

VILLAGE OF GRAFTON

COMMUNITY DEVELOPMENT AUTHORITY MEETING MINUTES

JUNE 9, 2010

The Community Development Authority (CDA) meeting was called to order at 6:23 p.m. by Chair John Gassert.

CDA members present: Roger Kirgues, Al Richards, Ron LaPean, John Gassert

CDA members absent: Jim Grant, Alan Kletti, Dan McKelvey

Staff/Officials present: Village Administrator Darrell Hofland, Director of Planning and Development Michael Rambousek, Village President Jim Brunnquell, Village Clerk Teri Dylak

MINUTES

Motion by Trustee LaPean, seconded by Al Richards, to approve the April 14, 2010 Community Development Authority meeting minutes, as presented. Approved unanimously.

HEAR PERSONS REQUESTING TO BE HEARD

None.

UPDATE ON DISCUSSION FROM PUBLIC SAFETY COMMITTEE MEETING ON 2 HOUR PARKING RESTRICTION IN PUBLIC PARKING LOTS IN THE 1200 BLOCK BETWEEN 12TH AND 13TH AVENUES

Director of Planning and Development Michael Rambousek informed the members that Stephanie Metz, owner of Vino 100, was going to be in attendance this evening; however, she asked to be excused this evening. She informed Mr. Rambousek that the business owners are working on a parking alternative for the Village Center parking lot and, unfortunately, have only met once to discuss the matter. At this time, no proposal is ready for presentation to the CDA.

Director Rambousek updated the CDA members on discussions at the May 11 Public Safety Committee regarding the possible implementation of 2-hour restricted parking in the downtown public parking lots (between 12th Avenue and 13th Avenue). He indicated that several business owners/operators from the Village Center and the 13th Avenue area were in attendance at the Public Safety Committee meeting. It was their request that the property owners and businesses be given additional time to discuss the proposed parking restriction. The group will then provide input to the Public Safety Committee at a future meeting.

Director Rambousek informed the CDA that he has prepared a business card/pocket-sized parking area map, showing public parking lots. The members of the Downtown Business Association were provided with copies of the cards for distribution to customers.

Trustee LaPean commented that the downtown parking lots are municipally owned. He questioned why the Village is allowing private business owners to dictate the parking provisions in these lots. The CDA recommended a 2-hour parking provision, based upon discussion with the tenants in the Grafton Village Center, and now they are against the proposed change.

Member Al Richards questioned if the proposed 2-hour parking restrictions were 24 hours per day. Mr. Rambousek responded that the restricted hours were proposed to be between the hours of 8:00 a.m. to 6:00 p.m.

Village Administrator Darrell Hofland commented that in addition to the business card parking guide, there is also an electronic version that can be linked from private websites to the Village of Grafton website. He indicated that staff worked with Digital Edge on this item.

Chair Gassert questioned if it is customary that businesses have so much control in the decision making process. The downtown parking lot situation has been discussed several times at the CDA and also at the Plan Commission. The CDA made a recommendation to the Public Safety Committee based on input from the tenants. He questioned why the matter cannot move forward to the Village Board as recommended by the CDA.

Administrator Hofland stated that the Public Safety Committee felt compelled to allow the tenants to come up review the draft ordinance and possibly develop an alternative to the 2-hour parking provision. Mr. Hofland stated that business owner Stephanie Metz along with Bill Hass as a facilitator are working on the matter.

President Jim Brunquell questioned when the issue becomes a policy issue and not a Public Safety Committee issue. He reiterated earlier comments that the CDA has spent a considerable amount of time on this matter.

Administrator Hofland suggested that it might be helpful for a representative of the CDA to attend the next Public Safety Committee meeting to provide input and background on this issue. Another option would be a joint CDA/Public Safety Committee meeting.

Trustee LaPean suggested that the 2-hour parking provisions be implemented and then adjusted, if deemed necessary. The Village has come up with a solution to eliminate employee parking in the lot when the business owners were not able to address the problem with their staff.

Administrator Hofland requested that the business owners be given time to come up with a parking restriction alternative. He stated that the alternative as presented may not be a viable option nor in the interest of the Village.

Roger Kirgues commented that while the CDA needs to work with other committees we also need to be mindful of the development guidelines that have been established for the downtown. The CDA has worked very hard to provide an enhanced downtown. He does not think that the business owners should be allowed to establish policy.

President Brunnuell agreed and stated that private citizen groups should not dictate policy for public property.

Administrator Hofland questioned if a new parking alternative comes from the citizen initiative, does the CDA want to review the alternative first or send it directly to the Public Safety Committee.

Chair Gassert requested that any parking alternative be brought to the CDA for review prior to being submitted to the Public Safety Committee.

President Brunnuell commented that the CDA is charged with the acquisition of property and the decisions being made now may affect future property acquisition.

Director Rambousek stated that all of the business owners were against the 2-hour parking restrictions, with the exception of Sweet Trio.

President Brunnuell questioned why the matter is being debated if all but one business is against the new provision. If the business owners do not want the restricted parking, then the parking should remain as it currently is.

Director Rambousek indicated that he had suggested to the owner of Sweet Trio, who is in favor of the 2-hour parking restriction, that she provide the CDA with a written request for the restriction and have all of the other tenants in the Village Center sign the document. No other tenants would sign the letter.

Trustee LaPean commented that the public parking lots are not just for the adjacent businesses but for use by the entire community. It is not right that a "special" group of people are trying to regulate an area that is open to all. He questioned if we can tell the "group" that this will be handled at the municipal level with no special interest involvement.

The issue of enforcement of any parking restrictions was briefly discussed. Any parking restriction violations would be handled by the Police Department on a complaint only basis since the Village does not have adequate staff to monitor the parking lot on a regular basis.

Administrator Hofland commented that the Public Safety Committee was ready to make a recommendation to the Village Board on this matter, but deferred to the business owners to allow them to provide input on this matter.

It was the consensus of the members that the Village Center tenants and any interested adjacent property owners attend the next CDA meeting to discuss this matter.

President Brunnquell commented that with the installation of the new HAWKS signals at 13th Avenue and Washington Street (STH 60) in September, the public parking lot north of Washington Street may be utilized more.

Chair Gassert commented that downtown parking should be a discussion point at the upcoming 2025 Vision workshop on Saturday, June 12.

UPDATE ON THE GRAFTON HOTEL PROJECT BY MUELLER HOTEL, LLC

Jim Reed and Paul Rushing were present to provide an update on the proposed former Grafton Hotel building renovation project.

The purchase closing was postponed because they have been unable to secure financing for the project. They have filed for an FHA insured loan through Housing and Urban Development (HUD) and are hopeful that the process will be completed in the fall.

The loan process is a two step process. The pre-application process requires specific submittals and if the project is deemed viable, the applicant then submits the drawings and final project pro-forma. The project is currently in the pre-application stage of the process.

Paul Rushing indicated that the project has been delayed because they are not able to secure private financing for the project, at this time. Unfortunately, the HUD 220 program has many projects to review and limited staff to complete the process. The project did receive a favorable verbal review by a HUD official who toured the building.

Unfortunately, the pre application process takes around 45 days to complete. Then the final application can take another 45 days. The developers did ask HUD if they could do any of the preliminary project work on the building and were told no, that the building must be in the current state in order for the application to proceed.

Mr. Rushing stated that the project is shovel-ready and that contractors are lined up for the project to proceed as soon as the financing is secured. The State building permit has been received. In addition, the tentative commercial tenant has been very understanding with the process and has no problem with opening his business after the first of the year.

Administrator Hofland indicated that the previously approved Developers Agreement for this project required that financing be obtained and a building permit issued on or before June 1, 2010. While the building permit has been obtained, the financing provision has not been met. This basically makes the agreement null and void. He indicated that the CDA should consider a revised date for the financing provision and amend the agreement accordingly.

Jim Reed commented that at this time, it is difficult to establish a new closing date since the timeline for the financing approval is still unknown. It is likely that it will be a minimum of 3-4 months.

In addition, Administrator Hofland identified that the Developers Agreement requires that the property have a specific minimum value as of January 1, 2011. Since the sale did not occur in 2009, as anticipated, and construction has not commenced, the property will remain tax exempt for 2010 and have limited valuation on the tax roll as of January 1, 2011.

Administrator Hofland commented that the valuation provisions of the Agreement should be upheld since the Agreement provides for a guarantee of value either in taxes or other funding. He has no problem with changing the closing date for the sale of the property.

Paul Rushing stated that the valuation provision will have an effect on the project proforma and the HUD application may have to be amended accordingly to reflect the additional project cost.

Roger Kirgues suggested that the CDA wait until written confirmation of financing for the project from HUD is received before the Developers Agreement is amended.

Jim Reed responded that HUD will want a current Agreement for review.

Paul Rushing informed the members that they did pursue Midwest Disaster Bonds for this project; however, they were told that the \$1.6 million project was too small.

Both Mr. Reed and Mr. Rushing indicated that they are not giving up on this project and will keep the CDA updated on the financing review. They hope to return to the CDA, in July, with additional information and a timeline for construction and completion.

WAYFINDING SIGN DESIGN UPDATE

Director Rambousek reviewed the proposed wayfinding directional sign logo change. The proposed new signs will have a raised logo with a dark blue border and white lettering. This format is very similar to the Department of Transportation highway signage that people are familiar with. Staff is reviewing locations for the signage and the project will then be bid.

There was minimal discussion on the proposed logo change.

Motion by Trustee LaPean, seconded by Al Richards to approve design option C-3b (copy attached) for sign the new wayfinding signs. Approved unanimously.

CONVENE TO CLOSED SESSION

Motion by Trustee LaPean, seconded by Roger Kirgues, to convene to closed session, at 7:23 p.m., pursuant to Wisconsin Statutes 19.85(1)(e) for real estate and competitive bargaining matters (Potential downtown redevelopment update, renegotiate terms of property sale and development agreement relating to 1312 Wisconsin Avenue (Grafton Hotel) and lease agreement with Paramount Grille and Bakehouse, and 19.85(1)(g) for Litigation matters (Status of loan negotiations– Direct Development, LLC Receivership). Approved unanimously by roll call vote.

A closed session of approximately 1 hour and 30 minutes was held. During the closed session the CDA members reviewed the status of the receivership action on the Village Center properties. In addition, the members discussed possible amendments to the Grafton Hotel Redevelopment Developers Agreement and the outdoor dining lease agreement for the Paramount Plaza.

RE-CONVENE TO OPEN SESSION AND THE REGULAR ORDER OF BUSINESS

Motion Trustee LaPean, seconded by Al Richards, to re-convene to open session and the regular order of business at 8: 54 p.m. Approved unanimously by roll call vote.

CONSIDERATION OF REVISIONS TO SALE AGREEMENT AND DEVELOPMENT AGREEMENT RELATING TO 1312 WISCONSIN AVENUE (GRAFTON HOTEL)

Motion by Trustee LaPean, seconded by Roger Kirgues, to table this matter to a future CDA meeting. Approved unanimously.

CLEAN-UP OF OUTDOOR STORAGE AT 1038 12TH AVENUE

It was the consensus of the CDA to direct staff to discuss the outdoor storage at 1038 12th Avenue with the property owner and report back to the CDA at a future meeting.

DOWNTOWN 2025 VISION WORKSHOP

Administrator Hofland reminded the members that the 2025 Vision workshop is scheduled for Saturday, June 12 beginning at 8:30 a.m. at the Multi-Purpose Senior Center, 1665 7th Avenue. A continental breakfast will be served at 8:00 a.m.

POLICY ON ITEMS FOR DEDICATION

Director Rambousek indicated that he has received a request for a memorial bench, with an image of the deceased individual, to be placed on the Riverwalk. He stated that he is not sure that this is the best location for this type of remembrance item.

Mr. Rambousek identified that the Village has a donation program that allows people to dedicate items in the Paramount Plaza. Items consist of brick pavers, furniture and other structures that can be engraved or given an attached plaque. There are minimal limits on what the engraving can say. In addition, all of the items are similar in terms of style and color so here is cohesiveness to the items.

Administrator Hofland stated that the City of Port Washington has a similar program at the lakefront park. There are a number of items, mostly benches, that have dedication plaques or "in memoriam" notations.

The CDA members briefly discussed the current dedication policy.

Motion by Roger Kirgues, seconded by Al Richards, to direct Village Staff to limit the items of dedication in the Downtown to placement in Paramount Plaza per the existing sponsorship program. Approved unanimously.

SALE OF PERSONAL PROPERTY (GRAFTON HOTEL FURNISHINGS)

Village Administrator Hofland informed the members that Jim Reed and Paul Rushing would like to purchase excess furniture that was left in the former Grafton Hotel building by Ferrante's Restaurant. The request is for 12 tables and a second floor service bar. They have offered \$300 for all of the furniture.

There was minimal discussion on this item. It was the consensus of the members that if the furniture is needed prior to the sale of the building to Mueller Hotel, LLC the purchase price of \$300 shall apply and if the furniture is not needed until after the sale of the building there shall be no additional charge for the furnishings.

Motion by Al Richards, seconded by Roger Kirgues, to authorize the sale of miscellaneous personal property items (12 tables and a service bar) in the amount of \$300 to Jim Read and Paul Rushing, Mueller Hotel, LLC. Approved unanimously.

OLD BUSINESS

The CDA discussed the possible use of the Grafton Hotel property parking lot during the upcoming Giro d Grafton event. It was the consensus of the CDA that the parking lot be available for event parking and public parking until such time as the sale of the property occurs.

STATUS OF LEASE OF PARAMOUNT PLAZA BY PARAMOUNT GRILLE AND BAKEHOUSE

Administrator Hofland stated that the Village has received the signed lease agreement for the outdoor dining area of the Paramount Restaurant and Bakehouse; however, the certificate of insurance that was provided expires on June 19, 2010. Brian Bernier has

assured the Village that the policy has been extended and a new certificate of insurance will be provided prior to the expiration date.

NEW BUSINESS

Administrator Hofland indicated that he and Finance Director Paul Styduhar recently met with the Village's financial advisors regarding the health of the TID districts.

Mr. Hofland stated that TID No. 4 will not have a positive cash flow for the next 4-5 years and is in need of assistance. Staff is looking at the possibility of amending the Project Plan for TID No. 5 to allow this district to become a donor to TID No. 4. It is hoped that a presentation will be made at the July, CDA meeting.

Roger Kirgues stated that TID No. 2 and TID No. 5 are already subsidizing TID No. 3. He questioned if TID No. 5 has adequate value to also subsidize TID No. 4. Administrator Hofland responded that although the district has not reached the anticipated valuation, there should be adequate increment to meet the needs of TID No. 4. The district value has not increased as anticipated partly because of the current economic climate.

Mr. Kirgues commented that the Village needs to look carefully at any new expenditures in the two redevelopment TID districts until they can cash flow on their own.

Administrator Hofland responded that all capital projects in TID No. 3 and No. 4 have been pushed back until adequate funding is in place.

The next CDA meeting was scheduled for July 14, 2010 at 6:15 p.m.

ADJOURN

Motion by Trustee LaPean, seconded by Roger Kirgues, to adjourn at 8:24 p.m. Approved unanimously.