

VILLAGE OF FONTANA ON GENEVA LAKE
WALWORTH COUNTY, WISCONSIN

REGULAR MEETING of the COMMUNITY DEVELOPMENT AUTHORITY

(OFFICIAL MINUTES)

Wednesday, March 08, 2006 @ 6:00 PM

Chairman Turner called the regular monthly meeting of the CDA Board to order at 6:02 pm in the Village Hall, 175 Valley View Drive, Fontana, Wisconsin.

Commissioners present: Roll call vote: Fisk, Hibbard, Petersen, Chairman Turner, and Wilson.

Commissioners absent: Chanson and Bliss (Arrived @ 6:06 PM)

Also present: John O'Neil, Jim Feeney, Sarah Lobdell, Brian Hinrichs & Scott Rickard (Liesch Environmental Services, Inc.), Trustee Micki O'Connell, Director of Public Works Craig Workman, Treasurer Peg Pollitt and Executive Director Joseph McHugh.

Visitors Heard

Chairman Turner asked if any visitors wished to be heard. No response was received.

Announcements

Chairman Turner reviewed the announcements listed on the agenda.

Approve Minutes

Commissioner Hibbard/Commissioner Wilson 2nd made a MOTION to approve the minutes for the regular CDA meeting held on February 8th, 2006, and the MOTION carried without negative vote.

Approval of Current Payables

Chairman Turner reviewed the list of current payables, prepared by Treasurer Pollitt, and noted that the majority of the total was attributable to the Main Lift Station project. Chairman Turner asked for confirmation that the claims had been approved by staff, and the project engineers where relevant, and Executive Director McHugh explained that they had been.

Commissioner Petersen/Commissioner Hibbard 2nd made a MOTION to approve the current payables, and the MOTION carried without a negative vote..

Commissioner Bliss arrived @ 6:06 PM

Finance Reports

Full Accounting Statement

Chairman Turner reviewed the Full Accounting Statement and highlighted the projected surplus of \$3.1 million dollars for TID #1. Executive Director McHugh explained that the primary reason for the increase in the projected surplus was the re-calculation of the expected increment using the new extended life of the TID allowed under State Statutes. The newly adopted legislation increases the overall life of the TID from 23 years to 27 years. Executive Director McHugh reminded the board that the increment projections, while conservative, are still only estimates based on an anticipated level of future development within the TIF District. Commission Wilson requested clarification between the Tax Increment and the Development Revenue accounts listed on the report. Executive Director McHugh explained that the Development Revenue Income account represented money earned from development, over and above the tax increment, such as the payments from FairWyn Development for the Mill Street Plaza project. Treasurer Pollitt explained to the group that the 2006 Expected Expenditures indicated on the report represented the revised estimates for 2006 and

differed from the CDA's 2006 budget. The budget is static, but the report will change to accurately reflect the current status of all projects.

Commissioner Petersen/Commissioner Fisk 2nd made a MOTION to approve the Full Accounting Statement, and the MOTION carried without a negative vote.

TIF Revenue Increment Calculator

The TIF Revenue Increment Calculator was previously discussed with the Full Accounting Statement.

CDA Year End Income Statement (Audited)

Chairman Turner reviewed the final 2006 CDA Income Statement prepared by Treasurer Pollitt.

PRESENTATIONS

Liesch Environmental Services, Inc. – Duck Pond Phase I ESA

Executive Director McHugh explained that Mr. Brian Hinrichs and Mr. Scott Rickard of Liesch Environmental Services were present at the meeting to address their proposal for a Phase One Environmental Site Assessment of the village-owned land adjacent to the Duck Pond Recreation Area. (Agenda Item 11b.) Mr. Hinrichs introduced himself and introduced Mr. Rickard as the eventual project manager, should the village decide to move forward with the project. Mr. Rickard explained that a Phase One ESA is a non-obtrusive site assessment. Basically it is a records search to determine what uses and activities have taken place on the property, including aerial photographs showing the evolution of the property over time. The Phase One is the first step in moving forward with Brownfield Redevelopment Grants. It does not involve physically taking any samples. It is strictly a records review and a general observation of the property. Chairman Turner asked why the Village should not just proceed directly to a Phase Two. Mr. Rickard stated that a Phase Two includes soil borings and actual physical samples. A Phase One is for the village's use and does not go anywhere besides the village. It simply identifies potential issues and makes suggestions as to how to move forward. With a Phase Two, the Village is subject to certain "action limits" which could require reporting to the State if certain contaminate levels were found to be exceeded. Mr. Hinrichs distributed a booklet which identified the various Brownfield Grant Programs for which the Village may be eligible. Mr. Hinrichs provided a brief overview of grant programs available through the DNR, the Department of Commerce, and the EPA. Mr. Rickard noted that one of the primary elements of a Phase One ESA was a comprehensive site walk-over, where the site is physically walked to identify potential issues. Commissioner Wilson asked why we wouldn't just move into a Phase Two if we planned to pursue grant opportunities and to eventually redevelop the property. Per Mr. Rickard, a Phase One is very beneficial in determining where, on the 80 plus acres site, they needed to concentrate their efforts in a Phase Two. In addition, a Phase One has less liability attached. Chairman Turner reviewed for the group his first impression of the site when he first traveled up Wild Duck Road in 1975 and argued that the Village has a responsibility to be good stewards of the environment. Without knowing what will be found on site, Chairman Turner asked what type of development can be placed on a former dump site. Mr. Hinrichs explained that the Village could put together a capping plan and introduced a second proposal which they had previously submitted to DPW Workman for a conductivity survey to delineate the boundaries of a possible dump site. Per Mr. Rickard, it is a non-obtrusive radar type analysis of the property using propagation waves to locate buried structures and map the extent of the landfill. Mr. Hinrichs stated that the typical use for a capped landfill is green-space, but it could also be used for institutional and/or commercial purposes. Residential use is not recommended. In addition to capping the landfill and putting together a management plan, a landfill can also be mined to remove all of the material and take it to a facility, such as Mallard Ridge. Audience member Jim Feeney asked why a school could be allowed on a site that was not recommended for residential use. Mr. Hinrichs explained the schools have more paved surface. Also, ball fields are routinely built on old landfills. Commissioner Bliss asked how much money is available in the grants previously mentioned. Mr. Hinrichs gave an example of a Grant from the Department of Commerce which has \$1.2 million

available per Project. Typically in a project of this nature you would roll three to six grants together. Commissioner Wilson asked if the Village would still be eligible for grant funds if it was determined that the village's forefathers had inadvertently created the problem. Mr. Hinrichs explained that the age of the landfill would play a part in whether or not the village was eligible for funds. To answer a question from Chairman Turner, Mr. Hinrichs stated that Liesch Environmental is experienced in helping municipalities obtain grant funding. Mr. Hinrichs stated that Liesch had obtained over \$400 Million worth of grants in the last 10 years. Executive Director McHugh informed the group that Liesch Environmental was the same firm that recently assisted the village in the successful application for funds to perform storm water planning in the Indian Hills Subdivision. Commissioner Bliss asked for clarification of the process with respect to researching any environmental work which may have already done for the property. Scott Rickard explained that an intensive review of existing records was a large component of the Phase I ESA. Workman explained that the Village had closed an Underground Storage Tank case within the last few years and that the paperwork would be provided to Liesch. Mr. Hinrichs explained that Phase Ones are only valid for one year, after which time they would need to be redone to meet current ASTM standards. Their goal is to make sure to obtain all of the information necessary to obtain future grant funding and ensure eligibility for revolving loan funds. Revolving loan funds could provide the Village with access to over \$4 Million for redevelopment. Commission Hibbard asked if it was possible that any potential contaminants present on the site could be making their way into Lake Geneva. Mr. Hinrichs explained that unless there was a direct connection within the stormwater sewer system, it would be highly unlikely. Commissioner Fisk asked what would need to be done if the CDA did not get around to redeveloping the property prior to the one-year expiration of the Phase I. Mr. Hinrichs stated that an expired phase one could still be used for subsequent brownfield grants. The expiration of the phase one would not become an issue unless the property was sold to another party. From start to finish, Brownfield projects typically take 2 to 5 years. Following the Phase I and the conductivity survey, the next step would be the assembly of a Brownfield Team with representatives of the Department of Commerce and the Department of Natural Resources. (Nicknamed: "Green Team")

Commissioner Wilson/Commissioner Fisk 2nd made a MOTION to approve the proposal from Liesch Environmental Services to perform a Phase I ESA of the village-owned land on Wild Duck Road, as identified in the exhibit attached to the proposal, for a total cost not to exceed \$6,400, and the MOTION carried without a negative vote..

TID #1 Infrastructure Projects

Crispell Snyder Proposal – Village Hall Parking Lot

Executive Director McHugh reviewed the proposal from Crispell Snyder to complete the necessary engineering for the proposed reconstruction of the Village Hall parking lot in conjunction with the STH 67 Improvement Project. Chairman Turner asked if the same contractor selected for the highway project would be doing the Parking Lot work. McHugh stated that while it may not be possible to add the additional work to the DOT contract, the projects would surely be coordinated with the DOT's selected contractor. Workman explained that the project may need to be publicly bid depending on the final cost.

Commissioner Petersen/Commissioner Hibbard 2nd made a MOTION to approve the proposal from Crispell Snyder to provide professional engineering services for the reconfiguration of the Village Hall parking lot, at an estimated cost of \$2,000 to \$2,600, and the MOTION carried without a negative vote..

Crispell Snyder Proposal – Pedestrian Connection with Walworth

McHugh reviewed the plan to coordinate a pedestrian connection with the Village of Walworth as part of the State Highway 67 project. The current proposal from Crispell Snyder is concurrently being presented to the Village of Walworth for a 50% commitment.

Commissioner Petersen/Commissioner Hibbard 2nd made a MOTION to approve the proposal from Crispell Snyder to provide professional engineering services for the Pedestrian Connection with the Village of Walworth, at an estimated cost of \$1,600 to \$2,050, based on a 50% cost share arrangement with the Village of Walworth, and the MOTION carried without a negative vote.

Crispell Snyder Proposal – Commercial Parking Area along STH 67

Chairman Turner quickly reviewed the plan to reconstruct the parking area located in front of the former Titan Real Estate Building, the new Fontana Jewelry Store, the State Farm Agency and Fontana Outdoor Sports.

Commissioner Petersen/Commissioner Fisk 2nd made a MOTION to approve the proposal from Crispell Snyder to provide professional engineering services for the Commercial Parking Area as presented, at an estimated cost of \$1,500 to \$1,700, and the MOTION carried without a negative vote.

Change Order #2 & Pay Request #7 – Mill Street Reconstruction Project

Workman explained that the \$7,500 Change Order included work performed by the contractor as a result of existing utility conflicts. Also, additional storm sewer was required on the project due to an underground spring which was encountered during construction. Workman presented Pay Request #7, for a total of \$37,132.17, of which \$7,500 is a direct result of Change Order #2.

Commissioner Petersen/Commissioner Hibbard 2nd made a MOTION to approve Change Order #2 and Pay Request #7, as presented by DPW Workman, and the MOTION carried without a negative vote.

Main Lift Pump Station

Workman reviewed the status of the Main Lift construction project. The contractor is progressing steadily. The deep portion of the excavation should begin early next week. Currently the depth is around 12 to 14 feet, with approximately 15 to 17 feet more to go. The ultimate depth of the excavation will be 32 feet.

Increase in CDA funding commitment - \$1 Million to \$1.5 Million

McHugh reviewed the Village's request for an increased funding commitment from the CDA. He explained that the CDA's involvement was currently capped at \$1 Million. Because the project has increased in cost from when originally considered, the Village is asking that CDA increase its cap by \$500,000. Chairman Turner explained that the \$1 Million Cap was intended to be 50% of the original \$2 Million cost estimate. Commissioner Bliss asked for clarification on the costs of both the Lift Station and the Reid Park Restroom & Pavilion combined. McHugh estimated that both projects combined totaled approximately \$3.6 to \$3.7 Million. Chairman Turner reviewed the \$430,000 estimate for the new restroom, as well as the increases in costs to the Lift Station project. Workman reviewed the charges incurred as a result of the recent lawsuit and the stop-work order that ensued. Commissioner Bliss requested clarification as to why the current cost of the station was higher than the amount originally budgeted. Specifically, he asked if Strand Engineering bore any responsibility for the fact that the original estimate was too low. **For the record** – Commissioner Bliss asked that the Village Board consider Strand's current performance when future projects are undertaken. Administrator Hayden explained to the group that the Main Lift and the Reid Park Restroom and Pavilion are two separate projects. Commissioner Wilson asked for a detailed accounting of the increased cost of the Lift Station. Administrator Hayden explained that the litigation and time delays amounted to approximately \$200,000. The rest of the cost increases were the result of additional equipment, consisting of odor control, back-up generators, and variable speed pumps. Commissioner Bliss asked why the Village was looking for the CDA to cover the entire cost

of the litigation and the additional equipment. Commissioner Wilson reviewed the original theory behind the CDA's commitment to fund 50% of an estimated \$2 million project. If the project has increased in cost, the CDA's commitment to fund 50% of the project should still be honored. Commissioner Bliss asked whether or not the additional equipment is necessary to have a functioning station. Workman explained that the facility would run without the additional equipment, but that it would be a much more reliable facility, with lower operating costs and less chance for offensive odors, with the subject equipment included. Commissioner Petersen stated that the basic question is whether the CDA commits additional funding to the project, or whether the costs get added to the property tax levy. Commissioner Bliss proposed that future projects should have set spending limits and that the CDA should not become a "dipping well" going forward. Chairman Turner agreed. Commissioner Hibbard suggested that the budgets on future projects be reviewed to make sure they were still relevant in light of the recent increases in construction costs and that reasonable amounts be included for contingency and inflation. Commissioner Petersen/Commissioner Hibbard 2nd made a MOTION to approve an additional \$500,000 in funding, and the MOTION carried without a negative vote.

Reid Park Restroom and Pavilion

McHugh explained to the group that bids on the project had been opened recently and that the contract had been tentatively awarded at the Village Board meeting the previous evening, contingent on additional funding from the CDA, and a negotiated price not to exceed \$400,000. Chairman Turner provided the group with a brief overview of the Village Board's discussion at the previous meeting. Commissioner Bliss expressed his concern for the record that these projects are costing too much money and that the Village Board and the CDA should pay careful attention to which projects they are endorsing.

Hayden and McHugh stepped out of the room.

Fontana Boulevard Utility Project / Landscaping Project

Workman informed the group that there was nothing new to report on the current utility project and/or the future landscaping.

Beach Improvement Project

No Update / Discussion

Third Avenue

Workman explained to the group that the Third Avenue reconstruction project was basically on hold while the Village waited to take the project out to referendum.

TID #1 Development Projects

Mill Street Plaza – FairWyn, Ltd.

Chairman Turner reviewed the recent height issues with the southern-most buildings in the development. FairWyn has already lowered one of the units in order to comply with the height restrictions of the Zoning Code.

Cliffs of Fontana – Planned Unit Development

No Update / Discussion

Hayden and McHugh returned to the meeting.

Reid Park Restroom & Pavilion

McHugh relayed concerns on behalf of the Village that the CDA's additional financial commitment to the Lift Station should actually be earmarked to fund the restrooms above the station. Chairman Turner stated that the CDA should provide the general commitment to the projects and that the

Village should allocate the funds as necessary. Hayden explained that it was necessary to keep the funding for the two projects separate as a result of the direct legislation. Commissioner Wilson stated that she would rather the CDA funds be contributed specifically to the Lift Station project. She further questioned whether or not the Reid Park Restroom and Pavilion would be TIF eligible per State Statutes. Chairman Turner requested clarification as to where the funds for the Lift Station were coming from. Treasurer Pollitt explained that the costs of the lift station were being borne by the CDA and the Sewer Utility; none of the costs to construct the new Lift Station were budgeted to come from the General Fund of the Village. If the CDA were not to increase its financial contribution, the new bathrooms would have to be funded by the General Fund. Hayden reminded the group that the Village Board's action the previous evening was contingent on additional funding from the CDA. Chairman Turner summarized the issue by explaining that the CDA could earmark its additional funding specifically for the Lift Station project, as opposed to Reid Park Improvements, but that would most likely mean the proposed bathrooms would not be built. Commissioner Wilson stated that the question of TIF eligibility was something that should be forwarded to the CDA's attorney, Hank Gempeler.

Commissioner Petersen/Commissioner Turner 2nd made a MOTION to retract the \$500,000 contribution specifically to the Lift Station project, and redirect the contribution to fund Reid Park Improvements in general, subject to review by CDA Attorney Hank Gempeler (Foley and Lardner) to determine if the Restroom Facility was TIF eligible.

Roll Call Vote called for by Commissioner Bliss:

Fisk – No
Hibbard – Yes
Petersen – Yes
Turner – Yes
Wilson – Yes
Bliss - No

The MOTION carried on a 4-2 vote.

General Business

2006 Bond Series Issue

McHugh informed the group that there was nothing to report on the upcoming 2006 Bond Issue.

Business Districts, Inc. – Market Analysis Proposal

McHugh explained that this agenda item had been tabled at the February 8th meeting. The proposal from BDI (Business Districts Incorporated), for an estimated cost of \$3,500, was for the preparation of an updated Market Analysis. In addition, Ms. Bridget Lane of BDI would present the updated findings to the CDA and provide guidance as to how best to proceed with recruiting commercial tenants. Included in the proposal was the preparation of a "Recruitment Information Sheet", a sample of which was included in the packets. Chairman Turner opined that it was a little early in the process to start the market analysis and the group concurred.

No Action Taken.

Hildebrand Conservation Easement

McHugh explained that the Conservation Easement had been reviewed by Village Attorney Dale Thorpe on behalf of the Village. The latest revision of the document has now been forwarded to the Conservancy's counsel for review and comment.

Lakefront / Village Center Survey Project

McHugh stated that he had spoken with representatives of Ramaker, Inc., and had been informed that they were 90% finished with the field work. A draft document will be forwarded to the CDA's professional consultants as soon as it is available.

WDNR Urban Non-Point Source and Stormwater Planning Grants

McHugh reviewed the grant applications being prepared by Ruekert Mielke for the Wisconsin Department of Natural Resource's Urban Non-Point Source and Stormwater Grant program. The applications are due mid-April. Ruekert Mielke will submit final drafts of the applications to the Village by the end of March. McHugh informed the group that the Village had approved a budget commitment of \$9,000 at the previous night's Village Board meeting.

Budget Commitment to 2007 Stormwater Planning Projects

McHugh explained that the Village Board had already made the necessary formal commitments with respect to the grant application, but that the CDA would be budgeting the money for the projects in the upcoming 2007 CDA budget.

Novak's Façade Improvement Application

McHugh reviewed the recent inquiry by Pete Novak to participate in the CDA's Façade Improvement Program. He reviewed two estimates submitted by Mr. Novak for the proposed work; \$47,000 & \$48,000 respectively. Under the current limits of the program, the CDA could consider funding 25% of the project up to a total of \$10,000. Commissioner Bliss asked if the proposed design had already been approved by any other board. McHugh explained that any proposal would still have to receive approval from the Plan Commission, and possibly even the Village Board if so required by Code. McHugh informed the group that the Plan Commission was already reviewing the Novak's property for several other issues, including the recently expanded parking area. Commissioner Bliss opined that the CDA should make sure the plan was approved by the appropriate boards and commissions, before the CDA entered into any agreement to fund a share of the project. He asked if the plan presented by Mr. Novak conformed to the performance standards endorsed by the CDA. Chairman Turner stated that the Plan Commission would review the plan to make sure it conformed. Commissioner Bliss requested that the Plan Commission be directed to make specific findings with respect to the adopted standards.

Village Board Report

Chairman Turner indicated there was nothing to report.

Lakefront & Harbor Report

In Mr. Chanson's absence, Chairman Turner reviewed the results of the last Lakefront and Harbor Committee meeting. One of the items brought up after the last committee meeting, was a redevelopment plan for the lakefront, originally presented by Kevin Kirkland back in 1992. The plan for the project was a community center building, which incorporated a small restaurant and a small museum / hands-on maritime activity center. Mr. Kirkland is hoping to match potential funding from the CDA, if any, with currently available non-profit funds to develop a multi-use community center. One of the uses imagined for the project would be a lakefront rental facility that provided non-motorized crafts, such as Kayaks. Chairman Turner explained that Mr. Kirkland is going to move forward and flush out the details of the proposal before presenting anything officially to the Village.

Park Commission Report

Wayfinding Signage

Chairman Turner informed the group that the Wayfinding Sign approved by the group at the January Meeting was found to be in violation of the Village's Sign Ordinance.

Hildebrand Conservancy – Mill Street Entrance

Chairman Turner informed the group that one of the projects that had been specifically targeted for completion this year was the newly created park adjacent to Mill Street, at the entrance to the Hildebrand Conservancy.

Executive Director Report

No Report

Confirm Quorum for Upcoming Meetings

Chairman Turner confirmed that the next regular meeting of the Community Development Authority would be April 05, 2006 at 6:00 pm.

Adjournment

Commissioner Petersen/Commissioner Fisk 2nd made a MOTION to adjourn the meeting at 7:51 pm, and the MOTION carried without negative vote.

Minutes prepared by: Joseph A. McHugh, Executive Director

APPROVED: 05.03.2006