

A regular meeting of the Community Development Authority of the City of Cedarburg, Wisconsin, was held on Wednesday, November 17, 2021 at 10:00 a.m. online utilizing the zoom app and in-person at Cedarburg City Hall, W63 N645 Washington Avenue, Cedarburg, WI in the second floor, Council Chambers.

The meeting was called to order by Council Member Arnett at 10:00 a.m.

Roll Call: Present - Council Member Jack Arnett, Eric Arvold, and Eric Stelter (in-person), Dale Lythjohan. James Roemer, and Mark O'Neill (via zoom), and Mayor Michael O'Keefe (via phone)

Also present - City Administrator Mikko Hilvo, City Attorney Michael Herbrand, Deputy City Clerk Amy Kletzien, Council Members Patricia Thome and Kristin Burkart, City Planner Jon Censky

STATEMENT OF PUBLIC NOTICE

Deputy Clerk Kletzien acknowledged that the agenda for this meeting was posted and distributed in compliance with the Wisconsin Open Meetings Law.

APPROVAL OF MINUTES

Motion made by Eric Stelter, seconded by Eric Arvold, to approve the September 7, 2021 minutes. Motion carried without a negative vote.

NEW BUSINESS

Discussion and Possible Action on Cobblestone Hotel Proposal

Mike LaRosa (property owner), Jeremy Griesbach of BriMark Builders, and Mike Lindner of Hotel R&D made a presentation on the Cobblestone Hotel proposal.

- Why does Cedarburg need a hotel?
 - It is a destination
 - Limited space limits visitors
 - No visitors, no economy
 - Facilitate trade meetings
- Hotel planning to-date
 - Timeline of activity, spanning six years (2015-2021)
- Why Cobblestone?
 - Complete Design, Build, Operating model
 - Growing brand that fits Cedarburg culture and image
 - Ability to customize layout for Cedarburg needs
 - Took out revenue producing rooms on first floor to increase size and quantity of meeting rooms
 - Increased size of pool to support larger groups (i.e., hockey/soccer tournaments, etc.)

- Revised model to increase external meeting spaces and gathering areas
- Flexibility to link to Cedarburg historic and civic pride (Historical Society pictures in rooms, partnerships with sport organizations/festival committees/Chamber of Commerce, etc.)
- Wisconsin-based ownership group
- Detailed diligence of other Cobblestone properties & markets...appearance, community linkage and ownership interviews
- Recommendation from Mike Linder with Hotel R&D based on his years of experience with various brands, cities, and setup
- Cobblestone Hotel group overview
 - Big City Quality....Small Town Values
 - Opened in 2008; 162 Total Properties; 27 States with Hotels
 - Cobblestone has experience
 - Cobblestone Hotels distribution, targeted marketing, and rewards
- Why is Cobblestone different?
 - Cobblestone understands, cares, and is fair
 - In addition to extensive training, they offer other supportive sales tools, operation tools, and extensive internet savvy
- Turn-Key Investment Opportunity
 - Hotel Brand – Cobblestone Hotels
 - Preferred Developer/General Contractor – BriMark Builders, LLC
 - Hotel Management Company – WHG
- Financial Overview
 - Separate financial summary provided by HOTEL R&D
 - Current cost estimate of \$8.5 million for proposed project
 - In order to make the project work, a TIF in the amount of \$1,500,000 is requested from the City of Cedarburg
- Financial Gains
 - City room tax estimated to be approximately \$1 million over 10 years
 - Property tax impact of an additional \$1 million over 10 years
 - Increased tax & economic impacts of visitors staying/spending locally at Cedarburg restaurants, shops, service providers, etc.

The CDA members asked questions and discussed the pros and cons of the project.

City Administrator Hilvo explained that the City sees the need for a hotel and approached Mike LaRosa in regard to building one on his property. The Cobblestone Hotel was initially only interested in being located downtown Cedarburg. Mike LaRosa immersed himself in the potential project and brought it this far.

The CDA members discussed the pros and cons of a TIF for this project.

Mark O'Neill agreed with using a TIF as a tool to promote economic development. Whether the group is in favor of this particular investment might require further discussion.

Dale Lythjohan supported the hotel concept and agreed that it would be a tremendous benefit to the community. He would prefer not providing a TIF and asked if Room Tax revenue could be

used to pay the project off sooner. If a TIF is used, he prefers a pay-as-you-go rather than an up-front TIF.

City Attorney Herbrand said that State Statute only allows room taxes to be used for tourism.

Jeremy Griesbach indicated that an up-front TIF would be preferred.

In answer to Eric Arvold's question, Jeremy Griesbach confirmed that all their current constructions are supported by partial up-front and pay-as-you-go TIFs.

Council Member Arnett suggested that the adjacent City property could be part of the equation in this project.

It was the general consensus that the CDA would support a TIF for this project upon receiving additional detailed financial information.

Mike LaRosa stated that he wants to know what the City will do for the project before going to the bank.

Eric Stelter expressed concern about the aesthetics of the building, adding that the City is home to two world class architectural firms. He asked if it was possible to collaborate with them for consistency within Cedarburg.

The CDA members were in agreement up to this point and directed Mike LaRosa and Jeremy Griesbach to move on to the next steps with Planner Censky, along with the details for financing.

ADJOURNMENT

Motion made by Eric Stelter, seconded by Eric Arvold, to adjourn the meeting at 11:52 a.m. Motion carried unanimously without a negative vote.

Amy D. Kletzien, MMC/WCPC
Deputy City Clerk