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A place to stay

Proposed hotel on south side moves through Oregon's approval process; construction could begin in June

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This Holiday Inn Express in Verona is a good example of what Oregon developer Paul Lynch is proposing to build on Park Street.

Lynch said he would like to begin construction of the hotel and an attached building housing an indoor swimming pool in June. His plan also includes a smaller commercial building on the 2.8-acre site. In addition to the pool with an outside patio, the hotel would have a breakfast area for guests, a game arcade and a conference center, along with 82 parking spaces.

The roughly 45,000-square-foot hotel would look similar to one located on the west side of Verona, Lynch said.

The parcel on which the proposed two-story hotel would be built sits between Park Street and Concord Drive, across Park Street from a vacant building that used to house the defunct Waterfall and El Rio Grande restaurants.

Lynch said he had a feasibility study conducted for the hotel and believes Oregon has a need for it.

"If Oregon already had a hotel, we wouldn't go forward with this," he said last week. But with the new OCSA ice arena drawing more visitors to the village, as well as other sporting events such as the annual Oregon Soccer Tournament, Lynch said Oregon is ready for a hotel.

It would be located within the village's newly created Tax Incremental Finance district and could be a catalyst for more growth in the area. Village officials all seem to support the proposal.

"I really think the village could use the hotel," said Planning Commission chairman Greg Schnelle.

"I think this is the biggest missing piece of infrastructure that Oregon has," said Planning Commission member Scott Meier.

A Holiday Inn Express hotel could open on Oregon's south side early next year if commercial developer Paul Lynch's plans are realized.

Lynch, owner of PLH & Associates in Oregon, wants to build a 69-room hotel at 1056 Park St., at a cost of approximately \$4 million.

His development plan was unanimously approved by the village's Planning Commission last Thursday, along with a requested zoning change. The commission's recommendation for approval will go to the Oregon Village Board for final approval on April 20.

If PLH & Associates' plan receives Village Board approval, the next step would be getting approval from state regulators.

Village administrator Mike Gracz said the Park Street site is well suited for the project: "The whole point of creating the TIF was to focus on trying to get more nonresidential tax base in the village. In the long run, that's obviously good."

Lynch has been the village's most active commercial developer in recent years. In addition to renovating a building on Market Street, his company has constructed a number of buildings along Park Street, which are home to the Stoughton Hospital Urgent Care Clinic, Plzza Hut and Cousin's Subs, among others. He said the hotel exterior would have a similar look to the Stoughton Hospital building, with a brick veneer and EIFS (a product that provides exterior walls with an insulated finished surface that looks similar to stucco).

A hotel room tax would be an added benefit of the project. Per state statute, a certain percentage of the tax can be used by the municipality to promote tourism locally.

"We're starting to work with the Chamber of Commerce about the percentage that the village would collect and who would oversee the expenditure of that. Some communities do it by themselves, but a lot of communities set up a tourism commission that oversees that," , Gracz explained. "We're still working on that; it's going to the finance committee for discussion."

Lynch said he plans to seek TIF assistance to help fund construction.

He's been working with the village's financial advisor from Ehlers & Associates, Gracz said.

To qualify for TIF assistance, a project developer is required to pass a "but-for test" showing that without TIF funding, the project might not happen.

Once he's worked out the details of the request for TIF assistance, Lynch will have to bring the plan back for Village Board approval.

"I think that it ends up becoming a policy decision for the board after passing the 'but-for test,'" Gracz said. "Even if you pass the 'but-for test,' sometimes the TIF can't afford everything that the developer is proposing, so that all comes into play."

Several residents of the Concord Drive neighborhood attended a public hearing on the hotel proposal last week and appeared to be satisfied with Lynch's responses to their concerns. Questions arose regarding shielding neighboring properties from potential noise and lighting.

Concord Place Condominium Owners Association president Charles Miller did not attend the hearing, but in a telephone interview on Tuesday said his main concern has to do with stormwater.

He said the condominium's backyard is situated about four feet below the public sidewalk on Concord Drive, and basement window sills are "about 40 inches below that sidewalk in six of our nine units. If the hotel's parking lot is at sidewalk level, where will all the rainwater flow?" he wondered.

He said he's concerned about flooding of condominium basements if the stormwater runoff is not properly managed.

Also on Tuesday, Lynch said his engineers have designed a culvert to be installed beneath the hotel parking lot and that "we're not going to add to his problem over there," Lynch said. "Our plan is to alleviate it more than anything."

Schnelle said the residents have been "very respectful and very involved, and it seems that their questions have been answered. I think Paul Lynch has done a pretty good job of taking care of that. I don't think there are any residents really against this."