

COMMUNITY DEVELOPMENT AUTHORITY MEETING MINUTES

Monday, March 18, 2019

7:00 pm

**VILLAGE OF WHITEFISH BAY – Village Board Room
5300 North Marlborough Drive**

I. Call to Order and Roll Call

Acting Chairperson Dwyer called the meeting to order at 7:00 pm.

Present: Village President Julie Siegel, Village Trustee Jay Miller, Mike Dwyer, Brian Vanevenhoven, Jim Roemer, and Peter Helfer.

Also Present: Village Manager Paul Boening, Assistant Manager Tim Blakeslee, Village Attorney Chris Jaekels, Building Services Director Joel Oestreich, Stephanie Hacker with Graef, and Danya Littlefield with Graef

Absent with Notice: Chairperson Ray Krueger

II. General Business

1. Approval of Minutes from the meeting held on October 30, 2018.

Jim Roemer moved to approve the minutes of the October 30, 2018 meeting. Julie Siegel seconded. Motion passed 6-0.

2. Review and Discussion on Incentive Grant Application for conversion of the kitchen ventilation system at Trouble and Sons Pizzeria located at 133 East Silver Spring Drive. (Applicant – Lacy Mae Ventures, LLC).

Village Manager Paul Boening gave introduction to the subject and the history for Trouble and Sons Pizzeria (TAS). The history included the kitchen hood type and completed renovations. Boening stated that the cost of the type 1 hood would cost about \$47,000 and cause the business to be closed between 2 to 4 weeks for install. TAS wanted to complete the work without the help of the Village and they originally thought the hood was a type 1. Following building renovations and inspection it was indicated to TAS that the hood was a type 2 which would limit the menu that could be prepared. Boening explained that TAS is asking the CDA to approve the full cost of the grant request for the new kitchen type 1 hood and take into consideration the prior renovations that were done without the support of the grant program. Boening indicated that Chairman Krueger submitted his comments via email because he could not be in attendance tonight.

Danya Littlefield and Stephanie Hacker with Graef summarized the grant review memo that was included in the meeting packet. Jeff Commer with the Whitefish Bay Business Improvement District (BID) stated that the BID supports the request from TAS. Anne Marie Arroyo and Tamela Green, the owners of TAS, provided a background on the project.

Mike Dwyer asked about the cost of the interior work because there seemed to be a discrepancy in the memo and application. Hacker stated that the building permit stated that the cost was \$7,000, but there was a difference in the actual cost. Village President Julie Siegel asked eligible or ineligible expenses and clarification on the grant request. Littlefield said the request was for \$47,400 and that the applicants would like the Village to consider the \$47,400 worth of work that was already completed as the grant match.

Jim Roemer asked about the debt/equity levels and the investment for the property owner. Moshe Katz provided a summary of his investment after purchasing the building and the loss of the tenants prior to TAS. Jay Miller asked if owners could make any additional financial contribution. Arroyo and Green stated they don't have the funds to make the upgrade themselves. Arroyo and Green stated they designed the restaurant to be full service and at this time it is only pizza and appetizers. Jim Roemer asked about a 10 year loan amortized over ten years. Arroyo and Green stated they cannot take on any more debt and it would take years to finance on their own.

Brian Vanevenhoven asked about the screening on the vent. Joel Oestreich stated that the current screening was approved by ARC and the CDA and that a change to the vent would need to be reviewed by ARC and the CDA. Oestreich provided a history of the kitchen hood stating that it was always a type 2. This was on the state approved plans for the previous occupant. This info was passed along to the business owners when the Fire Department and Building Services department were completing inspections. The business owners stated they needed to get the business open regardless, so they opened with a type 2 hood and a limited menu. Arroyo and Green stated that the hood looked like a type 1 hood at first glance. They would have been more proactive on requesting the grant if they knew it was a type 2 hood.

There was CDA discussion on how this request compares to the current program, precedent, and timeline. Jay Miller said that the facts are extraordinary in this case and it doesn't see a lot of other businesses coming in with the same request. Jim Roemer stated they are qualified operators and doesn't think this sets a precedent. Jim Roemer suggested a 50% grant and 50% loan. Peter Helfer believes this is a significant investment and it's important to get restaurants on Silver Spring. Moshe Katz stated that he already had \$80,000 invested in the location. Arroyo and Green stated they don't want to take on an additional loan. Village President Julie Siegel was hesitant about providing a grant for the full cost of the hood because the applicants could have followed the correct process. There was further discussion regarding the hood. Village Attorney Chris Jaekels stated there was precedent for a loan with City Market. There was discussion on splitting the motion into two parts to better facilitate the discussion.

Jim Roemer moved to provide a grant for \$23,700. Seconded by Brian Vanevenhoven. Motion passed 6-0.

There was a discussion about the possibility for a loan for the remaining portion of the applicant's request. It would be about \$2,300 per year for 10 years at the Village's borrowing rate. Arroyo and Green stated they don't want to take on an additional loan. There was discussion on if the business couldn't take on that additional debt if there were other issues. Arroyo and Green discussed the restaurant business and the margins. Peter Helfer stated this request is exactly what this program was designed for. Jay Miller voiced his opinion of the unique circumstances. There was a discussion regarding the future of TAS.

Peter Helfer moved to provide a grant for the remaining cost of the hood at \$22,441.03. Seconded by Jay Miller. Motion failed 2-4.

There was a discussion about the grant program and who gives final approval. Moshe Katz stated they he would put in another \$8,000 into the cost of the hood bringing the total remaining cost down to \$14,441.03. Arroyo and Green stated that eventually customers won't come back if they can't offer a full service menu.

Jim Roemer proposed a no interest no payment loan that turned into a grant after 3 years if the restaurant remained in business or another white tablecloth restaurant was open at the location. There was general agreement on the proposal. There was discussion regarding attorney fees, preparation costs, and loan guarantees.

Jim Roemer moved to approve a loan of \$14,441.03, plus legal fees for documentation, secured by a lien against the property, with no interest and no payments first 3 years for the Type 1 hood in the grant application. If Trouble and Sons or a white tablecloth restaurant is in operation at the end of the three years at the location the loan shall become a grant. If the Trouble and Sons closes prior to three years and the use is no longer a white tablecloth restaurant the loan becomes due in full. Seconded by Jay Miller. Motion passed 6-0.

- 3. The CDA may convene into Closed Session pursuant to Wisconsin State Statute §19.85(1)(e) deliberating or negotiating the purchase of public property, investing of public funds, conducting other specified business whenever competitive and/or bargaining reasons require a closed session – specifically regarding potential development opportunities**

There was a motion by Jim Roemer to move into Closed Session at 8:35 pm. Seconded by Jay Miller. Motion passed 6-0.

- 4. The CDA will reconvene to open session prior to adjournment. The CDA reserves the right to take action on any topic discussed in closed session.**

There was a motion by Jim Roemer to adjourn from Closed Session at 8:45 pm.
Seconded by Jay Miller. Motion passed 6-0.

**III. Adjourn: Jim Roemer moved to adjourn at 8:45 pm. Jay Miller seconded.
Motion passed 6-0.**

DRAFT