



Whitewater/Rice Lakes Management District to Reconsider Boundary

The Whitewater/Rice Lake Management District Board is currently evaluating the merits of its current boundary and tax rate structure. The district's current boundary reflects political decisions made during the formation process. Organizing the district required approval of 50% of the property owners and some areas were not included to insure the success of the initiative. As shown in the map, the result was a somewhat arbitrary district boundary that included all riparian properties, but only some nearby off-lake properties were included in the district. A peculiar characteristic of the boundary is that there are some off-lake properties with formal lake access (the Scattered Oaks subdivision for example) but are not a part of the district, whereas other properties without lake access (Pine Knolls for example) are within the district.

This somewhat inequitable circumstance helped to spur on a detachment request by two property owners, thus leading the district board to reconsider the boundary and tax rate structure. The board authorized the creation of a "boundary" subcommittee to accomplish this task.

The subcommittee included five members (Greg Marvin, Don Meyer, Tom Ponyicsanyi, Mark Skidmore, and Andy Wojdula). They collected information about the policies of other lake management districts in Wisconsin and formulated some possible scenarios for adjusting the boundary. The board also authorized the hiring of two University of

Wisconsin-Whitewater students as interns (Benjamin Pahl and Justin Tyson) to assist in the project. The subcommittee ultimately generated a report (available at the Whitewater/Rice Lakes Management District website <http://www.GWLPOA.org>) that contains this information.

The state guidelines for establishing a lake management district boundary in Wisconsin are quite general. Dr. Jeffrey Thornton of the Southeast Wisconsin Regional Planning Commission (SEWRPC) said that the University of Wisconsin-Extension suggests using clearly defined boundaries such as major roads around the lake. UW-Extension also suggests including properties within a lake's watershed because the activities of these residents can and do ultimately affect lakes. From an economic standpoint, it can also be argued that properties benefiting from close proximity to a lake ought to be a part of a district. One measure of "benefit" is the property value differential resulting from being in close proximity to a clean and healthy lake. The boost in property value relative to properties in other non-lake rural areas is a measure of willingness to pay to be in "lake country."

The policies of other lake districts around the state are diverse. They range from inclusion of just riparian owners to a broader based sanitary district that has the charge of lake management. Some lake districts that have a broader

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District to reconsider boundaries, *Continued from page 1*

boundary may charge “special fees” to riparian owners for specific lake management tasks in which the benefits are perceived to accrue primarily to lake property owners, whereas other districts use a multi-tiered tax rate structure with a highest rate being charged to riparian owners and lower rates to off-lake properties.

After a review of other lake practices and an evaluation of the property tax implications of reducing/expanding the existing

Whitewater/Rice Lake Management District boundary, the subcommittee

recommended that the district be expanded as shown in the map. Generally, this proposed boundary is closely tied to the three criteria outlined above:

Roads mark the perimeter of the proposed district; nearly all of the properties in the proposed district are part of the Whitewater/Rice Lakes watershed; and arguably these properties benefit from being in close proximity to the lake.

Expanding the boundary in this way would increase the total assessed valuation in the district from about \$180 million to \$215 million. The subcommittee also recommended that the increase in valuation be used to reduce the mill rate imposed on offlake property owners so that a two-tier rate structure could be implemented.

In the proposed scenario, riparian owners would pay the same rate they currently pay (based on the \$158,000 district budget they pay about \$87.50 per \$100,000 assessed valuation) and the offlake property owners, including those in the proposed annexation, would pay a

lower rate of about \$59.50 per \$100,000 of assessed valuation. With these proposed changes in boundary and tax rate structure, the district will accomplish two things. First, there will be a reduction in the arbitrary nature of the boundary. Second, it will create a more equitable tax authority, one in which tax payments are more closely aligned with benefits received.

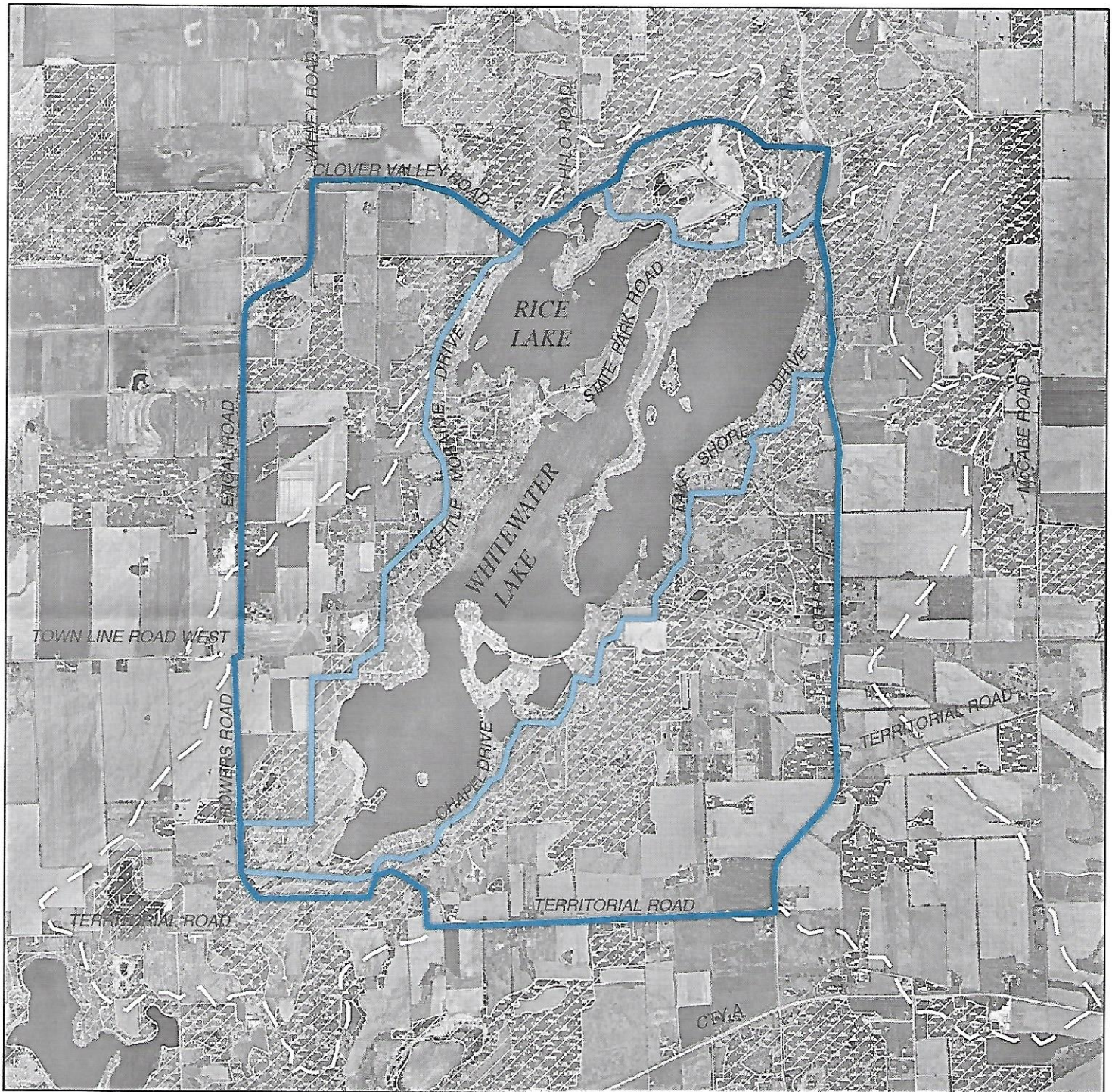
The board recognizes that this is a significant issue and that the district members will have







questions, concerns and opinions. To address these issues, the board has scheduled an informational meeting on Saturday, July 23rd from 9:00 to 10:30 am in the Lakeview Elementary School gymnasium. The members of the board and boundary subcommittee will be available to answer questions and listen to your ideas. Dr. Thornton of SEWRPC, an established expert in lake management policy formation, will also be available to answer questions.

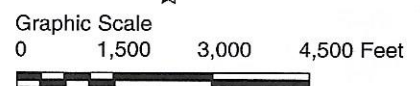
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Finally, we are only at the first step of the process of deciding whether the boundary should be changed and what the new boundary ought to be. If the board decides to make a change, we will need to officially notify all affected property owners, and then present an annexation request to the Walworth County Board. The county board will then schedule a hearing and make a decision. The lake board’s role is to make the request, but ultimately the county board has the authority to make a final decision. ♦

Existing and Proposed Lake District Boundaries for Whitewater and Rice Lakes



-  Existing Lake District Boundary
-  Proposed Lake District Boundary
-  Direct Drainage Area Tributary To Whitewater and Rice Lakes
-  Primary Environmental Corridor
-  Wetland
-  Woodland



Source: SEWRPC

Proposed Lake District Boundary Changes

Informational Meeting

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Southeastern Wisconsin Regional Planning Commission,
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More information is available online at: www.GWLPOA.org

