



MINUTES
Whitewater CDA
Wednesday, February 27, 2012
4:30 PM - CDA Board of Directors
1st Floor Community Room
312 W Whitewater Street
Whitewater, WI 53190

1. Call to order and roll call

The meeting was called to order at 4:30 p.m. by Chair Miller. Members present: Jeff Knight, Tom Miller, Donna Henry, Jim Stewart, Larry Kachel, Jim Allen, and Patrick Singer (appeared at 5:15 p.m.). Others present: City Manager Kevin Brunner, Bud Gayhart, Nate Parish, Jim Caldwell, Pete D'Aquisto, Paul Kuenning, City Finance Director Doug Saubert, and Dr. Russ Kashian, Steven Rockwell and Terrance Zwandzich who are all with the Physical and Economic Research Center of the University of Wisconsin-Whitewater. There were also two students from Whitewater High School.

2. Approval of the Agenda

It was then moved by Knight, seconded by Allen to approve the agenda as posted. Approved.

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.*

There were no comments at this time.

4. Approval of January 30, 2012 and February 15, 2012 Minutes.

It was moved by Stewart, seconded by Knight to approve the January 30, 2012 and February 15, 2012 minutes as presented. Approved.

5. Review and Approval of January 2012 Financials.

Saubert presented the January 2012 Financials. After a brief discussion it was moved by Kachel, seconded by Knight to approve the January 2012 Financials as presented. Roll call vote. Ayes: Knight, Stewart, Kachel, Allen, Henry, Miller. Noes: None. Absent: Singer. Motion approved.

6. Presentation on Analysis of Housing Supply in Whitewater and Employee Housing Survey by the UW-Whitewater Fiscal and Economic Research Center (Dr. Russ Kashian).

Dr Kashian and his students, Steven Rockwell and Terrance Zwandzich, presented an overview of this report. Kashian reported that the City of Whitewater Housing Analysis was designed to gather information on housing patterns in Whitewater to help the City plan for future growth and development. A survey questionnaire was designed by the City, interested members of the Whitewater Community and the University of Wisconsin-Whitewater Center for Physical and Economic Research. The survey was conducted by mail between October 2011 and December 2011. Surveys were mailed to City employees, University faculty, and employees of participating local businesses. In addition data on single family home sales between 2000 and 2010 were collected and analyzed from Whitewater, Fort Atkinson, and Milton. The major findings of the analysis included the following:

1. Houses sold in Milton experienced discounts of 8 percentage points for an additional bedroom compared to an additional bedroom in Whitewater prior to 2007. The discount increased to 11 percentage points after 2007. Homes in Fort Atkinson experienced a discount of 2.7 percentage points prior to 2007 and no difference for an additional bedroom after 2007.
2. Fort Atkinson experienced a premium for an additional bathroom over an additional bathroom in Whitewater 4.1 percentage points prior to 2007 and this premium did not remain after 2007, while Milton experienced no difference in valuation prior to 2007 and a premium of 6.2 percentage points after 2007.

3. There was no significant change in valuation of additional bedrooms or bathrooms in Whitewater before 2007 and after 2007, however, there was a significant increase in valuation increasing the size of an attached garage after 2007.
4. There exists southwest and east sub markets within Whitewater that are affected differently by the presence of the UW-W campus.
5. The southwest sub market experiences no impact in the presence of campus, while the east sub market experiences a negative impact from campus.
6. This negative impact rose in magnitude as distance from campus increases up to 1.17 miles, after which, the negative impact decreases in magnitude and disappears 2.35 miles from campus, as well as a perceived decline in employment opportunities, the downtown business district and the condition of streets and traffic.
7. The most important factors when choosing a place of residence includes crime rate/safety, proximity to work, cost of the house and quality of the schools.
8. The large student population did not negatively impact the decision to move to Whitewater. There existed strong support for the retention, attraction and encouragement of new businesses to Whitewater.
9. Preferences in residential location are consistent despite varying income and educational levels.

After Kashian's presentation, Knight and Kachel had a number of questions regarding study methodology as well as trying to get more participation by private sector employees in the city. Kashian indicated that he was extremely disappointed with the private sector response to the survey, but that it is difficult to require private employers to require survey participation.

Kashian was also asked by Knight to add 2011 to the data base which he will do and will provide that update to the CDA in the near future. Also, there was interest in putting together a focus group with private sector participants that Bud Gayhart agreed to facilitate.

7. Review and Approval of Consulting Services Agreement with Redevelopment Resources for CDA Director Recruitment/Selection Process.

It was moved by Knight, seconded by Henry to approve an agreement with Redevelopment Resources of Wausau to conduct the job search process for the Executive Director of the Community Development Authority. Total cost not to exceed for this consulting work is \$3,420 plus mileage.

Brunner noted that Kristen Fish and her associate Mike Morrissey would be in Whitewater on February 29th to conduct interviews of Board members and other CDA stakeholders, in drafting the job posting as well as to get a better overall feel for how the community wants to proceed with this particular process. Roll call vote. Ayes: Singer, Henry, Stewart, Kachel, Miller, Knight, and Alan. Noes: none. Approved.

8. Review and Recommendation on Potential Amendments to Development Agreements in tax Increment District #4 (Fairhaven Corp-Prairie Village Development and Triple J Management - 155 W. Main Street.

Brunner explained that he has been approached by both Fairhaven Senior Services and Triple J Property Management to possibly modify the development agreements that exist between the City and their respective firms.

Brunner presented the proposed amendments. Currently, Prairie Village has grown to 34 units with a total assessed value at the end of 2010 of \$5.15 million. There remain 10 sites for 22 units open for development in the areas where public infrastructure is in place. Due to economic changes with the housing market, Prairie Village has not kept pace with the original expectations of the development agreement Obligations Section 1 which projected building 72 units, a skilled care nursing facility (RCAC) and a club house which would have been built by 2011 and would have a projected value of \$19,154, 805. Prairie Village growth is now expected to be 2 to 4 units per year with the skilled nursing facility and club house on hold until a larger density is achieved and the market projects greater stronger demand. Minimum expected growth from 2012 to 2020 would be 2 units per year or 18 units with a value of \$3.5 million. Fairhaven's request is to modify the payment in lieu of taxes schedule, found on page 8 of the agreement, beginning with 1/1/2012 to 1/1/2015 by averaging the remaining pilot of \$1,247,320 over 10 years, thus adding one year to the term of the agreement. This would create an even pilot of \$124,732 for the 10 years, plus an applicable interest charge on the differential between the original agreed to payments and the principal remaining each year.

The Triple J Property Management request is to reduce the property value guarantee in calculating the pilot payment from \$988,500 to \$738,000. Pete J. D'Aquisto, owner of Triple J Property Management, indicated that the improvements of the building were overestimated by the Architect by \$250,000. He believes that the actual cost of the 155 W. Main Street property, after all improvements were constructed, should be the \$738,000 amount.

Paul Kuenning, Executive Director of Fairhaven Senior Services, as well as Pete D'Aquisto presented their requests and answered questions from the CDA. Knight asked if Fairhaven would be willing to keep the Fairhaven Prairie Village property on the tax rolls beyond the Development Agreement period. Kuenning responded that Fairhaven was willing to consider that as part of this proposed amendment. Knight also questioned how this amendment would impact TID #4, specifically the need to pay off the TID #4 debt as quickly as possible. Kuenning responded by saying that if Fairhaven's Prairie Village would develop more quickly than projected then Fairhaven would consider paying off the PILOT more quickly.

After discussion, Brunner was asked to continue review of the Fairhaven proposal by city financial advisors Robert W. Baird and Co., particularly as it relates to TID #4 and request that Baird possibly appear at a future meeting of the CDA to present its review of the Fairhaven Senior Services proposed amendment.

There was no action taken on the Triple J. Management proposed amendment other than to request financials from Triple J.

9. Review Update on Technology Park and Business Park Marketing.

Brunner invited all of the members of the CDA to attend the first year anniversary of the Innovation Center which will be held on March 14th at 9 a.m. at the Center. In addition he informed the Board that there were a number of new marketing materials that would be coming out that are being developed for the Technology Park and Innovation Center and that he would forward those to the Board upon completion. The Tech Park web site is also being updated and will be live in early March.

10. Discussion on Research Concerning Tax Exempt Property in City.

Knight led a brief discussion on this issue which was prompted by a recent opinion from the League of Wisconsin Municipalities. The specific question that the League responded to was whether the Wisconsin municipalities have the authority to restrict the location of non-profit tax exempt properties in the community through their use of zoning authority.

The League opinion, which was distributed to all Board members, is that the municipalities can indeed restrict the location of non-profit tax exempt properties through their zoning authority, but such actions would need be exercised in a manner consistent with Wisconsin law. An ordinance restricting the location of tax exempt properties is deemed to fall within the scope of the general welfare zoning ordinance of the

city. Such an ordinance would also need to satisfy the requirement that it not be arbitrary and unreasonable.

Given this recent opinion, Knight stated that he believes that the City should be looking seriously at this issue given the large amount of non-profit tax exempt property in the city. Brunner estimated that with the inclusion of the University that upwards of 45 percent of the property value in the city is in this status and that 25 per cent of the total land area in the city is in this status as well.

This item will be reviewed again at a future CDA meeting.

11. Discussion on Potential Janesville-Milton-Whitewater Commuter Bus Service.

Brunner briefly noted that Generac is very interested in pursuing a commuter bus service with Janesville Transit to bring workers from the Janesville, Beloit and Milton areas to its Whitewater Business Park facilities. Brunner is facilitating meetings with Janesville Transit, Generac and other Whitewater businesses and UW-Whitewater to respond quickly to Generac's needs.

12. Adjournment.

It was then moved by Knight, seconded by Stewart to adjourn. Meeting adjourned at 6:45 p.m.

Respectfully Submitted,

Kevin Brunner
City Manager/Acting CDA Director