

VILLAGE OF FONTANA ON GENEVA LAKE
WALWORTH COUNTY, WISCONSIN

REGULAR MEETING of the COMMUNITY DEVELOPMENT AUTHORITY

(OFFICIAL MINUTES)

Wednesday, October 03, 2007 @ 6:00 PM

Chairman Turner called the regular monthly meeting of the CDA Board to order at 6:03 pm in the Village Hall, 175 Valley View Drive, Fontana, Wisconsin.

Commissioners present: Roll call vote: Chairman Turner, Fisk (arrived @ 6:05 pm), Hibbard, Chanson, Wilson, & Bliss (Arrived @ 6:07 pm).

Commissioners absent: Commissioner Petersen.

Also present: Park Commissioner Sharon O'Brien, Village Administrator Kelly Hayden, Director of Public Works Craig Workman, Treasurer Peg Pollitt (left the meeting @ 6:26 pm), Librarian Nancy Krei, Building Inspector Ron Nyman, Mr. Cary Kerger (Managing Partner – Abbey Provident Venture, LLC), Mr. David Lindelow and Mr. Allen Anderson (Abbey Resort Hotel & Fontana Spa), Ms. Peg Prendergast (Getty's Design Group), Terry Guen (Terry Guen Design Associates) & CDA Executive Director Joseph A. McHugh.

Visitors Heard

Chairman Turner asked if there were any visitors who wished to be heard and no response was received.

Announcements

Chairman Turner asked the group to read the announcements listed on the agenda at their leisure.

Approve Minutes

Commissioner Chanson/Commissioner Hibbard 2nd made a MOTION to approve the minutes for the regular monthly meeting held on September 05, 2007 and the MOTION carried without negative vote.

Approval of Current Payables

Executive Director McHugh presented the "Claims Payable Report", prepared by Treasurer Pollitt, totaling \$40,937.97 and noted that the majority of the claims were due to Village Engineer Ruckert Mielke under current construction administration contracts. He further noted that the month's payables included the charges for the recent election, including printing the ballots and paying the hourly wages for the election inspectors.

Commissioner Hibbard/Commissioner Chanson 2nd made a MOTION to approve the Claims Payable report, of \$40,937.97, and the MOTION carried without a negative vote.

Finance Reports

Full Accounting Statement & Value Increment Calculations

Executive Director McHugh distributed updated versions of the Full Accounting Statement, prepared by Treasurer Pollitt. Chairman Turner noted that the line item for Redevelopment Funding needed to have the project name re-added to the report. He further pointed out that the report showed a projected surplus of \$3.2 million, which included the addition of the anticipated tax increment from the recently initiated Cliffs of Fontana development project.

PRESENTATIONS

Abbey Provident Venture, LLC | Abbey Resort & Spa - Renovation Status & Update
Review: Interior Design, Exterior Landscaping & Economic Impact Issues

Chairman Turner introduced Mr. Cary Kerger and explained that he was present to make a brief presentation regarding the proposed renovation of the Fontana Spa. Cary noted that he was present in his capacity as the managing member of the Abbey Provident Venture, LLC, the owner of the Abbey Resort and Spa, and noted that he was present for three primary reasons. First, he wished to introduce key Abbey personnel. Second, he wished to provide information as to the plans for interior and exterior improvements, Third, he wished to obtain approval from the CDA, although he questioned whether the requirement for CDA approval would apply to the project as it was a PUD, and finally, he also wished to review the concept of financial participation by the CDA in the redevelopment project. Cary proceeded to introduce the new General Manager, Mr. David Lindelow, who started with the resort a week and a half ago. Mr. Lindelow introduced himself to the group and noted that he and his wife were in the process of moving to Fontana from Dixville Notch, New Hampshire, which is the site of the Balsams Grand Resort Hotel. He further explained that he had been working at the Balsams for the last couple of years where he had been helping to turn that from a seasonal resort to a year round resort. With respect to the Abbey, Mr. Lindelow explained that one of the things in his vision was to bring to the Village of Fontana a beautiful state of the art environment for people to enjoy and to participate in; a resort that added to the positioning and the quality of life in the community. Cary Kerger pointed out that the Balsams was a five diamond resort and was included on the 2007 Conde Nast Gold List. He further noted that Mr. Lindelow was a seasoned GM that had worked at the Loews Philadelphia Hotel, and also spent 15 years with the Wyndham Hotel organization. Following Mr. Lindelow's introduction, Mr. Kerger introduced Mr. Allen Anderson, the resort's Director of Sales and Marketing. Mr. Anderson explained that he was a native son of the area, having grown up in Williams Bay. He began his career at the Abbey in 1967. He left the area in 1980 to pursue a career at the national level. In 1996, he returned to the Grand Geneva Resort and Spa. He indicated that he was excited to return to the Abbey and commented on the competitive nature of the industry. Per Mr. Anderson, in today's market, a great resort is defined by a great spa. At the Abbey, they cater to group business, including Fortune 500 companies, as well as leisure travelers. Referring to the seasonal nature of the resort, Mr. Anderson noted that they are very busy from spring through fall. With the lake and the amenities that the area provides, they have plenty to offer their guests. But from November to April, the renovated spa will significantly impact the business opportunities for both leisure and group business. Mr. Anderson closed by noting that the Abbey is not a water park, nor do they want to be, but the features and benefits of a renovated spa will give them a water feature for the adult business that will put them in a position to compete on a year round basis and increase off-season occupancies. At this point, Mr. Kerger introduced Ms. Meg Prendergast of the Getty's Group. Ms. Prendergast noted that the Getty's Group was a 20 year old design and procurement firm based out of Chicago with a focus on hospitality. She stated that the firm maintained offices in Chicago, Florida, California & Hong Kong. The firm consisted of about 90 personnel, of which 65 to 70 are located in the Chicago office. Ms. Prendergast explained that the Getty's Group did a great deal of work designing spas, and commented that the firm was currently working on a spa for the Hard Rock Hotel and Casino Macau. She further explained that the Getty's Group had also designed and installed the Four Season's Spa in Chicago, as well as the Carleton Club Spa. With respect to the proposed renovation, Ms Prendergast stated that the objective was to design a spa that provided the luxury level experience that is now commensurate with a guest's expectation for today's spas. She noted that when the Fontana Spa was built in the 1980's it was top of the line. As a result, the 35,000 square foot space provided "good bones" to work with. In order to bring the spa to a five-star level, changes were needed in both the interior and the exterior to improve both the arrival experience and the overall experience within the spa.

At this point, the members of the CDA and the individuals present in the audience gathered around exhibits of the planned Abbey Spa Renovation project for the presentation.

Ms. Prendergast stated that one of the goals was to not only deliver a better guest experience to the hotel guest, but also to make the spa more accessible to the local community. As such, they have incorporated a new arrival experience that allows for people to get dropped off right at the curb inside the parking lot. Within the new entrance, they have enlarged and opened up the whole lobby and reception area. She noted that the plans call for some retail functions in the new area as well. Commissioner Chanson asked if the footprint of the spa was to remain the same, and Ms. Prendergast stated that there was no change. Commissioner Chanson confirmed that all the changes were interior to the space, and Ms. Prendergast stated that all architectural improvement were being limited to the currently existing 35,000 sq. ft. She noted that the new and improve salon area would contain pedicure thrones, manicures, hair, makeup and a redesigned fitness area. The existing fitness area is proposed for a combination fitness club and spa conference area. With respect to the locker rooms, they are still in their existing locations. The primary move in the design is to make a larger spa/lounge area. She noted that they planned to keep the fireplaces, but were working for a more contemporary and relaxed seating environment. The plan calls for the removal of the existing hot tubs and converting the space to VIP luxury suites. The intent is to create semi-private suite areas that patrons could book for the day or half-day. In response to questions from Commissioners Bliss and Wilson, Ms. Prendergast noted that the existing hot tubs were to be removed, but that the plan included hot and cool tubs, as well as saunas for the spa. Each of the suite areas, as designed, would hold 6 to 8 people. Ms. Prendergast relayed the thoughts of the Abbey's Spa Director, who was not able to attend the meeting, who saw the suites as catering to both bridal parties and the spousal left over groups from the conferences that are in town. Another motivating factor in the design was expanding the pool experience, not only seating capacity, but also by expanding activity into landscape areas with semi-covered zones. Ms. Prendergast referred to these areas as "Pergola Villages", complete with fire pits and plunge pools. In a general overview of the design process, Ms. Prendergast reviewed the "design driver words" they developed, such as: Dramatic, Distinguished, Masculine, Marina, Simplicity, and obviously Luxurious. Referring back to the front entrance, Ms. Prendergast noted that what they are showing is really just a "place-holder" from a planning perspective. Beyond the entrance, the plan is to bring in more natural light. As the spa is currently configured, the users feel quite internalized. Bringing in natural light is one of the ways of bringing the outdoors into the space. The proposed lobby area will incorporate a back wall which would have a dramatic finish. Concentrating on the "natural springs" concept, the space is planned to contain a "water feature" and be finished out in natural stone, natural metals, barn-board clapboarding, polished plaster and glass. To encourage people to sit outside, just outside of the pool zone, Ms. Prendergast explained that the proposed privatized patio areas, referred to as VIP suites, could include outdoor whirlpools and fireplaces. Ms. Prendergast directed the group's attention to a Sample Materials Board containing conceptual photos and sample materials and finishes that represented the level of quality that is intended for the renovation of the spa. In closing, Ms. Prendergast explained that Cary had given the design team a great opportunity to change the place around, but that he had also given them a budget. As such, while her design as presented is playing around with what's possible, it's not necessarily within the constraints of the budget.

At this point, Ms. Prendergast turned the presentation over to Ms. Terry Guen of TGDA (Terry Guen Design Associates).

Ms. Terry Guen explained that she had been retained by Mr. Kerger to look at the spa and the exterior signage for the resort. She noted that having worked in Fontana, it was a natural environment. Combining that with her experience at the Driehaus Estate, she was looking at the Abbey landscape as a private estate garden that relates to its natural environment. Ms. Guen stated that the goal in the design was to connect the experiences happening inside the building with experiences outside the building. They want guests to remember being in Fontana as opposed to being inside a building. One of the design elements Ms. Guen plans to incorporate into the design is a gate into the natural area from the spa. Beyond the gate concept, one of the real challenges with connecting the spa to the natural areas is that the existing operation is surrounded by asphalt and parking. The plan, as Ms. Guen describes it, calls for the removal of a lot of the car parking spaces

adjacent to the spa and reorganizing the pavement to create layers of plantings. By adding planting layers, Ms. Guen explained that people feel included within the landscape, as opposed to feeling like they are standing on the edge of a big-box parking area. With respect to reorganizing the parking area, Ms. Guen noted that Mr. Kerger would need to work with the association board of the Abbey Resort Condominium Hotel. Back to the privatized garden areas, Ms. Guen noted that they were limited in the types of activities that could be supported due to the short summer season, the presence of insects, as well as the relatively close proximity of automobile traffic and the associated noise. With respect to reconfiguring the pool area, Ms. Guen noted that they planned to remove the existing plastic plantings on the interior to make room for Chaise Lounges. To make room for replacement plantings on the outside of the building, the plan called for the adjacent parking to be pushed back from the building, thus creating room for activity areas, and possibly a meditation garden. In summary, Ms. Guen reviewed several other design elements that would be necessary to provide privacy and security for the outdoor spaces, such as fencing and half-height walls.

Commissioner Turner stopped the presentation at this point to review the CDA's purpose in the process. He noted that the reason the CDA was looking at the project was that it included in excess of \$10k in exterior improvements and was located in the TIF District. He noted that the CDA's process was the first step, and that the proposal would then go through a more detailed step with the Plan Commission. As such, Chairman Turner explained the CDA's purpose as being to determine if the proposed project complied with the underlying goals and objectives for the district outlined in the Redevelopment Plan and the Village's Master Plan. He commented that he felt the group had more than enough detail to make a decision and get it off to the Plan Commission for review. Commissioner Chanson asked Mr. Kerger when he planned to break ground and Mr. Kerger replied that he wished to begin the project in late November. He further explained that what was being presented was what the professionals considered necessary to bring the spa to a five diamond level. If the budget available was not enough to complete the dramatic plan, they would plan to move forward with a face-lift in late November. Mr. Kerger went on to note that the Spa business is a counter-cyclical business. They would prefer to get it started in November and have it ready for their peak spa season. Commissioner Bliss questioned how much parking was compromised in the plan presented. Mr. Kerger answered that the plan removed approximately 17 parking spaces, but that they planned to gain additional parking through reorganizing the parking lot, so it would be a wash. Chairman Turner commented that items such as parking calculations and in-depth zoning reviews would be performed by the Building and Zoning Department and the Plan Commission. Mr. Kerger offered that the CDA was unique in having an ordinance that required review of construction projects by the CDA, and offered that he was not sure it related to the PD zoning on the property. He claimed that he had not yet obtained a legal opinion, but that he strongly believed there was no need to go to the Village Board or the Plan Commission for the project. Executive Director McHugh informed those present that the resolution which requires CDA recommendation and Village Board approval of all exterior improvements in excess of \$10k was a statutorily required element in the creation of the TIF District. Chairman Turner agreed that the project needed to receive a recommendation from the CDA and an approval from the Village Board to proceed. Executive Director McHugh explained that the project was not in front of the CDA for a review of its compliance with underlying zoning. It was present because it was a request for construction within the TID. Because the CDA is the legally designated custodian of the TID, any development over \$10k needed a recommendation from the group. With respect to "Design Standards", the CDA had an agreement in resolution form that allowed for delegation of the review function to the Plan Commission. Chairman Turner commented that the CDA had formally adopted Design Standards and that a booklet, prepared by PDI, was also available. Village Administrator Hayden suggested that it would help if the CDA made a formal motion and referred the review of the Design Standards to the Plan Commission. Commissioner Bliss asked that any formal delegation should specifically state that the Plan Commission would follow the adopted design standards. Chairman Turner explained that there should be no trepidation with going to the Plan Commission. Mr. Kerger stated that it was merely a timing issue with which he was concerned. Chairman Turner asked Village Administrator Hayden to confirm the date of the next Plan Commission meeting. She stated that the

next meeting was scheduled for October 29th. In response to a question from Mr. Kerger and his group, Village Administrator Hayden explained that the submittal deadline for the October 29th Plan Commission would be October 9th.

Chairman Turner/ Commission Chanson 2nd made a MOTION to recommend approval of the proposed Abbey Spa Renovation Project, as presented, to the Village Board, contingent on a review confirming compliance with the adopted Performance Standards ("Design Standards") to be performed by the Plan Commission, and the MOTION carried without a negative vote.

At this point, the members of the CDA and the individuals present in the audience returned to their seats to continue the meeting

Following the positive recommendation of the project by the Plan Commission, Chairman Turner reviewed the concept of potential CDA participation in the redevelopment project. He noted that there would not be any action taken by the board at this time, since the group would need to think about it. He explained his current thoughts on the prospect and opined that there needed to be a formal policy for CDA participation in redevelopment projects in the TIF district. He referenced the existing Façade Improvement program that was straightforward to administer due to the adoption of a formal program. With larger projects he offered that it was the CDA's economic responsibility to consider participation, as long as the group could be absolutely certain that any CDA investment was securely protected. He commented that he had spoken with CDA Attorney Hank Gempeler and was informed that there are two potential participation strategies. First, the CDA could, once it found the project to be beneficial to the district and eligible for TIF financing, allocate tax increment as it was generated by the increased value of the project on a year by year basis. Second, the CDA could front the necessary project costs in exchange for a financial guarantee that if the projected increment was not generated, the CDA would be able to go to a bank and collect the funds in the form of a stand-by letter-of-credit, or some other type of financial guarantee. He commented that the CDA's development agreement with FairWyn Development called for financial remedies if the project did not produce the approximately \$4 million dollars in increment projected. With respect to future projects, Chairman Turner suggested that the CDA consider a standard policy that included iron-clad financial guarantees. He directed Executive Director McHugh to place an item on the CDA's agenda for the next regular meeting to review and consider a formal TIF Development Funding Policy & Program. Commissioner Wilson asked if developers would be willing to participate in such a program, and Commissioner Chanson offered that the CDA should put together its scenario first regardless of specific projects. Executive Director McHugh commented that as a result of the several commercial properties currently listed for sale in the district, he received regular phone calls from interested developers looking to obtain direction as to what type of financial participation would be available from the CDA. Commissioner Wilson asked what would differentiate larger projects from general façade improvement projects. Chairman Turner noted that the proposed policy would apply to projects with requested participation in excess of \$10k. He clarified that the existing façade improvement program did not require financial guarantees, but that projects in excess of \$10k should. Commissioner Bliss cautioned the group's desire to simplify the process and expressed concern with not simply reviewing future projects on a case by case basis. Commissioner Hibbard offered that putting together a standard policy would provide staff and applicants with basic direction, and that future projects could still be reviewed on an individual basis. Commissioner Chanson agreed that every project should be scrutinized regarding the appropriateness of TIF funding. Executive Director McHugh commented that having a standard policy in hand would help to avoid the types of failed negotiations that occurred during the original Abbey Redevelopment project. Chairman Turner offered that every deal would still require a contractual development agreement prior to funding. Commissioner Bliss wished to stress that even with a standard policy in place, there very well may be projects in which the CDA may choose not to invest. Chairman Turner agreed that the CDA would only choose suitable projects. With respect to the current Fontana Spa Renovation proposal, Chairman Turner stated that he was in favor of the project, especially if it would serve to maintain and increase the values of the Abbey Resort properties which served to generate a majority of the tax increment that funded the district.

Mr. Cary Kerger, Mr. David Lindelow, Mr. Allen Anderson, Ms. Meg Prendergast and Ms. Terry Guen exited the meeting at this point.

TID #1 Infrastructure Projects - Public Works Director Workman

Porter Court Plaza – Update / Schedule Review

Chairman Turner reviewed the current status of the Porter Court Plaza project. He explained that the Village was currently awaiting the expiration of a 30-day public notice period required by the Wisconsin Department of Natural Resources for the necessary Chapter 30 permit.

Wild Duck Road & Pedestrian Path – Update / Schedule Review

Executive Director McHugh informed the group that the reconstruction of Wild Duck Road was progressing steadily. He added that there was an issue with scheduling the crane, but that the bridge sections for the pedestrian underpass were scheduled for placement on the upcoming Tuesday. With respect to the tree clearing portion of the project, Commissioner Chanson suggested that the CDA should be more diligent in future projects to ensure the protection of existing trees. Chairman Turner restated that the trees he referenced were removed to facilitate the necessary grading for the pedestrian underpass. Commissioner Chanson asked when trees would be replanted, and Executive Director McHugh noted that the landscaping of the Gateway Triangle was on the agenda for discussion. With respect to landscaping projects, Chairman Turner asked for a status on the Native Plant restoration along STH 67. In response, Sharon O'Brien informed those present that they were scheduled to meet with representatives from Agrecol the next day at 11 am.

Duck Pond – STS Consultants Update

Executive Director McHugh informed the group that the “draft” Redevelopment Feasibility Study was promised by Leo Linnemanstons of STS Consultants to be delivered the coming week. Once it arrived, DPW Workman was planning to review the soil-boring data and present his comments to the CDA.

General Construction Updates

DPW Workman had no further comments on on-going construction projects.

TID #1 Development Projects

Mill Street Plaza (FairWyn, Ltd.) – Update

In response to a question from Chairman Turner, Executive Director McHugh informed the group that he had not had any further conversations with Mr. Ken Hnilo regarding becoming a tenant in the space. Chairman Turner expressed concern with the space sitting empty, and Commissioner Chanson offered that having the plaza finished would certainly help Brian Pollard's leasing efforts.

The Cliffs of Fontana (PAR Development) – Update

Chairman Turner asked for clarification as to when the slopes within the development would be stabilized with native grasses. DPW Workman noted that the native plant mix would be put down as part of the nurse crop, but that the native prairie seeds would not germinate until the following spring.

General Business

Village Entrance Signage (North Entrance) – Discussion on Project Schedule

Executive Director McHugh explained that he was looking for direction regarding the planned upgrades to the northern village-entrance signage on STH 67. He explained that planning had been stalled when the related Wayfinding Signage project had been shelved by the group. With the schedule to execute the landscaping plan for the Gateway Triangle in the spring of 2008, he suggested the incorporation of the monument signage on the north end of the property.

Abbey Agreement: Abbey Ridge, Abbey Villas & Abbey Dockominiums – Update
STH 67 Driveway Engineering Discussion

Chairman Turner informed the group that he and Executive Director McHugh had met with several representatives of Abbey properties, including Mr. Stan Estes of the Abbey Ridge, Mr. Michael Rizzo of the Abbey Villas, Mr. Tim MacDonald and Mr. Ed Snyder of the Abbey Dockominiums, and Mr. Cary Kerger representing the Abbey Resort Condominium Hotel association. Chairman Turner reminded the group that the CDA and the Village had entered into an agreement with the various groups as part of the negotiations preceding the issuance of the CDA's 2005 Lease Revenue Bonds. One of the issues raised by the group was the new alignment of the Abbey driveway entrance on STH 67 with Dewey Avenue. According to the residents, the new alignment forces vehicles attempting a right-hand turn to cross over the center line into the on-coming traffic lane. He noted that he had suggested to the group that the Village could look into the design and work to develop potential solutions. Commissioner Bliss asked if the alignment problem was an error in engineering. Executive Director McHugh reviewed for the group that the DOT (Wisconsin Department of Transportation) had originally considered forcing abandonment of the driveway entrance, unless it was realigned. The DOT's typical design standards prohibit driveway entrances within so many feet of an intersection for safety reasons. The resulting design was developed as a response to the DOT's direction and was constrained by property boundaries and wetland locations. Commissioner Bliss argued that whatever the reason, a poor design should be considered an error on the part of the engineers for the project. DPW Workman noted that the design was developed by Crispell Snyder and then signed-off on by the DOT. Chairman Turner suggested that the engineers be contacted and asked to look at the situation. Once a potential solution was identified, the cost to implement it could be reviewed and considered by the group and a determination would be made as to how to proceed from there. Chairman Turner stated that the second item discussed was the Village's need for easements to execute the pending utility burial project. He indicated that the group was favorable regarding the provision of the easements. He went on to note that one of the concerns expressed by the Abbey group was the possible impacts that the burial of utilities on Fontana Boulevard would have with respect to the existing security lighting in the Dockominium parking area. Chairman Turner commented that the issue could be resolved by choosing shorter light poles located on either side of the street, as opposed to going with taller light poles down the middle of the median. He stated that he had already begun the conversation with Ms. Sharon O'Brien of the Park Commission who had offered that the issue was still open for discussion. He stated that Executive Director McHugh was going to work directly with the Park Commission to see if a solution was obtainable. Another issue raised in the meeting was the lack of a comprehensive environmental master plan for the properties lying east of STH 67. Such a plan could incorporate the proposed pedestrian walkways, as well as provide a framework for preserving and restoring the native prairie areas along the Van Slyke and Pottowatomie streams. He reminded those present that Executive Director McHugh had previously coordinated a grant application to the DNR for funding of a Stormwater Management plan, but unfortunately the grant had been unsuccessful. Commissioner Wilson requested clarification on the status of a stormwater study. Executive Director McHugh noted that preliminary work had been completed as part of the grant application process, but without obtaining the necessary grant funds additional work had not been accomplished. Chairman Turner commented that the issue of stormwater included runoff from the Abbey properties, the Big Foot Country Club, as well as the Village road system in Country Club Estates. In comparison to the status of the environmental management planning on the east side of STH 67, Chairman Turner offered that the plan for the land on the west side of STH 67 was already well underway. When discussing the issue with the Abbey representatives it was unanimously agreed to start the process. Commissioner Bliss asked if the objective of the group was to draft an environmental master-plan, or to actually go ahead and start implementing the proposed improvements. Chairman Turner answered that the group should be considering both. With respect to doing the actual work, he explained that the Village would need to either own the areas where the improvements would occur, or have a legal easement in place. Commissioner Wilson stated that a conservancy agreement was already in place on the land behind the Abbey Ridge Phase III, and Chairman Turner responded that the agreement would have

to be reviewed to ensure that it provided the property rights necessary to proceed with village-funded restoration efforts. Commissioner Fisk asked for clarification as to who would be responsible for maintaining the conservancy areas. Chairman Turner responded that in the case of the Hildebrand Conservancy, it was the Village's responsibility to do the maintenance. Commissioner Fisk commented that spending tax-payer's dollars on maintenance would be an issue if the land was not owned directly by the village. Chairman Turner suggested that the Village should initiate the process, since the stormwater erosion and the resulting silting up of the streams was caused by runoff from all adjacent property owners, including the Village. Executive Director McHugh explained that a large amount of stormwater originates on village-owned streets and funnels its way down Shabbona; finally entering the wetland area behind Abbey Ridge. DPW Workman added that a large amount of water flows off of Tarrant Drive as well. In reference to the failed grant submission, Executive Director McHugh noted that the application included a request for monies to fund a Stormwater Utility Feasibility Study. The theory behind a Stormwater Utility is to create a fee-based mechanism for constructing and maintaining stormwater infrastructure. By definition, the two streams that run to the lake are an integral component of the Village's stormwater system. Chairman ended the discussion by noting that, seeing as there were no objections from the group, Executive Director McHugh would continue working on the various issues discussed.

Beach Fence Design & Bidding Schedule - Update

Executive Director McHugh reviewed the success of the recent referendum for the Beach Fence project. He explained that the process was to complete the design and construction documents for the project, move it to bid by the end of the year, and schedule installation of the new fence in time for the 2008 Memorial Day Holiday. With respect to completing the construction specifications and documents, Executive Director McHugh presented a proposal from Ruckert Mielke to do the referenced work. He noted that Ruckert Mielke had been heavily involved throughout the process, including the creation of the engineered take-offs for the referendum estimate. He further noted that Ruckert Mielke had performed the engineering work on the Beach House and the Fontana Boulevard Water Main Relay project. As such, they would have a head-start on surveying the project area. Chairman Turner asked if it was necessary to engage an engineer for the Beach Fence project, and DPW Workman answered that an engineer was needed to prepare the construction specifications, and to bid and administer the project. Executive Director McHugh reviewed the cost breakdown for the proposal; design, bidding and construction administration. Commissioner Bliss asked why the Village could not simply enter into a Design-Build contract, and Executive Director McHugh responded that Wisconsin's public bidding requirements prevent such arrangements; once a project is designed, it must be put out for bid to ensure that the tax payers obtain the best value. Commissioner Bliss/Commissioner Chanson 2nd made a MOTION to approve the engineering services proposal from Ruckert Mielke for the Beach Fence project, at an amount not to exceed \$17,650.00, and the MOTION carried without a negative vote.

Mr. & Mrs. John Schmitz – Beach Fence Construction & Maintenance Easement
Chairman Turner moved to the Kinzie Street Item. This item discussed later in the meeting

Kinzie Avenue Road Reconstruction Project – Project Initiation Discussion

Chairman Turner revisited the proposed Kinzie Street Reconstruction Project for an estimated total cost of \$467k. He offered his opinion that the road needed to be repaired and would need to be funded by the TIF, or otherwise it would fall on the General Property Tax Levy. He offered that it would not need to be executed immediately; the group could postpone the project until such time as the requisite increased property value was realized in the district in order to successfully fund the project. Executive Director McHugh asked if there was any desire to issue an RFP for the project, if the main deterrent was the estimated cost, and the group decided against such action. Commissioner Chanson/Commissioner Bliss 2nd made a MOTION to TABLE the discussions on the Kinzie Street Reconstruction project, at an estimated cost of \$467k, until the next regular meeting, and the MOTION carried without a negative vote.

Mr. & Mrs. John Schmitz – Beach Fence Construction & Maintenance Easement (Cont...)
Executive Director McHugh asked for a volunteer from the group to go together with him to discuss the need for easements for the Beach Fence Project across property owned by Mr. and Mrs. John Schmitz. Chairman Turner asked if the property owners had any objections to the project, and Executive Director McHugh responded that he had previously met with Mr. John Schmitz and that Mr. Schmitz had requested that they retain rights of access to the property, as well as the proposed gate. Chairman Turner asked that Executive Director McHugh work with the Schmitz's to negotiate the details.

Kinzie Avenue Road Reconstruction Project – Project Initiation Discussion

This item was discussed earlier in the meeting

Duck Pond Gateway Triangle Landscaping – Design Development Update

Executive Director McHugh presented four exhibits and a photomontage of suggested plant species, representing the current design-development plans for the proposed landscaping of the Duck Pond Gateway Triangle. He explained that the plans had been presented to the Park Commission and approved. Referring to projected costs, Executive Director McHugh noted that Ms. Terry Guen was working within the \$150k budget authorized by the CDA. In order to ensure that the project does not exceed the allowed amount, the project includes approximately \$80k worth of plantings, as well as monies for necessary site work, additional engineering and contract administration, and initial maintenance costs. Commissioner Bliss questioned the total cost estimate, and Executive Director McHugh explained that the line items amount to \$121.6k, allowing room for contingencies. Depending on the final bid result, plans are to incorporate additional plantings as the budget allows. Chairman Turner questioned who would actually bid the project, and it was explained that Ms. Guen's firm was working with Ruekert Mielke to determine who would take the lead in the generation of the project specification documents, as well as the "in the field" contract administration. With respect to schedule, Executive Director McHugh noted that the plan was to bid the project and go to contract in time for a spring installation. Commissioner Chanson questioned the size of the trees proposed in the design, and Executive Director McHugh reviewed the decision of the Park Commission to include smaller initial plantings of a greater number, as opposed to specifying fewer but more mature trees. He further commented that with Oak Trees, in particular, the probability of success was greater for smaller trees. Commissioner Bliss reviewed the planting list and noted that it was primarily composed of 1" and 2" trees. Chairman Turner asked the group if there was a desire to increase the budget for the project in order to install larger more mature trees, and the general consensus was to keep the budget unchanged. Commissioner Bliss commented that a mistake had been made in deciding to clear the site and that now the group would have to live with the smaller trees. Executive Director McHugh offered that additional trees could always be added to the site moving forward, if it was determined to be too sparse. Commissioner Fisk reminded the group that the design concept had been a "prairie restoration." Chairman Turner agreed and repeated that the trees removed were invasive varieties, such as: Box Elder, Buckthorn and Chinese Elm.

Crispell Snyder Proposal – RE: Settlement on Village Hall Engineering Costs

Executive Director McHugh reviewed the proposal put forth by Crispell Snyder in response to concerns with the engineering work on the Village Hall project. He reviewed the fact that the new stairs failed to line up correctly with the upper sidewalk and that an additional step needed to be added post-construction at the bottom of the stairs to accommodate the change in elevation in the sidewalk running along Second Avenue. He relayed that Crispell Snyder fully recognized the error and were offering to replace the sidewalk at no cost to the Village. They were further offering to reduce the outstanding balance owed to their firm for engineering services performed on the project; from \$8,368.96 to \$4,098.72. Executive Director McHugh stated that he was unreservedly endorsing the proposal put forth by Crispell Snyder, as they had in fact done the work and were now committing to correcting the error.

Chairman Turner/Commissioner Fisk 2nd made a MOTION to approve the settlement proposed by Crispell Snyder for the removal and replacement of the sidewalk between the top of the steps and the entrance to the Village Hall, and to authorize payment of \$4,098.72 as full payment of the invoices outstanding, and the MOTION carried without a negative vote.

With respect to the sidewalk running from the base of the stairs to the entrance to the Library, Commissioner Wilson commented that she was seriously concerned with the layout and the back-to-back curbing between the sidewalk and the Second Avenue roadway. She argued that it was a dangerous situation, and Executive Director McHugh explained that he was investigating possible solutions. Chairman Turner asked that he continue to do so and report back to the CDA.

Fontana Spa @ the Abbey Resort - Renovation Project Status
This item was considered during the presentation segment earlier in the meeting

Mill House Pavilion –Update (President Ron Pollitt)
Executive Director McHugh explained that President Ron Pollitt was out of town and had asked that the update be postponed to the next regular meeting.

Department of Revenue Equalized Value Report on TID #1 – Review
Executive Director McHugh reviewed the fact that the recently received Department of Revenue Equalized Value Report understated the current value of TID #1. He explained that although there had been no revaluation of any of the properties in the district, there had been several active permits closed out with respect to the Abbey Resort’s recent renovation, which should have increased the value of the district by approximately \$2.3 million dollars. He explained that he had been working with Village Administrator Kelly Hayden and had learned that the statutorily required final assessment report had been filed late with the DOR by the Village’s assessors. Village Administrator Hayden explained that the report should have been filed on June 11th, but had not been received by the DOR until the 27th. Executive Director McHugh explained that although the report was not technically related to the assessment and valuation of the TID, its tardy filing caused for none of the increases in Abbey property values to be recognized for TIF allocation purposes. Chairman Turner asked what was being done to insure that the Village and the TID were made whole, and Executive Director McHugh stated that the Village was placing the burden on the Village’s third-party assessor, Accurate Assessors, to either correct the error or reimburse the Village. The final impact to the Village cannot be accurately calculated until the final mil-rate is set, but it is estimated to be \$30k to \$50k. Village Administrator Hayden added that she was recently notified by Mr. Reed Johnson of the DOR that regardless of the outcome, it was too late to correct the equalized value calculations for the coming year. Chairman Turner reminded the group that the last time an error was made by the previous assessor the Village value was doubled the following year in order to correct the error.

Village Board Report – Chairman Turner

Chuck’s Lakeshore Inn – Building Renovation Plan

Executive Director McHugh explained that the Building and Zoning Department had determined that the proposed renovations to Chuck’s Lakeshore Inn were fully compliant with the Village’s Zoning Ordinance, and that they did not necessitate Plan Commission approval. As such, it was not added to the Plan Commission agenda and the CDA is now being asked to make the necessary findings for compliance with the districts “design standards”. Executive Director McHugh stated that the proposal had been approved by the Village Board, and quickly reviewed the aspects of the proposal as they related to the design standards, such as, compatibility of neighboring buildings. Chairman Turner/Commissioner Bliss 2nd made a MOTION to find that the proposed renovation of the Chuck’s Lakeshore Inn, as presented the previous month, was in conformance with the adopted “design standards” for TID #1, and the MOTION carried without a negative vote.

Lakefront & Harbor Report – Commissioner Chanson

Commissioner Chanson reported that the Lakefront and Harbor Committee had established at their recent meeting that a reduction of the number of parking spaces in the Boat Trailer parking lot would serve to reduce congestion on the lakefront. Chairman Turner asked if any formal recommendation would be coming forth to the Village Board from the committee and Commissioner Chanson claimed that there would. Village Administrator Hayden offered that Mr. Bill Morrison was performing a survey of area launches and would be reporting back to the Lakefront and Harbor Committee about their operational procedures.

Park Commission Report – Commissioner Hibbard

Commissioner Hibbard informed the group that she had been unable to attend the last Park Commission meeting, and noted that the minutes from the meeting had been included in the meeting packets.

Enhancement Plantings for Completed Project

Chairman Turner reviewed the Park Commission's request to fund final landscaping enhancements to several recently completed landscaping projects within the TIF District. The cost for the bulbs is estimated at approximately \$900, and the Park Commission is offering to eliminate the installation costs by volunteering to plant the bulbs themselves.

Commissioner Chanson/Chairman Turner 2nd made a MOTION to approve the purchasing of bulbs for enhancement plantings at a cost not to exceed \$1,000, and the MOTION carried without a negative vote.

Executive Director Report

Executive Director McHugh stated that he had reviewed the status of all pertinent items during the course of the meeting and had nothing further to report.

Confirm Quorum for upcoming Meetings

Next Regular Monthly Meeting – November 05, 2007 @ 6:00 pm (No Closed Session)

Chairman Turner asked if there was any desire to move the next meeting to another date than the first Wednesday, and the general consensus was to keep the date as scheduled. Commissioner Wilson clarified that the 1st Wednesday was actually the 7th.

Agenda Item Requests

Chairman Turner asked if there were any requests for agenda items for the November meeting, and no response was received.

Pending / Future Items

Alliant Energy – Charges for Utility Burial Engineering Work

Commissioner Bliss asked for a clarification on the charges from Alliant Energy. Executive Director McHugh explained that the item was for information only at this point. He reminded the group that \$23k had originally been approved for engineering, but that Alliant had recently submitted an invoice for approximately \$50k. He stated that he and DPW Workman were already following up with Mr. Dean Copp, Alliant's representative on the project, to obtain a breakdown of the charges. Initial responses indicate that some of the charges should actually be allocated to work completed on STH 67. Executive Director McHugh closed by stating that he was not intending to pay the invoice without receiving further detail. DPW Workman added that the work was necessary for the future burial of utilities and that the original estimate from Dean Copp was quite low.

Crispell Snyder Reimbursement Request: STH 67 Crosswalk Repair Costs – No Discussion

Mill House Park Structure (CDA Funding Commitment) – No Discussion

RM Proposal – Little Foot Playground & Reid Park Engineering Services – No Discussion

Industrialization of VOF Compost Operations (DPW Proposal) – No Discussion
Fontana-Walworth Pedestrian Grant Application – No Discussion
Fontana Boulevard Landscaping Project – No Discussion
Executive Director Employment Contract – No Discussion
2008 CDA Budget – No Discussion
Beach House Concession Door Repairs – No Discussion

Adjournment

Commissioner Chanson/Chairman Turner 2nd made a MOTION to adjourn the meeting at 7:45 pm, and the MOTION carried without negative vote.

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

APPROVED: 06 NOV 2007 - CDA