

CITY OF LAKE GENEVA



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PRESS RELEASE **September 15, 2011**

Lake Geneva, WI – City Attorney Daniel Draper announced today that the litigation between Geneva Ridge Joint Venture, LLC, and the City of Lake Geneva has been settled and the case concluded. Draper said that the City's insurance carrier paid \$2.1 million to settle the action. The City did not contribute to the settlement.

The Full Release of All Claims by Geneva Ridge Joint Venture, LLC, released The City of Lake Geneva, William P. Chesen, Todd Krause, Gary Dunham, Mary Jo Fesenmaier, Penelope Roehrer, Arleen Krohn, Tom Spellman, Donald Tolar, Frank Marsala, Don Rutkowski, Alan Kupsik, Thomas Hartz, Matt Kuehl, Dennis Lyon, Martin H. Smith, and The League of Wisconsin Municipalities Mutual Insurance from any liability.

Draper stated that the settlement remained in doubt even after the City amended the Comprehensive Plan on August 30, 2011.

A lot of speculation was made that the comprehensive plan was amended to settle the lawsuit. That is not accurate.

On February 23, 2011, the Federal Court had ordered the parties to mediate. The first mediation occurred on April 5, 2011. It ended with no resolution. On April 6, 2011, Geneva Ridge Joint Venture filed a letter with the City asking the City to amend the comprehensive plan. On April 7, 2011, the Federal Court again ordered the parties to attend another mediation session on May 11, 2011. Subsequent mediations were held on June 3rd, 10th, and 17th.

On June 13th, attorneys for the parties entered into a Memorandum of Understanding that established certain parameters for a settlement; however, Geneva Ridge Joint Venture, LLC reserved its right to finalize the settlement after the vote on the amendment of the comprehensive plan. As part of the Memorandum of Understanding, the City agreed to vote on the petition by August 31, 2011, but it was specifically provided that the Memorandum of Understanding in no way bound the city to vote one way or the other on Geneva Ridge's request.

In fact, the recommendation by the Planning Commission, and the amendment to the comprehensive plan that was ultimately passed by the City Council was different from the request by Geneva Ridge Joint Venture, and different from the parameters set forth in the Memorandum of Understanding. As a result, neither the City nor Geneva Ridge Joint Venture were bound to settle the case after the amendment process was complete.

Draper stated that he had great respect for the City Council in undertaking the process to hear Geneva Ridge Joint Venture's request knowing full well the controversy that would be sparked. The City Council was able stay focused on the amendment request and made a well reasoned decision. They made this decision not knowing for sure if the case would be settled and in light of threats and intimidation. In the end settling the case eliminated millions of dollars in exposure to the taxpayers of the City. The costs of further litigating this case could well have exceeded the amount of settlement paid by the insurance company. The City Council understood the discipline that had to be followed on this matter. They had to make a well reasoned, quasi-judicial decision based on the issues and not on emotion.