

AGENDA
Village of Oregon
Community Development Authority
Wednesday June 14, 2006, 7:00 a.m.
Village Hall
117 Spring Street
Oregon, WI 53575
Lower Level – Community Room

1. **Call to order** The Community Development Authority meeting was called to order at 7:03 am by Chair John Deits.
2. **Roll call** Present: Chair John Deits, Jeff Bergey, Hans Noeldner, Scott MacWilliams. Absent: Paul Larson and Tom Eithun (Gracz noted Eithun submitted his board resignation). Also Present: Mike Gracz - Village Administrator, Jerry Luebke - Village President, Gary Gorman of Gorman & Company, and Michael Harrigan of Ehlers & Associates Inc.
3. **Approval of Minutes:**
 - a. April 25, 2006
There was some discussion of a few minor changes.

Noeldner moved to approve the minutes of the CDA meeting of April 25,2006. Second by Bergey. Motion carried 4-0.

4. Public Appearance

- a) Red Brick Proposal – Gary Gorman

Gracz noted and referred to Presidents Luebke's e-mail regarding the Oregon Community Bank and the fact that his bank will not have any banking relationship with this project due to the sensitivity of the issue and will not allow the bank to participate in any banking needs of Gorman during his term as Village President over the next three years.

Gracz also noted that Gorman's Red Brick Proposal has received a certificate of appropriateness from the Historic Preservation Commission and the Planning Commission.

Gorman gave a brief history of the Red Brick building. He noted that they are not making any drastic changes and will be following the Historic guidelines. There will be between 17 and 19 parking stalls the surplus parking will be along Spring St, Grove St, and the Hitching Park area until further ideas are discussed. Gorman did note there will be no parking put in the front yard area. Gorman stated that the windows will be custom made to show the original historic value of the building.

Noeldner raised the question of the sidewalk on the south side of the building (Grove St) and if that would be accessible to wheel chairs. Gorman noted that he will check to make sure there is enough room and that it complies with regulations and is up to code. Noeldner also commented that the project is very well done and there is extra attention to detail.

5. New Business

- a) Possible Consideration of Proposal re: Gary Gorman Red Brick Project

Mike Harrigan of Ehlers & Associates presented an introduction to Tax Increment Financing in Wisconsin. This program was created in 1976 to use as a tool to help expand the tax base and create a tax flow to make a new development. Harrigan gave a brief description on how a T.I.F. works, also stating that it is a 'win – win' deal as long as the agreements are fully met. Harrigan went over the Proposed Oregon Office Building Rehab TID (Gorman Project). First he stated that with this project there is new taxable value to identify as a result as of the renovations. Oregon Office LLC by

renovation the building will increase the estimated value to \$2.1 million dollars. Harrigan went over the Projected Tax Increments. The value of the property is now assessed at \$0.00 because it is currently a tax exempt property (due to being owned by the School District), so by doing this project you are automatically adding value. Harrigan noted to make the project feasible to the developer it was indicated they will need two advances to the developer. The village will need to provide Oregon Office LLC financing at municipal interest rates for \$2,140,000.00. The Village would borrow this amount through a State Trust Fund Loan and General Obligation Bond. Harrigan discussed that Gorman will pay \$178,000.00 per year for rent to Oregon Office LLC then Oregon Office LLC pays the Village the \$178,000.00 per year to be used for Bond payments. The Rent would be fixed for 10 years then increased 2.5% thereafter. It was also noted that the rental cost to Gorman is higher by \$2.71/square foot than the current market rent. The Village will 'bridge' the rental cost gap with a 'rebate' of payments of Tax Increment Revenues from the renovated Red Brick Building paid annually by Oregon Office LLC. The Tax Increment 'rebate' payments made at 100% for 10 years then reduced 10% per year until the district is closed (Projected Tax Increment 'rebates' \$683,021.00.) MacWilliams noted the 20 year lease agreement and Gorman absorbing all the cost is a fair trade back for a 10 year rent 'freeze'. Harrigan summarized by stating that the project will be an important part of the community and the Village Risk is minimal and is 100% covered as long as Gorman follows the agreement. Harrigan also noted Gorman's reputation in other communities as being excellent, and has not heard a 'bad' word about any of these projects.

Luebke noted that as a banker he would look at this project and say yes to the loan, also stating that if the School District got rid of it and tore it down it would cost \$200,000.00 plus. The Project is all of Gorman's money and the tax dollars revert back to the Village. Luebke also noted that to compete with surrounding communities Oregon needs this project. It will also bring 30 -40 employees to the Village adding to local businesses. Noeldner noted and thanked Luebke for the disclosure.

Joan Gefke, Vice Chair of the Historic Preservation Committee noted that this building is a Nation Treasure and thinks this project is great and the Village should proceed with the project.

Noeldner moved to approve the recommendation of the Gorman Project to the Village Board contingent upon acceptance of the Developers Agreement. Second by MacWilliams. Motion carried 4-0.

6. Next Meeting Date and Time

There was no time or date set. A future date will be set once Gracz is able to accommodate everyone's schedules. It was noted that Oregon resident Steve Peotter will fill the vacant CDA position.

7. Items for Future Meetings

- a) Downtown Marketing

Noeldner noted that the CDA should take control and do the downtown marketing.

- b) Business Improvement District (BID) Discussion

None

- c) Establishment of Re-Development District

None

- d) April 7 & 21, 2005 Minutes

It was noted that the minutes are still being reviewed by staff.

- e) CDA Membership

None

8. Adjournment. At 8:54, Chair Deits moved, second by Noeldner to adjourn the regular Community Development meeting. Motion Carried 4-0.