

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

(Official Minutes)

MEETING of the COMMUNITY DEVELOPMENT AUTHORITY

Monday, May 5, 2014

CDA Chairman Robert Chanson called the meeting of the CDA to order at 5:45 pm in the Village Hall, 175 Valley View Drive, Fontana, Wisconsin.

CDA members present: Chairman Bob Chanson, President Arvid Petersen, Gail Hibbard, Trustee Dave Prudden, Skip Bliss

CDA members absent: Jay Hicks, Jeff Fisk

Also present: Director of Streets Ron Adams, Director of Utilities Dennis Barr, Jade Bolack, Trustee Pat Kenny, Library Director Nancy Krei, Jim Mann, Clerk/Administrator Dennis Martin, Micki O'Connell, Police Chief Steve Olson, Trustee Rick Pappas, Peg Pollitt, Village Attorney Dale Thorpe

General Business

Approval of Minutes for April 2, 2014

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

Approval of Walworth State Bank Resolution Amendment

The bank account signatory resolution had to be amended to remove Kelly Hayden and to add Chairman Bob Chanson, Clerk/Administrator Dennis Martin and Treasurer Scott Vilona.

Trustee Prudden/Commissioner Bliss 2nd made a MOTION to approve the Walworth State Bank signatory resolution amendment to remove Kelly Hayden, and to add Chairman Bob Chanson, Clerk/Administrator Dennis Martin and Treasurer Scott Vilona. The MOTION carried without negative vote.

TID No. 1 Project Plan Amendment and Distressed Designation

Consideration of Resolution Approving Project Plan Amendment for Tax Incremental District No. 1, Village of Fontana on Geneva Lake, Wisconsin

Jim Mann of Ehlers Financial Services, Inc., stated that the Project Plan Amendment has been slightly amended from the first draft, and several corrections were made. Mann stated that the proposal is basically to declare the TID distressed and authorize up to 10 additional years for the Village to recoup its losses. Mann stated that with its initial borrowing and financing decisions based on a \$100 million TID valuation, versus the current \$41 million valuation, the Village General Fund has had to carry the debt service payments for the TID for the past several years. Mann stated that if present conditions do not change, and there is no increase in the valuation of the TID, the Village will need an additional four years to pay off the debt and repay the General Fund for the debt service payments. Mann stated that if conditions change for the better or for the worse, the Village will be required to close out the TID when all the debt is retired and the General Fund is paid back. Mann stated that if the TID distressed declaration is authorized, the Village will not be able to amend the Project Plan again; however, the Village can undertake any of the projects already approved in the Project Plan as long as they are commenced during the initial TIF period. Mann stated that a statement has been added to the current amendment that dictates the CDA will not pursue any of the other projects unless they are projected to increase the value of the TID. Mann stated that Walworth County has requested that the amendment also include provisions to require the Joint Review Board to authorize any future spending on Project Plan items not yet completed, and has requested a detailed, line item budget be included for the remaining projects that have not yet been completed. Mann stated that there are no current plans to undertake any other TID projects, state statutes do not require the extra level approval authority, and from the Village's perspective it would open another layer of unnecessary and potentially detrimental political influence that could adversely effect a beneficial development proposal. Mann stated that a detailed budget

for the remaining items on the approved project plan also is not required and it could prohibit the Village from being able to approve a project or a development incentive that could generate additional TID property value. Mann stated that in an effort to compromise with the Walworth County Finance Committee, the Village did add to the project plan amendment the language that prohibits any additional TID expenditures for items on the project plan unless they are projected to produce an increase in TID property value. Mann stated that two of the other limitations created if a TID is declared distressed are that an overlap district cannot be created in the future, and that no TIF funds can be spent outside the TID boundaries. Mann stated that if the distressed declaration is authorized, the Village also cannot spend any funds on the approved projects after the initial project period ends. Following some questions from the CDA board members, Chanson stated that he would entertain a motion to approve the Resolution Approving a Project Plan Amendment for Tax Incremental District No. 1, Village of Fontana, Wisconsin.

President Petersen/Commissioner Hibbard 2nd made a MOTION to approve CDA Resolution No. 050514-01, a Resolution Approving a Project Plan Amendment for Tax Incremental District No. 1, Village of Fontana, Wisconsin, as presented, and the MOTION carried without negative vote.

Adjournment

President Petersen/Commissioner Bliss 2nd made a MOTION to adjourn the CDA meeting at 5:56 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: 10/22/2014