



Whitewater CDA

**MINUTES**

**Monday, December 14, 2009**

**4:00 PM – CDA Board of Directors**

**4:00 PM – Whitewater University Technology Board  
(item's 4, 5 & 6)**

**1<sup>st</sup> Floor – Community Room**

**Whitewater Municipal Building**

**312 W. Whitewater Street**

**Whitewater, WI 53190**

**1. Call to order and roll call**

Present: Jeff Knight, Alan Marshall, Al Stanek, Jim Stewart, Jim Allen (4:15), Tom Miller (4:16)

Absent: Kienbaum

Others Present: Kevin Brunner, Mary Nimm, Jim Caldwell, Doug Saubert, Cliff Goodhart-Eppstein Uhen Architects, Connie Barbian-IDM Group, Lynne Binnie, Jim Olsen

Tech Park Board Members Present: Chancellor Telfer, Jeff Knight, Jim Stewart, Peter Zaballos, John Chenoweth, Kevin Brunner

Tech Park Board Members Absent: Bud Gayhart

**2. Approval of the Agenda**

Al Stanek motioned to approve the agenda. Knight seconded.

Ayes: Knight, Marshall, Stanek, Stewart

Nays: None

Absent: Allen, Miller, Kienbaum

The motion to approve the agenda passed unanimously on a voice vote.

**3. HEARING OF CITIZEN COMMENTS.** *No formal CDA Action will be taken during this meeting although issues raised may become a part of a future agenda. Items on the agenda may not be discussed at this time.*

**No Citizen Comments**

**4. Whitewater University Technology Park**

**a. Innovation Center Site/Building Plan Presentation-Eppstein Uhen Architects**

Chancellor Telfer introduced Cliff Goodhart from Eppstein Uhen Architects. Mr. Goodhart gave the following presentation and explained that Eppstein Uhen has been working with board. Started process with meetings on campus with potential users. Have PowerPoint and display boards of materials for interior and exterior of Innovation Center.



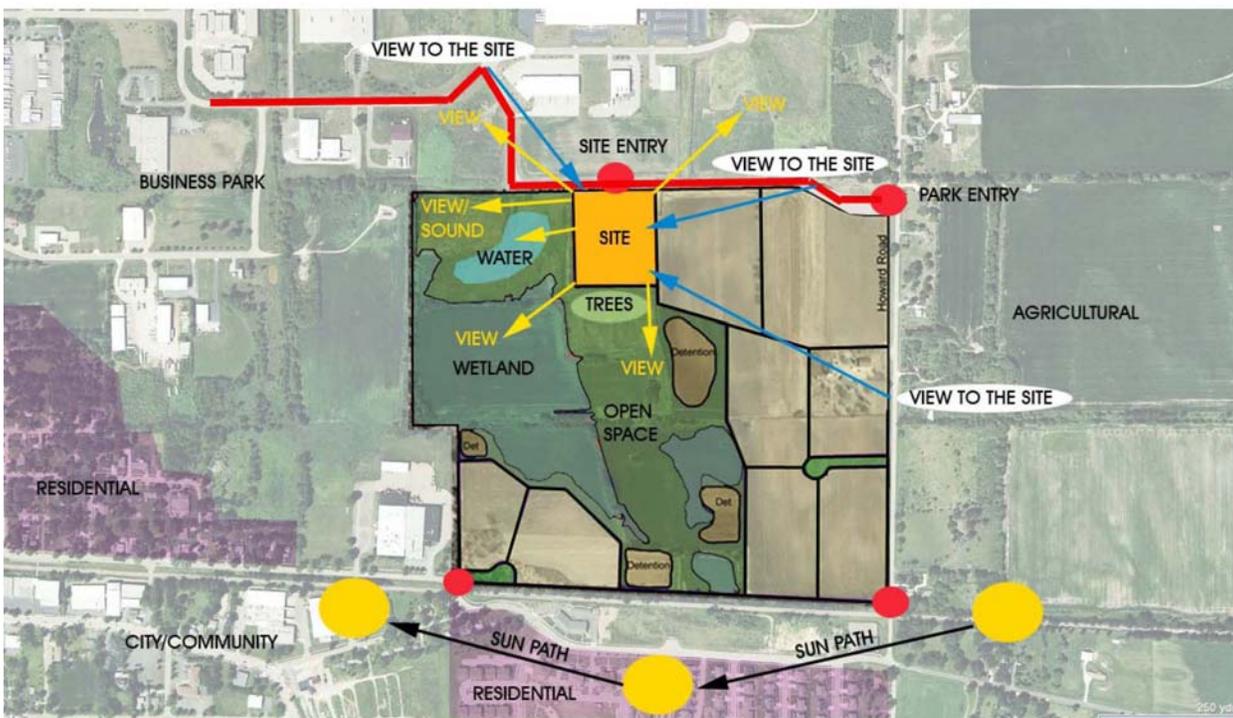
# in•no•va•tion

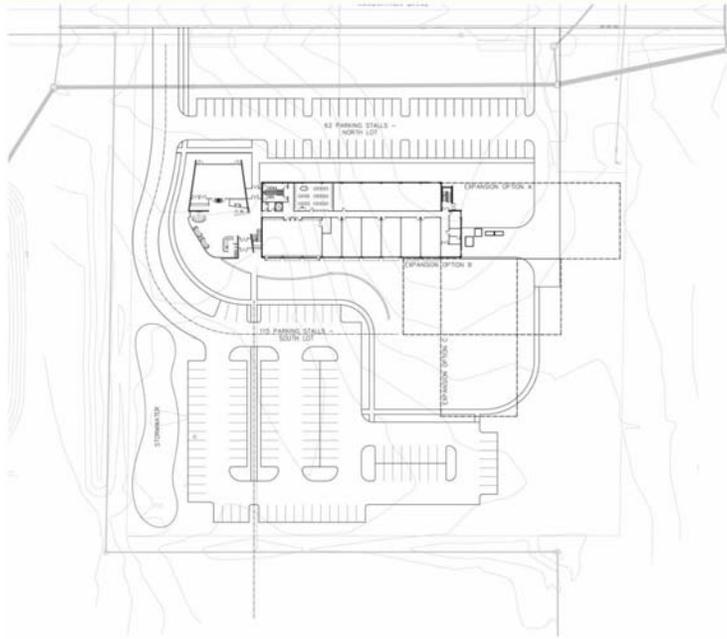
1 : the introduction of something new

2 : a new idea, method, or device



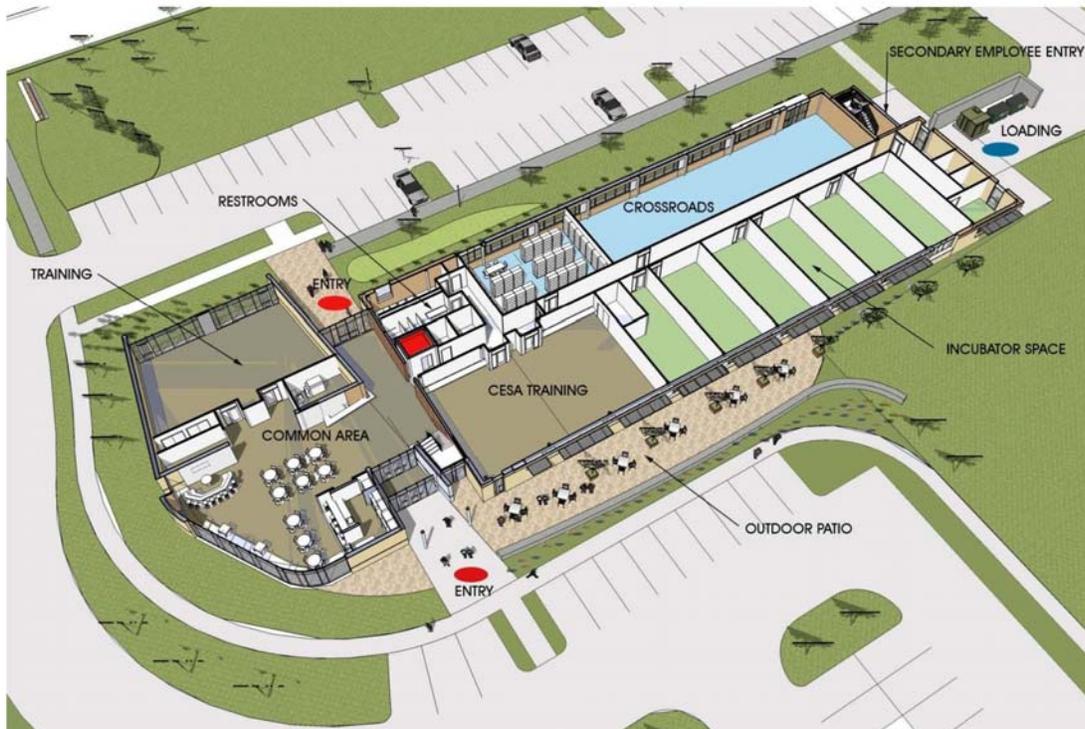
: project site





<p><b>DESIGN AND RECORDS</b></p> <p>DESIGN DEVELOPMENT</p> <p>C.T. BOK / M. BOKSIS</p>	<p><b>PROJECT INFORMATION</b></p> <p>WHITWATER INNOVATION CENTER</p> <p>1221 INNOVATION DRIVE WHITEWATER, WI 53190</p>	<p><b>CLIENT INFORMATION</b></p> <p>WHITEWATER UNIVERSITY TECHNOLOGY PARK</p>	<p><b>PROJECT INFORMATION</b></p> <p>DATE: NOVEMBER 2010</p> <p>PROJECT NUMBER: 10000</p> <p>PROJECT PHASE: 02</p> <p>LANDSCAPE CONCEPT PLAN</p>
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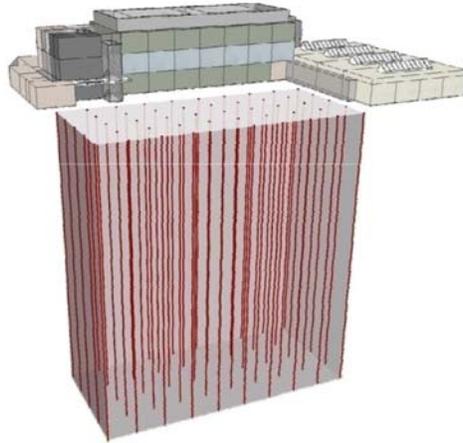
**C100**





**Heat Reclaim Chiller and Water Source Heat Pump (Geoexchange)**

- Heat recovery chillers with zone cooling through VAV boxes
- Chiller condenser water provided from geoexchange field
- Closed loop, vertical bore field



eu:a

AEI

: southwest ground view



eu:a

AEI

: southwest view





Brunner – the CDA will own the building. It will be managed in partnership with the University. Goal = cash flow will meet debt. Close to securing first master tenant, lease negotiated.

**5. Authorize and Make Recommendation to Common Council Borrowing for TID 4/Technology Park Infrastructure**

Brunner – introduced Brad Viegut and financing plan.

**City of Whitewater  
2009 Technology Park Financing**



**I. Estimated Amount of Borrowing / Structure:**

<b>\$3,290,000</b>	<b>Taxable General Obligation Community Development (Build America Bonds – Direct Pay)</b>	
	<b>Funds:</b> Infrastructure improvements related to the Technology Park	
	<b>Use of Funds:</b>	
	Project Construction	\$ 3,000,000
	Capitalized Interest (through 12/01/2011)	212,783
	Estimated Issuance Cost	<u>77,217</u>
		<b>\$ 3,290,000</b>

**Term:** Matures 2013-2029

**Call Provision:** 2021-2029; Callable 2020

**II. Procedure**

- Common Council considers initial resolutions ..... **December 15, 2009**
- Preparations are made for the issuance (compilation of Preliminary Official Statement, bond rating, marketing)
- Bids taken until 10:00 AM (CT)  
Common Council considers Award Resolution which finalizes interest rates and terms ..... **January 19, 2010**
- Closing ..... **February 2, 2010**

**III. Detailed Financing Plan**

- Attached



Preliminary Build America Bonds - \$3,000,000 for Projects

YEAR DUE	TIF #4 INCUBATOR PROJECT PAYMENT IN LIEU OF TAXES (A)	\$3,290,000 TAXABLE G.O. BONDS (BABs) Dated February 2, 2010 (First interest 6/1/10)					LESS: CAPITALIZED INTEREST	NET DEBT SERVICE	ANNUAL SURPLUS (SHORTFALL)	YEAR DUE
		PRINCIPAL (12/1)	INTEREST (6/1 & 12/1)	LESS: DIRECT SUBSIDY	PLUS: ANNUAL COSTS	TOTAL				
			Est. TIC= 5.74%	Est. Net TIC= 3.77%						
2010			\$148,528	(\$51,985)	\$425	\$96,968	(\$96,543)	\$425	\$92,075	2010
2011	\$92,500		\$178,830	(\$62,591)	\$425	\$116,665	(\$116,240)	\$425		2011
2012	\$92,500		\$178,830	(\$62,591)	\$425	\$116,665		\$116,665	(\$24,165)	2012
2013	\$92,500	\$50,000	\$178,830	(\$62,591)	\$425	\$166,665		\$166,665	(\$74,165)	2013
2014	\$92,500	\$115,000	\$177,330	(\$62,066)	\$425	\$230,690		\$230,690	(\$138,190)	2014
2015	\$92,500	\$165,000	\$173,190	(\$60,617)	\$425	\$277,999		\$277,999	(\$185,499)	2015
2016	\$92,500	\$170,000	\$166,838	(\$58,393)	\$425	\$278,869		\$278,869	(\$186,369)	2016
2017 (B)	\$92,500	\$175,000	\$159,443	(\$55,805)	\$425	\$279,063		\$279,063	(\$186,563)	2017
2018	\$92,500	\$180,000	\$151,305	(\$52,957)	\$425	\$278,773		\$278,773	(\$186,273)	2018
2019	\$92,500	\$185,000	\$142,485	(\$49,870)	\$425	\$278,040		\$278,040	(\$185,540)	2019
2020	\$92,500	\$190,000	\$133,050	(\$46,568)	\$425	\$276,908		\$276,908	(\$184,408)	2020
2021	\$92,500	\$195,000	\$123,075	(\$43,076)	\$425	\$275,424		\$275,424	(\$182,924)	2021
2022	\$92,500	\$205,000	\$112,545	(\$39,391)	\$425	\$278,579		\$278,579	(\$186,079)	2022
2023	\$92,500	\$210,000	\$101,168	(\$35,409)	\$425	\$276,184		\$276,184	(\$183,684)	2023
2024	\$92,500	\$220,000	\$89,198	(\$31,219)	\$425	\$278,403		\$278,403	(\$185,903)	2024
2025	\$92,500	\$230,000	\$76,218	(\$26,676)	\$425	\$279,966		\$279,966	(\$187,466)	2025
2026	\$92,500	\$235,000	\$62,418	(\$21,846)	\$425	\$275,996		\$275,996	(\$183,496)	2026
2027	\$92,500	\$245,000	\$48,083	(\$16,829)	\$425	\$276,679		\$276,679	(\$184,179)	2027
2028	\$92,500	\$255,000	\$32,893	(\$11,512)	\$425	\$276,805		\$276,805	(\$184,305)	2028
2029	\$92,500	\$265,000	\$16,828	(\$5,890)	\$425	\$276,363		\$276,363	(\$183,863)	2029
	\$1,757,500	\$3,290,000	\$2,451,081	(\$857,878)	\$8,500	\$4,891,702	(\$212,783)	\$4,678,920	(\$2,920,995)	

(A) Assumes construction complete in 2010 with first year of PILOT payment in 2011. Based on \$5,000,000 of Equalized Valuation at \$18.50/\$1,000 of value.

(B) Maximum legal life of TIF #4 is 2017 (27 years from 1990).

**Knight** – annual surplus shortfall numbers: saving approx \$62m annually?

**Viegut** – total payments \$4,678,920

**Brunner** – key, annual shortfall. PILOT, tenant almost pays for PILOT. Facility has to generate (2<sup>nd</sup> to last column). In the event that revenue is not generated, the debt first falls onto TID.

**Viegut** -Bond holders rely on City ability to levy a tax.

**Brunner** – distressed TID legislation?

**Viegut** – in the pending legislation there will be a need for the city to demonstrate distress in the given TID, at that point the city has ability to extend life of TID up to 40 years. TID 4 – 2017 final collection date (to date) could be pushed out if legislation is approved. Potential to share revenues from existing TID's as well.

**Brunner** – hoping cash flow will off-set P&I, but collective task will be to fill building. We must have an eyes wide open approach.

**Stanek** – \$3.3m for?

**Viegut** – \$3m for infrastructure and issuance cost

**Brunner** – building funded almost entirely from grant proceeds, with \$750,000 from CDA available funds

**Viegut** – we looked to use the most cost effective financing mechanism, eligible for tax exempt public purpose and public use – building does not meet that test. City would have option to issue taxable debt. Build America bond financing, meets all requirements of tax exempt financing. If city were to fund with taxable debt the payment structure would be without the subsidy. By allocating grant and CDA \$ to building will drive lowest cost to finance the project.

**Brunner** – change: problem with cash flow to pay off debt?

**Viegut** – city/CDA funds can be applied to debt

**Zaballos** – is it possible to put together an illustration of what are we buying and how are we paying for?

**Caldwell** – may want to have a few fall-backs: if the TID legislation is not passed, then also have the ½ mile TID option for pay-back. Important to have the necessary resolutions in place so we don't lose eligibility. It is wise to put both measures in place.

**Stewart** – TID legislation... do the other taxing authorities have to approve?

**Viegut** – yes, the process is very similar to normal TID creation process

**Brunner** – the other jurisdictions are aware of this.

**Stanek** – revenue projections?

**Brunner** – sources and uses statement the Tech Park Board has been working on, not in final form. Hoping for the CDA & TPB to make recommendation on concept of financing to bring to Council.

**Viegut** – money borrowed is a “not to exceed amount”

**Stanek** – can CDA make recommendation with contingencies?

**Stewart** – is there a timing issue that we must get this done by?

**Knight – motioned** on behalf of the CDA to recommend to the Common Council approval of the financing plan as submitted by Baird. Allen Seconded.

Ayes: Allen, Knight, Marshall, Miller, Stanek, Stewart

Nays: None

Absent: Kienbaum

The motion to recommend to the Common Council approval of the financing plan as submitted by Baird passed on a roll-call vote

**The Tech Park Board motioned** to recommend to the Common Council approval of the financing plan as submitted by Baird. Brunner took vote by roll-call.

## **6. Business Park Marketing Committee**

### **a. Discussion and Possible Action on Whitewater Technology Park Marketing Strategy**

Knight – the last BPM committee, Gayhart has taken the mailing list for review to realize a number of key industries on list will match-up as targets for the Tech Park. Discussion led the committee to feel that discussions should be had with both the CDA and the Tech Park Board as to how we can collaborate our efforts in marketing. Interested parties from the Tech Park Board are Peter Zaballos and John Chenoweth. Knight will call the next meeting and will chair the next meeting.

Stewart – concern is BPM is charged with marketing the Business Park only. Try to focus on technology end and do not co-mingle parks.

Telfer – we are in the early stages of hiring a park director who will be primarily responsible for marketing the TP.

## **7. Discussion and Possible Action on Inn Development & Management Proposal for a Market Feasibility Analysis to Determine the Level of Need for a Hotel in the City of Whitewater, WI**

**Barbian** – company located in FA, large profile in Mid-West and Country. Developers, Managers, Independent properties. Hired by communities. Analyze markets, look at businesses to see how they perform and how to improve current operations.

IDM will look at Economic Impact, community impact, understanding what's needed to serve the businesses and UWW in community. Demonstrate if hotel could be prosperous hotel in WW.

**Stewart** – boutique versus?

**Barbian** – boutique = 100 rooms or less, 3\* level or above. Study will look at best product to match community as well as franchises that could match community. Using boutique so we can use the best pieces of our business and turn it into a hotel.

**Stewart** – think some companies that would do their own “look see”, are there others who do this?

**Barbian** – yes there are others who do this. I can provide names to Mary so she may get other quotes. IDM will measure economic impact on retail and other businesses in your community.

**Knight** – IDM does needs assessment, pro-forma and business plan. How do you come up with your numbers? How do you get to the process of “is there a need”?

**Brunner** – worthwhile endeavor, concern = UWW did a feasibility study of their needs, may impact costs as the UWW research may be done and perhaps can reduce the fee.

**Marshall** – directed Nimm to gather more information, bring back at a later meeting.

## **8. Approval of the October 26, 2009 Minutes**

Jim Allen motioned to approve the October 26 minutes. Miller seconded.

Ayes: Allen, Knight, Marshall, Miller, Stanek, Stewart

Nays: None

Absent: Kienbaum

The motion to approve the October 26, 2009 Minutes passed unanimously on a voice vote.

## **9. Receipt and Filing of the October 2009 Financials**

Jim Allen motioned to accept the October 2009 Financials, Allen Seconded.

Ayes: Allen, Knight, Marshall, Miller, Stanek, Stewart

Nays: None

Absent: Kienbaum

The motion to accept the financials passed on a voice vote.

## **10. Discussion and Possible Action on Contract with Equity Commercial Real Estate**

Nimm explained that the listing contract with Equity Commercial Real Estate expires on December 31, 2009. Nimm asked Dave Zepecki to make any comments to the board prior to their motion.

**Zepecki** – noted that Equity Commercial Real Estate is doing all things brokers will do to put a deal together. Whitewater is progressive, all elements are in place. Market good product. Came very close this year with Keller Construction and Spec building; however there is continuing interest in the project. We think Whitewater makes investments in the community and we wish to continue to invest. Would like an

extension on the listing contract.

**Knight** – comments, have to work the property harder in this economy. Concern – efforts in poor times, this would be in our best interest to continue. Probably have to work on an RFP for Tech Park properties.

**Zepecki** – will go back to 08 & 09 contacts and try again for 2010.

Al Stanek motioned to renew the listing contact with Equity Commercial Real Estate for one year expiring 12/31/2010 to market and sell the existing Whitewater Business Park excepting those areas known as the Whitewater University Technology Park and to check-off line item #53. The contract will not be an addendum to the current contract, both parties agreed to entering into a new contract. Marshall seconded.

Ayes: Allen, Knight, Marshall, Miller, Stanek

Nays: Stewart

Absent: Kienbaum

The motion to enter into a 12 month listing contract with Equity Commercial Real Estate (the the amendments as listed above) passed on a 5-1 roll-call vote.

#### 11. CDA Coordinator

The agenda items were not discussed.

**a. Site Search Request(s)**

**b. IEDC Course – Technology Led Development**

#### 12. Future Agenda Items

No Future Agenda Items were added

#### 13. Adjourn to closed session at approximately 5:30PM to reconvene at approximately 5:45PM Per Wisconsin Statute 19.85 (1)(e). Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session

**a. Economic Development Loan Review – Dan’s Meat Market**

**b. Façade Loan Request for Property at 1117 West Main Street**

Tom Miller motioned to adjourn to closed session at 5:50PM. Allen seconded.

Present: Jim Allen, Jeff Knight, Alan Marshall, Tom Miller, Al Stanek, Jim Stewart

Absent: Marilyn Kienbaum

Others: Kevin Brunner, Mary Nimm

#### 14. Reconvene and Roll Call

Tom Miller motioned to reconvene at 6:00PM. Knight seconded.

Present: Jim Allen, Jeff Knight, Alan Marshall, Tom Miller, Al Stanek, Jim Stewart

Absent: Marilyn Kienbaum

Others: Kevin Brunner, Mary Nimm

#### 15. Discussion and Possible Action on Economic Development Loan with Dan’s Meat Market Pulled from agenda.

Item was removed from the agenda.

#### 16. Discussion and Possible Action on Façade Loan request for 1117 West Main Street

Knight motioned to accept the facade loan request for the property at 1117 West Main Street in the amount of \$15,000 for façade improvements with the contingency that the property owner secure necessary cross easement with appropriate parties as recommended by the Plan Commission before closing. Marshall seconded.

Ayes: Allen, Knight, Marshall, Miller, Stanek, Stewart

Nays: None

Absent: Kienbaum

The motioned passed on a unanimous voice-vote.

#### 17. Adjourn

Knight motioned to adjourn at 6:05PM.

Respectfully Submitted.



Mary S Nimm  
CDA Coordinator