



Whitewater CDA - **MINUTES**

Monday, May 24, 2010
4:30 PM – CDA Board of Directors
2nd Floor – Lakefront Conference Room
Whitewater Municipal Building
312 W. Whitewater Street
Whitewater, WI 53190

1. Call to order and roll call

Tom Miller called the meeting to order at 4:30PM.

Present: Jim Allen, Jeff Knight, Alan Marshall, Tom Miller, Patrick Singer, Al Stanek, Jim Stewart
Absent: None

Others Present: Kevin Brunner, Mary Nimm, Doug Saubert, Wally McDonell, Bud Gayhart, Cameron Clapper, Kim Howarth, Mike Vandenbosh, Jim Caldwell

2. Election of Officers – Chair and Vice-Chair

Jim Allen motioned to nominate Tom Miller as Chair. Marshall seconded.

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

Nays: None

Absent: None

The motion to nominate Tom Miller as Chair passed unanimously on a roll-call vote.

Jim Allen motioned to nominate Jeff Knight as Vice-Chair. Singer seconded.

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

Nays: None

Absent: None

The motion to nominate Jeff Knight as Vice-Chair passed unanimously on a roll-call vote.

3. Approval of the Agenda

Jim Allen motioned to approve the agenda. Singer seconded.

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

Nays: None

Absent: None

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

4. 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.*
NONE

5. Consideration and Possible Action to Provide Sponsor for “Think Whitewater Buy Local” Banner

Nimm introduced Kim Sharine, as part of the Buy Local Committee. Ms. Sharine recapped where the committee has been and where it plans to go in the future. The Committee has requested \$580 to sponsor the purchase of 2-sided a banner the committee intends to use to promote the campaign, first hanging on June 1. The committee is committed on educating the community on how much money actually leaves the community. Find ways to educate community on what can be found in Whitewater and how important it is to keep the money local.

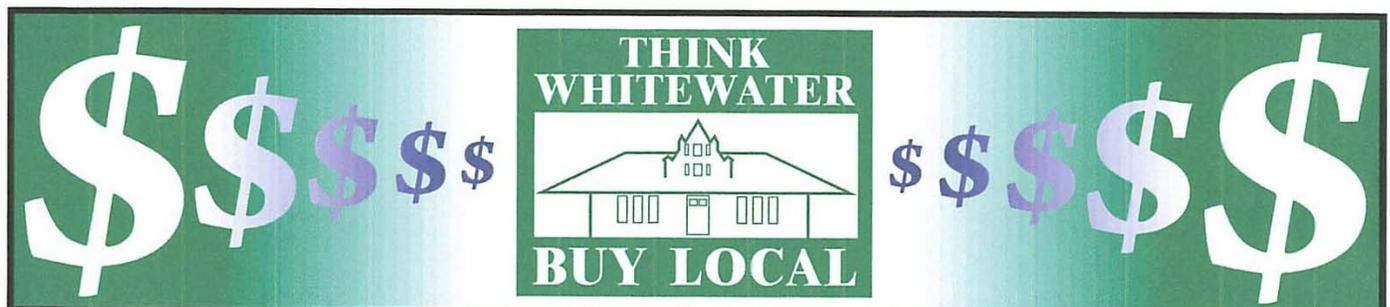
Jeff Knight motioned to approve the sponsor request of \$580 for the Buy Local Banner. Stewart seconded.

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

Nays: None

Absent: None

The motion to approve the sponsor request of \$580 for the Buy Local Banner passed unanimously on a roll-call vote.



6. Discussion and Possible Action on Memorandum of Understanding between the Walworth Economic Development Alliance and the City of Whitewater CDA

Brunner – a few months ago discussed MOU, WCEDA board has authorized a search and screen process for the new Ex Director. Commitments by various agencies have changed through the years. Direction from the CDA board was to work on a new MOU. Changes have been made and are highlighted in yellow. Budgeted item for the 2010 calendar year. Vandenbosh and Howarth are available to discuss where WCEDA has been and where it's going.

Vandenbosh – clearing house info for Walworth Co. Made strides to build up from there, much stronger than where it was 4.5 years ago. A local business movement for Walworth County – ED Summit group, 150 persons attended and recently merged with WCEDA. There has been a renewed sense of ownership by partners and moving forward with a renewed vision.

Howarth – president of WCEDA for approx 18 months. WCEDA is here to assist Walworth County what it wants to be when it grows up. Whitewater has a vision of what it wants to be, but needs to be more closely tied to Walworth County. WCEDA has an 18 member board, but a membership base that is about to expand. These relationships can be provided by WCEDA as leads through its membership connection.

Knight – annual budget? Ex Director Salary?

Vandenbosh - \$110k GF, \$100k Grants \$80k Director

Brunner – Whitewater steps up every year, and the county continually cuts their contribution. The county board needs to know the importance of ED.

Howarth – Whitewater is friendly to development and WCEDA can help.

Knight – other paying communities?

Vandenbosh – Elkhorn, Lake Geneva, Spring Prairie, ??? lake geneva through geneva lake development corp

Caldwell – change of leadership has brought creditability to our organization. This is a tipping point for the organization and there is an opportunity to help keep WCEDA moving forward.

Knight – is the WCEDA Board still actively engaged in campaigns with county boards?

Stanek – change approvals

Jim Allen motioned to enter into a Memorandum of Understanding with WCEDA for 2010 and to pay the budgeted and requested contribution of \$1 per City of Whitewater Walworth County resident. Alan Marshall seconded.

Stewart - \$12,000 leaving for something we don't receive a great benefit from and am having doubts about this money leaving the community. Next year, look for progress and an improved MOU.

Stanek – report of what WCEDA has done in the last year specific to Whitewater? Please include an annual written report to the CDA.

Knight – new cover next year on the annual report?

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

Nays: None

Absent: None

The motion to enter into a Memorandum of Understanding with WCEDA for 2010 and to pay the budgeted and requested contribution of \$1 per City of Whitewater Walworth County resident passed unanimously on a roll-call vote.

MEMORANDUM OF UNDERSTANDING

PARTIES: City of Whitewater, Wisconsin
Whitewater Community Development Authority

Walworth County Economic Development Alliance, Inc. (WCEDA)
Michael Van Den Bosch- Interim Executive Vice President

BACKGROUND

The City of Whitewater has been a municipal investor in the WCEDA since its inception. During that time WCEDA has provided varying levels of economic development technical assistance to the City. For the 2010 fiscal year, the following levels of service are proposed.

SCOPE OF PROPOSAL:

Technical Consultation & Assistance

Description
1. Quarterly in person reports to the CDA by the WCEDA Executive Director of highlighting WCEDA preceding quarter accomplishments as well as specific work done by WCEDA for the City and/or CDA as well as Whitewater-based businesses
2. Annual in-person as well as written report to the Whitewater Community Development Authority and Whitewater Common Council by the WCEDA Executive Director on WCEDA accomplishments and specific work done for Whitewater and Whitewater businesses
3. Periodic attendance of WCEDA staff upon request at Whitewater University Technology Board of Directors meetings
4. Collaboration with Whitewater CDA staff on business recruitment strategies and business development projects upon request from the City and CDA
5. Specific work to be provided by WCEDA during the 2010 calendar year should include the following: <ul style="list-style-type: none">• Completion of Economic Impact Analysis of firms locating in the Whitewater Technology Park.• Technical assistance on development of Whitewater Technology Park Business and Marketing Plans• Technical assistance on Federal and State grant applications• Technical assistance to Downtown Whitewater Inc. on business attraction and retention strategies and recruitment initiatives• Subscription to Site Selection Network, a business attraction service, to identify firms whose profiles fit criteria provided by the City of Whitewater, the Technology Park and/or the Community Development Authority. Such subscriptions shall not exceed a total aggregate cost of \$1,000 on an annual basis. Leads developed from the service shall be used to assist Whitewater and the County as a whole.
6. Maintenance of WCEDA links to Whitewater CDA webpage for county and regional economic development information and maintenance of current Whitewater business park and Whitewater economic development information on WCEDA website.

Business Retention, Expansion and Attraction

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|---|
| 1) Participation by WCEDA staff in 8-10 Whitewater business retention visits with CDA and UW-Whitewater SBDC staff. |
| 2) WCEDA will conduct at least two general business development meetings in the City to stimulate local economic development and commerce (possible topics to be determined mutually by WCEDA and the Whitewater CDA). The meetings can be joint ventured with Whitewater's Main Street program or other community group or organization. |

Additional Projects

Other economic development-related projects that may be assigned upon mutual agreement of the two parties.

Highlight the Whitewater Innovation Center and Whitewater University Technology Park on the WCEDA Annual Report and on other applicable WCEDA publications.

Such projects may be subject to additional costs to the City of Whitewater.

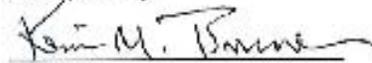
Proposal Costs

- Costs for technical assistance, business retention, expansion and attraction programming are paid at a rate of \$1.00 per capita based on population of the City of Whitewater located within Walworth County.
- Costs for out of pocket expenses, such as postage and materials will be reimbursed on a cost basis only.

Estimated Annualized Costs:

- Out of Pocket Costs- Included in Above Fees
- Marketing Materials- By bid with expenditures approved by City Council action prior to being incurred
- Representation- Billed at cost with expenditures approved by City Council action prior to being incurred

Accepted by:



Kevin M. Brunner
City Manager



Michael Van Den Bosch
Interim Executive Vice President

Date: 5/28/10

7. Approval of the April 19, 2010 Minutes

Jim Allen motioned to approve the April 19, 2010 Minutes. Stewart seconded.

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

Nays: None

Absent: None

The motion to approve the April 19, 2010 minutes passed on a roll-call vote.

8. Receipt and Filing of April, 2010 Financials

Saubert – noted that April was a “quiet” month.

Caldwell & Stanek – funding for future of CDA?

Brunner – perhaps borrowing through TID 6 for future CDA when borrowing for current projects.

Saubert – can ask Baird to attend June 28 meeting to discuss TID as it relates to funding. TID 4 cannot offer any Administration funding.

Brunner – this all ties into overall CIP for City. All shall be in front of CC in June in a macro sense.

9. Discussion and Possible Recommendation to the Common Council on Development Agreement with Elkhorn Road Ventures

Tom Miller requested for this agenda item and had questions about the impact to the City when it didn't receive the funds from the PILOT.

McDonell – the agreement is with the Vultaggio's personally. No personal guarantees were written into the agreement. City's collateral is the actual land. In the DA, there is a PILOT, and there has been a shortfall on development and the PILOT has not been made. The DA provides that the deficiency becomes a special assessment against the property and is placed on the tax roll and stays on the property, even through foreclosure or sale. The City could get a court judgment against LLC – have a right to execute on the sale of the land. Mostly have to wait to see what happens next.

Caldwell - PILOT in relationship with first mortgage?

McDonell – subordinate to the first mortgage in that if the lender forecloses, it wouldn't have to be paid immediately, but the PILOT still runs with the land.

Brunner – potential with Distressed TIF to re-negotiate the terms of the PILOT, benefiting future development.

Stewart – city has invested over \$1m and getting no return on the money, bills are coming in for debt and the city has to figure out how to pay that debt.

Knight – developers will not to pay an additional premium and will potentially not be interested because of the increased fee.

Brunner – Tech Park is nearby and activity and traffic will increase so that hopefully the property will be more marketable.

Caldwell – what is the highest and best use for the corner?

Singer – what is the process for Development Agreements?

Brunner – once we know process for distressed TIF we organize a meeting of people interested in the East Side and have a planning and visioning process.

Stewart - should have something out to the community on what's happening...

10. SB-291 Distressed TIF Bill Update and Discussion

Brunner distributed a distressed TID 4 timeline (see attached). Discussed the process with the JRB, public hearings and notices, and noted the plan commission would have to adopt an Amendment Resolution as well as the CC and then back to the JRB.

Gayhart – how long does this take?

Saubert – still has to be completed by December 31, 2010.

Brunner – will have to have a planning session with financial advisors and bring to the parties.

Stanek – administrative rule drafted?

Saubert – expect TID values to be reduced across the state, money will be lost and burden needs to be spread out over time. City will need to know where rules are in process.

Stanek – make noise so DOR sees priority in the rules so project plans can be amended as needed within timeframes.

Caldwell – revenue getting out of round-a-bout development?

Brunner – have Baird at next meeting and have more direction on how to move along which will include how to plan for the East Town Site.

11. Update on May 18, 2010 Resolution of the Whitewater City Council Regarding Wisconsin Industrial Revenue Bonds (HUSCO International, Inc.)

Caldwell – capacity for other bond funding?

Saubert – request of \$20m as a safeguard, actual \$12-\$15m, this is taxable as personal property.

Knight – press release?

Caldwell – business journal?

Gayhart – CDA website?

12. Whitewater Technology Park

a. Innovation Center Update

i. Construction Progress

Brunner – began about 2 weeks ago. On target to be completed by Feb 1. Agreement before CESA for payment of build-outs. Confirmation of WE grant for PV \$56,994 and FOE \$49,000 of over \$100k – approx 2/3 covered by grants. Some soil issues and rock issues where building footings are to be placed.

ii. Executive Director Search

Announcement will be made this week, and position description and announcement is attached.

b. Infrastructure Updates

i. Starin Road Extension

ROW negotiations are underway.

ii. Tech Park Infrastructure

Ready for bidding.

13. CDA Coordinator Updates

a. Green Economic Development in Wisconsin Conference

Nimm reported on Tuesday, May 18th, she attended the Green Economic Development in Wisconsin Conference in Oconomowoc. The conference was hosted by Town and Country RCD.

b. EI (Energy Independent) Communities 25x25 Planning Grant

Nimm reported over the past few weeks she has spent endless hours inputting energy usage data into the Energy Star Portfolio as part of the 25x2025 Planning Grant for all city facilities and for city lighting (monument signs, city-owned street and parking lot lights) from 2003 to current. Remaining is gathering of the data for fuel usage on our fleet vehicles which will then need to be entered into a spread-sheet for reporting.

c. PACE

Nimm reported that as part of the 25x2025 Energy Independent Planning Communities, we have been asked to consider participating in and assisting the Office of Energy Independence in creating a state-wide, community-based program for middle income retrofits that will specifically target those residents not currently qualifying for low income weatherization and other energy efficiency programs. This group of 21 EI Pilot Communities will be the initial focus group for this program, entitled the Whole Wisconsin Energy Efficiency (WWE 2) program. The WWE 2 program will create at least 625 jobs, impact at least 10% of citizens around the State of Wisconsin, will directly impact 2,100 residential units (or 100 units in each of the 21 EI Pilot Communities) in the first three years, and save over 151,307,486,200 BTUs and 19,977,300 pounds of CO₂. She has collected letters of support from our local lending institutions, UW Extension office as well as the University of Wisconsin-Whitewater and submitted initial responses (enclosed) to the questions as they relate to Whitewater's participation in the program to OEI officials.

d. Site Search Request(s)

Nimm reported that no site search requested were placed since the last meeting.

e. Retention Visits

Nimm reported that no retention visits had been completed since the last meeting.

f. Marketing Campaign

Nimm reported that each of the 10,000 postcards have address labels thanks to the office of the Small Business Development Center. 10,000 \$0.44 stamps have been ordered and postcards will be stamped by volunteers with Seniors in the Park. The first mailings will start in June

g. Tourism Council

Nimm reported that she participates on the Tourism Council as a non-voting ex-officio member. In December 2009, the director of the Tourism Council resigned. The Tourism Council has been entertaining ideas on how to more effectively staff and operate the Tourism office. The Council has been asked to consider entering into a Memorandum of Understanding with the Walworth County Visitors Bureau for these services. It has been suggested that Whitewater shall receive more staffing and greater exposure for the same cost as having an in-house director. After consideration and debate, the Council has decided to enter into an agreement with the Walworth County Visitors Bureau for services outlined in the MOU. The agreement may be renewed on a yearly basis upon mutual consent of both parties and may also be terminated with a 60-day notice by either party.

14. Future Agenda Items

None requested

15. June Meeting Update – June 28, 2010

16. Adjourn to closed session at approximately 6:30PM to reconvene at approximately 6:50PM per Wisconsin State Statutes 19.85(1)(c) considering employment, promotion, compensation or performance evaluation data of any public employee over which the government body has jurisdiction or exercises responsibility and 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. 501-503 S Janesville Street

b. Performance Review - CDA Coordinator

Tom Miller motioned to adjourn to closed session at 6:23PM. Allen seconded.

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

Absent: None

Others Present: Kevin Brunner, Cameron Clapper, Mary Nimm (excused for discussion on item #b)

17. Convene to Open Session

Tom Miller motioned to adjourn to closed session at 6:50PM. Allen seconded.

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

Absent: None

Others Present: Kevin Brunner, Cameron Clapper, Mary Nimm

18. Discussion and Possible Action on 501-503 S Janesville Street

No action taken

19. Discussion and Possible Action on CDA Coordinator Performance Review

No action taken. Jim Allen reported, on behalf of the Board, that the Board is pleased with Nimm's performance as the CDA Coordinator.

20. Adjourn

Stewart motioned to adjourn at 7:02PM

Respectfully Submitted,

*Mary S Nimm
CDA Coordinator*