

**Village of North Fond du Lac**  
**OFFICIAL MINUTES - Meeting of April 28, 2010**  
**Special COMMITTEE OF THE WHOLE**

PRESENT: James Moore, Village President  
Mike Streatar, Trustee  
Mike Will, Trustee  
Keith King, Trustee  
Tammy Keller, Trustee

Others: Alex Zabel  
Robert Giese  
Laurie Ritger  
Brenda Hicks Sorensen

STAFF PRESENT:  
Charles Hornung, Village Administrator  
Nick Leonard, Director of Engineering and Planning  
William Lamb, Chief of Police  
Donna Richards, Village Clerk  
Melissa Hunt, Community Development Specialist

**CHAIRMAN: WILL**

**Meeting called to order by Chairman Will at 6 P.M.**

*Citizens wishing to be heard may address the committee on any agenda issue after the committee discussion has been completed. Please raise your hand to be recognized by the chair.*

**A. ADMINISTRATIVE ITEMS.**

1. Discussion of the Winnebago Project with Alex Zabel, developer.

Mr. Hornung introduced everyone, and thanked people for making time available for this meeting. Two of the current Board members were here from the beginning, so this is an update. Also, we may need a history lesson, and between Brenda and Alex, they have been here from the beginning.

Mr. Zabel shared the following: Property transactions and serious discussions began in August of 2005, with an option on the property. Mike Tolvstad ran point, and Bill Lamb was the acting Administrator. Originally they discussed the piece of property the Village owns along the lake, commonly known as the Panama Property. In discussions with the DNR, it was concluded that the Village property did not work. Found out incidentally that the man made channel could be filled in, and with this information, the world changed, as the Chaparral could become a significant piece of property. DNR reviews and approvals were needed, and then new director Matt Frank got things moving, with an attitude change in staff to make this work. The Winnebago Project was announced just two years ago, in April of 2008.

There was much work done prior to the announcement re: how to make it work and configure it. Talked about public ownership of Marina, as it turns out that it can be dredged if publicly owned. Cash flow analysis showed debt service and taxes on a convention center made it unviable as a privately owned facility, but perhaps could work as a public facility.

Brenda Hicks Sorensen talked about when it was changed to a conference Center/Hotel project, and TIF plans started being drafted. In September, 2007, details came together. In 2007, he had his bank here, some in closed session, some in open session. On Agenda in September of 2007, there were no questions asked by the media at that time. Surprised there wasn't more attention at that time. Thought it would go public. Mr. Will asked about when the announcement was made, as he did not hear much talk at the time about Village involvement. Mr. Zabel said the bank, Vierbicher and Ehlers were at a Board meeting to review the TIF plan, and one big decision was that the TIF numbers were being run with Village ownership of the Convention Center. Moving forward from there, it was understood that Alex would be spending a lot of time and money based on that framework. Architectural plans cost over \$75,000, and those costs were incurred after that time/decision. Mr. Will asked about closed session, and if decisions were made in closed session. Decisions were made in open session. Chief Lamb said his memory was that the public announcement was made at the FCEDC Annual meeting, and they were sensitive about waiting for numbers getting crunched from all sides to feel comfortable making the announcement. Not intending to hoodwink the public, intention was to announce when those pieces were understood and comfortable, with a predevelopment agreement in place. Brenda said land acquisitions were also needed before the lead up to the announcement. It was under the radar, but persons involved were surprised at how few people knew about it after the announcement. The information was out there, we thought people were supportive. Shoreline areas are so bad, that it is easy to believe that the public is supportive, said Chief Lamb. Mr. Will said he probably missed those meetings. Brenda said they had a meeting here for the public and only a couple of people showed up for it. There was a public information meeting, and efforts were made to get information out there. Ms. Hicks Sorensen said she talked to media members about this and very little happened. Mr. Will said that the public got scared when it was found that we had such a large public stake in it. Ms. Richards said the annexation had not yet occurred at

the time of the announcement. Then all that started after the announcement. DNR, land acquisitions, annexations, and plans, all ran parallel, according to Mr. Zabel. Couldn't do a developer agreement until all this was done. Mr. Hornung said that's where confusion started, as the TIF budget got viewed as the Convention Center budget, lots of numbers were being tossed around. Let's have a fresh start. What is on the table? Is this a project we are interested in? We want the best use for that property. Alex still wants to develop something. Mr. Zabel said the DNR was interested in buying it. Mr. Hornung said without the particulars of negotiation, would this be good for the Village? If this happens, other development could happen, but as Board members, we have to consider whether this is something we want. Regardless of who owns what, do you want to see a convention center/hotel, or condos... said Mr. Zabel. Mr. Will says he doesn't want a publicly owned convention center. What is the attraction to this hotel, asked Mr. Will. Brenda Hicks Sorensen says there was a feasibility study, and roundtables with area businesses. What type of meetings will they be holding: Mercury Marine, J. F. Ahern, Society Insurance and other participated in this. This was part of the feasibility. That was a surprise. A Resort/conference center came out of those meetings, with breakout rooms, etc. We are a central location that is the reason for a lot of our economic development activity here. Someone called FCEDC to see if this project was opening, so she could book a large meeting here. The central location – many organizations want a unique environment, like Monona Terrace (having it on the lake).. Why there? Mr. Zabel says there is not a hotel on the Winnebago chain.... None. Three quarters of the population of Wisconsin live within 75 miles, rotate between three venues, for convenience and affordability, easier than Madison or Milwaukee. Locally, the industrial base doesn't have a place for Christmas parties. Campbellsport Building Supply, Hometown Bank, need places for meetings and for their suppliers to come. Mr. Will asked if people don't want other places to go. Restaurant and catering planned here, but people who visit think regionally. Chief Lamb said they may base the Lakeside Spirit there, possibly. Something for after the classes wrap up. Chief Lamb talked about other big crowds, Walleye Weekend, and weddings. Mr. King talked about other development occurring around here if this happens. Ms. Hicks Sorensen said we need a gut check, we had this proposal, then we can continue, when it comes down to feasibility. (The study was dropped.) TIF plan covered a much broader area, with the focus on just this project, from the spinoff. The whole area provides nice opportunities for things to happen with this development. People don't think of this as different than Fond du Lac. Same with Monona Terrace. People come from all over to be there. Mr. Zabel: we can pull people off the water, bigger boats may stay for the evening or weekends. Fishing... Mr. Zabel said he is rethinking how big it should be. Most value, most size looked at initially was 186 rooms, to maximize the use of the site. 700 seats for dinner. Wants to revisit it. May not be that large. Conventions/conferences, need to feed 500 at least. Need breakout rooms to support that. Half the hall would be food service, need place for people to be during setups. Might shrink it down. What type of project... was a resort, full-blown... Hotel will be reevaluated, could be a franchise, a brand, not a resort. Most are private label the Osthoff, etc. May need to be a Hilton in other places, not as true with private label. Has to work as a regional facility, to support 2-3 day events. Otherwise, hotel and a dance hall, not best use... maybe not as big as originally designed. Mr. Will asked if there is a difference with people now bidding on conventions. Mr. Zabel said he is concerned, as fewer conventions are happening now, that it is a buyers' market. Mr. Will asked about the lake flies, and it could be a detraction from people returning. Mr. Zabel said he couldn't predict that, went on his motorcycle during the lake flies hatch along Lakeshore himself. We know when the season is...

Mr. Zabel said every site, every place, isn't perfect. They (the lake flies) don't bite. Some places you'll fry in the summer. How do we want to move forward?

Mr. Hornung said we as staff want the best use of the property. How do we get there? Want a feeling from the trustees. Do you want to continue to look at this as a possibility? Mr. Will says condo. How much money would that bring? Mr. Zabel said he'd rather build a hotel/convention center than condos right now. Mr. Will is concerned about the taxpayers and wants to protect them. Mr. Zabel says he doesn't want his butt kicked either. Mr. Zabel said he wants to know if the Board is not interested in owning anything out there. Mr. Will said he is not interested in owning anything except the marina. Mr. Hornung said we may be ready for a closed session before we get to brass tacks. Is this a negotiable point? Or are we done?

Mr. King says he is interested in looking at it from a fresh start. Chief Lamb said we all have a vested interest in moving forward. We bought the land, he has his land; if we are interested in moving the community forward physically, economically, culturally, socially, etc. Mr. Will says he still wants to talk. Look at all

possibilities. Mr. Hornung said we would want to exhaust this best use from a tax base perspective. If something works, does this developer still want to do it... It may be a missed opportunity. Chief Lamb said there was a very effective misinformation campaign going on. Staff and the Board at the time and Alex said we all agreed to proceed, because everything made sense every bit of the way. We got out politicked. Here are the questions, here are the valid answers to the questions. Chief Lamb wants to believe that all have the best interests of this community in mind. Need to be shown that it is a wise investment. There were so many positives... environmentally, and otherwise. Mr. King said there are some things he doesn't like, but we can have the dialogue. Mr. Moore talked about the meeting at the community center. It was a disaster. The program was presented wrong, got off to a bad start. Gave us the grand plan, instead of the project. High speed rail, etc., people saw \$40 or \$50 million. If presented properly, it may have worked. It was a poor start. Tammy says not everyone embraces vision. We know how to work it locally. We have this downturn, is glad it has dragged out so long, and now we can look at it with new timing. The property needs to be developed. It is a disgrace. It has been how many years? Extremely valuable, not being used at all, the best we can. Three or four people can be very loud, could not put correct information out there at that meeting. Intimidated the Board members from providing better information.

Mr. Zabel said let's put it behind us.... Move forward in a positive way. Still need approvals, but may have consensus on where we want to go. Regional support? Brenda said there have been preliminary discussions with the County and others. Need some specifics. Need more certainty. What is the Village going to do? Recognition that this is a regional venue. Mr. Streetar talked about Mercury, and maybe moving to Texas. Will be a hard sell to the Village. The schools are raising \$1.8 million, want to raise \$800,000. They are going ahead, and no one is saying a word. And we have a hard time doing a road.

How make a presentation in a way that will be better received? Mr. Streetar said we should have a dry run first, to better understand the presentation. Mr. Leonard talks about the setting being a problem. Better if all five Village Board members are behind a project and all are out in the community trying to sell the project, rather than bringing people in and saying this is what we want to do. Mr. Will said we were supposed to approve the TIF, but it all got off into the Winnebago Project. Nobody knew who would own what, or what it would cost the Village. Melissa Hunt said being new she felt there is a good sell. People did not know who owned what, according to Mr. Will. We need a fresh start. Mr. Hornung asked for a straw vote. Straw vote was discussed. Tammy, Keith, Jim, and Mike Streetar want to continue discussion. Mr. Will said not sure. Mr. Zabel said we want the highest and best use, and should try to continue down that road. Mr. Will feels we need something different. To him, a fresh start would be something new. Mr. Zabel wants to start with the highest and best use. If we get to a point in the road, then we will have to look at it, in our negotiations. Mr. Will agrees something needs to happen, but wants a new road. Mr. Will said he can't say yes. Mr. Will said he would take a maybe. Mr. Hornung said that we have to come up with a process for next steps. Mr. Zabel said we do have a Closed Session scheduled for tonight.

Mr. Bob Giese would like to say something: He got involved when a utility easement was possible through his property. Worked with Mike Tolvstad. Took figures that Mike gave him, and asked if TIF district will work with condos. Mr. Tolvstad at the time said it's not really condos, but have the larger plans, but it is still quiet. Then talked about the DNR needing various documents and will need meetings in the future. When talking to others, heard nothing negative about Alex, though financially may need backing. His property was considered for a pond. Talked about a swap of land. Mr. Tolvstad told him they don't do it that way, that they have people negotiated blind. Then found out the third party had already been out there. Wants the project, as his property is directly across the street. Feels he can't lose. Had time to get involved, as he is retired. Regarding the meeting out there, he went around and talked to small groups. Too many figures were thrown out, thought bridge was included. Many did not understand, but are not against the project. Just don't think the Village should be in the hotel or conference center business. Need more public support and private support. Village will run utilities, and road, etc. and whatever else you can get from the TIF to invest in the area. Mr. Giese likes the TIF model and the schools signed on. Sheboygan not doing so good. Holiday Inn said he welcomes competition, might sharpen us up. Not against it. Some are fishermen, some care about the bridge, some are boaters (never going to dredge the lake?), so how would that work. Fishermen thought boats would or wouldn't happen. Spirit coming (tugboat), but are we running a pier out 200 to 300'? There is an issue of size of boats that will be able to be accommodated. Marina, finances, motel/hotel. Different interests were on different sides of the room. (At the community center meeting) had people lobbying against it the moment someone walked away from a discussion. It was doomed. What happens if you own it to the

operating costs? Who takes the loss in operations? Who will come there? Losses are ours. Wants it to happen, take utilities to the property line. Get the corporate partners involved. People say “at least the Village cleaned up the junkyard”. Would like to see it happen. Gave a compliment to NFDL and how well we worked with Town of Fond du Lac on water issues and others.  
Mr. Will said we have to do something out there.

**B. CLOSED SESSION.** As no action will be taken at the meeting on this topic, the meeting will not reconvene to open session.

1. Discussion of the investment of public funds and setting negotiation parameters for development agreements, as provided at 19.85 (1) (e) Wisconsin Statutes, where competitive and bargaining reasons require a closed session.

a. Discussion of the Winnebago Project.

Motion to go into closed session by Keller, 2<sup>nd</sup> by Streatar.

Roll call: Keller, King, Streatar, Moore, Will, All Ayes. Went into Closed Session at 7:15

Motion by King, 2<sup>nd</sup> by Streatar to come out of closed session, All Ayes. Came out of closed session at 8:05 P.M.

**C. CLOSING OF MEETING. Meeting closed at 8:05 P.M.**

Respectfully submitted,

Michael Will, Trustee