

**CITY OF CEDARBURG
COMMON COUNCIL
October 8, 2013**

CC20131008-1

A special meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Tuesday, October 8, 2013 at 7:00 p.m. at City Hall, second floor, Council Chambers.

ROLL CALL: Present - Common Council: Mayor Kip Kinzel, Council Members Ron Reimer, Art Filter, Paul Radtke, Michael Maher, Doug Yip, Mike O'Keefe

Excused - Council Member Chris Reimer

Also Present - City Administrator/Treasurer Mertes, City Attorney Kay Vance, City Clerk Constance McHugh, Economic Development Coordinator Mary Sheffield, interested citizens and news media

COMMENTS AND SUGGESTIONS FROM CITIZENS

Linda Smith, N32 W7367 Lincoln Blvd., asked the Council to consider selling the existing library building and get a business in its place. She said the City needs more tax base in the community and more dollars to take care of the facilities it owns. She said the LaBudde Group would be a good addition to the City.

Susan Mongoven, N82 W7253 Pine Street, said she saw in the *News Graphic* today that the Council would consider the sale or lease of the current library. She said the City has a hard time maintaining the existing properties it is responsible for. She said the City needs more contribution to the tax base.

PRESENTATION OF PROPOSALS RECEIVED FOR THE SALE OR LEASE OF THE CURRENT LIBRARY BUILDING AT W63 N583 HANOVER AVENUE

Mayor Kinzel said that the Council has a difficult decision to make because each proposal, either for the sale or lease of the current library building, has real value. He said he appreciates each of the proposals and everyone's time and efforts.

John Pinter, W55 N453 Lenox Place, presented a proposal in which a proposed organization called the Cedarburg Holiday House Foundation would use the current library building to house the one-of-a kind holiday collection known as the "Lynn Harvancik Collection". The Foundation would display her collection of seasonal artifacts involving Halloween, Thanksgiving, Christmas, Valentine's Day, St. Patrick's Day, Easter, and 4th of July collectibles. Ms. Harvancik wants to part with her collection and Mr. Pinter said it could be displayed somewhere in Cedarburg. This Foundation would be a tax exempt, non-profit organization.

Council Member Radtke asked Mr. Pinter if his proposal is for the sale or lease of building.

Mr. Pinter said that he doesn't know at this time as it is just a proposal.

Mr. Pinter said this proposal also includes the support of another proposed entity entitled the Cedarburg Covered Bridge Museum. The main purpose of this Museum is to see to it that three covered bridges are built in the City of Cedarburg. Cedarburg could become a great tourist destination instead of its current status as a day place for tourists to visit.

Mr. Pinter said to make this proposal work private funding for construction would be one way to go. This could be accomplished by benefactors, the use of naming rights for a price, by special fund raising efforts, and through the solicitation of grants. An art contest could be held to depict the proposed looks of the proposed covered bridges.

Council Member Radtke said the Council needs to make a decision regarding the sale or lease tonight and needs to hear from Mr. Pinter as to whether he contemplates the sale or lease of the building.

Judy Jepson, W61 N358 Washington Avenue, presented a proposal for use of the south wing of the library building for a Cedarburg Museum. She would be willing to donate her collection of Cedarburg memorabilia to the City, and in return, the City would provide a place to house and display the collection, which has at least 3,000 items, perhaps as many as 4,000 or more items. She also suggested a Cedarburg Museum Friends group or a 501(c)(3) organization be formed to operate the Museum, raise funds to support it, and recruit and organize volunteers to assist as needed.

More specifically, the amount of space needed is 4,200 square feet, which is the south wing of the building. She said the south wing is the best location and the library building is the best building to house the collection because it has a large amount of wall and floor space.

Chuck Carlson, 2606 E. Olive Street, Shorewood, said the City's motto is "Preserving Yesterday's Heritage Today". This motto clearly demonstrates that Cedarburg cares about its history. He said the proposed Cedarburg Museum will do this. He further stated that a museum dedicated to the history of Cedarburg is missing in the City. The proposed Museum would cover all areas of Cedarburg's history.

Brook Brown, N25 W5060 Hamilton Road, said that the "Jepson Collection" is a good starting point for a history museum. Since this idea has come about, other people have come forward with offers of donating items. He said the City needs this museum because the City and its residents value history, it is necessary to educate the present and future generations, there needs to be a focal point for history of the City, and it is another option of exploring the City. He said the Judy Jepson's collection belongs to the City and Cedarburg residents.

Mike Hagerman, W59 N799 Highwood Drive, said that he is in favor of the Cedarburg Museum and using the existing library to house the collection. He said the library building is the perfect place to house and display the collection. He urged the Council not to let this opportunity slip by.

Cathy Foy, 2435 Deerfield Court, said that she supports Judy Jepson in what she is doing. She said her collection is unique to Cedarburg and should be preserved.

Becky McMenimen, Director of the Cedarburg Preschool, presented a proposal for the lease of the building by the Cedarburg Preschool. She said that the Cedarburg Preschool is a parent owned, non-profit, non-sectarian preschool that has served the community since 1965. Cedarburg Preschool provides an educational program for children 3-5 years old. Typically, children attend several days per week for 2.5 to 4 hours. Enrollment ranges from 80-90 children. Approximately 80% of the children live in the Cedarburg School District. The Preschool has been in only three locations since 1965. Its current lease in the Community United Methodist Church expires on May 31, 2014. The Church has expansion plans that may not accommodate the Preschool.

Ms. McMenimen said the Preschool would need the front entrance of the building facing Hanover Avenue to be the main entrance to the building. The Preschool would pay for the costs of fencing the exterior play area, outdoor signage, and the cost of installing sinks. Sharing bathrooms while school is in session is not an option.

Ms. McMenimen said the Cedarburg Preschool is a well-respected educational institution serving the community. They have a cooperative and respected working relationship with the Cedarburg School District. At least 80 families come to the Preschool, two times per day, two to five days each week. This is guaranteed traffic to the downtown. She said the Preschool will bring people and commerce to the area.

BJ Homayouni of Festivals of Cedarburg, Inc. presented a proposal for the lease of the building. She said Festivals of Cedarburg, Inc. is a 501(c)(3) nonprofit organization and manages several events in the City each year. It funnels \$800,000 annually through the local Cedarburg economy and supports 25-30 non-profit organizations. Festivals spend over \$300,000 each year with local businesses. It pays 100% of all costs for City services and is not funded by any taxpayer dollars. It gets its funding through sponsorships. Any money left over from paying bills is given to charitable groups.

She said Festivals currently leases 1,700 square feet from the City. The group uses 800 square feet of office space in the Lincoln Building and uses 900 square feet of storage in the Community Center Gym. Festivals pays a reasonable rent of \$125 per month and would like to continue doing so. Important to them is having storage on the ground level and being close to the downtown area.

Council Member Radtke asked if the storage space and office space need to be next to each other.

Ms. Homayouni said no, but the biggest concern is having storage on the ground level and having office space that is centrally located and within the footprint of the festivals.

Richard Erickson of the LaBudde Group, Inc. presented a proposal for the purchase of the existing library building. His firm would be willing to pay more than the appraised value of the property. He would be willing to pay \$675,000 if the exterior fascia and wood components are repaired this fall and \$650,000 if this exterior work is not done this fall. LaBudde Group is a small business that is currently located in Grafton. He is proposing an informal partnership between the business and the City. The City will provide a great building and LaBudde Group will bring jobs to the City now and in years to come. This is a non-threatening business that would complement and not compete with other businesses. He said he looks forward to purchasing the building and becoming a partner with the City.

Council Member Maher asked what the nature of the business is.

Mr. Erickson said that this location would comprise of sales work, transportation work, accounting, general management, and administration. It would be strictly an office type setting.

Council Member Radtke said there are a lot of buildings on the market right now. He asked Mr. Erickson what attracted him to this building.

Mr. Erickson said he looked at several buildings. He said he has come to enjoy downtown Grafton but he and his employees see Cedarburg as a more vibrant community. It is also a great place for customers to visit. It is close to where the current business is located and employees would not need to relocate. The building is in good shape and can easily be converted for their use. He said basically the building meets all the criteria that are important to him and his employees.

Curt Gruenwald, past president and member of the Board of Directors of the Ozaukee County Historical Society, presented a proposal for the use/lease of the existing library building. He said the thousands of unique one-of-a kind collective artifacts from the "Jepson Collection" along with the many holdings of the Ozaukee County Historical Society would allow a story to be told that captures the past, creating a picture of where the City has been and assist to provide an understanding of where Cedarburg is going.

Mr. Gruenwald said opportunity exists to house both the "Jepson Collection" and the holdings of the Ozaukee County Historical Society. He said the Society is interested in working together to make this opportunity the best it can be. With the south wing of the building used for the Cedarburg Museum, there is still room for additional Cedarburg artifacts currently under the Society's recorded accessions and future individual donations to the unique collection that is solely focused on Cedarburg and its rich history. He said there would be ongoing benefits to the community at large. How much space and what space in the building could be used for their proposal is up to the Council. Given the many positive aspects of this unique opportunity, he said the Society looks forward to working with the City and Judy Jepson.

Warren Simonsen of Alliance Bible Church presented a proposal for the lease of the building by The Student Union. The Student Union offers a stable place where students are accepted for who they are without lowering the standards of good behavior. It provides students with resources they need to prepare themselves for their future path. He said the size and location of the building are a good fit. The Student Union would use the entire building. All improvements and updates would be paid for by The Student Union. The Student Union proposes to lease the grounds and building for \$1 per year for five years with an option to purchase the property in five years.

Council Member Filter asked how many students would use the building.

Mr. Simonsen said that this is unknown at this point.

Council Member Radtke asked if the building would be purchased at fair market value after five years, assuming The Student Union wishes to stay.

Mr. Simonsen said that it would be purchased at fair market value.

CONSIDER PROPOSALS RECEIVED FOR THE SALE OR LEASE OF THE CURRENT LIBRARY BUILDING

Mayor Kinzel thanked everyone for their presentations. He said the proposal of the LaBudde Group would be more beneficial to the tax base, while the other proposals speak to the quality of life in the City.

Council Member Radtke said the appraised value of the building and land is \$617,000. The Town of Cedarburg has some interest in this property and must be compensated whether the City sells or leases the property. Taxes to the City if the property were returned to the tax roll would be approximately \$4,200 per year. This has an impact on the City's budget.

Council Member R. Reimer said he was impressed with the initiatives that this has brought out and the proposals presented. He said he believes it is in the best interest of the City to get the property back on the tax rolls and compensate the Town. He said the constituents he has spoken to are not opposed to this. He is in favor of the sale of the property as it is the practical choice. He realizes this is not the happy choice for most.

Council Member Radtke said the City received phenomenal proposals and all provide great benefit to the City. He said he does not want some of the proposals to die. He said the "Jepson Collection" is closest to his heart. However, the Council over the past several years has been very conservative in terms of raising taxes. He said it is hard to tell the taxpayers that the City would pay the costs associated with some of the proposals. He said a decision needs to be made soon and the City needs to write out a check to the Town. This is money that the City currently does not have.

Mayor Kinzel said the Town has no interest in being a landlord. He said his wife works for the Cedarburg Preschool so there have been many discussions about this in his household. However, the City is clamoring for economic development. He said he feels the Council should pursue selling the property to the LaBudde Group even though it comes with costs in terms of the quality of life in the City. He said the Council is not in the business of being a landlord. It is a matter of putting the property back on the tax rolls versus maintaining something that costs money.

Council Member O'Keefe said that when he walked in the room tonight he realized that most people would leave disappointed. He thanked everyone for their proposals. He said that he has to go with the business side of things. He asked that a decision to sell the property not discourage others with proposals.

Council Member Yip said he wishes there were enough buildings to house all the proposals. He said that going with the business proposal will be better for the City because the property will be back on the tax roll. He said most of the constituents he talked to do not want taxes raised.

Council Member Maher said this is a tough decision. All the comments made tonight are right on. He has seen the "Jepson Collection" and agrees that it is impressive and needs to be displayed. But the City also must pay the Town.

Council Member Maher said a letter dated 1969 states that the proposed cost of the 1970 library project was \$253,000. The City was to contribute \$150,000 and the Town \$50,000, with the

donations to be \$53,000. The fundraising goal was \$75,000, but they ended up raising around \$102,000 which was good because there was an increase in labor and material costs so the library was estimated to cost \$42,000 more than expected (or \$295,000) according to a newspaper article on December 5, 1969. He said \$102,000 was one-third of the cost of the building. He said that it is fair to give the library 30% of the money from the sale of the current building and property.

Council Member Filter said he received a call from a constituent stating that the LaBudde Group is a good business in Grafton. He said the die is cast, we are crossing the Rubicon.

Motion made by Council Member R. Reimer, seconded by Council Member Radtke, to accept the LaBudde Group proposal for the purchase of the existing library building. Motion carried unanimously with Council Member C. Reimer excused.

ADJOURNMENT – CLOSED SESSION

Motion made by Council Member O’Keefe, seconded by Council Member Radtke, to adjourn to closed session at 8:54 p.m. pursuant to State Statutes 19.85(1)(g) to confer with legal counsel concerning strategy to be adopted by the Council with respect to litigation in which it is involved in, more specifically, to discuss litigation involving the tourist rooming houses located at W61 N806 Sheboygan Road and W61 N814 Sheboygan Road, Ozaukee County Case Number 2013CV000147. Motion carried unanimously.

ADJOURNMENT

Motion made by Council Member Filter, seconded by Council Member O’Keefe, to adjourn the meeting at 9:15 p.m. Motion carried unanimously with Council Member C. Reimer excused. Meeting did not reconvene to open session.

Constance K. McHugh, MMC/WCPC
City Clerk