



Whitewater CDA - **MINUTES**

Monday, June 28, 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, Jim Caldwell (@ 4:55PM), Doug Saubert, Brad Viegut – Robert W Baird, Lacey Reichwald – Board, DTW (5:00 PM through item #7)

2. Approval of the Agenda

Jim Allen motioned to approve the agenda, moving item 6 to follow item #4. Marshall seconded.

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

Nays: None

Absent: None

The motion to approve the agenda, with the amendment, 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. Approval of the May 24, 2010 Minutes

Jim Allen motioned to approve the May 24, 2010 minutes. Marshall seconded. Singer noted several missing items and requested corrections to items 2, 3, 5 & 6.

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

Nays: None

Absent: None

The motion to approve the May 24, 2010 minutes, with corrections as noted, passed unanimously on a voice vote.

5. Receipt and Filing of May, 2010 Financials

Saubert noted loan payments are being made. Very little activity. No new loans.

Caldwell – questioned whether the \$750,000 payment from the CDA for the Innovation should be recorded as a note receivable and not grant?

Saubert & Brunner – there have been problems with construction on the innovation center and we will most likely need the entire \$750,000

Saubert – stated that he thought it was a grant, however it will be noted as a note receivable for some amount not to exceed \$750,000...

Knight – was this to be returned to CDA as loan at no interest to low-interest at some point in the future when funds are available?

Brunner – no interest.

Saubert – the fact that this is not a grant means the repayment will affect the TID 4 pro-forma numbers.

Caldwell – Admin fund is about 6 months away from running out of TID support – what do we do next?

Saubert – TID will still be available, no general funds will be available, and the CDA will be ½ short in 2011.

Have talked with Financial Advisors about ways to re-“fund” the CDA.

Caldwell – talked with the City Attorney about the Housing CDBG RLF funds, and the state will allow us to fund the acquisition of distressed housing and rehab properties with specific approvals on each project.

Al Marshall motioned to accept the financials. Allen seconded.

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

Nays: None

Absent: None

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

6. Discussion and Possible Action on Distressed TIF Regulations as they relate to Whitewater’s TIF District #4

Nimm noted that at the last CDA meeting the board discussed the new SB 291, Distressed TID Regulations.

During the discussion, there were some unanswered questions and a request to have more of a discussion with

the City's Financial Advisors from Robert W Baird. Nimm then introduced Bradley Viegut to the Board and opened the discussion.

Viegut – noted there is a timeline draft on the table – the entire process of declaring a TID distressed could be finished by Sept, 2010. Baird's suggestion is to have the TIF life extended, then to refinance debt. Noting, that extending the life, does not extend the expenditure period. If it is declared distressed, the district can never be amended again, nor can the overlapping boundaries, nor can it be a donor TID.

Knight – concerned about accepting designation, can no longer be a donor, can no longer do any other projects with ½ mile of district, in essence this is a “district freeze”, cannot incorporate any district land in any new districts.... What would be the total savings?

Viegut: about \$1/4m freed-up annually (rough estimates based on current market)

Stewart – restriction expenditure date? What are the limiting factors of this restriction?

Viegut – September 2012 is the deadline to make any expenditure, whether or not the district is declared distressed. Final dollars technically need to be spent by September 2012. Stipulation does not change the current expenditure period. Focus is to allow the district to remain open and collect revenues for 10 additional years to re-pay the debt.

Brunner – the City is considering this designation for TID 4 due to a major default in payment or development on the Elkhorn Ventures Project, as well as a large reduction (\$2.5m) in Generac's property value, and overall property values have decreased.

Caldwell – when re-set, cash flow, would we have to re-set some bonds? Is there opportunity to use for CDA admin?

Viegut – there is present value savings with refinancing. Scenarios: TID now, shortfalls. Restructure, cash flow support debt. Restricted to uses of existing debt. Limitations on using borrowed money for operations.

Knight – explain: point 2 – distressed TID's recipient TID's... could we use other WW TID's to pay-off?

Viegut – other TID's have to prove there is surplus to use funds to help pay-off other TID's

Caldwell – is there something that spells-out opportunities, in addition to spreading debt out 10 years? Other uses if we did a bond issue?

Viegut – the pro-forma analysis lays out cash flow pressures, new bonds have to be tied to incremental revenue, this process best identifies problems. Focusing on revenues will help CDA.

Brunner – we haven't anticipated any new borrowings, we need to look at how we can finance Eastgate. We have to work within the parameters of project plan. Might need more borrowings from TID 4, this decision will be based on bids for Tech Park & Starin Road infrastructure projects. We have until Sept 18, 2012 for final expenditures.

Caldwell – how do we reset current debt and take advantage of Distressed TID and look at our options for additional borrowings?

Knight – must be within current project plan. I.E. “façade versus façade.”

Viegut – if decision is not to distress the district, then you can amend the plan to add projects or expand scope of borrowings or add properties. Two separate issues.

Caldwell – look at what we've actually spent, what projects we've done so far as it is written into the plan. Business attraction written as a project?

Saubert – will have to borrow money soon and if we don't spend, it can only be used for debt service payments.

Miller – where is Eastgate on the schedule now? If it's putting pressure on the TID, how important is it if it is functioning as it is?

Saubert – Eastgate has been moved out of TID 4 as a project and placed on its own project schedule.

Knight – noting once the district is restricted; all property within the current boundaries is Locked-Out for 8 years for any future TID assistance. The sooner the pay-off, the better.

Stewart – no options unless we want the tax-payer to pick-up the shortfall...

Stanek – tell us more about developer incentives... encumbering an escrow...

Viegut – the City/CDA will need a developer in hand, and a project agreement in place.

Caldwell – limitations on TID 4 only?
Viegut – only impacts TID 4, not other the TID's.

Allen – how soon do we need to move?
Viegut – September 2011 cut-off.

Brunner – will work on project plans and pro-forma's and discuss at next meeting.

Caldwell – we need to look at what happens to the property in the business park if we are locked-out of future incentives for 17 years... what would be the incentive we could offer developers looking for incentives to locate in our park? Can we run an exercise to look at what happens if we shave property out of TID 4 so we may create a new TID in the future?

Stanek – we can look at what re-financing the debt would do?

7. Discussion and Possible Action on Downtown Whitewater Inc.'s request for a \$1,000 Sponsor of the Jack Hanna Event Scheduled for August 29, 2010

Nimm noted that she has been approached by the Director of Downtown Whitewater. The CDA has been asked to consider sponsoring \$1,000 for the Jack Hanna Event scheduled for August 29, 2010. Lacey Reichwald is present to answer any questions the CDA might have.

Ms. Reichwald noted there is a Two-fold purpose – first, to bring large groups of people to Whitewater from surrounding areas. It is anticipated that the performance will sell-out 1,200 tickets. Second, to raise money to improve downtown district by installing custom bike racks (to be designed and constructed by local, Whitewater businesses) with this purpose serving an educational element as well as incorporating “arts” into the history of Downtown. One bike rack will be a Reaper, one will be a cow, and there will be two others of which the design was not available. DTW wants to pay entirely for the cost of the show (through the sponsors) so the proceeds can go to DTW for the bike racks and then any additional funds will be used for Holiday decorations for the DT.

I want to sponsor the Jack Hanna
Whitewater Gone Wild Safari at

Level 1 (\$7,500)
 Level 2 (\$3,500)
 Level 3 (\$1,000)

All proceeds are going towards the purchase of holiday
decorations and additional bike racks for the downtown

Name _____

Business _____

Address _____

Phone _____

E-mail _____

www.downtownwhitewater.com

Mail to:

Tamara Brodnicki, Director
Downtown Whitewater, Inc.
P.O. Box 688
Whitewater, Wisconsin 53190

Questions: 262/473-2200 director@downtownwhitewater.com

Will you help
Downtown Whitewater, Inc.



JACK HANNA

Bring the

Jack Hanna *Whitewater Gone Wild Safari*

To Whitewater?

Sunday August 29, 2010
VIP Reception & Public Presentation
Gymnasium @ Whitewater High School

*Ticket sales begin June 28 for DTWW members and July 12 for the
general public*

Stanek what account would we use to pay for this? Could we transfer Intern budget to something other? Does this fit under marketing? The CDA is not only putting in infrastructure, we are about making this a “fun place” to live and visit.

Knight – will second if we can donate the 10 tickets (for this sponsorship level) to patrons who cannot afford to go.

Allen – does this fit in as a “one time entertainment’ and is this within our mission?

Singer – what is the cost of the event?

Lacey – the event fee is \$15,000, any additional funds raised will be used for advertising, and the remaining will be directed to the bike rack(s) project and Downtown holiday decorations.

Brunner – concern is that there are other events and where do we stop accepting sponsorships? CDA funds should be used for items directly related to the mission of the organization.

Knight – noted that excess proceeds will go back to benefit the “City” and will not be used to run the organization

Marshall – what recognition will we get if we approve the sponsor?

Stanek – would DTW take care of donating tickets on behalf of the CDA?

Singer – what about if we contribute to the capital improvements for the bike racks versus the show? Where does it (donating money) end?

Allen – funds have already been raised at a level to pay for the show, the show is not a direct benefit to DTW, and the show is not in DTW, therefore CDA funds might be better used to directly support the infrastructure and used to directly pay for the bike racks. I support the event but want to make sure that we’re staying within the purview of the CDA.

Stanek motioned to approve sponsoring the Jack Hanna Event at \$1,000 with the intention of marketing the community and the 10 sponsor level tickets shall be given on behalf of the CDA to those who might not otherwise be able to afford a ticket. Knight seconded.

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

Nays: Allen

Absent: None

The motion to approve sponsoring the Jack Hanna Event at \$1,000 with the intention of marketing the community and the 10 sponsor level tickets shall be given on behalf of the CDA to those who might not otherwise be able to afford a ticket passed 6-1 roll-call vote.

8. Update on WinkHaus North America @ 1171 Universal Blvd

Nimm noted that she has had more than one conversation with representatives at WinkHaus North America. During those conversations, it has been brought to her attention that WinkHaus North America will be vacating its North American headquarters and leaving Whitewater. There have been at least two attempts to negotiate a deal with replacement companies (un-named) to keep some sort of operations at the 1171 Universal Blvd address, but none has worked-out. The building will have lease space available at the time WinkHaus departs Whitewater, and the ED Loan will be paid-in-full.

Singer – requested we find out why they are leaving, and suggested we conduct exit interviews to ensure we are listening to the needs of the businesses and possibly preventing others from leaving, having known what is forcing others to go.

9. Whitewater Technology Park

a. Innovation Center Update

i. Construction Progress

Brunner – issue: removal of rock. More rock than initial borings have illustrated, we are trying to minimize the cost. TPB reviewed situation earlier in month, estimate is an increase of up to \$80,000. Process question: should TPB review change orders over \$10,000 and/or CDA as well before they go to Council?

Stanek - \$10,000 seems like micro-managing, key is if we start to bump-over limit.

Brunner – will do written construction report. Negotiating the cost, we have a lump sum rock removal written into the contract documents and asking what the “base” is. Steel should be going up this week. TPB received two large grants and has moved to put solar power in/on the building. Net cost is \$54,000 on a \$158,000 (approx.) project with payback at 15-18 years.

Knight – CDA could authorize TPB to address change orders until we hit the “base” bid.

ii. Executive Director Search

Nimm noted that she and Stewart are on the Search and Screen Committee for the Innovation Manager. Stewart noted there are 20 candidates who submitted all requested materials. The committee is comprised of Gayhart, Chenoweth, Stewart, Nimm and persons from the Office of Research and Sponsored Programs with final decisions to be made by University personnel. It is expected that the selection process shall take a few months with the candidate selected and starting in late August, early September.

b. Infrastructure Updates

i. Starin Road Extension

ROW has been secured. Bid opening on July 15. Contracts awarded July 20.

ii. Tech Park Infrastructure

Bid opening on July 14. Contracts awarded July 20.

10. CDA Coordinator Updates

a. Train Depot – Grant for Restoration

Nimm reported preliminary designs are almost completed and will be presented for comment and input at a July 1 meeting.

b. Lakes Area Realtors 2009 Grant Application Status & 2010 Potential

Nimm reported that in 2009 a Grant Application was submitted to the Lakes Area Realtors Association. The grant award was a photo morph of a specific area in the community (the submission was for the East Gateway intersection) for which there is potential for redevelopment. Whitewater was one of two finalists, and was not selected to receive the award. The City is however, still under consideration for the award if the Association can get more money to do the project. She met with a representative from the Association on Monday, June 28th to discuss a similar planning project for the former 5-Points intersection. The Association likes the East Gateway Project and has requested that Nimm re-submit photos. Nimm will also take and submit photos of the 5-Points properties for a price quote for a similar planning project at this location.

c. Equity Commercial Real Estate

Tim Casey has left Equity Real Estate for a position with the City of Brookfield. Brunner and Nimm met with both Dave Zepecki and Marilyn Haroldson on Friday, June 25th. Marilyn will be representing Whitewater and replacing Mr. Casey.

USDA Rural Development Housing Forum

Nimm reported on June 23, she attended a Housing Forum at the USDA offices in Madison. Several organizations involved in Housing Initiatives in Wisconsin were present. Each shared the assistance with housing they offer and the group is working on ways to better share resources and help those in need.

d. Buy Local

Nimm reported that she will be walking in the 4th of July parade and passing out information in support of the Buy Local effort.

e. Site Search Request(s)

Nimm reported there were no site searches since the last meeting.

f. Retention Visits

Nimm reported that she and Gayhart conducted one retention visit at Whitewater Manufacturing. Singer asked if others have been scheduled and questioned the make-up of "retention visit team."

g. Marketing Campaign

Nimm reported that the first two postcards have been mailed. Return mailings are minimal and no phone calls have come in as a result.

h. Tourism Council

Nimm noted the Memorandum of Understanding between the Whitewater Tourism Council and the Walworth County Visitors Bureau has been signed. A copy of the agreement has been distributed to the CDA. Nimm also noted that the Whitewater Tourism Council needs a Whitewater representative (voting tourism member or ex-officio) to serve on the Walworth County tourism board. Meetings are once monthly on Monday mornings. Nimm has volunteered to be that representative at the Board's approval.

i. Chamber Event

June 24, was the annual Chamber Cook-Out and silent auction. Nimm participated as a helper and spent most of the night in the kitchen helping serve food to over 100 attendees.

11. Future Agenda Items

1. TIF 4 Pro-Forma's
2. TIF 4 Project Plan
3. TIF Benefit Presentation
4. Formalize Change Order Process
5. Report on Exit Interview with WinkHaus
6. Tourism

12. July Meeting Update – July 26, 2010

Next meeting date has been confirmed.

13. Adjourn

Al Stanek motioned to adjourn at 6:30PM. Marshall seconded.

Respectfully Submitted,

Mary S Nimm
CDA Coordinator