

**VILLAGE OF THIENSVILLE
SPECIAL BOARD OF TRUSTEES
MINUTES**

DATE: Monday, July 14, 2014

**LOCATION: 250 Elm Street
Thiensville, WI**

TIME: 8:00AM

I. CALL TO ORDER

President Mobley called the meeting to order at 8:00 am.

II. ROLL CALL

President:	Van Mobley	
Trustees:	Kim Beck	Kenneth Kucharski
	Ronald Heinritz (8:15 am)	David Lange (left 9:15AM)
	Rob Holyoke (excused)	John Treffert
Administrator:	Dianne Robertson	
Attorney:	Robert Feind	
Staff:	Police Chief Nicholson	

III. PLEDGE OF ALLEGIANCE

Trustee Beck led the recitation of the Pledge of Allegiance.

IV. COMMITTEE REPORTS

- A.** Review and approval to authorize the Village Attorney to draft a 10-year no interest loan agreement to CORE Consulting LLC in an amount not to exceed \$60,000 for a class 1 hood and electrical service at 105 S. Main Street with consideration of the historic structure needing extensive renovation and authorization for the Village President and Village Clerk to sign the agreement when final figures are known

Mr. and Mrs. Daily arrived about 8:15 am. Mr. Daily explained that the scheduled inspections this week should go well. There is currently an issue with the fire alarm company obtaining another permit and Mr. Daily will be working on that. The Daily's are potentially required to replace the kitchen hood vent. The Daily's reported that the State Inspector will be coming in for an inspection today but Fire Marshall Mr. Matt Mertens from the North Shore Fire Department has the final say in regard to the hood. The Village contracts with North Shore Fire Department on commercial buildings for fire certification. If State Inspector Betty Wiese says the building is okay as it is then this loan is a mute point.

President Mobley asked if there is ambiguity in the Village Code for the Village Board to act on this matter or is it out of our control? This will be determined after the State Inspector performs her inspection. President Mobley stated he has given a lot of thought on this matter and the different options for the Daily's and the Village including the best options for being financially viable. This building is critical to the character of the Village. For many years this building has had great difficulty attracting and maintaining a tenant and has been in a major state of disrepair. There is a land contract that was signed in February 2014 on this building by the Daily's and Mr. Ken Moy. The land contract is with CORE (Mr. Daily's business) for \$200,000. The Daily's have put a considerable amount of money and time into renovating the building in 2014 and the building looks tremendously better. Once the Daily's get occupancy then they can end their relationship with Ken Moy and obtain permanent financing with a bank.

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The intention is to have an open house at Cheel on July 18, 2014 but there have been snags as listed above. As of right now the Daily's are about three times over the projected budget that they assumed in the beginning because of the extra issues with the building. The Daily's have about \$450,000 into this building including the \$50,000 loan from Port State Bank. Mr. Daily's business CORE also purchased the building next to Cheel which is the old "Leather Strop".

Administrator Robertson stated that the Village cannot change the Fire Code. The final decision for occupancy will be made by Mr. Mertens and the State Inspector and the Village Inspector. Trustee Kucharski stated that hood suppression systems get tested twice per year by independent contractors. There were modifications made to the hood to bring it up to code back in 1998 but rules have changed since then. The hood is tied into the fire suppression system.

President Mobley stated that the Village Board could intervene and give some sort of loan or grant to bring the building up to the code requirements so that the Daily's could execute their Cheel business plan. There would have to be another \$20,000 in addition to the \$40,000 for the electrical work needed for the hood. Another option suggested by President Mobley for the Daily's is to alter the business plan so that a new hood is unnecessary and the building is viable for another type of business. Mr. Daily commented that they will be operating as a type II kitchen until the type I is installed. The Village Board would be interested to know what the rent will be upstairs for one apartment and Mr. Daily responded that one apartment would be \$800/month and Mr. Moy's apartment after renovation will be \$800 to \$1,000/month. The Daily's will be committed to sustaining \$2,500 a month in rent.

Mrs. Daily commented that she still has not seen on paper the code that is being violated regarding the hood. President Mobley stated again the concept of a loan of \$40,000 to \$60,000 without putting in a new hood and this would allow the Daily's to have less outstanding debt and have a different business plan. The Daily's commented that they have committed their current concept and business plan to the community for this restaurant and there is no other option than the Cheel restaurant. Trustee Lange stated that the Village Board wants this to be a positive cash flow and not be more of a detriment to the Daily's which creates an uncertainty between both parties. The Village Board wants the Daily's to succeed. Trustee Beck does not want to get into micro managing their business but President Mobley stated that the Board is somewhat managing their business because the Board is lending them capital. Trustee Beck said then the Board should give them a grant.

Trustee Treffert would like to get something in writing from the State that the hood meets state code after the inspection or have in writing whatever is determined after inspection.

MOTION by Trustee Treffert, **SECONDED** by Trustee Lange support granting to CORE, LLC up to \$60,000 no interest loan with the terms to be determined and with the caveat that the Village President reviews the business plan with final approval by the Village Board. **MOTION CARRIED UNANIMOUSLY.**

NEXT RESOLUTION NUMBER:	2014-11
NEXT ORDINANCE NUMBER:	2014-04

V. ADJOURNMENT

MOTION by Trustee Beck, **SECONDED** by Trustee Treffert to adjourn the meeting at 9:25AM. **MOTION CARRIED UNANIMOUSLY.**

Submitted by,

Approved by,

Susan R. Conway
Administrative Assistant

Dianne S. Robertson
Village Clerk