

## MINUTES

### Whitewater University Technology Park

#### Board of Directors Meeting

Wednesday, August 26, 2015

Whitewater University Technology Park Innovation Center

1221 Innovation Drive, Whitewater, WI 53190

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**PRESENT:** Beverly Kopper, Jessica Bonjour, Kevin Brunner, Cameron Clapper, John Chenoweth, Mark Johnson, Jeff Knight, Richard Moyse, Nathaniel Parrish

**EXCUSED:** Bud Gayhart, Christopher Grady, Crystal Singer

**GUESTS:** Pat Cannon, Derek D'Auria, Tom Harrigan, Jim McConoughey, Mark Stricker, and Kristen Burton

1. **Call to Order:** With a Quorum present, Kopper called the meeting to order at 8:02 am.

2. **Guest Speaker:** Mark Johnson introduced Jim McConoughey and Mark Stricker from Heartland Development to propose a development plan for the Technology Park. Their background is in building and strategic planning and development. They have 46 past projects to their credit, 4 of them relevant to the Tech Park situation, to include Arrowhead Industrial Park, a collaboration with the city of Harvard. In that instance, Stricker guaranteed the TIF and paid the real estate taxes. After three years, there was a positive cash flow. Heartland also built an Innovation Center in Peoria in 2003-2004 with wet and dry labs; the funding was assembled from many sources, but everyone agreed to the EDA's regulations. McConoughey raised money for a Cancer Biology Research Facility for the University of Illinois College of Medicine and then donated the facility along with 1.3 million in surplus cash to establish an endowment. The funds were raised from sixteen sources, 2 of them very large donors and cancer survivors. It was a very public private partnership.

McConoughey and Stricker inquired about the Tech Park's goals. Angles to consider for funding are 1) private public partnerships 2) targeting new business and economic development and 3) the technology park emphasis. They consider the technology park a place for the exchange of ideas, an "enterprise campus"; it has a different atmospheric and environmental exchange from that of a corporate campus. The Technology Park may be attractive to corporate landing parties, corporations that don't work here, but want an outpost here to recruit talent, promote partnerships, acquire technology and startups. We need to actively recruit them. Practical businesses do align with university research processes, but there is some wrestling over ownership.

Would the accelerator be an extended graduation facility? Businesses graduate to another facility, but there is still an advantage to affiliation in regards to the potential for a large corporate buyer or merger potential. If the accelerator is a graduation facility, companies move on after becoming established. A shared manufacturing facility would offer shared resources. The technology park could have a featured industry cluster. Emphasizing the soft stuff has an impact on talent recruitment. The data pipe, for instance, is a recruitment advantage.

McConoughey asked how investment funds would be spent. Chenoweth indicated that we would promote growth in areas that support the university; jobs for students, networking opportunities for faculty, and growth that would have a positive impact on taxes. Cannon added that you have to take an inventory of what you can already supply as a resource. Knight also noted that there are outlying factors that impact the strategic planning process. The Technology Park is in a distressed TIF and can only be used for expenses already planned. We need private sector funds that bring in buildings and high paying jobs. Moyse noted that the emphasis was on filling the building, not focusing on any specific industry. A building is needed for new companies to move into. Knight stated that details are needed from the university regarding services supplied. Are our rates reasonable? The building was filled in four years, when the national average is six.

McConoughey and Stricker are attracted to this community, but they are looking for where to spend their time. They want to reduce risks, not so much short term, but around year 7. The ecosystem is very important to them. Investment funds would be spent to fill everyone's needs.

Who would manage the facility and recruit tenants? Most of the reliance is currently on the university, with the backbone of the city's support. Heartland has built a number of buildings for the University of Illinois on the Peter Fox system. The strategic plan is solved, but not the operational plan. There is a 10-year operating agreement between the university, the CDA, and the city of Whitewater. The CDA owns the surrounding land and wishes to develop the rest of the land. It does not foresee separating from the university. Kopper added that there is a real commitment to the innovation and the entrepreneurial ecosystem on the UW-Whitewater campus. The College of Business and Economics has launched its first doctorate program in Business Administration, and the Math and Computer Science departments are launching a degree because of the needs that are expressed by businesses in the Innovation Center. Cannon also stated that most businesses want to come here because of the university.

McConoughey reiterated he would develop a strategic plan to ensure everyone is on board. He could lease the building back to Whitewater. Knight responded that the EDA has a 20-year ownership of the Innovation Center, and there is approximately 10.5 million in EDA funding in the building. McConoughey indicated that in this park, there would be need to modify the look of the accelerator building, or subsidize the cost.

McConoughey and Stricker would need a follow-up meeting with the Tech Park Board, or a smaller subcommittee to lay out the next steps in order to consider significant investment in the area. The Innovation Center and Technology Park have incredible infrastructure, but they need to understand the Board's path to development. The Board will discuss follow up steps in closed session.

**3. Approval of Minutes of July 22, 2015 Meeting:** Knight/Moyse moved to approve the July meeting minutes as presented. The motion was approved by a unanimous vote.

**4. Review/Acceptance of July 2015 Financial Reports:** Moyse/Chenoweth moved to approve the July 2015 Financial Reports. Johnson met with Saubert to review the financial reports and discuss anomalies. Communications is \$418 over budget due to long distance bills from AT&T for phone lines that are neither university nor Innovation Center tenant-affiliated. The lines will be identified and the billing reviewed. The building maintenance budget line is also over budget, primarily due to \$6000 to PerMar Security for installation of the electronic access system and a \$9000 repair to the HVAC system in April. Perhaps these expenses should be re-categorized as capital costs. Additional charges included \$600 to fix the partition in Room 105, a \$600 software upgrade for the geothermal controller, and \$500 for an unscheduled elevator repair. If operating to the projected budget, the Innovation Center would be \$3000 in the black; operations are approximately \$14,000 over budget. The use of the remaining \$9000 in

marketing funds will be discussed during closed session. The motion to approve the financial reports was approved by a unanimous vote.

5. **Director's Report:** Johnson discussed the Innovation Center event schedule and noted that numbers for attendance during summer and in January are low. Innovation Services will continue event programming for the academic year. Chenoweth/Clapper moved to approve the Director's Report. The motion was approved by a unanimous vote.

6. **Common Council Representative:** Clapper announced that Stephanie Abbott is the new Common Council representative for the Whitewater University Technology Park Board.

7. **Common Council October Meeting Presentation:** Clapper indicated everything is on schedule for the October 20<sup>th</sup> Common Council presentation.

8. **Board of Regents Meeting Thursday September 10<sup>th</sup>:** Kopper provided a reminder that UW-Whitewater will be hosting the UW Board of Regents on Thursday, September 10<sup>th</sup> and Friday, September 11<sup>th</sup>. A presentation to the REDI Committee is scheduled for 9:00 am on Thursday, September 10<sup>th</sup> and a reception at the Innovation Center for 5:00 pm that evening.

9. **Marketing Progress:** Johnson will discuss marketing progress in closed session.

10. **Adjourn to Closed Session** per Wisconsin Statute §19.85(1)(e) "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session."

Before entering closed session, there was some discussion as to what constitutes a matter for closed session. Cannon noted general strategy can be discussed in open session, and discussion about specific business in closed session. Clapper offered to invite the city's attorney to address the group regarding criteria for closed session discussion. Knight/Moyse moved to enter into closed session.

The motion passed unanimously, and the Board went into Closed Session. Items discussed:

- A. **Update on Prospective Clients/Tenants and Available Space:**  
Johnson gave updates on prospective clients and tenants.
- B. **Technology Park Development Update:**  
Johnson gave updates on the Technology Park development.

Parrish/Moyse moved to return to open session with the intent/option to take action. The motion passed unanimously. The Board returned to open session with the intent/option to take action.

11. **Future Agenda Items:** Future agenda items include: Report on marketing dollars to target successful businesses in Illinois (Johnson), Technology Park policy audit (Johnson), Graduating clients (Johnson)

12. **Future Meeting Dates:** Remaining fall dates are: September 30<sup>th</sup>, October 28<sup>th</sup>, November 18<sup>th</sup>, and December 16<sup>th</sup>.

13. **Adjournment:** Knight/Parrish moved to adjourn. The meeting was adjourned at 9:51 am.

Respectfully submitted,  
Kristen Burton for Cameron Clapper  
Secretary of the Whitewater University Technology Park Board