

**VILLAGE OF FONTANA ON GENEVA LAKE
WALWORTH COUNTY, WISCONSIN**

(Official Minutes)

MEETING of the COMMUNITY DEVELOPMENT AUTHORITY

Wednesday, March 5, 2014

CDA Chairman Bob Chanson called the meeting of the CDA to order at 6:00 pm in the Village Hall, 175 Valley View Drive, Fontana, Wisconsin.

CDA members present: Chairman Chanson, President Arvid Petersen, Gail Hibbard, Jeff Fisk, Skip Bliss (arrived at 6:03 pm)

CDA members absent: Trustee Cindy Wilson, Jay Hicks

Also present: Jade Bolack, Library Director Nancy Krei, Clerk/Administrator Dennis Martin, Trustee Rick Pappas

Visitors Heard

None

Approval of Minutes for October 9, 2013

President Petersen/Commissioner Hibbard 2nd made a MOTION to approve the minutes as submitted, and the MOTION carried without negative vote.

Finance Report

Updated TID Cash Flow Statement

Martin stated that Ehlers Senior Financial Advisor Jim Mann and Financial Specialist Maureen Schiel prepared the distributed TID Cash Flow Update report for the recent Village bonding of \$4,430,000. Martin stated that the CDA members should review the report and let him know if there are any concerns or questions they would like presented to Mann and Schiel. Chanson stated he also wanted to let the other CDA members know that in response to recent criticism the CDA has received for the negative cash flow of the TID, he requested staff to compile a list of the TID funded infrastructure projects which includes the net cost of those projects. Chanson stated that because the TID debt service payments are being funded by the General Fund, the TIF has been getting a “bad rap” lately. Chanson stated that Martin drafted a narrative report of the infrastructure projects, including the Highway 67 and Main Lift Station projects, and their portion of the total TIF borrowing, and it will be put into a spreadsheet with the total financial figures for informational purposes. Fisk stated that the report should also include a listing of the non-financial benefits generated by some of the projects, including the investigation and ruling on the former dump site at the Duck Pond that provided the municipality with the assurance that the site is not leaking or creating a potential environmental problem. Hibbard stated that the native prairie restoration project and the Hildebrand Nature Conservancy projects provided aesthetic and quality of life improvements for the Village and those projects also should be included. Bliss stated that the report should also point out the fact that in 2010, the DOR changed the methodology for determining the annual increment for the TID and the total valuation of the district was reduced by \$26 million. Petersen stated that the DOR twice changed the TIF increment calculation rules, and that nullified all the financial planning completed by the CDA.

General Business

Proposal to Declare TID Distressed

Bliss asked if recent state legislation that proposes to allow municipalities to apply for its TIF District Base Year evaluation to be reconsidered by the state DOR for TIDs that are not doing well financially is something the Village will want to pursue. Martin stated that the proposed Bill has not yet been signed by the governor; however, he will solicit information from Mann. With regard to the proposal to declare the TID distressed and authorize an additional 10 years to its lifespan, Mann informed the CDA at a March 7, 2012 meeting that the benefit of having a TID declared distressed is that the municipality would have up to 10

additional years of increment generation, which would allow it to recoup more revenue to pay off the TIF debt service and to pay back the General Fund. Mann stated that if a TID is declared distressed, a municipality may not add or subtract territory from the TID, and it may not expand the approved Project Plan. The Fontana TID has been carrying a negative cash-flow balance for the last three years and the debt service payments have been supplemented by the General Fund. At the 2012 meeting, Mann stated that he would suggest the Village take time to consider the situation. Mann stated at recent bonding meetings of the Finance Committee and Village Board that with the current conditions, the TID would recoup its losses with an additional five years of increment. At the 2012 CDA meeting, Mann stated that the CDA would have to initiate a meeting of the Joint Review Board for a review of the proposal; it would then have to be presented at a public hearing before the Plan Commission and Village Board for a subsequent recommendation and approval; and then go back to the Joint Review Board for final approval.

President Petersen/Commissioner Fisk 2nd made a MOTION to direct staff to work with Ehlers Associates to commence the process of convening the Joint Review Board to consider declaring the Fontana TIF District distressed, and the MOTION carried without negative vote.

Façade Improvement Plan for Lake Street Marine Building

The Village Board approved motions at its last two monthly meetings to authorize a new lease with Lake Street marine building tenant Kevin Kirkland that calls for a 10-year extension of the lease's current terms, with a five-year termination notice and an agreement to reimburse Kirkland for half of the construction costs for a façade improvement plan if the Village terminates the lease prior to the 10th year. Martin stated that even though the building is owned by the Village, it is located in the TID and the cost of the project is estimated to exceed \$70,000 in the building permit application; so CDA approval is needed for the construction proposal.

President Petersen/Commissioner Bliss 2nd made a MOTION to approve the façade improvement project for the Lake Street marine building as proposed, and the MOTION carried without negative vote.

West End Development Update

Although an actual proposal was never submitted to the CDA for consideration, Martin stated he wanted to inform them that Gary Wapinski of West End Holdings, LLC submitted an emailed message on February 27, 2014 that states the LLC will be unable to proceed with a senior housing deal on the Duck Pond site as there is a project going in next to Geneva Ridge that is similar to what they were working on and it will preclude their proposed government financing for another project of this scope in this area of the county.

138 Fontana Boulevard Listing Update

Martin stated that following Jay Hicks' January 10, 2014 discovery of burst water pipes that froze at 138 Fontana Boulevard and flooded the building, the DPW crew cleaned the building and the Village property insurance policy covered the required repair and renovation work expenses, less a \$1,000 deductible. Martin stated that as well as renovating the upper residential unit, the insurance claim covered the renovation of the lower level. The Village Board has directed Hicks to list the property, which includes the building and two lots, for sale on the MLS for \$375,000. Martin stated that the Village Board directed staff to contact Hicks to determine an appropriate amount to charge for renting the lower level commercial unit and to list the lower level available for lease; and to draft a commercial lease agreement for the lower level, and an amendment to the upper level residential lease agreement to account for the utility bills.

Next Meeting Date

The next meeting date will be scheduled for Wednesday, April 2, 2014 if the proposed TID Distressed Declaration is ready to be presented at the required public hearing.

Adjournment

President Petersen/Chairman Chanson 2nd made a MOTION to adjourn the CDA meeting at 6:26 pm, and the MOTION carried without negative vote.

Minutes prepared by: Dennis L. Martin, village clerk/administrator

Note: These minutes are subject to further editing. Once approved by the CDA, the official minutes will be kept on file at the Village Hall.

APPROVED: 4/2/14