

**CITY OF WHITEWATER**  
**WALWORTH AND JEFFERSON COUNTIES, WISCONSIN.**  
**Joint Meeting between Common Council and Community Development Authority**

July 11, 2011

The special joint meeting of the Common Council and the Community Development Authority was called to order at 5:30 p.m. on July 11, 2011. COUNCIL MEMBERS PRESENT: Olsen, Binnie, Singer, Kienbaum, Stewart. COUNCIL MEMBERS ABSENT: Butler, Winship. CDA MEMBERS PRESENT: Stewart, Knight, L. Kachel, Henry, Allen, Singer. MEMBERS ABSENT: Miller.

**PRESENTATION ON HISTORY OF TIF 4 AND DISCUSSION REGARDING GENERAL ECONOMIC DEVELOPMENT PROGRAMS FOR THE CITY OF WHITEWATER.** City Manager Brunner explained that the purpose of the joint meeting was to discuss the future of the economic development program in the City. Brunner indicated that he recently made a decision to appoint current Community Development Authority (“CDA”) Coordinator Mary Nimm to the Interim Neighborhood Services Manager position. The change creates a vacancy in the CDA Coordinator position. Brunner believes this is a good time to review how the CDA can proceed in the future. Brunner explained that he has personally served as Economic Development Director for five years.

Council President Singer indicated that in addition to staffing, funding of the CDA also needs to be discussed. City Manager Brunner explained that over the last 15 years, 50% of the funding for the CDA has come from the City’s general fund, and 50% of the funding has come from Tax Incremental Financing (“TIF”) District 4 funds. It was noted that TIF 4 will no longer be able to fund the CDA budget. Recently TIF 4 was approved as a “distressed” district per State of Wisconsin Statutes. It is anticipated that TIF 4’s existence will be extended by four years. City Manager Brunner indicated that if other TIF districts were to develop, some of those funds could be used to fund CDA operations. With the exception of a small amount of development in TIF 6, the other TIF districts have not seen any type of economic development over the last several years.

CDA member Jeff Knight indicated that in 2005, two large parcels with a total equalized value of \$11,000,000 were removed from TIF 4. Knight indicated that as a result, an additional \$225,000 was added to the tax rolls going to the City. It was noted that properties were removed from the TIF district to enable the City to meet the requirement that not more than 12% of property value can be in TIF districts. Knight indicated that the CDA is no longer in a position to compete for development with other cities as Whitewater cannot offer incentives. Knight insisted that something has to be done to pay down TIF 4 so the CDA can be in a position to solicit development.

Discussion ensued about the possibility of taking some money from the growth in TIF 6 to fund the CDA, but City Manager Brunner indicated that the amount potentially available would not equal the \$75,000 previously funded by TIF 4. Brunner indicated that the City has developed a partnership with UW-Whitewater and the Walworth County Economic Development Authority and these areas could be explored for further participation.

CDA member Donna Henry stated that during hard economic times, businesses advertise more and make more effort to work with clients. Henry believes there should be a full time person marketing Whitewater. She stressed that industries are needed here, as many people are out of work. Henry stated that in the last 10 years, no one has expressed serious interest in developing the former Alpha Cast site on

the north end of Jefferson Street. City Manager Brunner indicated that the Alpha Cast site has been remediated and is in the process of receiving final closure.

Council President Singer expressed concerns about sharing positions between entities, indicating that if this is done, Singer wants to be sure the City receives their money's worth out of the position. Singer did not feel that Whitewater has gained much from the Walworth County Economic Development Authority ("WCEDA").

UW-Whitewater Small Business Development Director Bud Gayhart indicated that he had concerns about the current structure of the CDA. Gayhart believes the CDA should be a separate entity, located away from City Hall. Gayhart indicated that an arms-length relationship is necessary. Gayhart acknowledged that economic development activity will be sporadic, but the ability to respond locally would be advantageous. Gayhart believes a Marketing Plan, specifying where attention needs to be focused, must be developed. Gayhart indicated that Whitewater is becoming recognized by others as a model. CDA member Knight indicated that the CDA is already working with the University. Knight recommended that the former CDA Coordinator map out her duties so that they can be reviewed. Her duties will be continued, even though she has been reassigned to another Department. Gayhart agreed that a specific listing of duties would be a tremendous starting point and would establish a baseline. Councilmember Olsen stated that this could be short-term thinking as Nimm is serving as "Interim Neighborhood Services Director" and may not be appointed permanently. Olsen questioned who is managing the CDA right now.

In response to CDA member Allen's question regarding the market for part-time CDA Directors, City Manager Brunner indicated that prospects are available to fill a permanent part time position. CDA Board member Allen approves of the idea of the CDA being a separate entity.

CDA Board member Knight would like to see a CDA Director hired, and for that individual's focus to be on CDA responsibilities. DPW Director Dean Fischer indicated that the CDA must work closely with the City. He noted previous instances where the CDA Director negotiated a deal, *then* came to inform City officials of needs and expenditures. Fischer indicated that City officials need to know what commitments the CDA is making with regard to City budgets *before* the transaction is completed. CDA Board member Knight agreed that good communication is necessary.

CDA Board member Knight stated that after review of numbers, he has done some research regarding the Fairhaven (Prairie Village) project, and that he would like to see the assumptions that were used when this development was being planned. CDA member Lawrence Kachel questioned whether TIF 4 would be distressed if the property shifts had not occurred. CDA Board member Knight repeated that every day we cannot use TIF funds as incentives to get an industry to Whitewater, it is a huge disadvantage to the community. He indicated that development is going to go to a community that can give the prospect a good deal. Knight still has questions on the overlay of TIF 4 over TIF 7. He would like to complete more research on that.

**ADJOURNMENT.** It was agreed that further discussion regarding the future of the CDA would be forthcoming. It was moved by Olsen and seconded by Stewart to adjourn the meeting. **COMMON COUNCIL:** AYES: Olsen, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: Butler, Winship. **CDA:** AYES: Stewart, Knight, Kachel, Henry, Allen, Singer. NOES: None. ABSENT: Miller. The meeting adjourned at 6:30 p.m.

Respectfully submitted,

Michele R. Smith, City Clerk

