunity to understand. Irwin responded that quite honestly he believed the higher quality mines want to be good neighbors and by doing that Irwin didn't believe that you would have a problem with many of the company's that are going to be setting up shop. If that is one of the criteria, in terms of a price guarantee, that is probably a very small portion of what they need to get started, to get into operation. Irwin added that in many of the areas that they are right now, they aren't heavily populated except by Blair or he should say Blair, Independence and Whitehall. Those are the three that have the highest population in a short distance. When one starts getting into the City, he guessed that would be harder to say that it is actually a negative influence in either the City of Whitehall, Independence or Blair. Brandt asked if Irwin was talking in terms of the property values. Irwin responded yes and that the ones that are much closer would probably be affected more negatively. Lien stated, ironically those are the three major ones that annexed to cities and those are the ones that this Committee wouldn't have the opportunity to require any kind of value adjustments. Darlene Rossa stated that we talked about property value guarantees and a lot of times she thinks of it as some farming areas have sold out to these mines because of the proximity of the mines. If they have given that farm a property value guarantee, i.e. what the market value of was of \$4,000 or \$3,500 and that was the guarantee and they said they won't accept that and then the neighbor down the road waited and said he wanted to sell to the mine and they got \$7-\$8,000 an acre, Rossa asked how does this help? Rossa has gone back and looked at a lot of the sales on how much more they have spent above the value on a lot of this land, to buy up this extra property, because most of them feel that the more land they can acquire, on the outside area, the better it is for them and they are paying two or three times the amount of what the property is worth. So if you come in and say we'll give you a fair market value or we'll guarantee you whatever the market is, Rossa questioned what you are accomplishing. Rossa stated these people are losing a lot of money when it comes to that. Fair market value guarantees are very different in different areas and that is what kind of hurts you sometimes. Rossa knows Geske's sold their land and she (Karen Geske) stated at one meeting that they got \$7,000/acre and in considering fair market value over there, that was way above what it was actually worth. Rossa thought the Committee really had to look at both sides of this. Brandt commented that Rossa is raising an interesting point. Lien commented that Rossa was talking more about economics. In example, Lien stated it is kind of like owning a house. Once you outgrow that house, you're at the mercy of the economy and the price of lumber when you want to expand. Like a mine, once you purchase a property and build a wash plant, dry plant and rail load out on that property, you don't want to go buy a property five miles down the road so you're kind of at the mercy of expanding. If there were guarantees like this in the beginning that might also be a benefit to the mining industry. Brandt asked the Committee if this has been helpful and if they were closer to the decision of this recommendation related to property value guarantees. Schultz responded that the timing of this discussion has been good. Just today, Schultz heard that a homebuyer was informed by their bank that a potential sand project was going to result in a 30% devaluation of the home they are buying. The closing date on this sale was tomorrow, so now we've got a buyer and seller who literally may not be able to close tomorrow based on that decision. The seller was hoping to close on another home that they were going to buy so now they can't close on the home they were going to buy nor on the one they were going to sell. Basically, Schultz stated, we had a lending institution give us a number (30%) which was their estimation on valuation. Upon Brandt's inquiry of whether this was near a mine or a potential mine, Schultz responded it is near a potential mine. Irwin commented it wouldn't necessarily be the banks choice; it would probably be the appraiser's estimate of that. Irwin added that if the appraiser has proof of that, then that is one thing, but if he is just taking a number out of the sky, that is wrong. Berg asked if the 30% drop came from the appraisal. Schultz wasn't sure. Berg said if it did come from the appraisal, did he base the appraisal on the fact that there is going to be a sand mine. Berg has never heard of that. Schultz stated the buyer and seller had full indication of disclosure

and had come to an agreed price. Discussion took place on this issue. Irwin commented one has to have actual sales to support that decision as one cannot take an arbitrary number and apply it and say that this is true. Berg commented this is the first issue of its kind that he has heard about. More discussion took place on this particular circumstance. Schultz stated this may force a renegotiation or perhaps no sale at all. There are basically two families that are pretty stressed out right now. Irwin stated he would make sure that if there was an appraisal done that it is reviewed and deemed an accurate appraisal. Brandt asked again whether the Committee was any closer to making a decision. The Committee has heard advice from Corporation Counsel, staff and the public included Berg and Irwin who have done some research on the issue and advised that it is perhaps a good idea. For Britzius it heightened the suggestion that it is a good idea and the fact that it is a very difficult thing to do. Brandt stated that Irwin had mentioned that the better operators are the ones who want to be upfront and would be willing to do this, low cost, for positive community feelings, etc. In regard to the mention of land use, Schultz stated when one thinks about doing something like this, whether it is a half mile or mile radius, one starts looking at density of homes, if we have something like this in place we are fundamentally putting an overlay district on where mining is not going to occur. Property value guarantees next to a dense residential district are going to be costly, potentially, so there is that aspect also. Something we struggle with in zoning and Lien has struggled with personally is when we talk about things like noise, odors, light pollution, if we lived in a flat area like Iowa, one could put “rings” around things and say at a given distance you are such a percent affected and then it drops off. Because we have a unique topography in this County, Owen mentioned that there could be someone a quarter mile away, like his brother, and it may have no affect and then someone who is three miles away is adversely affected (perhaps depending on haul routes, etc.). Everything becomes very site specific. Lien asked Irwin and Berg if there was enough expertise whether it be a Realtor®, appraiser or an assessor that the Committee could use a resource there, when we get an application, to say review this area and designate things that come out as red flags that say, “yes, we feel this property is adversely affected or no it is not”. Those are really difficult things to answer but Lien felt that is what this Committee is looking for and perhaps there are professionals in the field that could answer those questions. Lien asked Irwin and Berg if that was a possibility. Berg asked if the question was related to the property value guarantees. Upon Berg asking if Lien had looked at them, Lien responded he has seen similar ones as EOG has one, the Town of Howard as well, but they have a set distance and that is where Lien struggles. If the County were flat then Lien would be ok with it but Lien stated that we did a ton of noise studies in this County and we realized that if you were on the backside of a 50 foot berm your decibel levels may be zero or minimal impact but if you are two miles away and you’re in a situation where it creates a megaphone, you are definitely adversely affected, so the set distances don’t seem to work well for Trempealeau County. Berg thought if the sand mines were completely quiet, safe and dust controlled, it is the psychology of it. According to Berg, people hear sand mine and they just don’t want to be near it. Berg thought perhaps because it is new as people don’t like change and this is a change to the County. Berg thought psychologically people do not want to be near a sand mine and their not going to come into the Trempealeau County area because of that or into some of these areas even if it is quiet, safe and no traffic. We all know most of this sand has to be moved by rail. The sand mine in Blair pretty much moves everything by rail. Lien thought Berg was touching on the bigger issue of what is the heart of Trempealeau County. Why people move here and why people stay here. It is a very rural area. Lien stated one moves to Trempealeau County for the peace and tranquility of the rural setting with a good quality of life and low crime rate. When things like this come into the County they are very intrusive to the local people and that is what it comes down to. Then one has to question if it is a good fit as a whole when you look at what you want Trempealeau County to be. Lien has tried to do zoning, which started in 1972 and land use planning which was done really hard in the late 80’s, early 90’s, trying to foresee some of these things that were unforeseeable. Lien gets calls like Berg does on some of the same houses and the first thing people will ask Lien is if it is near a sand mine. Lien has a couple from Chicago that has called him three different times. They want to come here to a rural farm. They are looking at 10

acres spots. Not many of us in the room would call a 10 acre piece of land a farm but that is what they are looking for. They have called on half a dozen homes and their first question is always, "Is it near a sand mine". Lien didn't think people come to Trempealeau County for the economics, they come for other reasons. Brandt thought the issue Lien has raised is one which has been raised within the Committee such as fear, anxiety, ability to plan the future and a lot of this is psychological as was stated What the Committee is struggling with is what Lien is outlining that being nobody likes change and we're struggling with change that is happening to us within the context of a comprehensive plan that has been developed over a period of twenty years with intense public input. We know what it is the people who live here and to a great extent the people who want to move here are expecting when they move to Trempealeau County. Within the context of our current reality how do we guarantee that or is it even possible to guarantee that or the change so significant that we have to redefine what it is we are as a County. Everybody in the County has to redefine in their own minds where it is they live. Brandt said this is very difficult and we're trying to get to it. Britzius wondered if either Berg or Irwin had an answer to Lien's question about the ability of making these kinds of distinctions that have been described. Irwin responded there are a lot of variables that one has to take into consideration. Quite honestly, Irwin responded he hasn't thought about it but he thought it would be very, very difficult to do something like that. Irwin added the only thing is that when you start looking at how noise travels and what stops it or when you start taking down the barriers, then everything changes. Brandt gave Linda Mossman who had arrived late an update on the progression of the meeting. Mossman asked Irwin that in the City of Whitehall the residential evaluation from 2014 to 2015 decreased by 251,000 and what that was attributed to. Irwin thought it was the economics, so if the homes from the prior year had been selling just a little bit better, and in 2014 there was a drop in the overall sales picture then that is where the DOR would have changed their values so we're not seeing as strong of a market in the City of Whitehall as there had been the previous years. Irwin clarified that it can drop in a year and it can go up. It is just one of those things where they take a look at the sales every year and determine what the economic change is from the previous year. Mossman stated, if her memory serves her correctly, that represents over a 5% decrease, even though the City of Whitehall saw an increase of almost \$10 million. Irwin responded if you are looking at \$251,000 it perhaps closer to .75% or even ½ percent decrease in the total value. Mossman stated if you want to look at the overall picture that is one comparison, if you're looking at residences that is another comparison, in her opinion. Brandt commented the issue is if someone wants to sell their house in Whitehall they are going to have to expect to get a lower price. Irwin said if we were looking at i.e. \$25 million in value that would be approximately a 1% or less of the full value for the residential class, so it is a very small percentage in terms of the total value of even the residential class. Mossman asked if the City of Whitehall had any new building permits issued in 2015. Irwin responded there is always new construction in the City of Whitehall. The consensus in the room was that there were some new homes built. Mossman continued that if there was new home construction you would think that we would add to our valuation. Irwin answered there could have been but in the overall scheme of things they are looking at not only new construction but also how the sales of the properties have gone from 2013 to 2014 and so if you are looking at a decrease over all for the residential class than that is how it would be affected. Mossman clarified the new construction wasn't great enough to offset the decrease in the sales, so basically what Irwin was telling her and she could take from that is if we had new construction, and these homes were not low income housing homes (they were built up by Sunset and they should be nice homes, then that should have added to our valuation. Irwin agreed. Mossman said actually that makes a property such as mine, an older property, worth even less money. Irwin answered that is the slight effect of what the economics would be doing, so it would be worth perhaps a percent less than what it was the year before. Mossman asked what happened in that picture in the City of Blair. Mossman asked if anybody has taken the time and taken the evaluations for the City of Blair to see what happened to the residential housing in the City of Blair from one year to the next. Berg stated he had statistics on that, not with him though. Upon Mossman asking if it went up or down, Berg responded we went up a little bit, 3%. Mossman clarified that it was

the housing, the residential component. Berg reiterated in the City of Blair it went up about 3%. Mossman asked if there was new construction in Blair. Berg responded no and that it was mostly because last year there were a lot of people “sitting on the fence” and this year they jumped of the fence because the interest rates went down which strengthened the market. Berg stated the reason for the 3% was because of a stronger market in high end new homes. Brandt recapped that part of what we have been hearing is location, the complicated nature of all the elements that pertain to the value of property and the willingness of people to buy and sell. Berg did begin his presentation by talking about the three properties that were within a mile of a couple of the mines and that he has never had that much difficulty selling property. On the other hand we have also been hearing basically about the location and the economy and how it is that the overall economy affects price of land, price of homes and peoples’ willingness to buy and sell. We’re coming to the conclusion that property value are a good thing but it is probably even more complicated than we thought in order to do that. Britzius stated he wanted a “beauty” or “lifestyle” guarantee and perhaps that is what we are ultimately talking about because if we lose some of our lifestyle then we want our money so that we can run away and try to find it somewhere else. Britzius was at a state convention this past year and heard some of the things the Committee can and can’t do. Right now Britzius is leaning in the direction that we can’t legislate property values. Our legislative function as County Board and people on a committee can’t legislate. Britzius would rather work in the direction of an overlay district and try to build some kind of distinction about land use and even that is going to have problems as there are places where it is not going to work easily either. The historical zoning of the County with society has worked and it is something we should be thinking about real seriously. We should have zoning districts for industries and not just have it be willy-nilly all over the place, even though the border lines around that zoning is going to be miserable for some people. This was Britzius sense of where the Committee might go. Karen Geske thought, with all due respect, that we need to remember the purpose for which we are here and that is to protect the people that live in Trempealeau County. That is every one of us. Every one of us has worked hard our whole lives. Some homes may be appraised at a higher cost than others. Some people may have put more sweat and tears into that hammer as they were building their own home. K. Geske suggested to the Committee to talk to Mr. Jack Speerstra (Town of Lincoln Chairman) who has dealt with Hi-Crush. He has guaranteed his surrounding landowners a 125% property value guarantee. You can say all you want on this end and K. Geske referred to Britzius saying we don’t want to touch this. K. Geske stated there are parts of this you can touch. You could recommend to any mining company that you would like to see a property value guarantee. You do not have to approve based on maybe how it would work between the surrounding landowners to a mine or not. The other part of this puzzle that we keep forgetting is the mines that do pay these and the mines (in regard to what Rossa said about Geske getting \$7,000 an acre for her own land) take ownership of the land. What K. Geske sees happening more and more is that we have companies that come in here and do not purchase the land. They lease the mineral rights. They do a contract with a farmer or the landowner or whoever it may be to extract the silica sand from the ground. That is where we are losing site on this – when you have companies that just want to come in (some of them are foreign entities) and extract our sand. You have the person right next door who is your resident that you’re supposed to be taking care of along with the landowner who is selling their commodity. You need to protect both of these people and that person that doesn’t get a property value guarantee that is adjacent to a big open pit mine has lost everything that they have worked their hard life for. We’ve talked about getting emotional on this and K. Geske stated there has been a lot of emotion. You need to look at the mining companies that come into Trempealeau County and do not purchase land because the ones that purchase land, like Hi-Crush, they give the 125% property value guarantee. Badger Mining was willing to pay K. Geske \$7,000 for 40 acres of land. K. Geske stated you can drive around that whole block out by Badger Mining and there is only one person living on it that doesn’t work for the mine or isn’t part of the mine. That tells you that people leave period. M. Geske added and we are talking about miles – perhaps as many as ten miles of road frontage or maybe more. K. Geske suggested the Committee start thinking about the companies that come in here and just lease the land and don’t

take the land because if somebody wants your property they are going to be willing to pay any price for it. We saw it over there with Hi-Crush in Blair. Irwin continued by saying that another thing he saw when he was going through the sales was that there were a number of properties that have extended mineral right purchases in the Town of Arcadia, Section 1,9, 10,11, 14, 15, 16, 22,23,33,34 and 35, T20, R10. There is a total of 1600 acres in which they have essentially committed their mineral rights without selling the property, so there are companies out there that are looking to buy the rights and not have to purchase the land to do that. That would be a consideration. Irwin stated there are other mineral rights in the Town of Preston and another one in the Town of Arcadia for 160 acres in Section 11,T21, R9, so they are out there. The rights have been purchased and if the mine is a go they don't have to purchase the land. The royalties, in many cases, are much more valuable to the property owner than selling the land outright. Darlene Rossa stated they are one of the people that did not sell their land, they lease it. According to Rossa, the reason they didn't sell it is because most of the land that they are going to be taking they will be able to put back into agriculture. A lot of people say, "Oh, it takes years and years" but Rossa has done a lot of research on it. Foth has helped them with it and everything else. We know how extensive it will be to bring it back but we will be able to bring it back into being what it is. The farm has been in our family name for close to 120-125 years, but it is going to take a lot of steep out of our land and a lot of it we're going to have a lot easier time farming it. They have taken off the top soil and they will re-roll it and some of the land Rossa's couldn't even farm as it was good for nothing. It is filling in a lot of the ditches. It is doing a lot of good for Rossa's along with everything else. We had decided not to sell that land because we want it to stay in the family and it will continue on to our kids and grandkids and this was an important thing for us and this was the easiest way for us to do it is to just lease the minerals out instead of giving it all away. We could have made a lot of money right away just selling it but that is not the choice that we made and a lot of people don't want to sell it. They want to have for after the mining is done. They talk about rural residential or ag land and they say ok you can take and mine it and it can go back to trees or grass but once you pour concrete it last forever and it will never leave that site. Zeglin wanted to know if the property value guarantees that Berg has run across were made available to the Dept. or Corporation Counsel. Lien stated he has a copy and Lien shared it with Radtke but Lien would make sure the Committee gets copies. Zeglin thought if there was something out there that Radtke hadn't seen yet, we would like to know what Berg has come across. Radtke commented that he took a quick look at the property value guarantees from Berg and it looks very similar to the EOG one that Radtke has seen in the past. Berg commented the contracts are kind of similar to the one that Hi-Crush has also – they are all kind of the same. Brandt noted he had run into a representative from Mississippi Sands up in the Land Records office. He was looking for the data base for market values as they are going out and offering people property value guarantees because they know we're talking about property value guarantees and there is a potential for them coming in looking for a permit so that goes to the point that some operators will take it upon themselves to offer them. Schultz thought K. Geske's concerns were 100% correct and we've seen a certain class of operator, to get up and running, be willing to make compensations happen. Perhaps, if there is going to be an overlay district, that is only if we're able to provide a property value guarantee so that those people most impacted by such a district have that basic protection and to discuss an overlay district without it, K. Geske was 100% correct. Schultz thought in terms of what an overlay district would look like, he believed there was a lot of merit in letting the market make some decisions and he thought we've seen the boom and we're in a bust period. We have seen where the legitimate operators are going to find a way to get going. In some ways, Schultz said our overlay district has almost been created. We're six year into this. We've talked about what an overlay district would look like. Lien stated we've been talking about it with the towns and you're going to hear about it in October. With that said, Schultz thought the Committee needed to find a way to do this. Schultz again eluded to the families trying to sell their properties which is currently stifled by the bank. Schultz stated that decision has fundamentally been taken from them. Brandt commented we have discussed a number of things and we don't want a County without migration. We want to continue to grow as a County. M. Geske asked

why we want to grow. Brandt responded there is the economic part of it. M. Geske questioned why it can't just turn over the way it is. M. Geske stated you have a lot of impact with growth and he wouldn't say it is positive. M. Geske added he didn't move here for economics. Brandt defined growth as population and out-migration and in-migration. Brandt stated it wasn't until 2000 until Trempealeau County was at the same level of population that it was in 1890. There had been a continued out migration right through the 60's and 70's and it wasn't until 2000 that we gained the 29,000 threshold. M. Geske commented 15 people lived in a house and now you have 15 houses where two people live. Brandt responded this is the change that he described earlier. In 20 years of the planning process we have seen a change in the character of the county. Brandt didn't think zoning or planning could have stopped that but there is value in conservation and preservation. M. Geske commented he didn't think growth was always the best thing as California has grown too. Brandt was also at the County's convention and the representatives from the Wisconsin County Code Administrators made the point that within the most common definition of zoning is the phrase, "reflects the community". You plan, you create map, you zone and determine what that comprehensive plan and that map look like and all of those things represent your communities values. We've been committed to as much public input as possible in all the decisions that we make related to land use and we are trying to reflect the communities values. What we are running up against here is an industry that has certainly "leapfrogged" that process. It is creating a different landscape without community input so we're trying to get that back. Berg stated if we come up with a good plan to protect our rural properties with borders and guaranteed values, etc and then the City comes and annexes it, can we stop that? Berg added this is what has been affected in his area, on the west side of Blair, as the City of Blair must be half the County now. There was so much annexation from the City so if we would have gone ahead and told the mining company you have to buy all the properties within a mile and you can't mine within a mile of a property as protection, then the City comes in and takes it away from us, what was it all worth? Berg stated we need to come up with plan but is it going to be taken from the City. Upon Britzius inquiry, Berg stated all the property north of him is owned by a sand mine. Britzius asked Berg to tell the Committee whether the city "fathers and mothers" would want to get involved in this kind of discussion. Berg responded that is why he lives in the township so he didn't get involved in the City, but as Berg had stated Hi-Crush, Blair did come out with a property value guarantee of which his brother was involved. Berg thought it was a fair contract. Brandt thought Britzius question was, "What is going on in the heads of the people on the Blair City Council. Berg responded in one word, "greed". Irwin commented "tax base". M. Geske commented "economics". Britzius commented it is all about relationships. Irwin stated, from what he knew about Whitehall as he does the City assessing, that it wasn't necessarily something the City wanted to take on but knowing that Independence was willing to take the whole Hi-Crush mine, Whitehall said at least we want to have some say in it, therefore that is how it got split up between the two cities, but Independence had already said that if you back out on this you won't have any say we will take the whole thing. Bruce Wilmeth, Town of Lincoln resident commented this last discussion makes him a little nervous because you're talking about overlay districts and where you're going to go. According to Wilmeth, the Town of Lincoln residents are more unified than the government of Whitehall and having the only part left around here and if you have an overlay district we have mines that are interested in land from Independence all the way to the Whitehall Rod and Gun Club and that will be the next to go and the only thing/wall that is holding that up is because the Town is suing the City of Whitehall. Judge Damon will be addressing that on November 6<sup>th</sup>. Wilmeth said you have the same questions that everyone has been raising and is the same thing he has said all along and that is when that wall comes down what am I going to do. The Whitehall Sand and Rail wants just a half mile protection from there plant but they've got land clear up to within a half mile of the golf course, a quarter of a mile from Wilmeth's place. Upon Britzius asking if Wilmeth would feel better with a property value guarantee, Wilmeth thought so because he wasn't sure what he would do. Wilmeth requested help and that whatever you do you save some green space on the north side of the hills of Whitehall as you could have the whole thing flat. Zeglin observed that if we are to the point in

this County where a lender is refusing to give money to a person to purchase a home, we've got a serious problem. We need to do something. This is just the first lender involving a perspective mine, not a real mine. Wilmeth had stressed with the extra-territorial zoning Committee, as they had tried to make some zoning issues, which became mute when Whitehall undid the annexation, but our city fathers really didn't have a planned agreement or plan of expansion for a city that could really only go west, which was right across from the railroad yards/trains. The City has ignored all that with our city water lines already laid to the Health Care Center and has been discussed for 15-20 years. In Wilmeth's opinion, if that mine goes in there you're never going to have houses on that hill. Wilmeth is from Kansas and he didn't move here because of economics or even his job but it was the beauty. Upon Schultz inquiring if this was something the Committee is going to address at the next meeting, Brandt responded he does see progress and the progress has to do with clarification in the areas that we were always fuzzy in. If we are going to do this we have to understand that we are going to be working with an imperfect instrument. At some point, Radtke may have to be good with that as well. Whether it is just that we recommend to mining companies that they look at what Hi-Crush, EOG or Preferred has done or that we give them a template and say you start with this and add to it but don't take anything away from it. Perhaps we could even go a little further and higher someone who has expertise in just the sort of things that Lien is concerned about which is how topography affects noise, light, dust, etc. - more importantly, what we want Trempealeau County to look like and what does it look like now. We know what the people of the County want it to look like, how do we make that happen. Geske's commented don't permit any more mines. Brandt acknowledged that is the recommendation of the Health Impact Study Committee. In talking about the price guarantees, Berg stated another thing he made a note of is that maybe we need to expand the buffer zone and say you can mine here but you have to buy within one mile and then you have to stay away one mile from the border. Berg thought that might help DLM staff also. Some discussion took place about property line setbacks for a mine. Schultz thought that was something that could probably be done with some computer software. Brandt stated this Committee had decided some time ago that we would approach the townships during the review of the Comprehensive Plan with the concept of any overlay district. Lien, Peter Fletcher and new DLM staff member, Kirstie Heidenreich have been meeting with the town chairman to discuss how to go about the review of the comprehensive plan. K. Geske made a radical statement and said "Don't permit any more mines". K. Geske asked the Committee to look at a picture and guess how many acres that is in Trempealeau County that are mines. That looks to Geske like we have enough mines already. It looks like we already have our overlay district so nothing is to be mined outside of those boundary's right there. Everything else is agricultural or residential. In regard to permitting mines, K. Geske thought they should be permitted on a life long process. They started with farmers permits to move things around, move gravel or move sand. K. Geske thought the Committee needed to change the permitting process specifically for silica sand mining. Lien stated the Committee did revise the Ordinance so when applicants come in it is distinctive whether they are applying for an aggregate mine or a silica sand mine. Brandt stated we have also limited the number of years of the permit. K. Geske stated if they move just one shovel she hoped that didn't count as operational. Brandt commented we are working on that definition. K. Geske wanted the Committee to find out how many acres we currently have permitted in Trempealeau County and when that is going to be enough. When Geske looks at the mining map there are a lot of peoples' lives that have already been changed or altered. Geske thought we have enough sand mines right here. K. Geske suggested putting a survey on the Spring ballot and ask the people of Trempealeau County what they think or feel about this. Brandt responded that we have done a strategic planning survey recently throughout the County with the Comprehensive planning so we have the information. More discussion took place. Britzius asked everyone to remember that we are not alone in this as this is happening nationwide. There are fracking rigs that have been thrown up in suburban neighborhoods in Colorado, etc. The State of New York has banned fracking as a mining process throughout the whole state. There are a lot of different ways to think about this and we have to look at the bigger picture. Brandt thought what we have to bring to the table as a County is a history of

citizen participation. Brandt wanted a discussion of property value guarantees on the agenda for the next regular meeting. Brandt expressed his appreciation to Irwin and Berg for coming in. Zeglin asked if an appraiser could be brought in to the next special meeting to discuss how he/she goes about appraising a property and perhaps someone from a financial institution to tell us what they are looking at down the line in this County. Brandt stated he would very much like to hear from the mining companies that are doing property value guarantees and what their process is and how they came to the conclusion that this was an important thing to do. Brandt wanted to see if staff could come up with those resource people. Berg asked Schultz to find out who the appraiser is, that is involved in the situation Schultz discussed, and see if he is willing to come to the next meeting to discuss how they reached their decision.

**Confirm Next Regular Meeting Date** – Brandt reminded Committee members of the next regular E & LU Committee meeting on Wednesday, October 14<sup>th</sup>, 2015 at 9:00 AM in the County Board Room.

At 8:20 PM, Nelson made a motion to adjourn the meeting, Britzius seconded, motion carried unopposed.

Respectfully submitted,  
Virginette Gamroth, Recording Secretary

Michael Nelson, Secretary