

VILLAGE OF FONTANA ON GENEVA LAKE
WALWORTH COUNTY, WISCONSIN

**SPECIAL JOINT MEETING of the VILLAGE BOARD, PLAN COMMISSION &
COMMUNITY DEVELOPMENT AUTHORITY**

(OFFICIAL MINUTES)

Monday, July 07, 2008 @ 5:00 PM

President Pollitt called the special joint meeting of the Village Board, Plan Commission & Community Development Authority to order at 5:01 pm in the Village Hall, 175 Valley View Drive, Fontana, Wisconsin.

Trustees present: Roll call vote: President Pollitt, Turner, O'Connell, Spadoni, Petersen, Kenny & Lewis.

Trustees absent: None.

Plan Commissioners present: Roll call vote: Chairman Spadoni, Pollitt, O'Connell, D'Auria (Arrived @ 5:03 pm) & Poivey.

Plan Commissioners absent: McGreevy & Lobdell.

CDA Commissioners present: Roll call vote: Chairman Turner, Hibbard, Petersen, Chanson & Bliss (Arrived @ 5:21 pm)

CDA Commissioners absent: Wilson & Fisk.

Also present: Mr. Pete Novak (Novak's Restaurant), Mr. Bruce Bradshaw (Geneva Lake West Chamber of Commerce), Mr. Cary Kerger (Abbey Resort & Spa), Mr. David Lindelow (Abbey Resort & Spa), Mr. Fred Burkhardt (Walworth County Economic Development Alliance), Ms. Kimberly Dabertin (Owner 148 Fontana Boulevard), Ms. Lucille Sandy (Owner 148 Fontana Boulevard), Ms. Lynne Landgraf (FairWyn, Ltd.), Mr. Lou Loenneke (Arrived @ 5:13 pm), Mr. Anthony Miceli (Owner 293 Kinzie Avenue | Arrived @ 5:23 pm), Ms. Pam Carper (Owner Georgie B's Restaurant | Arrived @ 5:38 pm), Mr. Chad Carper (Owner Georgie B's Restaurant | Arrived @ 5:38 pm), Ms. Elizabeth Accola (Walworth Times | Arrived @ 5:53 pm), Mr. Charlie Vaughan (210 High Street | Arrived @ 5:56 pm), Mr. Jim Feeney (Arrived @ 5:56 pm), Ms. Megan Feeney (Arrived @ 5:56 pm), Fire Chief Jon Kemmett (Arrived @ 5:57 pm), Robert Ireland (Lake Geneva Regional News)
Sharon O'Brien (Park Commissioner | Arrived @ 5:46 pm), Village Administrator Kelly Hayden, Department of Public Works Director Craig Workman, Village Assistant Zoning Administrator Bridget McCarthy, Ms. Margaret Reuland (Village of Fontana Library | Arrived @ 5:56 pm), Village Librarian Nancy Krei (Arrived @ 5:56 pm), CDA Executive Director Joseph McHugh, & Village Attorney Dale Thorpe (Arrived @ 5:05 pm).

General Business

Discussion on the Future Development of the Fontana Boulevard, Main Street & Third Avenue Corridor

President Pollitt reviewed for those present that the evening's meeting had been organized at the request of the Plan Commission, in order to discuss the future of the Fontana Boulevard Corridor, as well as Third Avenue and Main Street. The President explained that he was hoping to get "...all of the groups on the same page." Trustee and Plan Commission Chairman George Spadoni noted that it was the recent seminar by Randall Arendt that had been the impetus for the Plan Commission's

request. Trustee and CDA Chairman Bill Turner noted that he attended school with Mr. Arendt and felt that he brought a lot of great ideas to the table. Stating that the Village of Fontana had a great deal of control over the quality and type a development that would occur in the future, Chairman Spadoni stated that the Village needed to take a look at the Boulevard and ask itself, "...what can we do as a community?" He stressed that it was important to look at properties like Novak's as only a portion of the larger redevelopment area. He reminded the group of several of Randall Arendt's concepts, such as bringing buildings closer to the street and placing parking in back, which could be incorporated in future redevelopment in the village. In response to questions from Chairman Spadoni, CDA Chairman Bill Turner reviewed the CDA's experience in the redevelopment of the former Hildebrand property. He explained how the Village had requested proposals from developers and architects, and the process used to select the final architecture firm. He further explained that the CDA had structured financial incentives that were set-up to ensure that the type of design and the product were exactly what the CDA and the Village wished to see. For those present, CDA Chairman Turner quickly reviewed the "Rule of 4". Based on direction provided to the CDA by the group's financial consultant, Ehlers & Associates, a community can afford to invest in a redevelopment project, to the extent that the project will yield four-times the initial investment as increased property value. With respect to the Hildebrand Property, of which approximately 12 acres was placed into conservancy, the resulting development of the "Mill Street Plaza" has generated a total increase in property value of over \$5 million. When considered that the property was purchased by the CDA for a little more than \$700k, the result has been financially favorable for the Village. CDA Chairman Turner summarized that a similar process could be utilized to redevelop the Fontana Boulevard Corridor. He added that in order to ensure success, he felt that the Village would need to acquire the entire block. At the request of Trustee Lewis, CDA Chairman Turner quickly reviewed the ownership status and current "for-sale" status of each of the properties on Fontana Boulevard, noting that two of the three properties were available for purchase at the present time. He offered that in certain situations, current owners can even become partners in the redevelopment process and can even ensure that they secure replacement space in a future retail building. President Pollitt stated his opinion that any redevelopment would have to be a CDA project. CDA Chairman Turner agreed and confirmed that the property under discussion was located within TID #1 (Tax Increment District #1). He estimated that the combined assessed value of the properties was around \$1.25 million (Confirmed 2007 Total: \$1,135,300.00). Based on CDA Executive Director McHugh's statement that the total area of the four (4) properties was just over an acre (Confirmed Total Area: 1.05 acres), and comparing the size of the area to the new Mill Street Plaza project, CDA Chairman offered that the village could realistically generate \$4 million of increased property value through redevelopment. Based on the "Rule of 4", the Village would be able to invest roughly \$1 million and still be made whole through the increased value of the property. That being said, he did not expect that the village would utilize the total \$1 million. Plan Commission Chairman Spadoni suggested that the Village should include the Fire Station property in any future redevelopment of the area. CDA Chairman Turner stated that it would only make sense if there was enough money to justify moving the Fire Department. President Pollitt asked if there would be a need to amend the TID #1 Project Plan, and both CDA Chairman Turner and Executive Director McHugh confirmed that Redevelopment was already included in the currently approved Project Plan. CDA Commissioner Chanson argued that the Village should not be taking properties off the tax rolls without a plan already in place. He stated his opinion that there was no reason to artificially create growth simply because it would provide increased tax increment; "...simply because development will create tax increment does not necessarily make it a good thing." CDA Chairman Turner agreed that the village should only pursue projects that would maintain the character of the Village – The goal was not simply to increase population. CDA Chairman Turner commented on the current "Cliffs of Fontana" residential development in the former quarry and noted that, although it was probably a greater density than the Village would have preferred, it finally addressed the quickly eroding slopes in the formerly abandoned quarry. He reminded the group that the Geotechnical Engineers, hired by the CDA and the Shaw Group several years ago, had estimated that stabilizing the slopes would be a \$5 million dollar project. Referring back to the Village Center, CDA Chairman Turner noted that there were several old buildings downtown that were beginning to look a little tired. Now was the

time to think about doing something a little more unique. The principal issue affecting future redevelopment, he went on to explain, was that the Village lacked the year-round population and the necessary traffic counts on STH 67 to support typical retail. He added, that these issues had been further confirmed by an Economic Development consultant out of Evanston, Illinois – BDI (Business Districts, Inc.). CDA Commissioner Skip Bliss stated that the CDA had no money available for redevelopment. CDA Chairman Turner confirmed that 100% of the projected increment had already been ear-marked for specific projects. CDA Commissioner Bliss also added that the CDA, since its inception, had never been in a position where its financial success relied entirely on tax increment projections. He reminded the group that when the first round of CDA projects were initiated, the expansion of the Abbey Resort (Phase III) was already underway and there was no question that there would be increased tax increment. Plan Commission Chairman Spadoni claimed that Randall Arendt had challenged the Village to use a “Helicopter Approach” – to look at the greater picture as opposed to individual properties. Plan Commissioner D’Auria emphasized that it was important for the Village Board, the Plan Commission and the CDA to have a clear view of the future, or else it made it very difficult for the Plan Commission to review and evaluate plans for individual properties. He added that, although he had no desire for Fontana to become another Lake Geneva, he felt high-quality mixed-use development would be good for the village. Mr. Lou Loenneke questioned the wisdom of encouraging further retail in a community that had seen so many businesses close their doors in recent years. Mr. Cary Kerger stated that he would like to see some quaint little shops across the street from the Abbey, because currently their guests drive to Lake Geneva to do any shopping. He offered that good occupancy at the Abbey would help the shops and vice versa – quaint shops would help the occupancy of the Abbey. Ms. Kimberly Dabertin offered that a business really had to know the market if they were going to be successful in Fontana. She reminded those present that the Headquarters Salon was successful for years and only closed recently as a result of the owner’s retirement. She added that if the Village truly wished to help the existing businesses, they should offer and further promote more events. Trustee Pete Petersen responded that programming tourism-type events was the responsibility of the Chamber of Commerce. Plan Commissioner Mike Poivey claimed that what the Village didn’t want, “...fudge and t-shirt shops...”, was just as important as what the Village did want. He noted that his business was participating in the Lake Geneva Wine Festival. Trustee Spadoni claimed that one of the impediments to the success of retail and commercial development on Fontana Boulevard was that there was absolutely no reason for someone to walk from the Lake to the Businesses on the Boulevard. Village Administrator Hayden stated that she didn’t want to see the group give up on retail. She added that Tax Increment Financing was not intended to finance residential development. She stated her opinion that it was necessary to have interesting businesses; “...something for people to walk to.” Mr. Cary Kerger offered that one of the reasons the Abbey wished to join the Lake Geneva Convention and Visitors Bureau was the potential of encouraging CVB events to occur on the Village of Fontana end of the lake. Trustee Petersen reminded the group that the Geneva Lake West Chamber of Commerce used to sponsor a food oriented event named the “Taste of Lake Geneva” and wondered if the Chamber was still involved in encouraging community events. Mr. Fred Burkhardt of the Walworth County Economic Development Alliance offered that it required more than just sufficient traffic to encourage retail. He argued that the Village should utilize psychographic data to determine who the customers were and where they were from. In order to attract customers, Mr. Burkhardt stated that the Village would need to provide a combination of events, lodging and activities. CDA Commissioner Chanson commented that the goal of encouraging retail business appeared to be in conflict with the idea of keeping Fontana a quaint little village. He wondered how the Village could want to keep people from driving to Lake Geneva, while at the same time, not be like Lake Geneva. He added that he didn’t move to Fontana for more festivals. CDA Chairman Turner offered that the Village had a sense of place and was a nice quiet community, and that the character didn’t necessarily have to change in order to accommodate development. With respect to attracting developers to do mixed-use projects, CDA Chairman relayed to the group a statement by a local developer who claimed he would do a project on Fontana Boulevard in a heartbeat, if he didn’t have to take the risk on the retail space. Or, he would only move forward if there was an “Anchor Tenant” already signed on to the project. CDA Chairman

observed that the most difficult part was how to define and subsequently find that “quaint little shop” to which everyone refers. If the focus of the development was high-quality professional office space, CDA Chairman Turner stated that the project would surely attract lawyers and professional people. CDA Commissioner Bliss asserted that the CDA had several projects already on its plate, and maintained that the Village should already have sufficient control over future development using the Zoning Ordinance and the recently adopted Design & Performance Standards. He claimed that he had no desire for the CDA to take on a risky retail development project. Trustee Spadoni offered that it was important to maintain a positive outlook and added that “...Tall trees draw strong winds.” He reviewed that the Village had passed on several opportunities to buy properties in the community in the past, only to regret those decisions decades later. President Pollitt emphasized that any redevelopment project would need to be coordinated as a CDA project, because he did not think it would be wise for the Village to assume the risk. Mr. Loenneke stressed that he did not move to Fontana for festivals and events. He reasoned that most residents moved to Fontana because it was not like Lake Geneva and/or Door County. Village Administrator Hayden suggested that a mixed-use development didn’t necessarily need to be completed with village funds. She offered that the Village knows several developers that would be interested in the project. Assistant Zoning Administrator McCarthy recommended that a majority of Randall Arendt’s concepts could be incorporated into the Zoning Ordinance. Mr. Pete Novak informed those present that he had introduced seven interested developers to the Village and each one had “...walked...” because they did not feel that the village was ready. CDA Commissioner Turner reviewed that the two principal issues, which needed to be addressed in order to relieve the fears of developers, were traffic and seasonality. He suggested that the Village should keep the lines of communication open with interested developers. In response to comments by President Pollitt and CDA Commissioner Bliss, CDA Chairman Turner concluded the issue and offered that at such time as a developer approached the village with a proposed project, which included financial security for the Village and could prove it had “...a clear shot of success...”, then the groups should reconvene at that time to discuss the issue.

Schedule Public Hearing for Proposed TID Amendment

Village Administrator Hayden explained that a Public Hearing for consideration of a Project Plan Amendment to Tax Increment District No. 1 needed to be called for by the Plan Commission. Chairman Spadoni/ Commissioner Poivey 2nd made a MOTION to hold a public hearing on August 25, 2008 at 5:30 pm to consider the proposed Project Plan Amendment to TID #1, and the MOTION carried without negative vote.

Plan Commission Adjournment

Chairman Spadoni/ Commissioner Pollitt 2nd made a MOTION to adjourn the meeting at 6:02 pm, and the MOTION carried without negative vote.

Community Development Authority Adjournment

Chairman Turner/ Commissioner Petersen 2nd made a MOTION to adjourn the meeting at 6:02 pm, and the MOTION carried without negative vote.

Village Board Adjournment

President Pollitt/ Trustee Petersen 2nd made a MOTION to adjourn the meeting at 6:02 pm, and the MOTION carried without negative vote.

Minutes prepared by: Joseph A. McHugh, CDA Executive Director

APPROVED: PC: 07.28.08 | VB: 08.04.08 | CDA: 08.06.08