



Memo

To: Common Council

From: David De Angelis, Administrator

Date: November 7, 2025

RE: Designation of Surplus Property Zone 5 of the Hillmoor Property

On September 8th, the City Council requested staff to make a recommendation whether Zone 5 of the Hillmoor property should be declared surplus property for potential sale. The criteria identified in the adopted policy for the sale of city owned land requires a determination that the land is not essential for City operations or future needs. In doing this review several factors are to be considered: 1.) legal status, 2.) potential municipal use, 3.) environmental conditions, and 4.) strategic value.

1. **Legal status** The Hillmoor property was purchased by the City in the settlement of a lawsuit with the previous owners. As part of the settlement with the previous owners, deed restrictions were placed on the property. Those deed restrictions read as follows:

Grantee covenants, acknowledges and agrees, by its acceptance and recordation of the Special Warranty Deed to which this Exhibit Bis attached and incorporated as an integral part, that Grantee hereby takes title to the Property subject to the following provisions (collectively, the "Deed Restriction"). which provision shall run with the land in perpetuity and is binding upon Grantee, all future owners and occupants of the Property (or any part of the Property), and their respective successors and assigns, including, without limitation, any successive owners, tenants and other occupants of the Property:

Without the prior written consent of the Grantor or its designated successor or assigns, all and every part of the Property shall be used in perpetuity solely either by Grantee for a public purpose use, or by a 501(c)(3) qualified nonprofit entity for public recreational use or a philanthropic use or a use ancillary to a public purpose use.

This property has limited marketability because of the deed restrictions. Therefore, these restrictions must be considered in the sale to any third parties.

2. **Potential Municipal Use** In reviewing the property with staff and looking at our comprehensive plan and the new facility plan for police and fire facilities, it appears this property may have potential municipal use as the site for a new fire station, police station or a combination of both. The Police and Fire Commission has just established a subcommittee to evaluate the building requirements and potential locations for new stations. In addition, the last comprehensive outdoor recreation plan adopted in 2020 mentions the desire for a community center in the City, and the Hillmoor property might be a suitable location for such a use. It should be noted that the Hillmoor Commission has reviewed the sale of a portion of Zone 5 property to a nonprofit organization, potentially the YMCA, and has made the determination that the property in Zone 5 could be sold to a

nonprofit for the uses identified in the deed restrictions. It should also be noted that this determination has been made after significant review of potential uses for the property but without the benefit of an adopted master plan for all the Hillmoor property or the completion of an ecological study.

3. **Environmental Conditions** I have not been made aware whether Zone 5 of the Hillmoor property has undergone any additional environmental surveys which would require any additional use restrictions. The City's GIS does not show any wetlands or environmental corridors in Zone 5. The City is currently waiting for an ecological study by the Southeastern Wisconsin Regional Planning Commission (SEWRPC) for all the Hillmoor property. Therefore, the ecological conditions of the Hillmoor property are not currently available for review or consideration.
4. **Strategic Value** Zone 5 of the Hillmoor property is on Hwy 50 adjacent to the eastern commercial district and the HWY 12/50 interchange. This property would have a much higher strategic value as commercial property without the deed restrictions. With the restrictions, the strategic value of the property gives the City opportunities to provide space for local government use, public safety services, and/or non-profit support organizations that can provide quality of life benefits and enhancements to the residents of the City of Lake Geneva. It should also be noted that on August 14th, 2023, the Common Council passed a vision statement for the Hillmoor property (see attached) that expressed the Council's vision for the Hillmoor property which included, outdoor recreation, preservation of the natural environment, creating a sense of community and connectivity across the City. It was also expressed in the vision that structures on the property are of high quality with landscaping, building, environmental and sustainable standards.

In conclusion, while the Hillmoor Commission has recommended this property as appropriate for sale to a qualified non-profit, I believe the Common Council needs to pause any final determination until the following have been completed and reviewed by the Common Council:

- Police and Fire Commission recommendation on the potential use of Zone 5 of the Hillmoor property as a potential site for a new fire and/or police station.
- The property's ecological survey by SEWRPC.
- The community strategic plan.
- The new comprehensive outdoor recreation plan.

It is therefore my recommendation that the Council table the final determination of surplus property until such time as the above items have been completed.

Please feel free to contact me if you have any questions.