Tuesday, July 9, 2013

Pursuant to adjournment, the City Plan Commission met in the Common Council Chambers of City Hall, 5909 North Milwaukee River Parkway.

Mayor Tepper called the meeting to order at 7:00 p.m.

Roll Call: Present: Mayor Jerome Tepper, Commissioners Dennis Buettner (alternate JoAnn Shaw also present), Izzy Goldberg, Fred Cohn, Ilmar Junge, Larry Appel, and Dennis Noble. Absent: None.

Other Officials Present: Richard E. Maslowski, City Administrator, Todd M. Stuebe, Director of Community Development, John Fuchs, City Attorney.

In accordance with the Open Meeting Law, the Glendale Herald, the City's official newspaper, was advised on Thursday, July 4, 2013, of the date of this meeting, the agenda was posted on the official bulletin board in City Hall, copies of the agenda were made available to the general public in the Municipal Building and the Police Department, and those persons who have requested were sent copies of the agenda.

PLEDGE OF ALLEGIANCE.

The members of the Plan Commission, City staff and all those present pledged allegiance to the flag of the United States of America.

ADOPTION OF THE MINUTES.

Motion was made by Comm. Noble, seconded by Comm. Junge, to approve the minutes of the meeting held on Tuesday, June 11, 2013. Roll Call: Ayes: Mayor Jerome Tepper, Commissioners Buettner, Goldberg, Cohn, Junge, Appel, and Noble. Noes: None. Abstain: None. Motion carried unanimously.

MATTERS FOR CONSIDERATION.

I. 7:00 P.M. Plan Commission Review, In-Bounds Training, Inc., 2920 West Vera Avenue. Review and approve proposed recreation training facility (futsal, volleyball, and lacrosse) use and occupancy.

Applicant is modifying their plans based on an adjacent property land acquisition, and as such, this item was withdrawn from the agenda until the August meeting.

II. 7:00 Public Hearing, Application to Rezone 4700 North Port Washington Road from B-1, K Business and Commercial District to PD Planned Unit Development District for a multiple use student dormitory with classrooms, food services and administrative offices. Applicant presentation of proposed use and related facility operating plans, opportunity for interested citizens and property owners to comment on this matter, Plan Commission review, discussion, and recommendation to the Common Council.

Mr. Stuebe stated that the Plan Commission Report was distributed to the Plan Commissioners and Applicant and is incorporated herein as follows:

Applicant, CERNET Education Science & Technology Research Development Company, Incorporated, requests to rezone the Hilton Hotel property, 4700 North Port Washington Road (refer to Photograph 1) from B-1, K Business and Commercial District to PD Planned Unit Development District, and will formally present the Informational Statement and General Development plan to the Plan Commission.

At the June 11, 2013, Plan Commission meeting applicant CERNET (Wisconsin International Academy) made an initial presentation to the Plan Commission. No formal action was taken by the Plan Commission other than scheduling the public hearing for 7:00 p.m. on Tuesday, July 9, 2013.

Photograph 1. View of 4700 North Port Washington Road.

City of Glendale Master Plan and Zoning

On March 24, 2003, the Common Council adopted the “B-1 Land Use and Zoning Review-Volume II and Addendum as an Amendment to the Comprehensive Plan, Glendale, Wisconsin.” The adopted land use for the Hilton Hotel site was established as commercial-office and hotel/convention center. The Common Council subsequently adopted Ordinance 1324 establishing office use and hotel/convention center use as the permitted uses in the B-1, K Business and Commercial District.

Required Action

Pursuant to 13.1.182 of the Zoning Code the necessary action of the Plan Commission is to make a recommendation to the Common Council pertaining to the petition to rezone 4700 North Port Washington Road

(Tax Key parcel 2348000) from B-1, K Business and Commercial District to PD Planned Unit Development District to be granted as requested, modified, or denied.

Mr. James Carrig, attorney representing the CERNET/WIA application introduced Jian Sun as the Executive vice-president of Wisconsin International Academy (WIA), Matt Gibson as WIA principle, Barry Chaet, Bob Eckerman, and Pete Nichols.

Mr. Sun presented on behalf of CERNET/WIA pertaining to the proposed rezone. The presentation followed visual images included in the document "Wisconsin international Academy, Rezoning Application for property, 4700 North Port Washington Road, Prepared for City of Glendale."

Mr. Sun discussed the diagram of the relationship between Wisconsin International Academy, Incorporated (WIA), Massachusetts International Academy, Incorporated (MIA), and CERMAX as the majority owner United States Corporation, as well as about CERNET, acronym for Chinese Education and Research Network, an investment made by the government of China, managed by the Chinese Ministry of Education, and providing the internet backbone related to Chinese institutions of higher education. Mr. Sun stated that the backbone network bandwidth is 5G to 20G, and of the international gateway is 4G, continuing stating that he thinks this is more like a technical term and you may not care about it but anyway that is the top three internet backbone services in China. Continuing on Mr. Sun stated that the headquarters in Beijing are two towers you can see toward this side of the CERNET building, and you see the President Hu Jintao who visited CERNET two years ago in 2011, which shows the importance of this organization, and CERNET Education is the largest subsidiary of CERNET Corporation, so the five business units in the middle is called International Education Services which fit with our education services here. Mr. Sun continued stating that he worked with CERNET starting in 2009 and they have created the Massachusetts International Academy near Marlborough, the commitment is huge, and described the plaza that used to be a former Verizon conference center, they have 22 to 23 style guest rooms, auditorium, 70 to 80 classrooms, so the facility would help all the students in this academy, and described how from the outside you can see that they maintain as a first class, inside the hallway, cafeteria, and auditorium, and those people are the teachers at the Academy, and the student advisors at the Academy, then in December of 2011 a Wisconsin delegation of 15 from Milwaukee, Wisconsin, went to Beijing and signed an agreement with CERNET Education to work together to bring students to Wisconsin, and you that the Chancellor Lovell and provost, the Governor Doyle, and Mayor Tom Barrett from Milwaukee went over there and endorsed us, support us, and now also we have five high schools that work with right now, Pius XI, Dominican High School, Martin Luther High School, Saint Thomas More High School, and Catholic Memorial High School, so they have those leaders who come here tonight.

Mr. Sun stated that they call Wisconsin International Academy "Total Care Program," and said that we will talk about what exactly is a total care program, going on to state that enrollment projections for 2012 to 2013 they will have 53 actual enrollment, and for 2013 to 2014 they project 120 to 130, 2014 to 2015 they are looking at 180 to 200 students and enrollment, going on to show their first group for their Academy, and as you see most of them are either college graduates or Master's Degree who have years of teaching experience, who will serve as the English teachers or the student advisors. Mr. Sun stated that they went to China to work with the office in China to do promotion and recruiting, and they work with the media, referring to the picture on the top of the page, and they participated in the education expo called International Education, and they screened to make sure the students have the English proficiency that will be good enough to study in the high school here, and they help them to get their passport ready, visa application, and also arrange for international travel.

Mr. Sun stated that last year they temporarily stayed in the Baymont Hotel in the City of Glendale, and they do have a policy, they are going to make sure the students' lives are in order so, for example, they have a curfew and rules, there is sign-up if students go out they have to sign up as a pair, they have to be in study hall from 7:00 p.m. to 9:00 p.m. every day in the evening of course, at 8:30 p.m. they have to be back to the dorm, and at 10:30 p.m. back to the room and they have to do a visual check, and 11:00 p.m. lights off, they provide security always present on site 24 by 7, and their SA student attendant to student ratio is 1 to 10, so for every 10 students they have one student advisor to help them, and the SA student attendant ratio overnight is 1 to 25, which means that they have one student advisor for every 25 students staying overnight with them, and of course they have other policies, they cannot play any video games during the day, during the weekdays, and they have a time to enjoy on the weekend.

Mr. Sun stated that they are looking for the first class site for their students and, referring to the Hilton, they are not just looking for a dormitory, they are looking for a center for their students, and that this is not just for housing, it is for their study, for their many, many kinds of activities, and also they want to engage the community to help both their needs and the community, and it is going to be a training center, a housing facility, and so for the 4700 North Port Washington Road stated he thinks that it is a match, the Glendale slogan is rich past and bright future, and that he knows that the property has a rich past, and that they want to bring the bright future for this facility. Mr. Sun stated that once they have this facility then they will maintain it as a first class site, they will use that for housing, classrooms, social space for students, and teachers, and they will maintain security, they will have 24x7 adult supervision, also they will hire a bonded security service, door floor access control will be set up, and camera monitoring will be in place, and they do a have a Wisconsin lender to provide acquisition financing for the project, and there is not a single penny form the Chinese government for this project, also they do staffing and they anticipate 80 to 100 staff which includes the managers, teachers, student advisors, maintenance people, housekeeping, security, transportation, and food services, and Mr. Sun stated that as part of the WIA Total Care program they provide transportation services, they pick them up from the airport, pick them up from the club activity, pick them up from any sports or anything they need, if they are looking for a grocery store, total transportation services, and also they provide English learning, which the most difficult courses in the high school are the language related classes like history and English literature, so they provide those services for their students. Mr. Sun stated that most of their students are performing very well, and the referring to the picture those are the students who got a grade point average of 3.8 or higher at Pius and Dominican for last year, and that he mentions that because it is not easy to get a 3.8 and up because those courses like history and language are harder. Mr. Sun continued stating that they kids out not only for study but take kids out for fun, pointing out the picture showing a picnic, and shared a story that the kids from China are from one-child families, and while he thought that they might not be able to do such things they come over here and just enjoy but when he saw those kids who really help to do something he is very impressed and totally changed his mind about their capability and their independence, and pointed out that they also take the kids out for an activity like arts, that the do not simply take them out to play for fun but also they want to make sure they learn something, and said that they have an assignment whenever they go out for any activity over the weekend. Mr. Sun stated that also like to engage the community, the kids will play with the local kids and he thinks that they want to help and want to be part of the community. Mr. Sun stated that they help students communicate with their parents because when you send kids outside of the country the communication with the parents is very important, with a Chinese speaker they talk to the parents which is very important. Mr. Sun stated that they are planning to offer Chinese lessons to the local students which is something that they call a mutual benefit from this program, not only students who come from China to get quality education from here, they want to make sure our students from the local area will also be benefitted by the program, and they are setting the program Chinese lesson in those schools that they work with and teach Chinese lessons to those students, and they are also setting up a school in China teaching English which curriculum will match the school over here, so the students study locally here will also have the opportunity to study China for short or long term depending on their interest. Mr. Sun continued stating that he thinks that the benefit for the high school is obvious, improving the international profile and school awareness, improving student enrollment and diversification, Chinese language and cultural exposure, and a gateway to China for future short and long term programs.

Mr. Sun stated that their programs really get well known through the media, and pointed to examples including the Milwaukee Journal Sentinel and Patch.com, Wisconsin State Journal and China Daily, and stated that they have done tremendous media work in China to get out their program, not only their program but also Wisconsin, noting that if two years ago if you searched Wisconsin in Chinese you may not see one or two articles, but now if people search Wisconsin you will see news or information about Wisconsin, which is very beneficial not only for their program, but for the businesses of Wisconsin, for investment opportunity in Wisconsin, everything, and stated that they work with the high schools that they work with to create a Chinese brochure for the Chinese parents and the students in China to learn about the schools here, and they have a large media group coming to Wisconsin a few times per year to have an interview with a large corporation, local business leaders, and government officials, and a school program, continuing referring to a picture showing Johnson Controls, this happened in May this year, and as you see Johnson Controls hired 5,000 employees in China, and referring to A.O. Smith, they hired 6,500 employees in China, so they are really looking for the talent, work here as well as in China, and referring to another photograph showing former Governor Doyle who took their interview. Mr. Sun concluded stating they get letters of support of support from the community, and that he would like to leave this for Dr. Gibson to give us some more detail.

Dr. Gibson continued the CERNET/WIA presentation stating that before he introduces the slide on letters of support he just wanted to highlight three words to you and he is going to try to illustrate those three words in the two last slides here, the first word is change, and that he thinks all of those here in the room are dealing with change, and said that change is uncomfortable, change is very difficult, it has been for them, and he predicted that it will be for you, and that it is for everyone involved, and that he was going to try to illustrate that as he goes along, continuing that the second one is that he would like to try and establish credibility because credibility is important during change, and that the third "c" word is certainty, that they would like to establish some certainty and sustainability to a property that may or may not have that for the future, and so with the background of change he just wanted to introduce himself as a person who hopefully is credible. Dr. Gibson stated that is from the State of Wisconsin and that he has lived here all of his life, that he just retired from a 40 year career in public education, and that he was a superintendent of the Fox Point-Bayside School District from1987 to 1992, that his wife is a graduate of Nicolet High School 45 years ago, and that they just celebrated their 40th wedding anniversary, and that so he is pretty much known throughout the State and that what you see is what you get, and that he is the quality control person in terms of managing this whole facility in terms of student behavior, student decorum, how students interact with the schools, how the interact with the community, all the way through, and that he would like to try to give with that the credibility and some certainty, to balance with the change we are all experiencing. Dr. Gibson then said that he would now go on to the letters of support, continuing stating that he has a counterpart in Marlborough, Massachusetts, and her name is Brenda Finn, and that at one time she was a principle of Eau Claire Memorial High School in Eau Claire and that she has Wisconsin roots as well, and that she has been principle of that school (MIA) for four years, and that school is doing very successfully, and that evidence of that is the letter from the Marlborough Mayor that the Plan Commissioners have, and what a great neighbor they are and how respectful the students are, and that has been going on for about four years, concluding that they have that to look up to, and that to adapt, to model after, and that they have high school partners, and that many of them are here tonight and will be speaking later, because he is going to let them speak about how they value WIA, stating also that he just wanted to say how much they value them, saying they have been great partners and by the way Nicolet has been one of those partners, and that they cannot send students to Nicolet because they cannot establish residency here, and that he has had a series of conversations with former Superintendent Rick Monroe, and that they see some partnership opportunities with Nicolet, continuing stating and then Glendale businesses, that he has tried during the last few months to develop relationships with as many of the neighbors of the 4700 North Port Washington Road property as possible, going on to state that the newest letter that you have in your packet tonight is from Vic and Linda Hunter from the Barnabas Property that is just right next to their property, and that they look forward to some partnership opportunities with WIA and having them as their neighbor, their next door neighbor, and that that is a letter of support for tonight. Dr. Gibson stated that moving on to the next slide about what are the benefits to the City of Glendale, stating that it is not his question to answer, and to pardon him for getting into something that is probably none of his business, but that he just wanted reinforce some points relative to what he would like to illustrate about their being a good resident and a good neighbor, and also their wanting to invest in the community, to give and take for the community, and that so they are for-profit organization, and so they do pay taxes, they are a pretty high profile international center, so they will attract students and teachers and parents and investors, combining those two points, continuing on stating that as they were eating dinner together kind of preparing for this meeting their team was just kind of broadcasting the future, forecasting the future that when students spend three or four years living in Glendale all of the rest of their life they are going to remember Glendale, and when they think back to their high school experience, where they lived, they are going to come back to Glendale, and that now you may see that as a plus or minus but he goes back to visit his hometown and that he sees it as a plus, moving on to say that the fourth point down is sustainable future reinvestment in the 4700 North Port Washington Road property, and that there is uncertainty that is connected with that, and that it is not his place tonight to describe that now as that will come later in the presentation and that he would like to suggest that they provide certainty for that and sustainability for that to reinvest in that property for the future, and continuing stating that with his last point, that it is not his business to say, but that there are investors that frequently visit them that are being investors in this property, and he knows that they are going to be willing to invest in other properties, so that if there is an absence, and this has to do with the change and the loss, that if there is an absence in a first-class hotel in Glendale, if in fact this goes through, then he thinks that there is a great opportunity to replace that, and that that may sound awful to say because that is unprecedented change perhaps but that he thinks that the change is inevitable, concluding stating that his concluding comment is to try and provide credibility and sustainability during an inevitable change process, and to work with the City of Glendale as a partner, not as a group of people that applies pressure to you, but a group of people that just really wants to work with you because they picked the City of Glendale in Wisconsin as our second place to expand, and that they have done that because they have grown to love Glendale, and we know that you do to, and so they want to not just take from Glendale but give to Glendale, and stating that if he can only illustrate that by his experience over the years of giving and taking with municipalities and with school districts and with people, and they want to have that value be built into their students so they do not just come here as consumers, but they come here as producers, and stated that is part of why they come to the United States in the first place is to learn the American democratic system of giving and taking and participating in their local government community, and that they are going to try to model that with them, and thanked the Plan Commission.

Barry Chaet, introduced himself being with Beck, Chaet, Bamberger, and Polsky, and that he is here on behalf of the sellers, and that with him tonight are Bob Eckerman, who is the president of the hotel, and the executor of the estate, or manager of the estate of Mr. Grisebaum who passed away last year, and also Pete Nichols from Hodges Ward Elliott, the hotels broker, and that for the last five years he tried to sell the property, and stated that on behalf of the seller he would like to have them explain to the Plan Commission exactly why it is that after these years, so many years of being a hotel, why they have chosen to sell the property to CERNET, to somebody other than a hotel, and that they will try to explain the realities of hotel development and growth in the current day market, why they are here today, and why they believe that this could be a very win-win situation both to Glendale having a first-class international academy that really will make Glendale great on an international scale, but also why it helps basically the estate and the owners sell the property that has been four or five trying to do it and could not do it, and introduced Bob Eckerman.

Robert Eckerman introduced himself as the president of Milwaukee River Inn Company, and stated that they are the owner of the property at 4700 Port Washington Road, and thanked the Plan Commission for granting this time in considering the application, and that what he thought he would do is make some brief comments and not speak very long, and of course he would answer any questions that anybody might have regarding ownership or the sale of the property. Mr. Eckerman stated that the property was developed in 1974 in partnership, two individuals partnered to build the property, a Houston resident by the name of James M. Grisebaum, and a Milwaukee resident by the name of Ed Wabiszewski, and that Ed owns about 10 percent of the property, and Mr. Grisebaum owned 90 percent of the property, continuing on stating that Mr. Grisebaum loved the Milwaukee River Hilton, and it was his pet project for many years, and that unfortunately it became very costly to operate, and that over the past five years the partners have had to collectively infuse about $1.6 million into the property, primarily to meet the demands of Hilton, essentially plowing the $1.6 million into capital improvements in the property, and that they decided to move forward with an attempt to sell the property about four or five years ago and they hired Hodges Ward Elliott to do that, and described Hodges Ward Elliot as a national hotel brokerage specialty firm out of Atlanta, Georgia, and that they marketed the property extensively, and that in a few moments he will have Pete Nichols make a couple of comments about how much effort was put into marketing the property. Mr. Eckerman stated that maintaining the property has been very expensive and that their relationship with Hilton has been at times very contentious, noting that many people in the public do not understand that but they have, as an example, in 2011 Hilton attempted to cancel their license because they were not moving quickly enough to install carpet in the corridors, and they had to seek legal protection and sued them in federal court and won that case, and stated that what happened was the license right now runs through April 15, 2014, and on April 16, 2014, it is a certainty that the hotel will not be a Hilton Hotel, that they will not extend the license, and that they will not allow them to re-flag it as a Double Tree, and that that has been something that they have explored with them but they really got to the point where essentially they would rather see new construction happen in the area rather than taking on a renovation of the 38 year old property, and so they have been working diligently to find a buyer, and that he did mention that Mr. Grisebaum passed away in August of 2012, and stated that his estate, which he is working with now, does not have the same fondness for the property that he had, and that they are not really interested in infusing money into the property, and concluded stating that this is not something that they want to do but is something that they must do, and that he has heard and spent allot of time with the CERNET folks and that he thinks that they have a great program, and stated that he hopes that the City embraces that because the hotel has a storm cloud hanging over it, and that he is not certain how this all plays out if the sale does not go through, and that that wraps up his general comments, and asked Pete Nichols to speak about the effort, maybe just a minute or two about what they put together on effort.

Pete Nichols introduced himself and stated that he works for Hodges Ward Elliott (HWE), that they are a large hotel brokerage firm based in Atlanta, and to provide just a little bit of background of who they are, continuing stating that they are the largest hotel brokerage firm in the United States, and that in the last10 years they have sold over $30 billion worth of hotels, over 300,000 hotel rooms, and about 2,000 hotels, and that they do not sell any other commercial real estate, they specialize in hotels, that his background is in hotels, that he ran hotels prior to selling hotels, and that he has been doing it for 25 years. Mr. Nichols stated that HWE took on the assignment of selling the Hilton Hotel in late 2008 and marketed the property to over 600 hotel companies, both real estate investment trusts, small regional hotel ownership groups, management companies, combinations of opportunity funds, wall street money, and stated that what they found was that the cost to convert this 40-year old building into a hotel that complies with the current brand standards of Hilton, Starwood, which is Sheraton, Westin, Holiday Inn, Hilton, they very quickly realized that economically it did not make sense to go forward at a reasonable price point to the seller, and that they began to expand their searches and look for other opportunities and other ways to re-purpose the property and convert it into something else that would be beneficial to the community, to Glendale, and what they found was the folks at CERNET, concluding that that is a little bit about where they are and how they came to this point, and the amount of energy they put into it, adding that he does not get paid unless there is a transaction and so he has spent the last four years, four and one-half years working for free, and that he would like to get paid someday, but it really has been a long process and something that they have spent a great deal of time, that they marketed at all of the major hotel conferences, the brand conferences, they spoke to the brand sales people for all of the representative brands in the market, and that it has really been an exhaustive process to get them to this point, and that if anybody has any questions about the hotel part of it and how and why they got to this point he would be happy to answer those questions.

Attorney Carrig stated that to clarify one thing, and that he and Attorney Fuchs have discussed this, at present the intention would be for the property to be titled in the name of Wisconsin International Academy, Incorporated, and to reiterate and clarify that is a Wisconsin corporation, and that is how they would intend to proceed with ownership and operation of the property, so really ownership and operation would be centralized with one entity.

Mayor Tepper stated that Mr. Buettner has to leave and that we do have alternate Plan Commissioner Alderman JoAnn Shaw who will take his place as alternate. Mayor Tepper also stated that at this time the public hearing would commence to allow the public to make comment and asked if there was anybody present who wished to speak, and asked that those who speak provide their name and address.

Irv Gaines, 1600 West Green Tree Road, stated that he has been a resident of the City of Glendale for 8-1/2 years, and that everybody is making presentations on their behalf and that there is nobody here at this moment speaking up on behalf of the City of Glendale, and that what he thinks is going on here really not affects 4700 North Port Washington Road, but the entire City, and that this is the gateway to the City of Glendale, and that no matter what you end up doing you will be darned if you do and darned if you do not. Mr. Gaines continued stating that the economic issues that have been presented are really not the problems of the City, the City, this Commission, and wherever the final decision is made, has to what is in the best interest of the entire City, and not just be swayed by economic issues, continuing stating that as far as the owners are concerned you can rest assured that with 38 years of ownership you have to keep a piece of property in good shape and at the same time they have been able to claim a substantial amount of money as depreciation expense on their tax returns, and that if they end up selling something now they are going to have a very low cost basis, and that he does not profess to be an accountant but that he can tell that much. Mr. Gaines continued stating that this is a gem, it is a unique hotel, and that it is a unique entrance to the City, and most important also you have the Anchorage Restaurant, which is really something that is not duplicated anywhere in this community, that it is an outstanding specialty restaurant, and that if this facility becomes used in the manner as presented that is the end of the restaurant, that is the end of public use, and with the end of public use where are the people going to go for the parties, the social events, the weddings, the bar-mitzvahs, and all of the type of events that have been taking place at the hotel these many years. Mr. Gaines stated that they did not say anything tonight, but a month ago there was comment made by Mr. Chaet that as part of the transaction that the sellers were going to give the City $477,000 out of the closing of the transaction and that would be in lieu of three year anticipated loss of room and sales tax revenue, and that he raises the issue as it has been quiet and nobody has said anything about it and has that been something that appears in any contract which has been presented for review and consideration, and that if it is in the picture what is going to happen with that as far as the City is concerned, is the City going to wind up using it all as one year of extra income to go into the budget, is it going to be reserved over a period of three years, and what is going to happen after the three years, and the City's loss as far as room tax and sales tax are going to be gone. Mr. Gaines stated that as far as the group purchasing the property, whether they are a Wisconsin corporation or Chinese company, whether they have done business in the State of Massachusetts, that as far as he is concerned these are all meaningless names and that he thinks you need to see some real good credit information as to who is involved in this, who are they, what is there financial net worth, they are talking about getting a mortgage loan on this property, do they have a real commitment for this loan, and is this something that you have seen, and how do you wind up protecting the City if you grant this approval, from speculators who a few years from now, after this becomes a planned development, they are not happy with what we have done and are going to flip the property, and what assurances are we going to have that these purchasers are not going to fold in a year or three. Mr. Gaines continued stating that the sellers have presented proof that they have attempted to dispose of this property for a number of years unsuccessfully, one of the things nobody has yet considered excepting this particular proposal for dormitory, and that is what other alternate uses would be available and some of the things that could be considered is not just a dormitory for foreign students, but what about conversion to an office building with a restaurant continuing the business, or rental apartments, or condominiums, and many times there has been a statement that has been presented that the sum of the parts can be greater than the whole, and concluded saying thank you and that he felt that somebody had to say some of these things on behalf of the City of Glendale, the residents of the City of Glendale, and that he thinks that the Plan Commission should not act in haste, and should not approve this particular request.

Unidentified Woman, Sidney Place, stated that she is a graduate from Nicolet High School and Cardinal Stritch College, and stated that what bothers her the most is 120 people are going to lose their jobs and that bothers her, and that when she looks at the revenue that Wisconsin Department of Revenue receives from the Hilton, she looks at the family reunions that come to the Hilton, that she looks at their fine catering and restaurant that we value and she is concerned about that, just for a school, and we have fine schools in Wisconsin, and asked why they cannot look in Milwaukee for a place to build, they have bigger buildings and more land, that she is real concerned and that she wants to share that with all of you, because her family comes to the hotel, she comes for the food, that she hates to see 120 people lose their jobs, lose their homes to foreclosure, possibly high blood pressure and all kinds of problems, and thanked the City for inviting us.

Dave Scher, 1315 West La Salle Court, stated that he has been a City of Glendale resident for almost 25 years, and in the interest of full disclosure he is also a teacher at one of the schools involved with WIA, Pius High School, continuing stating that he thinks that some of the concerns that were just presented would be valid concerns only if the Hilton had other buyers, and they do not, and now there is a buyer whose clients will add to our community in terms of their character and integrity that he can speak of first-hand because he knows these students, they are interested in being active members of this community, they spend money here, they add to the tax base here, and as was presented earlier they might even eventually become residents of the City of Glendale, continuing stating that if there was another buyer that would employ those 120 people that might be a valid argument, but you do not, and here is a buyer that will employ people, add to our community in terms of good people living in our community, and that he cannot speak for every resident but thinks that it is a good thing that you have presentable people that will reside in this establishment and that will enhance our community.

Rick Carpenter stated that he lives in the City of Milwaukee and teaches at Pius High School, and is the director of the international program, so works very closely with WIA and all of the students.

Gioni Allen stated that she lives in Bayside wanted to say something on behalf of the hotel.

Mayor Tepper stated that the public hearing is really intended for City of Glendale residents.

Gary Gussick, 6066 North Apple Blossom, stated that he has been a resident of the City going on 40 years, and that he has known the Anchorage for about 40 years, continuing stating that he listened very closely to the gentleman with his beautifully prepared notes and his great explanation, and that he too is concerned about a loss of revenue, that he is not personally impressed with the kudos that were presented as far as successful business, and that he wished that just once some village, some city, some business, some somebody would stand up for right and say "you know, there really are a few stinkers among that group" because certainly these people cannot be perfect, just as none of the rest of us are. Mr. Gussick stated that he thinks that we all know that the restaurant business is a very difficult business, and the fact that the Anchorage has held on for this entire time is to him all but amazing, and that we are losing restaurants in the Bayshore Town Center , as you well know or many of you know he is sure, that Bravo has already pulled out, we have lost a second resident in the current COA, although he understands that there is something else coming in, restaurants that have been going on for 20, 25, 30 years are leaving us, that he is thinking about the Alpine Village, and that he hears rumors that the Range Line Inn is on its way out. Mr. Gussick concluded stating that it concerns him that we are making a restaurant leave, continuing stating that he is sorry that the family is losing some 30 or 40 or 50 or 60 or 90 or 120 million dollars, and that he cannot even count that high and that he used to teach fourth grade, but that he does know that it is not our place to worry about that family's financial situation, and that it is our place to worry about the betterment of the City of Glendale, and that losing a restaurant and a facility such as the Hilton would be in his opinion a terrible, terrible, loss, and thanked the Plan Commission.

Ted Dentice, 400 West Apple Tree, stated that he owns the property in the City of Glendale, and that he just wanted to say that he has been a real estate professional for 29 years, and that he has run a real estate company for 29 years serving the North Shore Glendale, and that he has not ever been aware of the fact that the property has even been on the market, and that he certainly understands the estate's need to sell the property, that he is a business man, and that what he does not understand is that it does not appear that the property has been exposed to other commercial potential opportunities, and that again, as somebody who has been in business 29 years serving the North Shore, he has not been made aware of the sale.

Mayor Tepper asked if there was anybody else that wished to speak.

Motion by Comm. Noble, seconded by Comm. Cohn, to close the public hearing. Roll Call: Ayes: Mayor Jerome Tepper, Commissioners Shaw, Goldberg, Cohn, Junge, Appel, and Noble. Noes: None. Abstain: None. Motion carried unanimously.

City Administrator Maslowski stated that for the record we need to introduce the other correspondence, to officially enter into the meeting record the other correspondence that we have received, and would read the name of the individual or company whether for or against, continuing that we have correspondence from Weyco Group, opposed to the operation, Sprecher Brewing Company, opposed to the conversion, Solly's Grille, opposed to the proposal, Annie Buege, opposed, Judith Kornemann, also opposed, a Robert Dunn, opposed, a Bill Arnold, opposed, Kevin Roach, also opposed, Andrea Mrioued, also opposed, and Glendale Plastics, also opposed, so note that in the minutes.

Mayor Tepper inquired whether in addition to those letters were there other letters that were in favor.

City Administrator Maslowski stated that the other letters that were received in support of the project which were introduced, we received a letter from the City of Marlborough, Massachusetts, the Massachusetts International Academy, Catholic Memorial High School, Dominican High School, Martin Luther High School, Eastbrook Academy, International Assignment Solutions, the property owners, the real estate broker, Pius XI High School, also letters in support from Swarovski Jewelry Store at Bayshore, The Boston Market Restaurant in Glendale in support of, LA Fitness at Bayshore also in support of the project, and a letter that came today from Thomas More High School also in support, and also mentioned earlier a letter from the Barnabas Business Center also in support.

Mayor Tepper stated that at this time discussion is open for the Plan Commission, and if there are any questions that the Plan Commissioners would like to ask the presenters, to the applicant.

Comm. Cohn stated that at our last meeting he presented a question regarding the $477,000 that was going to be given to the City of Glendale for the close, and asked how that was arrived at, and they could not give me the answer, do you have the answer for us tonight.

Mr. Eckerman stated that he made that calculation, the hotel pays roughly $250,000 per year in room taxes, and his understanding based on his research that the general fund of the City keeps about 63 percent of that ($250x0.63x3=$157,500x3=$472,500) and passes the other 37 percent to other services, so they offered to give the City, to the general fund, as an impact fee, paid to the City as an impact fee, 63 percent of that $750,000 ($750,000x0.63=$472,500) and that is how they arrived at the $477,000.

Comm. Cohn asked the City Administrator if the 63 and 37.

City Administrator qualified the numbers, and with the City attorney here to confirm that he is stating it correctly, current State law does require the breakdown basically along the lines indicated, Glendale Visitors and Convention Bureau however predates current State law, and we are currently approximately a 70/30, 70 percent goes to the general fund and 30 percent goes to the Visitors and Convention Bureau, so as the State law reads we are exempt but try to follow as closely as possible, it is relatively close.

Comm. Cohn stated that the next question he has is that in some of the letters he has seen a rumor regarding the property to be fenced and is that true.

Attorney Carrig stated that he did not know where that originated and that they just heard that today Commissioner, no truth to that from their side, and that there is no intention on their side to fence the property.

Comm. Cohn stated that behind the property, if he is not mistaken, there is a bike path or a walking path, will that remain open to the public.

Attorney stated that he is not aware of a bike path that is there currently, that is open to the public, it is being indicated on the other side of the river, they are not aware by title that there is any public access that is there.

Comm. Cohn stated that one of the questions that he is still confused about is the lack of ability to put students at Nicolet High School, something with visas, and can you explain that to me.

Attorney Carrig stated that it is a residency issue, the students who have come over so far are Chinese, and they would be looking to fan that out with other international exposure as well, but for purposes of establishing residency they are not residents of Wisconsin, therefore, without residency they are not entitled to the benefit of a public education, so Doctor Gibson has explored with Nicolet various opportunities and thoughts exchange that they think would be beneficial for the community and for WIA, but in terms of placement in those schools it is not available to them, and it is not really part of the Mission of what WIA is doing, really part of what has driven this, and we have got other representatives, we were not aware that there would be a restriction that there would only be Glendale residents speaking, because there are representatives from the other high schools here, four out of the five he believed, and part of what is important for them is that WIA is delivering students to them that are paying a full tuition load obviously, and it is a benefit to them as a private school.

Comm. Cohn stated that part of that question that he has is that they are going to be transporting their students personally, but the City of Glendale School System and Nicolet is required to provide transportation for parochial school students, does that mean that we do have to supply transportation for you or not.

Attorney Carrig stated that perhaps Doctor Gibson or Jan can speak as to that, and that he does not believe that there is any obligation to provide, particularly because none of these schools are in Glendale, they are not in the District.

Doctor Gibson stated no responsibility for Glendale to provide.

Comm. Noble said that he had a little thunder stolen here, and reiterated his understanding that it was marketed for four or five years as a hotel, and the question that was replied was that it is a piece of property that has commercial value, and was that avenue ever addressed, was it ever put out.

Attorney Carrig stated sure that is how WIA became involved in it, because they fanned out their search when they determined that he sale of the property as a going concern as a hotel was going to face an entire set of economic circumstances that was going to be challenging for any new buyer, so yes it was fanned out and that is how WIA came into play.

Comm. Noble inquired it was fanned out by who.

Attorney Carrig replied by the seller and the broker, and that they would be able to speak more as to those efforts.

Comm. Noble asked about the property being marketed for other than a hotel.

Mr. Nichols stated that they marketed the property as a hotel and then ownership also brought on a second broker, Jones Lang, LaSalle, who also marketed the property not only as hotel but as commercial space, as Jones Lang LaSalle has a broader base that they market to, they do not just sell hotels, they sell commercial real estate as well, so Jones Lang LaSalle has a huge nationwide international brokerage company that brokers both commercial, and thinks they do multi-family, as well as hotel, and they also marketed the property.

Comm. Noble said that they go after developers and today this is what we have, it is on the river and it has a restaurant, it could be condos…

Mr. Nichols said that he cannot speak to what Jones Lang LaSalle did but he knows that that is what they do as a brokerage company, and that the services that they offer cover a broad variety of various real estate types.

Comm. Appel asked Mr. Nichols as they marketed this property did they have a selling price, an asking price, a listing price.

Mr. Nichols stated that they covered all of those bases actually, they had an initial listing price, a suggested listing price, they opened it up to call for offers on several different occasions where they took any offer, and where based on the number of groups that had interest in the property they took offers from them just in general, they had ranges from a couple of million dollars on up to much higher than that, but not anywhere near what ownership was interested in engaging in contracts at initially, then they went through a second round and they did additional marketing with those particular people that expressed interest in order to drive the price higher and on four separate occasions they came very close to having offers or very close to having contracts that were successful, in each instance they ran into two problems, the first problem was a direct correlation with physically what the hotel represented and how it needed to be changed in order to meet the demands of the brand that the buying group was looking to convert the property to. Mr. Nichols continued stating that as an example one of the companies looked at converting the property to a Marriott brand to a Courtyard, the problem was physically the ceiling height in the lobby does not meet Marriott's brand standard, so they would have had to remove a section of the second floor, that is extremely expensive to do, structurally you have major issues in dealing with removing an entire floor front to back, they wanted a visual site line through from the parking lot to the river, they wanted changes to the rooms themselves, they want us to strip back the room all the way to bare walls, so very quickly the cost of doing this conversion exceeded what the cost to build a new property would be, by the time you added the cost of purchasing the hotel, doing all of the engineering structural changes that were being requested, and then reappointing the room. Mr. Nichols stated that the second problem that occurred as part of this process was being able to secure financing, as we all know financing in 2006, 2007, if you could fog a mirror we were throwing money at you, 2008, 2009, 2010, they ran into a situation where all of the banks had to retrench, they were all losing money, they were all burdened by additional government demands, and now they were only willing to loans, maximum, best case scenario, to an 800 plus credit group with all of the financial resources at their disposal, to 70 percent of the purchase price, and so let us just take round numbers and say that they could sell the hotel for $100 million, they are going to give you $70 million, now on top of that they need to spend $100 million to renovate, they are going to give you $70 million and they have to come up with $130 million to make this property work, nobody was willing to come up with that kind of capital when they could go into a property that was a $200 million property and put 70 percent of that $200 million ($140 million) and get financed and they only had to put up $70 million of their own dollars.

Mayor Tepper asked if we are talking about a property that is $200 million and let's talk about numbers that are real.

Mr. Nichols replied no to the question, so let's talk about realistic numbers in this property case, a purchase price of $8 million, which is approximately where they are, 70 percent of that purchase price is going to be $5.6 million, they need to spend another $7 million to renovate to convert it to a Marriott brand, but they can only get $5.6 million from the bank, so they now have to come up with the $2.4 million plus the $7 million, they have to come up with $9.4 million to renovate this hotel in cash money, now, they could take that same $9.4 million and almost buy a $30 million hotel that has already been renovated, that is already cash-flowing, that is already making money, that they do not have to do a major renovation to, so now the choices are to buy an $8 million hotel and spend $9.4 million cash, or buy a $30 million hotel and spend $9.4 million in cash, the upside obviously is going to be with the $30 million hotel, they are going to make more money, or they build new, take their $9.4 million and build a 100-room hotel and they have a brand new property, not something that is 40 years old, so those are the challenges that they ran up against in the hotel community, and the real key to it is the structural obsolescence of the building that they have there, it is 40 years old, do they want to spend , by the time they purchase it and renovate $100,000 per room to own a 40 year old hotel, or do they want to spend $100,000 a room to have a brand new hotel.

Comm. Appel stated that he had just one additional question, when you were selling this, marketing this, was there an appraisal presented to buyers, is there an appraisal.

Mr. Nichols replied no, the appraisal is the property of the ownership, you have an appraisal on the property, but that is not something that they gave out to everybody that had an interest, that that is proprietary information.

Comm. Appel asked if that was the basis of the asking price.

Mr. Nichols replied no, the basis of the asking price was the economic performance of the hotel.

Comm. Appel asked if that is not what an appraisal is based on.

Mr. Nichols stated that appraisals typically, qualifying that he is not an appraiser, but typically they base that on three different criteria, one is the replacement cost, two is comparable sales, and three is economic performance of the property, and they blend those three numbers together to come up with a final appraised number, so they would say what does it cost for me to build this hotel, what are the other hotels in the market selling for, on a per room basis, and then economically what is the hotel worth based on the profitability.

Mr. Eckerman stated that there is $5 million in bank debt on the property, and associated with securing that bank debt they had an appraisal of the property, and actually they did not buy it, the bank bought it, and stated that they appraised the property he thought for $9.6 million, now what does that mean to them right now, they do not have a buyer here for $9.6 million, but the appraiser put a value of $9.6 million on the hotel, and one other thing that is kind of related to these questions that are coming up, the ownership made an inquiry with Hilton about re-flagging this hotel as a Double Tree, a Double Tree hotel is a Hilton family brand type of hotel, and he said he thought it would be a good idea for him to read this very short email that he received as a result of that inquiry, it is just a single paragraph, saying it says "Greetings Mr. Eckerman, I had a chance to stop by the Milwaukee River Hotel on my way back to the airport following the Thanksgiving weekend and also to discuss the hotel with our developers in the market, just to confirm our earlier conversation we do not have other opportunities, we do have other opportunities in the market which we are pursuing and will pass on the Hilton to Double Tree conversion upon sale, thank you for reaching out to us and best wishes with your sale," continuing stating that they have made every effort to sustain profitability, and it has been a struggle, and as he said in his opening comments, he now has a 90 percent owner of the property that is an estate, and to ask that estate to continue to fund losses is just something that he thinks steps beyond reason.

Mayor Tepper asked when that appraisal was done.

Mr. Eckerman said 18 to 24 months ago when they refinanced it, about 24 months ago, and stated that he could make that available, and that he does not have that with him today, but could provide that.

Mayor Tepper asked what happened to the refinancing, and what was that used for.

Mr. Eckerman stated that they just moved lenders, they ended up borrowing an additional $200,000, they had about $4.8 million and they moved to JP Morgan Chase and they borrowed an extra $200,000. And that $200,000 went into the capital improvements at the hotel.

Mayor Tepper asked if that was basically what they used their financing for, the other $4.8 million.

Mr. Eckerman replied yes.

Comm. Junge stated that he had a question for Mr. Nichols, did you contact any local investors or other people that might be interested in the property within the local community.

Mr. Nichols stated that they personally they talked to local hotel owners, because that is the realm that he typically works within, the hotel ownership groups, he talked to groups from Marcus downtown, he would have to go back and check his notes as to everybody he talked to, but they talked to people from the Midwest, from all over the country and, as he said in his opening statements, Hodges Ward Elliott has been around for 35 years and have sold literally thousands of hotels for over $30 billion, they attend all of the major hotel conferences, they attend all of the brand conferences, they reached out to the folks at Hilton that sell their brands, they reached out to the folks at Marriott, they reached out to the folks at Starwood, at IHG, at Choice, they spoke to all of those brands about people that they thought might be interested in converting the hotel to another brand, so it was not just local hotel owners, it was not just a regional group, they spoke to literally people all over the country that specialize in conversions, that specialize in Hilton, that specialize in Marriott, that specialize in all of the different brands that they think would fit for this particular property if it were not to remain a Hilton, and that is another key point here, Hilton is going to go away in April of 2014 and they are not coming back, so there is a revenue consideration as well, and that if you are changing brands to a lesser brand than Hilton that means that you are going to have less room rate, you are going to have less occupancy, you have less support from the brand, so it is not just the fact that it is a Hilton now and we are going to sell it and it is going to be a Hilton going forward because it is not, so part of that economic consideration that has to be made as a buyer is how am I going to recoup all of this revenue from a new flag, a new brand, and continued stating that he sure all of you have stayed at hotels and you would not expect to spend as much at a Quality Inn as you would at a Hilton, the same would apply here, so long answer to a question, but yes they did talk to a number of different groups both local and nationwide.

Comm. Junge stated that he has a question for Mr. Eckerman, in the conversations back and forth with the legalese material the Hilton brand is pulling the plug in April of 2014, but they are not going to be assigning any more availability of rooms after August of this year, why, it was in the notes that on August 15 of this year if somebody is interested in reservations the Hilton people will say no there are no reservations, there are no rooms available, it is in the legalese stuff.

Mr. Eckerman stated that he was not sure he followed on that, in the legal what happened is that Hilton attempted to cancel their license and give them notice he thought it was in August of 2011, where they had given them notice that they were going to terminate their license, and that prompted them to take legal action to protect their rights, and what ultimately happened is they were able to obtain a restraining order against them terminating their license, and they had a court fight over it, and ultimately that resulted in settlement where they backed off and they gave them the necessary time to make the renovations, continuing that Hilton has not really wanted them in this market, they have offered to terminate their license early on a number of occasions, and somebody might say why is that Hilton does not want you, and you know more than 65 percent of their hotel stays are Hilton Honors members, and that he believes that Hilton sees those stays moving to other Hilton related properties, like the Marcus property downtown, and that he can tell you that when they started marketing this property they focused on Marcus because they felt like they were the most logical buyer of this property, but they are not interested because they see the dollars that it would require to update this property, and he thinks that they felt like look, if the property gets sold or closed that is fine because they will end up taking those Hilton Honors members into their hotel.

Comm. Shaw stated just out of curiosity, because she knows that CERNET/WIA are currently focusing on the Hilton because of the potential there that they see, stated she would like to know why they are focusing on one property instead of looking at other properties elsewhere in Glendale that are already closed or not occupied, or in the Milwaukee area.

Attorney Carrig stated that he can speak to that to some extent, first of all once they have located a property that is a good fit, and they think that this is a great fit for the community and for us, for the seller, it is very difficult to fan that focus out at that time and handle other things because they have put allot of time and resources into where they are today, and that before that there have been other thoughts and opportunities and research into looking at other locations, for many of the reasons that Pete and Bob are talking about as to the challenges of renovating a hotel the flip side to that is this property is really in very good shape for what their use would be, so they would not foresee the need to do massive renovations, they want to keep it a first class site, a couple of people have mentioned that this is a gem on the way into Glendale, we want to keep it that way and want to make it a site that people are attracted to, that they are interested in, that the local businesses, people like Johnson Controls and AO Smith, like Briggs & Stratton, all these businesses that are forging relationships with Chinese companies, with talent that they need for their businesses, they want to have that be the hub and they want this to be the hub of the Midwest operation really.

Comm. Shaw stated that during the presentation it was stated that some occupancy is already at the Baymont Hotel, why not go there since you are already occupying space, why not take an interest in that, outside of the Hilton.

Attorney Carrig stated that the Baymont occupancy is on a rental basis, and obviously for long term planning purposes WIA wants to own where it is operating and be able to operate the site on their own.

Comm. Shaw observed that they could rent to own like residents do when the look at land contracts, so why not as you are already there, so you know what the operation already is, if you know how it already works why not look at that property.

Attorney Carrig stated that one thing right off the top, and perhaps Dr. Gibson or Jian can speak to this, there is no meeting space at the Baymont, so in terms of classroom space, meeting space, things like that, this is a much better suited property.

Dr. Gibson stated that he does not want to speak against the Baymont, because they have been very kind to us, their rooms however are smaller than the rooms at the Hilton are, so the question is do they put one student or two students in, and they have some of each, but it is very crowded with two students, there is not room to live there and study there, it is not like a college dorm room, for example it has two students in it, and then when we have meetings with all of our students they stand up in the hall to have those meetings, and that worked for 53 students this year, that is not going to work for hundreds of students as they expand, and then they like to do student activities with them in English language learning and have classes, and they also need rooms for several kinds of study halls and for technology to support that, so the kinds of amenities that are on the first floor of the Hilton are just ideal for them, and the room sizes are ideal for them, it is also, speaking to the question earlier why Glendale and not Milwaukee, just the kind of atmosphere that we have in Glendale it just really student friendly and safe, and concluded that he hopes that responds to the question, it is just an ideal location. Doctor Gibson stated that they have looked at other things within Glendale but they have fallen short of the specifications that he is talking about.

Mayor Tepper stated that the broker mentioned that the reasonable price to the seller, what was that reasonable price to the seller that you referenced when you were talking about the response to Mr. Noble’s question, you said that there offers from $2 million to much higher, but we do not know how much higher.

Mr. Nichols stated that the range in price was probably somewhere between $2 million and $5 million, $2 million and $7 million, so it was a very, very broad range, but again, to get to a price that was acceptable to the seller, and then add on the renovation required, you are at $15 million, $16 million to do the entire project, and of course with WIA they are all in for half that, and so it really boiled down to the economics of the renovation required.

Comm. Goldberg said that he just has a question that he asked last time, what about the funding for the students, where does all of the money come from, that he knows that it is private but what do you mean by private, and what about the Chinese government, are they involved in this business at all.

Attorney Carrig replied the families, their families are covering the cost of being here and stated that the involvement of CERNET would be a partnership with WIA and CERNET of marketing this in China.

Comm. Goldberg reiterated that is the only thing that they are involved in.

Attorney Carrig replied yes, and that one other issue that if he could follow-up on Mr. Mayor's question on the cost and the renovation, stated that something that he thinks is of relevance to the Commission and the City is the example from the home Village of his office in Menomonee Falls, which has the Radisson issue, and said that he thinks that it is a pretty good illustration of what has happened there because the Village of course pined to have a hotel there, they wanted to have a hotel in that corridor, and they felt like it was a necessary component for the role in redevelopment down that corridor, the hotel got half renovated, the money fell through, nobody else would finance it, and it sat in a half renovated state for a considerable amount of time, eventually the Village stepped in to provide the financing to finish the renovation and, depending on who you listen to or what account you read that is somewhere between $12 and $15 million, and his understanding is that the ownership group defaulted on the first payment to the Village, and that property is currently in receivership, the case is pending in Waukesha County, and has been for up over a year and a half, and to him that is the example of what happens when the market is not allowed to speak for itself on that, and obviously no lender wanted to step in and provide the financing to finish that project because it did not make economic sense, and the Village did it because of other considerations, and of course it is in default. Attorney Carrig stated that answering one other issue raised, they do have a Wisconsin based lender who is lined up to provide the acquisition financing for this project, and that he can advise the Commission and the City that there is a written commitment letter, though he would have to get permission from the lender to release it, but he expects that they would be able to get that permission and work out some kind of arrangement with the City Attorney to have confidentiality on the terms on it obviously, that he does not think that the lender would want to have those terms advertised, but it is subject to the typical lender due diligence and completion items, but they reviewed what they need to on the financials, and provided them with what they needed to issue the commitment letter, and they are in the process of environmental and appraisal and all of those other things, but they do have a written commitment letter with a Wisconsin based lender.

Mayor Tepper stated that he would like to bring the discussion around more to the program and whether having this program here, continuing that he understands economic issues, but is this something that the Commission believes is beneficial to the City of Glendale.

Comm. Noble stated that he wanted to go back to it being marketed for another purpose, how long was it marketed for another purpose, did anybody chase the bait, and said that it got kind of set aside when he posed the question earlier.

Bob Eckerman stated that the Chicago office of Jones Lang LaSalle had the property for about eight months and marketed to a large number of developers, real estate owners and investors, and that he has a list they provided him that is pages of people that they contacted that he could provide to the Commission, and continued stating that the only thing that he knows is that they pursued anybody that showed an interest, and when it gets down to it is really hard to find somebody that wants to buy a hotel and convert it into something else, when you think about how many other hotels do you know of that have been converted to another use property.

Attorney Fuchs asked if he could suggest something, and apologized for interrupting, but if the hotel was not even for sale and CERNET just approached it on their own and offered to buy it because they like the building and then brought this application the Commission would consider the merit or demerit of the project that they are offering, the economics of the owner of this hotel are of no concern to this City and are not even a criteria in your Code, and we have about one half hour of this meeting worrying about the economics to the seller, and that he would urge the Commission to consider the compatibility or lack of compatibility of this proposal with the City, the economic impact to the City, whether it is consistent with your Zoning Code, the spirit of it, whether it fits into the neighborhood, all of the things in the Code, not meant rudely, but it has nothing to do with the rezoning.

Mayor Tepper stated that is exactly why he made the comment that he made earlier, to see if we could talk about the merits of the program in terms of its impact on the City and whether this is something that fit into our program.

Comm. Appel stated that he is not concerned with the sellers economics, he is concerned with the viability or reality of somebody else coming in, and that he thinks it is a vital concern of ours because we are liable to have a property that is going down the drain, not being a hotel and not being anything, and that he has a question though about how this property was zoned originally in the Master Plan was it rezoned to become a hotel to begin with.

City Administrator Maslowski stated that yes it was originally, the whole area was zoned industrial back in the 1970's, it was all part of the Schlitz Brewing Company, Uihlein Company property, including the Barnabas Business Center which was owned by the Uihlein family, this was broken away, subdivided for local business to permit the hotel.

Comm. Appel asked whether our Master Plan did not have this particular site designated as a hotel.

City Administrator Maslowski stated that this hotel predated the City Master Plan, the City's first Master Plan was adopted in 1976 with an effective date of 1/1/1977, so this area predated the Master Plan, and subsequent Master Plan development since 1977 included the hotel as part of the City Plan.

Comm. Appel stated that as to the program he thinks that it is a wonderful program, and that he knows that there are issues in terms of the fact that we would like to see a Hilton continue, it has been wonderful for our community but it is an old property, and looking at the program, who would be involved in the program coming to Glendale, he does not see allot of down-side frankly, and he thinks that there would be allot of synergism with these students and students at Nicolet or in the community or in the business community and so forth, and that he has not seen a real negative personally.

Mayor Tepper asked if there were any other questions or comments.

Comm. Goldberg stated that first of all he understands what CERNET stands for and that he thinks that it is good, but he does not think that it is good for this property, continuing stating that we have made great strides with tourists visiting Bayshore Town Center, tourists stay in Glendale and spend allot of money, we need more rooms actually, and tourism cannot grow with less guest rooms, also we just had a recent festival here and it filled up all of our rooms and businesses like Sprecher need top-rated rooms for their guests, and the main issue is the loss of the room and sales tax revenues, and like our motto is like you said before rich past and bright future, and said that he thinks that the rich past and present is the Hilton, and the bright future is the Hilton property.

Mayor Tepper asked if there were any other questions or discussion.

City Administrator stated that the Plan Commission's role tonight is to issue or prepare a recommendation to the Common Council as to whether or not the proposed zoning should be approved or rejected or if there are conditions either way, regardless of what your motion is this will go to the Common Council on July 22, 2013, who will be ordinance procedurally schedule its own public hearing for August 26, 2013, at which time the Common Council will hear probably the same presentation and then make a final determination as to the zoning, and prior to that meeting on August 26 the City Attorney will need to meet with the property owner and CERNET's attorneys to draft the required Developer's Agreement which needs to be also prepared for the August 26 meeting along with the appropriate ordinance for Common Council consideration, but tonight the Plan Commission's role is to prepare a recommendation to the Council.

Motion by Comm. Goldberg, seconded by Comm. Junge, to recommend to the Common Council to deny the application to rezone 4700 North Port Washington Road from B-1, K Business and Commercial District to PD Planned Unit Development District for a multiple use student dormitory with classrooms, food services and administrative offices. Roll Call: Ayes: Commissioners Shaw, Goldberg, Cohn, Junge, and Noble. Noes: Commissioner Appel. Abstain: Mayor Jerome Tepper. Motion carried 5 to 1.

ADJOURNMENT.

Motion by Comm. Noble, seconded by Comm. Cohn, to adjourn the Plan Commission until 7:00 p.m. on Tuesday, August 13, 2013. Roll Call: Ayes: Mayor Jerome Tepper, Commissioners Shaw, Goldberg, Cohn, Junge, Appel, and Noble. Noes: None. Abstain: None. Motion carried unanimously.

Todd M. Stuebe, Director of Community Development

Recorded: July 31, 2013