

MINUTES

Whitewater University Technology Park

Board of Directors Meeting

Wednesday, September 30, 2015

Whitewater University Technology Park Innovation Center

1221 Innovation Drive, Whitewater, WI 53190

PRESENT: Beverly Kopper, Jessica Bonjour, Cameron Clapper, John Chenoweth, Bud Gayhart, Mark Johnson, Jeff Knight, Richard Moyse, Nathaniel Parrish, Crystal Singer

EXCUSED: Stephanie Abbott, Kevin Brunner

GUESTS: Pat Cannon, Derek D'Auria, Michael Gay, Roger Gerndt, Steve Holzhauer, Paul Jadin, and Kristen Burton

1. **Call to Order:** With a quorum present, Kopper called the meeting to order at 8:00 am.

2. **Guest Speaker:** Mark Johnson introduced Michael Gay and Paul Jadin from the Madison Region Economic Partnership (MadREP), and Steve Holzhauer from Eppstein Uhen Architects. MadREP includes Dane County, and the counties that border it. There are nine economic partnership regions, of which MadREP is the largest. MadREP works with county economic development corporations, Chambers of Commerce, private businesses, and local development authorities, as well as UW-Whitewater, UW-Platteville, and UW-Madison. The universities are very important to economic development in terms of human capital. MadREP established the Business Education Collaboration to better inform academic institutes of the skills they need in new hires, and academics can tell businesses what resources they need in order to teach those skills. This can occasionally result in funding.

MadREP's marketing approach is focused on site selectors. Their Advance Now strategy includes the following factors: Innovation and Entrepreneurship, Human Capital, Marketing, Leadership and Diversity, and Economic Competitiveness. To promote business retention and expansion, they identify and address challenges to growth through interviews and questionnaires. When evaluating potential for innovation and entrepreneurship, they examine the physical space, the mentorship program, capital, connections, how engaged are the faculty and staff.

MadREP focuses on the following areas for industry development: Agriculture, Food and Beverage, IT, Life Sciences, Healthcare, and Advanced Manufacturing. They applied for an Investing in Manufacturing Communities Partnership; it could have a billion dollars in impact if awarded. They are one of 24 areas in the county that have significant federal point of contact. They are starting with a \$200,000 grant from the program to devote 4000 staff hours to this. They originally applied under Agriculture, but now that they have the designation, they will expand.

The Whitewater University Technology Park needs to determine if wants to expand, update its strategic vision and revisit its purpose. It should also reexamine its time and resource allocation, balancing

retention, expansion, start-ups and attraction, rather than just fall into becoming a landlord. How do we market Whitewater; what motivates a business to settle here.

The WUTP has 19 associated businesses, only 3 of which are non-incubation: CESA 2, CESA Purchasing, and JEDI, which is 17% non-incubation, and 87% incubation. In terms of space, however, 34% is non-incubation, and 66% is incubation. When we look ahead, how do we move and transfer some of the businesses downtown and open up space for new businesses requiring incubation? Mark Johnson has been revisiting the option of a new feasibility study; he has been in contact with David Ward from North Star. There is some discussion about applying for a Planning/Capacity grant from the Economic Development division.

Gayhart noted that the WUTP Board has not yet taken the leap of faith to graduate businesses. Will the space be filled? Will the business leave the Whitewater area? Jadin indicated that the next step is to determine how to achieve graduation without cutting ties to those businesses. He recommended incentivizing rent downtown or engaging the real estate community. Designate an area where the graduated startup would move; look beyond the incubator. Ask the startups, how can we help you graduate and move out? Is our primary relationship simply to subsidize their existence, or is there something we can do for them in this building to help them develop?

Moyse noted that a number of the companies have strong connections between each other. A campus effect might help them maintain those connections; a 2nd building here would be preferable. If they move downtown, those connections might be broken.

Cannon asked how much time and energy can the university give to support these businesses. Kopper indicated that the university is committed to partnering despite the budget issues, and will continue to support the incubation program at the current level.

Chenoweth inquired about MadREP's potential to recruit a larger business to build a building here. Do they have clients that would be interested in outlying communities like Whitewater? Jadin said they receive about two dozen requests per year for an outlying site. MadREP will find anyone that meets the company's specifications and invite them for a site visit. There are a surprising number of requests for sites about 45 minutes out of Madison. Certified sites are in demand. At a Gold Shovel program might work for the WUTP; it would cost about \$4000. Fifteen certified sites exist in the state today and they are doing well. Gay added that they brought site selectors on a two-day tour and there was as much interest in Janesville and Beloit as there was in Madison. Location is not a competitive disadvantage for site selection. MadREP could help when they know what the WUTP wants to achieve. Site selectors keep foremost in mind how education impacts everything.

There are only fifteen shovel-ready certifications because the certification costs \$30,000. These sites are attractive to companies because they are looking for speedy development. The site certification assures them they won't have to deal with zoning laws, wetlands, and other issues. Holzhauer inquired if the Capacity grant could be applied to certification, and Jadin replied that it would be question worth asking.

Johnson noted that WUTP needs to determine its overall strategy, business expansion versus time spent on exploration and recruitment. Should the Board pursue site selectors instead? Jadin agreed that it is the site selectors that need to be reached, which is MadREP spends so much time on outreach to them. They will meet a number of them at the MAEDC and then follow up with individual visits. They also reach out to real estate people of major companies. Jadin encouraged doing outreach in cooperation with the Wisconsin Economic Development Corporation. Gay added that it is very expensive and difficult to put

together a tour on one's own. Knight asked about the cost to participate in the tour; counties put in about \$5000 each.

Gay added that MadREP also has access to sector profiles. They looked at the industry sectors that the 8-county region does well, and did a profile for Agriculture, Food and Beverage. They are working to complete the other four industry sector profiles, perhaps in the next twelve months. Gaming is another industry in which the region is doing well. The Water Council is an excellent example of a Center for Excellence in the state. Whitewater could possibly be a Center for Excellence for Application Development, and move toward a Center for Excellent for Gaming.

MadREP develops partnerships between academics, private companies, and non-profits. The organization is working with the school district and teachers to encourage needed skills. They are engaging the education community and sharing their impediments with the business community. MadREP is also involved in Inspire Madison – young people can go online to talk to people in different professions to find out what it takes to train for that career.

Nine out of ten site selectors ask about talent. The southeastern Wisconsin region is a huge exporter of smart people out of this region. Madison is starting to establish the critical mass in some sectors to keep those people here.

Knight asked if there is a model contract with the sixty-four school districts. Jadin will send a copy and added that if anyone wants to serve in the BRE to keep abreast of developments, please contact him.

Jadin said that 90% of their million dollar budget comes from private funds. Much of the work they do for counties is not fee based. Gayhart indicated that the WUTP is developing a letter to target businesses in northern Illinois to see if it generates any interest. We would also like to target site selectors. Jadin replied that site selectors are more apt to read something if it comes from MadREP. MadREP can also do the vetting of those companies we have targeted for recruitment to relocate here.

Johnson thanked Jadin, Gay, and Holzhauser for their time and Jadin indicated that they would be happy to partner with the WUTP Board.

3. Approval of Minutes of August 26, 2015 Meeting: Moyses/Parrish moved to approve the August meeting minutes as presented. The motion was approved by a unanimous vote.

4. Review/Acceptance of August 2015 Financial Reports: Gayhart/Clapper moved to approve the August 2015 financial reports. The financial reports generally look good, though they are a little high on the maintenance figure. Approximately 71% of the budget has been used; it should be at 67%. Anomalies include the ClimaCool issue, the MAC installation, and elevator repairs.

5. Director's Report: There were no questions regarding the Director's Report. Singer/Gayhart moved to approve the Director's Report. The motion was approved by a unanimous vote.

6. Technology Park Policy Review: Johnson is in the process of auditing and reviewing Technology Park policies. He drafted new policies on graduation and delinquent rent after conducting a best practices search. There is a policy in place for a grace period for receipt of payment. Wally also forwarded him a copy of the city's delinquent rent policy, and provided feedback on the WUTP policy. Johnson inquired if the 30-day notice should come from the CDA, the Tech Park Board, or from him. The Board agreed that the notice should come from Johnson, but with a copy to the CDA. Moyses recommended that notification be sent to the tenants that the policy is being revamped. Chenoweth asked if the \$25 administrative fee is

in the lease. The lease needs to be made consistent with the policy. Gayhart added that the tenant handbook also needs to be aligned with the lease and policy, but the lease is the final word.

7. **Common Council Representative:** Clapper reported Stephanie Abbott is the new Common Council representative to the WUTP Board.

8. **Common Council Meeting Presentation:** Clapper confirmed the presentation to the Common Council is scheduled for October 20th. Johnson and Saubert submitted a preliminary budget. The presentation will be a basic summary; it will highlight the collaboration between the city, the university, and the CDA, provide the names of the Board members, give brief details about the companies at the Innovation Center, and provide statistics on full-time and student job creation. It should also include information about the graduated companies that are maintaining a presence in Whitewater, and about industry sectors prevalent among the tenants. The fringe benefits will be removed from the budget projections. A basic budget categories breakdown is helpful. Johnson will share the numbers with Clapper and Kopper.

9. **Board of Regents Meetings:** Kopper thanked everyone for their participation in the Board of Regents events. She received stellar feedback.

10. **Tech Park Marketing:** Johnson and Gayhart are working on marketing. Johnson will meet with Jeff Angileri. Between the three of them, they will develop a letter to recruit northern Illinois businesses. Knight suggested putting the marketing money into making sure the properties are site-certified ready. Johnson agreed that is a good use of the funds and will facilitate reaching out to site selectors. The 2015 marketing funds can be pushed to 2016. Cannon indicated that Tom Harrigan is pulling together the application materials for site certification. After application, Deloitte inspects the site to make sure everything has been done. Cannon added that Deloitte's fee is \$15,000. Knight said he will recommend that site certification be done and legal counsel is also recommending it; it will put the Tech Park on the short list for site selection.

11. **Tech Park Development Update:** Johnson reported there is no Tech Park development update.

12. **Update on Prospective Clients/Tenants and Available Space:** Aztec Solutions and Scanalytics will become tenants. Classmunity is a new virtual tenant.

13. **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."

Chenoweth/Singer moved to enter into closed session.

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

Knight/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.

14. **Future Agenda Items:** Future agenda items include: Update on shared systems/equipment (Bonjour)

15. **Future Meeting Dates:** Remaining fall dates are: October 21st, November 18th, and December 16th. Kopper has a conflict on December 16th; the meeting will likely be rescheduled for the day before or the day after.

16. **Adjournment:** Clapper/Chenoweth moved to adjourn. The meeting was adjourned at 9:53 am.

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