



Whitewater CDA - **Amended Agenda**
Thursday, May 23, 2013
4:30 PM - CDA Board of Directors
Room 105, Innovation Center
1221 Innovation Drive, Whitewater, WI 53190

1. Call to order and roll call.
2. **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.*
3. **Approval of the Minutes.**
 - a. April 11, 2013
4. **Community Development Authority April 2013 Financial Statements**
5. **Consideration and discussion of a Fiber Optic project to extend services to TIF districts and the Business and Technology Park.**
6. **Consideration and discussion of a request to continue exclusive brokerage services for the Business Park and Technology Park. (John Henderson to attend and make a presentation.)**
7. **Consideration and discussion of the establishment of a fund to assist with outdoor seating at restaurants.**
8. **Consideration and discussion of financial assistance for the education portion of the HWY 12 project.**
9. **Consideration of a request to donate funds to the Discover Whitewater Series ½ Marathon.**
10. **Consideration and discussion of an Option to Purchase land by the CDA regarding the Business Park and Technology Park.**
11. **Consideration and discussion of a marketing program for the CDA.**
12. **Consideration and discussion of the filling the Support Research Specialist position.**
13. **Adjourn into closed session per Wisconsin State Statutes 19.85(1)(e) "Deliberating or negotiating the purchase of public property, the investing of public funds, or conducting other specified public business , whenever competitive or bargaining reasons require a closed session".**
 - a. **Confidential discussion regarding potential business developments**
 - i. **Software Consulting firms**
 - ii. **Organic Farm**
 - iii. **Manufacturing Company lease at Innovation Center**
14. **Return to open session for possible action on closed session items.**
15. **Future agenda referrals.**
16. **Adjourn**

It is possible that a quorum of Common Council and Technology Park Board members may attend this meeting. Even if a quorum is present, no Common Council and/or Technology Park Board business will be conducted at this meeting. Anyone requiring special arrangements is asked to call the office of the City Manager/ City Clerk at least 24 hours prior to the meeting.

AGENDA AMENDED 5-21-2013: ITEMS 12 & 13(a)(iii)

Whitewater Community Development Authority
Meeting Minutes
April 11, 2013

1. Call to order and roll call

The meeting was called to order by Chair Jeffery Knight at 4:35 p.m. The meeting was held at the Innovation Center, Room 105, 1221 Innovation Drive, Whitewater, WI 53190

Present: Allen, Henry, Kachel, Knight, Meyer, Singer, Winship (4:38)

Absent: Meyer

Also: Cameron Clapper, Patrick Cannon, Wally McDonell, Doug Saubert, Mallory Amann, Dr. Richard Telfer, Brad Viegut (R. W. Baird)

2. Hearing of Citizen Comments

None

3. Approval of the Following Minutes

a. March 14, 2013

The minutes were approved as presented.

Allen (1); Winship (2)

Aye: Allen, Henry, Kachel, Knight, Singer, Winship

Nay: None

4. CDA March 2013 Financials

The Financial Statements were presented by Finance Director Doug Saubert. He noted that we had some problems with loan collections from one loan. Staff had contacted them and they have made several payments.

The Financial Statements were accepted as presented.

Allen (1); Kachel (2)

Aye: Allen, Henry, Kachel, Knight, Singer, Winship

Nay: None

5. Innovation Center Financial Statements

Mr. Saubert discussed these statements also. The Board continued to express a concern that current projected revenues will not create enough revenues to allow the CDA to pay its annual PILOT to the City. The annual amount is \$92,500 and current revenues only allow for half of the required payment.

Mr. Saubert also indicated that a new tenant had signed a one year lease in the Innovation Center and that all Tenants are current on their lease payments.

The Financial Statements were accepted as presented.

Allen (1); Winship (2)

Aye: Allen, Henry, Kachel, Knight, Singer, Winship

Nay: None

6. Consideration and discussion of the status of the City's TIF districts (R. W. Bair to attend).

Bradley Viegut of R. W. Baird was present to make a presentation to the Board regarding the status of the currently active TIF districts. He indicated that TIF 7 is in a distressed status and the City can only retire the TIF in order to change the status. He did indicate that other TIFs can donate to TIF 7 if desired.

Mr. Viegut also clarified how a TIF overlay would work. The overlay district would receive the new increment rather than the original TIF. A previous concern was that all new increment would need to go to the underlying TIF district.

Overall, the City needs to add new increment to all its TIF in order to accelerate their success.

No further action was taken.

7. Consideration and discussion the Technology Park and Innovation Center (Chancellor Telfer to attend)

Chancellor Telfer and City Manager Clapper gave a brief summary of the activities in the park over the past year. Dr. Telfer highlighted the current programs being run by the University and how they have been very successful in meeting their mission. He would like to expand these programs and indicated that the Tech Park Board is looking for assistance in making this happen.

Dr. Telfer also indicated that Robert Young is no longer assigned as the Executive Director of the facility. Those duties are being filled by both University staff and CDA staff. He felt that this would work in the short term, but a long term solution needs to be finalized.

He and the Board members all agreed that additional publicity about the Innovation Center would help to boost the occupancy of the building.

No formal action was taken.

8. Consideration and discussion of the establishment of a fund to assist with outdoor seating at restaurants.

At the previous CDA meeting Board Member Singer requested that this item be placed on the agenda for consideration. He indicated that he had some concerns over the quality of outdoor seating equipment and would like to assist restaurants in obtaining higher quality furniture and other items needed for outdoor seating.

The Board asked that staff draft up a proposed manual that would establish a fund of \$10,000 that could be used to purchase commercial grade furniture and other equipment for outdoor seating.

The Board indicated that they would like to see a match of the funds at a 2:1 ratio and that the loans be forgivable after three years. The loans would be limited to \$2,500.00 per business.

Staff is to present this at the next CDA meeting.

9. Consideration and discussion of the City Fiber Optic Project.

The Chair noted that the City has before them a proposal to allow for a carrier to install dark fiber within the City Right of Way. In exchange for this action, the City would receive fiber cable (not installed) to allow for a hook up of City Hall. The chair indicated that this action seems to assist the schools but does not help the City in its effort to install cable through out the City.

The Board asked that the City Council go into closed session to discuss this proposed contract and how it will affect the City.

10. Consideration and discussion the RLF manual update

Staff gave an incorrect update on this project. A motion and vote were taken based upon incorrect data and the Committee reviewed that matter later in the meeting.

Original Motion to approve:

Singer (1); Kachel (2)

Aye: All via voice vote

Nay: None

Mr. Winship left the meeting at 6:45 pm

11. Consideration and discussion of proposed changes to the Seed Fund manual

Staff noted that the Wisconsin Economic Development Council (WEDC) had made a few minor changes to the manual previously approved by the CDA. Staff asked that after careful review that the Board approve the adjustments so that the documents are consistent. A motion was made to approve the changes recommended by the WEDC.

Allen (1); Kachel (2)
Aye: All via voice vote
Nay: None

In moving back to Item #10 on the agenda, Staff indicated that the WEDC had made available a model manual for communities to use regarding their RLF programs. Staff and the CDA chair had reviewed the manual and made recommendation to change the currently approved manual.

Most notable, was the increase in the funding limits for certain areas.

After careful review, the Board moved to approved the recommended changes

Kachel (1); Allen (2)
Aye: All via voice vote
Nay: None

12. Consideration and discussion of a marketing program for the CDA

Staff noted that the current marketing materials raised a concern by the Milwaukee 7 group as a potential threat to relocate businesses from their areas to Whitewater. While that was not the intent of the program, the marketing plan was adjusted to only be used in the northern Illinois area.

After a brief discussion of the marketing materials, the Board asked that this item be continued on to next month's agenda for further consideration.

No action was taken.

13. Consideration and discussion of site certification status for the Business Park.

Staff noted that the initial application had been completed and submitted to the State for their review.

14. Consideration and discussion of an Option to Purchase land by the CDA regarding the Business Park and Technology Park.

Staff noted that no options to purchase any lands in the parks currently exist. The previous option had expired. After careful discussion, the Board felt that a proposal should be drafted to the City requesting that all the vacant lands be sold to the CDA for \$1.00. By including adequate checks and balances within this proposal, this would continue to protect the City and assist in expediting the sale process.

Staff was directed to draft a proposal for the April meeting.

- 15. Adjourn to closed session per Wisconsin State Statute 19.85(1)(e) "Deliberating or negotiating the purchase of public property, the investing of public funds, or conducting other specified public business, wherever competitive or bargaining reasons require a closed session"**
- a. **Confidential discussion regarding potential business developments**
 - 1. **Software Consulting Firm**
 - 2. **Organic Farm**
 - b. **Request to subordinate a Home Rehabilitation Loan**

Motion to go into closed session as per state statutes and to allow one of the applicants to remain in the closed session portion of the meeting.

Knight (1); Allen (2)

Aye: Allen, Henry, Kachel, Knight, Singer

Nay: None

16. Return to open session for possible action

A motion was made to return to open session.

Singer (1); Henry (2)

Aye: Allen, Henry, Kachel, Knight, Singer

Nay: None

No action was taken in open session.

17. Future agenda referrals

Staff recommended that the Board consider a donation to help assist with the upcoming ½ marathon. The item will appear on the CDA agenda for April.

18. Adjournment

A motion was made at 8:00 p.m. to adjourn the meeting

Allen (1); Henry (2)

Aye: All via voice vote

Nay: None

The minutes were reviewed and approved by the CDA at its meeting on:

Jeffery Knight
Chairperson

Patrick Cannon
Recorder

**CITY OF WHITEWATER
BALANCE SHEET
APRIL 30, 2013**

CDA FUND

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
900-11100 CASH	26,484.26	(6,602.68)	(25,731.51)	752.75
900-11200 GENERAL CHECKING-1ST-100-722	20,629.60	109.31	117.77	20,747.37
900-11300 INVESTMENTS	50,011.85	6.61	30.80	50,042.65
900-18400 OFFICE EQUIPMENT	12,629.44	.00	.00	12,629.44
TOTAL ASSETS	109,755.15	(6,486.76)	(25,582.94)	84,172.21
<u>LIABILITIES AND EQUITY</u>				
<u>LIABILITIES</u>				
900-21100 VOUCHERS PAYABLE	6,229.20	.00	(6,229.20)	.00
900-22000 ACCUM DEPR - EQUIPMENT	11,344.84	.00	.00	11,344.84
900-25101 DUE TO 910	15,711.04	.00	.00	15,711.04
TOTAL LIABILITIES	33,285.08	.00	(6,229.20)	27,055.88
<u>FUND EQUITY</u>				
900-34300 PROPRIETARY CAPITAL	76,470.07	.00	.00	76,470.07
UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	.00	(6,486.76)	(19,353.74)	(19,353.74)
BALANCE - CURRENT DATE	.00	(6,486.76)	(19,353.74)	(19,353.74)
TOTAL FUND EQUITY	76,470.07	(6,486.76)	(19,353.74)	57,116.33
TOTAL LIABILITIES AND EQUITY	109,755.15	(6,486.76)	(25,582.94)	84,172.21

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2013

CDA FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>MISCELLANEOUS REVENUE</u>						
900-48100-56	INTEREST INCOME	9.70	42.35	25.00	(17.35)	169.4
900-48600-56	MISC INCOME	106.22	106.22	.00	(106.22)	.0
TOTAL MISCELLANEOUS REVENUE		115.92	148.57	25.00	(123.57)	594.3
<u>OTHER FINANCING SOURCES</u>						
900-49264-56	TRANSFER-FD 910-CDA PROGRAMS	.00	.00	42,668.00	42,668.00	.0
900-49290-56	CITY TRANSFER INCOME	.00	.00	61,803.00	61,803.00	.0
900-49300-56	FUND BALANCE APPLIED	.00	.00	25,000.00	25,000.00	.0
TOTAL OTHER FINANCING SOURCES		.00	.00	129,471.00	129,471.00	.0
TOTAL FUND REVENUE		115.92	148.57	129,496.00	129,347.43	.1

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2013

CDA FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>CDA</u>					
900-56500-115	367.50	2,157.30	12,480.00	10,322.70	17.3
900-56500-151	29.10	474.47	986.00	511.53	48.1
900-56500-158	.00	.00	5,000.00	5,000.00	.0
900-56500-210	.00	28.80	1,500.00	1,471.20	1.9
900-56500-211	5,005.00	9,040.50	71,400.00	62,359.50	12.7
900-56500-212	1,120.00	1,120.00	5,000.00	3,880.00	22.4
900-56500-219	.00	.00	1,000.00	1,000.00	.0
900-56500-223	.00	425.00	20,000.00	19,575.00	2.1
900-56500-224	.00	6,137.00	5,755.00	(382.00)	106.6
900-56500-225	.00	.94	850.00	849.06	.1
900-56500-310	11.24	19.61	800.00	780.39	2.5
900-56500-311	69.84	98.69	650.00	551.31	15.2
900-56500-320	.00	.00	800.00	800.00	.0
900-56500-321	.00	.00	275.00	275.00	.0
900-56500-330	.00	.00	2,000.00	2,000.00	.0
900-56500-341	.00	.00	1,000.00	1,000.00	.0
TOTAL CDA	6,602.68	19,502.31	129,496.00	109,993.69	15.1
TOTAL FUND EXPENDITURES	6,602.68	19,502.31	129,496.00	109,993.69	15.1
NET REVENUE OVER EXPENDITURES	(6,486.76)	(19,353.74)	.00	19,353.74	.0

**CITY OF WHITEWATER
COMMUNITY DEVELOPMENT AUTHORITY
INVESTMENT SCHEDULE**

FUND	BANK	ORIG DATE	DUE DATE	TERM	AMOUNT	INT RATE	NUMBER	NOTES
Facade Loan	First Citizens	07/24/2012	01/22/2013	182 days	\$25,000.00	0.45%	3307054	Replaces 3306791
Facade Loan	First Citizens	01/22/2013	01/22/2014	365 days	\$25,000.00	0.50%	3308087	Replaces 3307054
TOTAL					\$25,000.00			

General-Investments-Fund 900	Associated			Daily rate	\$50,042.65	0.20%		
TOTAL					\$50,042.65			

Business Development	Commercial	12/12/2012	12/19/2013	364 days	\$175,000.00	0.50%	210312	replaces 209902
Business Development	Commercial	08/02/2012	01/31/2013	182 days	\$100,000.00	0.46%	209993	replaces 209646
Business Development	Commercial	02/02/2012	02/05/2013	369 days	\$100,000.00	0.70%	209645	replaces 208938
Business Development	Commercial	02/05/2013	02/05/2014	365 days	\$100,000.00	0.50%	210376	replaces 209645
Business Development	First Citizens	08/23/2012	02/21/2013	182 days	\$200,000.00	0.45%	3307354	replaces 3307068
Business Development	First Citizens	02/21/2013	02/21/2014	365 days	\$200,000.00	0.45%	3308110	replaces 3307354
Business Development	Commercial	01/31/2013	01/31/2014	364 days	\$100,000.00	0.50%	210373	replaces 209993
TOTAL					\$575,000.00			

Economic Development Loan	First Citizens	11/06/2012	11/06/2013	12 months	\$50,000.00	55.00%	3308022	replaces 3307057
Economic Development Loan	First Citizens	05/25/2012	05/25/2013	12 months	\$152,100.00	0.60%	3307168	RENEWED
Economic Development Loan	Commercial	03/29/2012	03/28/2013	364 days	\$81,910.05	0.65%	209758	replaces 208862
Economic Development Loan	Commercial	03/28/2013	03/27/2014	364 days	\$81,910.05	0.50%	210466	replaces 209758
Economic Development Loan	First Citizens	06/19/2012	06/19/2013	365 days	\$60,000.00	0.60%	3306522	replaces 3306522
Economic Development Loan	Commercial	08/02/2012	01/31/2013	182 days	\$100,000.00	0.46%	209994	replaces 209644
Economic Development Loan	Commercial	02/02/2012	02/05/2013	369 days	\$100,000.00	0.70%	209643	replaces 208937
Economic Development Loan	Commercial	02/05/2013	02/05/2014	365 days	\$100,000.00	0.50%	210377	replaces 209643
Economic Development Loan	First Citizens	10/09/2012	10/09/2013	12 months	\$75,000.00	0.50%	3307408	replaces 3306838
Economic Development Loan	Commercial	01/31/2013	01/31/2014	364 days	\$100,000.00	0.50%	210372	replaces 209994
TOTAL					\$619,010.05			

TOTALS BY FUND

FUND 900 \$50,042.65
FUND 910 \$1,219,010.05
Total: \$1,269,052.70

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2013

CDA PROGRAMS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET	
<u>MISCELLANEOUS REVENUE</u>						
910-48101-00	INTEREST INCOME-BUSINESS DEV	15.65	1,489.83	3,400.00	1,910.17	43.8
910-48102-00	INTEREST INCOME-ECONOMIC DEV	579.45	1,635.68	6,200.00	4,564.32	26.4
910-48103-00	INTEREST INCOME-FACADE	18.06	125.44	700.00	574.56	17.9
910-48104-00	INTEREST INCOME-HOUSING	7.42	29.08	125.00	95.92	23.3
910-48105-00	INTEREST INCOME-ED DEV	2.21	8.28	20.00	11.72	41.4
910-48106-00	INTEREST INCOME-MORAINNE VIEW	.40	1.50	4.00	2.50	37.5
910-48108-00	INTEREST INCOME-SEED FUND	21.38	60.99	.00 (	60.99)	.0
910-48604-00	RENTAL INCOME-HOWARD ROAD	700.00	2,800.00	8,400.00	5,600.00	33.3
910-48605-00	RENTAL INCOME-CROP LEASES	.00	.00	6,090.00	6,090.00	.0
910-48645-00	LOAN INTEREST-LEARNING DEPOT	.00	.00	3,240.00	3,240.00	.0
910-48647-00	LOAN INT-TOPPERS--\$115,659	9.97	55.25	103.00	47.75	53.6
910-48648-00	LOAN INT-TOPPERS--\$33,960	5.86	23.75	9.00 (	14.75)	263.9
910-48649-00	FACADE LOAN-INT-TOPPERS-15K	.00	.00	96.00	96.00	.0
910-48651-00	FACADE-INT-WALTON DIST-30K	51.54	138.39	360.00	221.61	38.4
910-48653-00	LOAN INT-RR WALTON-15K-HOTEL	28.73	119.84	392.00	272.16	30.6
910-48658-00	LOAN INT-.960 E. MILWAUKEE LLC	718.55	1,447.59	4,494.00	3,046.41	32.2
910-48663-00	LOAN INT-BLACK SHEEP-1/20/12	.00	184.46	697.00	512.54	26.5
910-48664-00	LOAN INT-DR PLASTICS-2/27/12	424.61	1,297.69	4,659.00	3,361.31	27.9
910-48665-00	LOAN INT-BICWISE-\$62,600-4%	410.23	826.15	2,409.00	1,582.85	34.3
910-48680-00	ADMINISTRATION FEE-LOANS	.00	.00	2,000.00	2,000.00	.0
	TOTAL MISCELLANEOUS REVENUE	2,994.06	10,243.92	43,398.00	33,154.08	23.6
<u>OTHER FINANCING SOURCES</u>						
910-49100-00	TRANSFER-TO EST SEED FUND	.00	150,000.00	.00 (	150,000.00)	.0
910-49300-56	FUND BALANCE APPLIED	.00	.00 (	31,898.00)	(31,898.00)	.0
	TOTAL OTHER FINANCING SOURCES	.00	150,000.00	(31,898.00)	(181,898.00)	470.3
	TOTAL FUND REVENUE	2,994.06	160,243.92	11,500.00	(148,743.92)	1393.4

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2013

CDA PROGRAMS FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET AMOUNT</u>	<u>VARIANCE</u>	<u>% OF BUDGET</u>
<u>CDA PROGRAMS</u>					
910-56500-212 LEGAL/PROFESSIONAL/MARKETING	.00	.00	5,000.00	5,000.00	.0
910-56500-295 ADMINISTRATIVE EXPENSE	.25	.25	5,000.00	4,999.75	.0
910-56500-404 HOUSING LOANS	1,830.75	1,831.00	1,000.00	(831.00)	183.1
910-56500-408 RENTAL EXPENSES	.00	.00	500.00	500.00	.0
910-56500-450 SEED FUND GRANTS	.00	20,000.00	.00	(20,000.00)	.0
910-56500-550 TRANSFER-SEED FUND-ASSOC BK	.00	150,000.00	.00	(150,000.00)	.0
TOTAL CDA PROGRAMS	<u>1,831.00</u>	<u>171,831.25</u>	<u>11,500.00</u>	<u>(160,331.25)</u>	<u>1494.2</u>
TOTAL FUND EXPENDITURES	<u>1,831.00</u>	<u>171,831.25</u>	<u>11,500.00</u>	<u>(160,331.25)</u>	<u>1494.2</u>
NET REVENUE OVER EXPENDITURES	<u>1,163.06</u>	<u>(11,587.33)</u>	<u>.00</u>	<u>11,587.33</u>	<u>.0</u>

**CITY OF WHITEWATER
BALANCE SHEET
APRIL 30, 2013**

CDA PROGRAMS FUND

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
910-11101	135,034.44	837.93	1,630.11	136,664.55
910-11102	251,662.98	10,043.53	28,667.36	280,330.34
910-11103	278,929.01	715.65 (	180,310.17)	98,618.84
910-11104	14,816.59	2.21	8.28	14,824.87
910-11105	57,233.99 (	13,798.33) (	13,536.92)	43,697.07
910-11106	2,698.42	.40	1.50	2,699.92
910-11110	.00	21.38	130,060.99	130,060.99
910-11303	619,010.05	.00	.00	619,010.05
910-11305	25,000.00	.00	.00	25,000.00
910-11310	575,000.00	.00	.00	575,000.00
910-14310	80,704.27	.00	.00	80,704.27
910-14337	9,121.56 (	247.52) (	985.16)	8,136.40
910-14339	6,084.59 (	1,387.11) (	6,084.59)	.00
910-14340	2,243.91 (	869.23) (	2,243.91)	.00
910-14341	2,403.03	.00	.00	2,403.03
910-14342	9,066.10 (	768.58) (	1,911.91)	7,154.19
910-14345	146,325.77 (	2,107.47) (	4,204.45)	142,121.32
910-14346	18,673.18	.00 (	681.34)	17,991.84
910-14347	132,153.98 (	2,397.45) (	7,168.49)	124,985.49
910-14348	62,600.00 (	857.35) (	1,709.01)	60,890.99
910-14349	.00	.00	34,600.00	34,600.00
910-14350	8,220.00	.00	.00	8,220.00
910-14351	10,203.84	.00	.00	10,203.84
910-14353	18,420.02	.00	.00	18,420.02
910-14356	8,062.00	.00	.00	8,062.00
910-14359	10,818.00	.00	.00	10,818.00
910-14361	11,000.90	.00	.00	11,000.90
910-14363	11,000.00	.00	.00	11,000.00
910-14366	12,504.15	.00	.00	12,504.15
910-14368	15,517.48	.00	.00	15,517.48
910-14371	1,900.00 (	100.00) (	400.00)	1,500.00
910-14375	18,422.00	.00	.00	18,422.00
910-14378	34,448.00	.00	.00	34,448.00
910-14379	12,630.00	.00	.00	12,630.00
910-14380	90.00 (	90.00) (	90.00)	.00
910-14381	7,595.00 (	390.00) (	390.00)	7,205.00
910-14384	38,095.00 (	300.00) (	300.00)	37,795.00
910-14387	60.00	13,035.00	13,035.00	13,095.00
910-14388	60.00 (	60.00) (	60.00)	.00
910-14389	60.00 (	60.00) (	60.00)	.00
910-14390	.00 (	60.00)	.00	.00
910-14554	750,000.00	.00	.00	750,000.00
910-15208	15,711.04	.00	.00	15,711.04
910-15521	275,171.53	.00	.00	275,171.53
910-15531	6,087,994.00	.00	.00	6,087,994.00
TOTAL ASSETS	9,776,744.83	1,163.06 (	12,132.71)	9,764,612.12

LIABILITIES AND EQUITY

**CITY OF WHITEWATER
BALANCE SHEET
APRIL 30, 2013**

CDA PROGRAMS FUND

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>LIABILITIES</u>				
910-21100 VOUCHERS PAYABLE	545.38	.00 (	545.38)	.00
910-21200 DEPOSITS	900.00	.00	.00	900.00
910-22000 ACCUM DEPREC-BUILDING	121,759.88	.00	.00	121,759.88
TOTAL LIABILITIES	123,205.26	.00 (	545.38)	122,659.88
<u>FUND EQUITY</u>				
910-30110 CONTRIBUTED CAPITAL	456,815.37	.00	.00	456,815.37
910-34300 PROPRIETARY CAPITAL	8,559,759.27	.00	.00	8,559,759.27
910-35000 HOUSING LOANS RESERVE	174,316.71	.00	.00	174,316.71
910-35100 ECONOMIC DEV LOANS RESERVE	433,615.17	.00	.00	433,615.17
910-35160 FACADE LOANS RESERVE	29,033.05	.00	.00	29,033.05
UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	.00	1,163.06 (	11,587.33)	(11,587.33)
BALANCE - CURRENT DATE	.00	1,163.06 (	11,587.33)	(11,587.33)
TOTAL FUND EQUITY	9,653,539.57	1,163.06 (	11,587.33)	9,641,952.24
TOTAL LIABILITIES AND EQUITY	9,776,744.83	1,163.06 (	12,132.71)	9,764,612.12

ECONOMIC DEVELOPMENT CLIENT	Original Loan	March 31, 2013				April 30, 2013	Current
	AMOUNT	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	
DR Plastics-2/24/12	\$153,235.00	\$127,382.94	\$2,397.46	\$424.61	\$2,822.06	\$124,985.49	N
Toppers--115k	\$115,659.00	\$1,387.11	\$1,387.11	\$9.97	\$1,397.08	\$0.00	FINAL
Toppers--33k	\$33,960.00	\$869.23	\$869.23	\$5.86	\$875.09	\$0.00	FINAL
Walenton/Learning Depot	\$101,925.00	\$80,704.27	\$0.00	\$0.00	\$0.00	\$80,704.27	Paid up thru May-2013
Walton Rental-Hotel	\$15,000.00	8,383.91	\$247.52	\$28.73	\$276.25	\$8,136.39	Y
960 East Milwaukee	\$204,611.00	\$144,228.79	\$2,107.47	\$718.55	\$2,826.02	\$142,121.32	Y
Black Sheep-1/20/2012	\$21,114.00	\$17,991.84	\$0.00	\$0.00	\$0.00	\$17,991.84	Y-paid on 5/2
Bikewise-12/27/2012	\$62,600.00	\$61,748.34	\$857.35	\$410.23	\$1,267.58	\$60,890.99	Y
TOTALS	\$708,104.00	\$315,313.49	\$5,468.68	\$1,173.34	\$6,642.02	\$309,844.81	

UDAG-BUSINESS DEV CLIENT	Original Loan	March 31, 2013				April 30, 2013	Current
	AMOUNT	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	
DP Electronic Recycling-3/27/13	\$34,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,600.00	Y
TOTALS	\$34,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,600.00	

FAÇADE CLIENT	Original Loan	March 31, 2013				April 30, 2013	Current
	AMOUNT	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	
Walton Distributing	\$30,000.00	\$7,922.76	\$768.58	\$51.54	\$820.12	\$7,154.18	Y
Toppers (Nov 1 Annual)	\$15,000.00	\$2,403.02	\$0.00	\$0.00	\$0.00	\$2,403.02	Y
TOTALS	\$45,000.00	\$10,325.78	\$768.58	\$51.54	\$820.12	\$9,557.20	

HOUSING CLIENT	Original Loan	March 31, 2013				April 30, 2013	Current	Loan Type
	AMOUNT	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE		
A8416	\$10,203.84	\$10,203.84			\$0.00	\$10,203.84		0-deferred
B935	\$18,420.02	\$18,420.02			\$0.00	\$18,420.02		0-deferred
B0803-0901	\$34,448.00	\$34,448.00			\$0.00	\$34,448.00		0-deferred
C021	\$15,517.48	\$15,517.48			\$0.00	\$15,517.48		0-deferred
C932	\$8,062.00	\$8,062.00			\$0.00	\$8,062.00		0-deferred
G0107	\$8,000.00	\$1,600.00	\$100.00	\$0.00	\$100.00	\$1,500.00	Y	0%-Monthly
HO #1	\$0.00	\$12,630.00			\$0.00	\$12,630.00	IN PROCESS	0-deferred
HO #2	\$0.00	\$90.00			\$0.00	\$90.00	IN PROCESS	
HO #3	\$0.00	\$7,595.00	(\$390.00)		\$0.00	\$7,205.00		0-deferred
HO #4	\$0.00	\$38,095.00	(\$300.00)		\$0.00	\$37,795.00		0-deferred
HO #7	\$0.00	\$60.00	\$13,035.00		\$0.00	\$13,095.00	IN PROCESS	
HO #8	\$0.00	\$60.00			\$0.00	\$60.00	IN PROCESS	
HO #9	\$0.00	\$60.00			\$0.00	\$60.00	IN PROCESS	
HO #10	\$0.00	\$60.00			\$0.00	\$60.00	IN PROCESS	
J8802	\$10,818.00	\$10,818.00			\$0.00	\$10,818.00		0-deferred
M8501	\$10,621.42	\$11,000.90			\$0.00	\$11,000.90		0-deferred
M0301	\$8,220.00	\$8,220.00			\$0.00	\$8,220.00		0-deferred
M0801	\$18,422.00	\$18,422.00			\$0.00	\$18,422.00		0-deferred
P954	\$11,000.00	\$11,000.00			\$0.00	\$11,000.00		0-deferred
V902	\$12,504.15	\$12,504.15			\$0.00	\$12,504.15		0-deferred
TOTALS	\$166,236.91	\$218,866.39	\$12,445.00	\$0.00	\$100.00	\$231,111.39		

Memorandum

To: Community Development Authority Board

From: Patrick Cannon 
Executive Director

CC; Cameron Clapper
City Manager

RE: Fiber Optics

Date: May 10, 2013

As you are aware, the City and WIN have entered into an agreement to extend fiber to the High School campus. The new conduit will extend south along Prince Street to reach the campus parcel. The City, by allowing this installation will receive 4,500 linear feet of fiber for its use. This is a sufficient amount of cable to allow a connection to the fiber from City Hall. The City will need to contract for the installation of the fiber.

The CDA Chairperson, Jeff Knight has asked that the discussion of fiber extension to the various TIF districts and the Business and Tech Park be placed on the May CDA agenda for discussion. With that in mind, I wanted to share my thoughts on the matter.

TIF 4

This is a large geographic district that encompasses most of the eastern portion of the City. Also included in this district is the downtown area. This TIF is currently in a distressed status and therefore cannot amend its plan to add a new project, add any territory to the TIF or expend funds outside of its boundary. All expenditures made outside of the current project plan would be considered a non TIF expenses.

In order to service the downtown area fiber cable could be extended from City Hall (upon completion of service to this building) through out the area. The fiber optics could then be extended to via the city owned conduit along Milwaukee Street from S. Wisconsin Ave to S. Clay St.

The Business Park has a line that runs along Starin Road, Executive Drive, University Blvd and Innovation Drive. The line terminates at the Innovation Center. A large portion of the developed part of the Business Park does not reside within the TIF district. Any extension of the line in his area would be a general fund expense. It should also be noted that current State Statutes prohibit a municipality from owning or operating a fiber optic system. Other entities would either need to be contracted with or created to facilitate this endeavor if desired.

The lands south of the Innovation Center are currently undeveloped. The City could chose to extend the fiber into this area but would do so with the risk of dictating the future land divisions or expose itself to additional costs if the lines needed to be relocated.

TIF 7

This district is an overlay of certain portions of TIF 4 along with new lands south of Elkhorn Road. State Statutes does allow for TIF expenditures outside of the TIF Boundary. WE should investigate an extension of the fiber line from TIF 4 into TIF 7. The costs could then be charged to TIF 7.

TIF 5

TIF 5 is a largely vacant area located in the northwestern portion of the community. The TIF does extend along Business HWY 12 and is an important development area for the City. Currently a fiber optics line runs along HWY N and has a handhold at the intersection of Starin Road. Technically the fiber along HWY N touches TIF 5; however the absence of a handhold prohibits TIF 5 from using of the fiber at this point.

In order to reach into the heart of the TIF District, the line would need to be extended westerly from the intersection of HWY n and Starin Road. While a small portion of the line would be outside the current TIF boundary, it is well within the acceptable limits for an offsite improvement. Again, as with the lands south of the Innovation Center placement of the lines may result in additional relocation costs in the future.

The City should also note that W. Main Street (W Bus 12) is not in a TIF district. We would need to develop a plan to extend the fiber along W. Main Street to allow these businesses to utilize the services.

TIF 6

This district lies in the south western potion of the city along HWY 12 from Walworth Ave to east of the HWY 59 intersection. The district also runs along HWY 59 into the city and terminates at Walworth Ave on the east side. It is a large district with a vast majority of the area undeveloped.

The most logical extension for the TIF would be from the High School campus. Again, these expenses could be part of the TIF project Plan and be eligible as a TIF expense. It is quite a large area and multiple penetrations of the fiber into the TIF might be warranted. We may want to consider extending the fiber along HWY 12 from its intersection with BUS HWY 12. This could give us a loop system into the area.

COSTS

These recommendations/suggestions have been made with out knowing the costs of the placement of the fiber. In order to make an educated decision, I believe that we would need to engage the services of a professional to quantify the concepts I have outlined and to establish costs for each project. If desired, I can begin to research this part of the plan.

LEGAL

State Statues currently prohibit a municipality from owning or operating a fiber optics system. This leads us to a whole different series of discussion topics. How do we do this?

1. The City could install just the conduit and then allow providers the opportunity to use the conduit.
2. The City could lease out its Right of Way to a third parties to lay their own conduit and fiber to service the areas.
3. We can look at the creation of a non profits organization to own and operate the fiber system.

All of these concepts will require the use of a qualified Attorney to help guide us through the process.

I have attached a map that would lines the current fiber and conduits through out the City. Hopefully this will help in this analysis.

If you have any questions, please let me know.



Patrick A. Cannon
Executive Director
P.O. Box 178
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Whitewater, WI 53190

PHONE: (262) 473-0148
FAX: (262) 473-0549
Email: pcannon@whitewater-wi.gov
WEBSITE: www.whitewater-wi.gov

John Henderson
MAI LMI Commercial
757 N. Broadway
Suite 700 Milwaukee, WI 53202

April 17, 2013

Re: Whitewater CDA Commercial Broker's Agreement:

Dear John:

I received your e mail dated April 16, 2013 regarding the Broker's contract between yourself and the CDA. I apologize for not responding sooner, but as you know I have been out of the office due to a medical situation.

At this time, your request has been placed on the CDA agenda for May 23, 2013. The meeting will begin at 4:30 pm at the Innovation Center.

Prior to that meeting, I would like to meet with you to discuss the contract. I am available on either April 25 at anytime or on May 2 at anytime prior to 3:00 pm. Do these date work for you? If you could please let me know, I can schedule the meeting.

Also, if you could please provide to me prior to the meeting the following information:

1. A list of contacts you have made on behalf of the CDA to market the property.
2. A summary of the contacts received by you regarding inquiries into the Business and Technology Parks.
3. A copy of the marketing materials that you utilize.
4. A summary of other commercial Business and Technology Parks that you currently have under contract to serve as their Broker.

If you could please let me know about the date or have any questions, please let me know.

Sincerely,

Patrick Cannon

Pat Cannon

From: John H Henderson [jhenderson@mlgcommercial.com]
Sent: Tuesday, April 16, 2013 2:13 PM
To: Pat Cannon; Cameron Clapper; jpk@knightpublicaffairs.com; larry.kachel@genworthrr.com; jamesdallen@charter.net; Jim Winship; Patrick Singer; goofmeyer@att.net; donnah1628@yahoo.com
Cc: Richard Telfer (telferr@uww.edu); Michael Van Den Bosch (mike@walworthbusiness.com); Ronald "Bud" Gayhart (gayhartr@uww.edu)
Subject: Whitewater Business Park and Whitewater Technology Park
Attachments: 32356_Whitewater Business Park_Amend to Ext 11.30.13_Unsigned.pdf
Importance: High

As I believe you know, our marketing agreement for the Whitewater Business Park expired at the end of November last year. In spite of numerous attempts to meet and discuss moving forward it has been frustrating to not get much of a response. The reason for the lack of response is puzzling but there has been a fair amount of leadership change going on in Whitewater so it may be understandable.

While we are very interested in continuing our partnership and believe it is in your best interests, both sides must agree. I again ask that we have the chance to meet and feel it should be with the entire CDA board. An amendment extending our agreement is attached for your review and approval. (An amendment was originally sent last November to Cameron Clapper, Jeff Knight and Pat Cannon)

If you are unwilling or unable to meet we must terminate our marketing of both of your parks.

Your reply will be greatly appreciated.

John H. Henderson, SIOR
Corporate Solutions Group
NAI MLG Commercial
757 N. Broadway, Suite 700
Milwaukee, WI 53202

414-333-1261

jhenderson@naiglobal.com

City of Whitewater



Commercial
Outdoor Seating
Program

Manual & Application

Whitewater Community Development Authority
312 West Whitewater Street, P.O. Box 178, Whitewater, WI 53190
Ph. (262) 473-0148 Fax (262) 473-0509
www.cityofwhitewater.com

April 17, 2013

Forward

The Community Development Authority of the City of Whitewater charged with assisting with economic development within the City and surrounding areas. One area that this body felt needed assistance was with the establishment of high quality outdoor furniture and related equipment. Primarily used in restaurant establishments, the CDA felt the creation of a forgivable loan program would help to enhance these businesses. Therefore, the CDA has decided to commit \$10,000 of its own funds to a program to assist with the purchase of commercial grade outdoor seating and related equipment.

The overall purpose of improving this program is to increase retail traffic and thus to preserve and enhance the economic viability of Whitewater's restaurants who have the proper permits for outdoor seating. But an equally important goal is to help create a community environment which is attractive new customers to enjoy the outdoor seating. This program will enhance Whitewater's success in improving the appearance of restaurants and attracting new customers to the city.

This manual contains the policies which have been adopted to govern the use of the Commercial Façade Loan Program.

Section 1. Administration

1. Administration

1.1. Program Roles

- 1.1.1. CDA. The CDA will provide financing for technical assistance, advertising, forms and accounting necessary to ensure the proper functioning of this program.
- 1.1.2. CDA Staff. CDA Staff will interview all applicants to prepare application forms and the information necessary to qualify for and receive the business loan. The CDA Executive Director will be responsible for the evaluation and disbursement of the funds.

1.2. Records.

The CDA office shall maintain records of Outdoor Seating Program activities. Including minutes of the CDA Board of Directors, loan applications and related documents, and other business matters. All individual project files will, to the extent possible, be maintained as confidential records.

Each project file will contain some or all of the following appropriate documents:

- completed application with drawings and signed consent to release information;
- contractor bids (if applicable);
- truth in lending disclosure;
- loan amortization schedule;
- declaration of business purpose;
- continuing guarantee;
- authorization to loan terms and conditions;
- Other documents as deemed necessary by the Façade Loan Committee.

Section 2. Eligibility Considerations

2. Eligibility

2.1. Eligible Area.

In order to be eligible for Outdoor Seating Program, the commercial building must be located within one of Whitewater's commercially-zoned districts (i.e., B-1, B-2 or B-3 zones). A Sidewalk Café permit is also required to be eligible for a loan.

2.2. Eligible Applicants.

Applicants may be either owners or tenants of commercial buildings in the areas noted above.

2.3. Eligible Activities.

The general purpose of the Outdoor Seating Program relates only to the approved outdoor seating areas permitted in the City of Whitewater's commercial districts.

2.4. Allowable equipment.

The CDA will compile and furnish a list of quality and durability requirements for items to be purchased. All color schemes must be consistent with the current building façade.

Outdoor fencing must meet city standards and have an allowable permit if required.

2.5. Examples of eligible activities include:

- Commercial grade outdoor seats & tables
- Umbrellas
- Required fencing
- Heater systems
- exterior lighting;

Section 3. Loan Terms and Conditions

3. Loan Terms and Conditions.

3.1. Loan Terms

The maximum term for any Façade Loan will be three (3) years. Loan terms will be negotiated by the CDA Director.

3.2. Loan Match Requirement

Each loan will require a matching contribution by the applicant in an amount equal to twice the amount of the loan. (Ratio 2:1).

3.3. Loan Amount.

The maximum amount of any outdoor Seating Program loan will be two thousand five hundred dollars (\$2,500.00) *per eligible building*, and the loan must be applied to the building for which it is approved. Loans are subject to the availability of funds in the Outdoor Seating Program.

3.4. Loan Forgiveness

If a loan recipient remains in operation and continues to utilize the outdoor seating provided under the terms of their loan for a period of 36 consecutive months, the principal original loan will be forgiven. If the seating is removed due to weather related circumstances, those months will be counted towards the consecutive month obligation.

3.5. Loan Payments – Balloon Payment

Monthly loan payments are NOT required. The entire amount of principal and interest is due on the first day of the 37th month of the loan, unless the applicant meets the loan forgiveness criteria set forth in Section 3.4 of this document.

3.6. Interest Rate.

The rate of interest on all Outdoor Seating Program Loans will be four percent (4.00%).

3.7. Prepayment.

There is no penalty for pre-payment of an Outdoor Seating Program Loan.

3.8. Loan Security

The CDA will not require any collateral to be pledged against the outstanding amount of the loan.

3.9. Non-Discrimination.

No Outdoor Seating Program Loan recipient may discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or handicap.

3.10. Default.

In the event that an Outdoor Seating Program loan applicant fails to remain in business and open to the public for a period of thirty six (36) consecutive months, the loan will be declared as being in default and the outstanding principal and interest is due.

3.11. Amendment.

Any amendment to the Outdoor Seating Program Loan agreement requires the written agreement of both the CDA and the loan recipient.

3.12. Downtown Design Guidelines Requirement.

Any project funded in part by an Outdoor Seating Program Loan must comply with this Outdoor Seating Program Loan Manual. The project must also comply with all applicable City of Whitewater zoning ordinances and other criteria in force at the time of approval.

Section 4. Application Procedures

4. Application Procedures.

4.1. Discussion of Requirements.

Prior to submitting an application, the applicant shall discuss the program with the CDA Director to determine eligibility and the availability of funds. The CDA Director shall assist the applicant, as is reasonable necessary, in completing the application. All financial information shall be kept in a secure location with limited access only by authorized personnel.

4.2. Timing.

Applications will be accepted continuously provided funds are available.

4.3. Loan Application

All applicants must complete a standard application form and submit all required attachments. A copy of the application form and a list of attachments is included in this manual as Appendix A.

4.4. Review Process.

Staff Review. The CDA Director or a designee will review the application and supporting material. Any missing information will be supplied and all responses will be verified prior to forwarding the application to the CDA Attorney.

4.5 Notice of Approval or Disapproval.

The CDA Director or designee will contact the applicant following a review of the application to provide notification of the decision to approve or disapprove the loan.

Section 5. Distribution of Funds.

5. Distribution of Funds.

5.1. Loan Closing.

On the date of the loan closing, the CDA Director or designee will meet with the applicant to review and sign all documents related to the closing of the loan, explain the repayment requirements, and obtain any required documentation. A list of required documentation is included in Section 1.2 of this Outdoor Seating Program Manual.

5.2. Loan Disbursement.

The loan funds will be provided in a single check provided to the loan recipient at the time of closing. The loan recipient will be responsible for paying all parties contracted to provide either equipment or services associated with the project. Proof of payments must also be submitted to the CDA as verification of the disbursements.

Section 6. Discontinuation and Amendment.

6. Discontinuation and Amendment

6.1. Discontinuation of the Façade Loan Program.

If the Outdoor Seating Program is discontinued, all program funds will revert to the Whitewater CDA to be used for economic development purposes.

6.2. Amendment of the Façade Loan Program Manual.

The CDA may, at any time, amend the Outdoor Seating Program Manual in order to provide for changes in the operation of the program. Amendments to the manual must be approved by a majority of the members present at any regularly scheduled meeting of the CDA Board of Directors.

Application

Applicant Information		Project Information	
Contact Name		Project Address	
Business Name		Tax Key Number(s)	
Street Address		Project Zoning	
City, State, Zip Code		Downtown (yes/no)	
Phone		Year Constructed	
Fax		Most Recent Use	
E-mail		Proposed Use	
Project Description			

Identify the major activities to occur in the renovation project. Provide copies of required permits allowing for Sidewalk cafes. Describe the materials to be used.

Provide a detailed description.

Memorandum

To: Community Development Authority Board

From: Patrick Cannon 
Executive Director

RE: HWY 12

Date: May 16, 2013

The conversion of HWY 12 from Elkhorn to Whitewater from its current status to a four lane roadway is a vital component to our economic growth. The proposed improvements would create a much safer roadway and the additional traffic lanes will greatly enhance our ability to provide an adequate roadway for additional economic development opportunities.

With any project of this cost magnitude is the need to educate various parties about the current aspects of the proposed project. This includes both the positive benefits as well as the impact of completing this project. By having all parties understanding the needs for the project, a decision can then be based upon the facts rather than assumptions.

At this time, several parties representing various interest in the City of Whitewater have come together to begin an educational effort. Their goal is to pull together the benefits of doing this project so that it can then be distributed to various decision makers. Again, educating people of the need is a vital part of the project.

It is my recommendation that the CDA join in this effort to help with the educational component. Currently, HWY 12 runs through TIF #6 on the west side of the City. By authorizing \$6,000 of the current TIF fund balance, we can help to create an educational package that will be used to enhance the project.

As per the report from R.W. Baird, TIF #6 has a fund balance of \$16,814 for the year ending on December 31, 2012. Under the current financial circumstances, the annual TIF revenues exceed the debt service requirements for each debt service year. Utilizing the TIF as a funding source will not have a negative effect on its financial situation.

If you have any questions, please let me know.

Memorandum

To: Community Development Authority Board

From: Patrick Cannon 
Executive Director

RE: Discover Whitewater Series ½ Marathon

Date: April 18, 2013

As you are aware, a ½ marathon is scheduled to be held in Whitewater this year. Currently, the race sponsors are looking to solicit donations to help sponsor the race.

I would like to recommend that the CDA contribute \$2,500 towards this event. The funding would come from our marketing funds included in the 2013 budget.

While this event is being coordinated and run by a private organization, the event highlights the entire community. One of our goals is to help in the areas of residential and business growth. Helping to sponsor this event not only serves to fulfill this charge but it also promotes the entire community. Our donation will be returned to the community in many ways because of the people coming here, spending their money at our local stores, eating at our restaurants and seeing the city. Also, we will receive lots of positive publicity for the event.

This item is scheduled for discussion on the agenda for our April 25th meeting. Two of the Board members will be prohibited for taking part in this discussion due to a conflict of interest.

If you have any questions, please let me know.

Memorandum

To: Whitewater City Council

From: Whitewater Community Development Authority

Re: Purchase of lands in Business Park

Date: April 17, 2013

The marketing and sale of property within the Business Park is a major responsibility of the Community Development Authority. In completing the sale of the property to Trostel, LLC, it was discovered that the entire Business Park is owned by the City of Whitewater. Previously the property was under an option agreement to the CDA.

Prior Option

In 1987, the City and the CDA entered into an agreement that optioned the vacant property in the Business Park to the CDA. This agreement was for a term of twenty years ending in 2007. While the earlier agreement was amended to allow for the same option to cover any additional properties purchased by the City in the Business Park, no further action was taken to allow for the extension of the agreement.

It was believed that the 1987 agreement was still in effect at this time. However, no agreement is valid. CDA staff has completed an exhaustive review of their files to determine if any option agreement was in existence.

Under the terms of the prior agreement, the CDA could purchase lands from the City at a cost of \$2,500 per acre. The CDA could also assign their purchase rights to another party who had a valid contract to purchase certain lands.

Trostel LLC Purchase

In completing the sale of the property to Trostel, LLC earlier this year, the CDA completed the negotiations for the sale and was under the impression that the sale proceeds would be placed into the CDA funds. At this time, these funds remain in the City accounts, since no option is in place for the CDA.

The closing process also brought to light the cumbersome process to authorize the sale of the site. Fortunately, the City Council was scheduled to meet and could authorize the sale. If this was not the case, the entire sale would have been delayed and the project would not have started on time.

Future Sales

At this time, the CDA would like to propose that all the vacant lands be “sold” to the CDA for one dollar. The sale would allow the CDA to authorize the property sales and to expedite the transactions.

Council Concerns

The CDA has looked at this from the perspective of the City Council to determine if this proposal would make sense. Based upon our discussion, we would like to offer the following:

1. If the CDA owns the property and can authorize its sale, what oversight would remain with the City Council?

The City Council would still have several levels of review and authority over a sale. Aside from appointing the members of the CDA, the Council would still need to review the site plans and authorize any building elevations.

2. Who would get the sale proceeds?

Under the prior sales agreement, the CDA would retain the sale proceeds above its purchase price of \$2,500.00 per acre. In addition, if a sale was for less than \$2,500 per acre, the CDA would not receive any proceeds.

Our proposal to address this area would be as follows:

All sales proceeds would be awarded to the CDA.

In turn, the CDA would allocate the funds as follows:

- A. 20% of net sale proceeds would be used for debt service
- B. 30% of net sale proceeds would be used to fund the annual CDA operating budget.
- C. 40% of net sale proceeds would be used to create reserve funds for the operation of the park including establishing funding for future land purchase.
- D. 10% of net sale proceeds would be used to assist with projects throughout the City of Whitewater. For example; funds could be awarded to the Arts Council to assist with a beautification project(s).

3. How would the City Council be aware of any pending land sales?

As required, two members of the CDA are appointed by the City Council. These members would be able to explain to the full Council any pending sale. In addition, the CDA would need to brief the City Manager on a regular basis on any pending sale.

4. Who would be responsible for and pay for the property and liability insurance coverage?

Fortunately, both the CDA and City are currently under the same policies. These policies would remain in force and the premium allocation would then become a CDA expenses for the property coverage. The CDA is charged already for the liability coverage.

We trust that the City Council will look favorably upon this request. We would like to meet with City council to discuss this proposal.

If you have any questions in the interim, please feel free to contact either Jeff Knight or Pat Cannon.