

Whitewater University Technology Park Board
Whitewater Innovation Center
1221 Innovation Drive
Whitewater, WI 53190
Minutes for January 11, 2012

1. Call to Order.

The meeting was called to order at 8:05 a.m. by President Telfer. Members present: Jeff Knight, Kevin Brunner, Ronald Gayhart, John Chenoweth and Richard Telfer.

Absent: Peter Zaballos, Jim Stewart. Others present: Denise Ehlen, Mike Van den Bosch, Gary Albrecht (CESA 2), Jim Caldwell and Robert Young.

2. Approval of Minutes from December 14, 2011 Meeting.

It was moved by Chenoweth and seconded by Gayhart to approve these minutes as read. Approved.

3. Introduction of Robert Young.

Telfer introduced Robert Young, the new Executive Director of the Whitewater University Technology Park. Telfer stated that Young had begun his new duties on December 19 and has hit the ground running in this position. Young reported on his activities during the first few weeks of his work as Executive Director. Young highlighted the fact that his main emphasis will be on marketing the Innovation Center and Technology Park and that he was putting together his target list of contacts. In addition, he was working hard at developing relationships both at the University and in the community (particularly those with City staff with whom he will be working).

4. Review/Approval of December Financial Report.

Brunner reviewed the December Financial Report for the Innovation Center operations. He noted that final revenue and expenses are still subject to some modification. We are projecting a \$20,000 + cash at the end of the year (revenues in excess of direct expenses).

There was considerable discussion by the Board regarding PILOT payments to be made to the City TIF District #4 to assist in offsetting borrowing costs related to the Innovation Center. This was to carry forward any cash surplus from 2011 to 2012 with the first pilot payment in lieu of taxes (PILOT) payments being made at the end of 2012.

It was moved by Gayhart, seconded by Knight to approve the December financial report as presented. Approved.

5. Review/Approval of 2012 Tech Park Board Budget.

Telfer indicated that in the future that the annual Tech Park Board budget will need to be reviewed by the Board in September for presentation to the CDA and City Council in October pursuant to the Memorandum of Understanding between the parties.

However, in this case, since we really wanted to have more operating budget experience

it is understandable that this has been delayed for review and consideration at the conclusion of the year.

Brunner indicated that he had met with Knight and Young to produce the proposed budget projecting \$139,630 in operating revenue, \$133,380 which is primarily in kind services provided by the City and the University. Projected cash expenditures are \$75,350 which would result in a cash surplus of \$64,270.

During discussion the Board asked Brunner to work with the City Finance Director to more properly identify the amount that would be paid toward the payment in lieu of taxes in 2012.

After discussion, it was moved by Gayhart, seconded by Chenoweth to approve the 2012 Tech Park Board budget as presented with the requested modification to address the 2012 PILOT payment and that it be presented to the CDA and City Council for their review and approval.

VOTE?

6. Review Sources and Use Document.

Ehlen presented End of 2011 Sources and Use Statement that compares year to date actual expenses and revenues compared to the original sources and use document. She indicated that total revenue is running at approximately 96% of what was projected in the Sources and Use Document. This is very positive.

During discussion of this item, the Board felt that the continued updating of the Sources and Use Document compared to actual experience should take place but that it should be used as an internal document for the Board and that it also would be available to the CDA and Common Council on request. There is also a feeling that the Board should, at a minimum, be reviewing this document on an annual basis for the next five years.

It was moved by Gayhart, seconded by Knight to adopt the following policy: 1) The 2011 Sources and Use Document will be updated to compare with final revenue and expenses incurred during the initial year of the Innovation Center's operation; 2) The Board will review the Sources and Use Document annually for at least the next five years (2012-2016). Approved.

7. Approval of MOU Between Whitewater University Tech Park and City of Whitewater/Community Development Authority.

It was moved by Chenoweth, seconded by Gayhart to make the following changes to the draft MOU between the Whitewater University Tech Park and City of Whitewater/Community Development Authority.

2.08 – Add the following sentence. The Board will determine the level of tenant services to be provided and eliminate as directed by the CDA and the City.

3.06 – Add the following sentence. Ten percent of any Whitewater University Technology Park lot sale net proceeds shall be retained by the Board to offset park marketing costs.

4.03 Insurance – Add to the last sentence. ... annual contribution as defined in Section 5.1, and eliminate “commitment to pay a \$20,000 contribution to the operation of the Whitewater Innovation Center.”

4.04 Sinking Fund – Add. A sinking fund shall be established “by the City” to be used for major repairs and maintenance and improvements and expenses related to the Whitewater Innovation Center and the Whitewater University Technology Park.

4.05 – Add after all excess funds “after the annual payment in lieu of taxes (PILOT) payment required has been made.”

5.01 Annual Contribution Increase – The City contribution from \$20,000 to \$27,000 to better reflect the 2012 operating budget and also add the following sentence. This annual contribution shall be subject to an annual increase equal to the greater of 3% (3 per cent) or the US Bureau of Labor Statistics Consumer Price Index (CPI) - All Urban Consumers – Midwest Region.

Telfer also noted that the articles need to be correctly numbered. Approved.

8. Discussion and Possible Action on Retrofit of Parking Lot Lights with LED Lights.

It was moved by Gayhart, seconded by Knight to approve the expenditure of \$9,415 to retrofit the Innovation Center parking lot lights with LED lights with Vendor LED Technologies of Lake Geneva. Note that the projected return on investment on this particular project is 3.4 years and potential partial funding of this project will be sought from the EDA. Approved.

9. Update from Tenancy and Entrepreneurship Committee.

Ehlen reported that the committee had not met in December and will be meeting in the near future.

10. Terms for Board Members.

After discussion, it was moved by Knight, seconded by Gayhart that terms be established for the City’s citizen member of a three year term to start May 1, 2012. That the University’s first appointed member be reappointed (John Chenoweth) and would be subject to appointment for another three year term beginning May 1, 2013. That the University’s second appointee (Bud Gayhart) would be subject to reappointment to a term beginning May 1, 2014. Approved.

11. Replacement for Citizen Member.

Knight stated that perhaps Jim Stewart should be considered for appointment as citizen

member as he will be stepping down from the Common Council effective April of this year. Brunner indicated that he had received interest from Jim Caldwell, President of First Citizens Bank, to serve and that, in all likelihood the City's process for replacement would be to publically advertize, solicit interest and then the Common Council President/City Manager would make a recommendation to the Common Council for appointment of a citizen member.

12. U.S. Highway 12 Expansion Project.

Knight briefed the Board on the current status of the U.S. Highway 12 expansion project and a request for Governor Walker and the Wisconsin Department of Transportation to expedite the environmental impact statement process for this major highway expansion.

13. WCEDA Breakfast Briefs/Annual Meeting.

Van den Bosch informed the Board that the WCEDA (Walworth County Economic Development Alliance) would be holding its Breakfast Briefs session at the Innovation Center on Wednesday, March 14th beginning at 7:30 a.m. with Todd Berry, Executive Director of the Wisconsin Taxpayer's Alliance as the guest speaker. Plans call for the Whitewater University Technology Park Board's annual meeting to take place after the Breakfast Briefs has been completed. A working committee has been established to plan for the annual meeting on March 14th.

14. Warranty Meeting.

Young informed the Board that the meeting would be held after the Board meeting to meet with J. P. Cullen, Epstein Uhen and City representatives to review any outstanding warrantee items pertaining to the facility. The one year warranty on the building actually expires on January 12, 2012.

15. Future Agenda Items.

Telfer requested that a report from the CESA2 executive director be placed as a regular item on the agenda and that the ED5 program be discussed.

16. Next Meeting.

The next meeting of the Board is scheduled for February 8, 2012, 8:00 a.m., at the Innovation Center.

17. Adjournment.

It was then moved by Chenoweth, seconded by Gayhart to adjourn. The meeting adjourned at 10:08 a.m.

Respectfully Submitted,

Kevin Brunner, Secretary