

Whitewater Community Development Authority

Meeting Minutes

January 28, 2016

1. Call to order and roll call.

The meeting was called to order by Chair Jeffery Knight at 5:00 p.m. The meeting was held at the Innovation Center, Room 105, located at 1221 Innovation Drive, Whitewater, WI 53190

Present: Knight, Kachel, Parker, Henry, Allen, Singer, Goettl

Absent: None

Also: Patrick Cannon (CDA Executive Director), Thomas Harrigan (CDA Economic Development Specialist), Cameron Clapper (City Manager), Wallace McDonald (City Attorney), Greg Stec (Metropolitan Housing Development Corporation), Rick Ehlert (Southern Cross Resource Group), John Stakowski (Great Lakes Foods), Lacey Reichwald (Sweet Spot Owner), Brienne Diebolt-Brown (Whitewater Community Foundation)

CDA Chairman Knight proposed that item number 14 be moved to the beginning of the agenda for consideration prior to approval of the Minutes.

Motion to amend the agenda to move item number 14 prior approval of the minutes or acceptance of financials

Kachel (1); Goettl (2)

Aye: All via voice vote

Nay: None

14. Update on grocery store recruitment process.

1. Authorization of a market study for grocery needs

2. Authorization of potential economic development incentives

Mr. Stakowski, of Great Lakes Food, provided feedback regarding the City's efforts in attracting a grocery store. Around 2007-2008, Mr. Stakowski was considering opening a grocery store on the eastside of Whitewater. At that time, Wal-Mart was not offering grocery options and other cities in the region did not have grocery options. Mr. Stakowski has a market assessment conducted, and it showed the eastside of Whitewater could indeed support another grocery store at that time. For reasons related to the economic conditions of 2008, Mr. Stakowski did not continue efforts to open a grocery store. In 2012, Mr. Stakowski's company was part of a project that had another grocery store feasibility analysis done. At this time, the total potential trade market for 2012 was about \$660,000. Wal-Mart was capturing approximately \$340,000 and Sentry was capturing approximately \$175,000. What is significant is that 26% of the dollars that are eligible for grocery were traveling elsewhere, this is called "float" in the grocery business, how many dollars that are actually leaving the market place. Within the past year (2015), Mr. Stakowski would estimate that 35% of all eligible grocery dollars have left the community.

Ms. Reichwald provided a background summary on efforts that she and others have made in order to start a co-operative in the City. Ms. Reichwald created a survey that would gage the interest of a co-operative being started in Whitewater. 250 responded to the survey, and 63% of respondents said they would like to see a natural foods type store in the city, while 32% said any grocery store would be desirable. The most important grocery elements according to the survey were local produce and local meats. Also, 100 people indicated an interest in assisting with the development of a co-operative. Ms. Reichwald asked the CDA if the board would be willing to provide funding to allow four people to attend the Up-and-Coming Co-operative Conference in Bloomington, Indiana. This

conference trains start-up co-operative groups on best practices in starting a co-operative. Total cost of this request was \$1,300.

CDA Chair, Mr. Knight, created an ad-hoc subcommittee of the CDA to focus efforts on the attraction and acquisition of a grocery store in Whitewater, and developing proposals for a market study. Initial committee members will be Stephanie Goettl (Chair), Lacey Reichwald, Brienne Diboldt-Brown, and Tom Harrigan. The committee will be charged with presenting to the CDA, recommendation of a market analysis and community survey proposal.

A motion was made to authorize \$1,300 to send the four members of the CDA subcommittee on grocery and market studying to the Up-and coming Co-operative Conference in Bloomington, Indiana, with special emphasis to check what types of economic development incentives might be available for our needs.

Singer (1); Kachel (2)
Aye: all via voice vote
Nay: None

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.*

No comments were taken.

3. **Approval of agenda**

Kachel (1); Goettl (2)
Aye: All via Voice Vote
Nay: None

4. **Approval of Minutes**

a. **December 17, 2015**

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

5. **Acceptance of Financial Statements**

- a. **December, 2015**
b. **Fund Balances**
c. **Loan Portfolio**

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

6. **Adjourn to 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".**

- i. **Consideration and discussion of a Capital Catalyst Fund Royalty Investment request**
- **Software development company**
- b. **Consideration and discussion of a CDBG Loan RLF-Ed loan request**

- a. **Gaming League Development company**
- b. **Software development company**
- c. **Consideration and discussion of an Offer to Purchase for approximately 10.8 acres from the City of Whitewater located on the roundabout on Elkhorn Road.**
- d. **Consideration and discussion of a proposed Offer to Purchase regarding the sale of approximately 5.0 acres in the Business Park.**
- e. **Consideration and discussion of the payment agreement proposal from Pinpoint Software regarding their CDBG RLF Loan.**
- f. **Consideration and discussion of a request from Walenton Learning Depot for the release of collateral.**
- g. **Consideration and discussion of an Economic Development Incentive agreement for a business desiring to locate in TIF #5.**
- h. **Update on negotiations with potential retail, manufacturing and other businesses that are considering locating in the City of Whitewater and are requesting City of Whitewater related financial assistance or concessions.**

Motion was made to move into closed session, allowing for City Attorney, Wallace McDonald, City Manager, Cameron clapper, and CDA staff to remain for the discussions to be included in closed session.

Aye: Goettl, Henry, Parker, Singer, Kachel, Allen, Knight
 Nay: None

7. Reconvene into open session to take action on closed session items as needed.

Motion was made to return to open session
 Goettl (1); Singer (2)
 Aye: All via voice vote
 Nay: None

In open session, the following action was taken.

Recommendation for approval of a modification in the CDBG-RLF for both Meeper Technology and Mobile Mesh Games.

Motion was made to approve a \$20,000 CDBG loan to Mobile Mesh, which will actually exceed the \$100,000 cap for CDBG loans.
 Allen (1); Parker (2)
 Aye: Singer, Parker, Allen, Henry, Knight
 Nay: None
 Abstain: Kachel, Goettl

Motion was made to approve the CDBG to Meeper Technology for \$80,000
 Allen (1); Singer (2)
 Aye: Singer, Henry, Allen, Parker, Knight
 Nay: None
 Abstain: Kachel, Goettl

Motion was made to approve the Offer to Purchase regarding the sale of approximately 5.0 acres in the Business Park, and to direct Mr. Cannon, Mr. Knight, and Mr. Mitch Simon, CDA attorney, to make any final changes that are not substantive. Substantive changes will be brought back before the CDA for approval.

Kachel (1); Allen (2)

Aye: Allen, Kachel, Singer, Henry, Goettl, Parker, Knight

Nay: None

A motion was made that the CDA recommend to City Council not to agree to the proposal for four reasons. Number one, financial statements of the company were requested on numerous occasions and never received. Secondly, the housing portion of this proposal would be adjacent to Whitewater Manufacturing. Third, the contingencies are too speculative taking the property off of the market for too long of a time, and fourth, in the original agreement there was \$40,000 of non-refundable earnest money that is somehow not in the proposal.

Allen (1); Goettl (2)

Aye: Singer, Allen, Henry, Parker, Knight, Goettl

Nay: None

Abstain: Kachel

8. Preparation of 2015 annual report and presentation timeline to the City Council.

Staff was directed to prepare the CDA annual report for preliminary review by the CDA Board before it will be presented to the City Council in March.

9. Consideration and discussion of a 2015 budget amendment to allocate \$75,000 from TIF #4 to CDA Funds for administrative expenses. Resolution attached.

Motion was made to approve the resolution

Parker (1); Allen (2)

Aye: Goettl, Parker, Henry, Allen, Singer, Kachel, Knight

Nay: None

10. Consideration and discussion of a policy regarding development requests requiring amendments to the City Comprehensive Plan.

Direction was given to CDA staff to utilize the comprehensive plan and zoning code when considering proposals of potential developments before taking the proposal to the CDA board.

11. Consideration and discussion of delinquent loan collection process.

A motion was made to approve the delinquent loan policy as drafted by CDA staff

Kachel (1); Goettl (2)

Aye: All via voice vote

Nay: None

12. Consideration and discussion of staff training plan.

a. Wisconsin Bankers Association Economic Development Seminar

b. Certified Economic Developer (CECD) program

Motion to approve that the CDA initiate the process to have Tom Harrigan become a Certified Economic Developer.

Allen (1); Goettl (2)

Aye: All via voice vote

Nay: None

13. Update on the Certified Sites program.

a. Award of a contract for wetland delineation

CDA staff mentioned that the Site Certification process is officially open for submission and will close on February 19th.

15. Consideration and discussion of marketing materials.

CDA staff mentioned a marketing tri-fold brochure has been designed and reviewed by the CDA Chairman. Copies of the brochure will be arriving in one week.

16. Future Agenda referrals.

CDA staff will provide an update on the progress being made relating to attracting a grocery store. Discuss a marketing strategy of all vacant land that is being sold by the CDA.

17. Adjourn.

Singer (1); Goettl (2)
Aye: All via voice vote
Nay: None

The minutes were reviewed and approved by the CDA at its meeting on: 2/25/2016

**Jeffery Knight
Chairperson**



**Thomas Harrigan
Recorder**

