



Community Development Authority Board of Directors Meeting (In-Person & Virtual)

Whitewater Municipal Building Community Room,
312 West Whitewater St., Whitewater, WI 53190

*In Person and Virtual

Thursday, July 18, 2024 - 5:30 PM

MINUTES

CALL TO ORDER

Vice-Chair Kromholz called the meeting to order at 5:30 p.m.

ROLL CALL

PRESENT: Joe Kromholz, Jon Kachel, Neil Hicks, Christ Christon, Jeff Knight, Greg Majkrzak (entered late virtually). ABSENT: Thayer Coburn.

STAFF PRESENT: Taylor Zeinert (CDA Director), Bonnie Miller (CDA Administrative Assistant).

OTHERS: Rick Manthe, Esq. (CDA Legal Counsel).

DECLARATION OF CONFLICT OF INTEREST. None.

APPROVAL OF AGENDA

Moved by Board Member Hicks to amend the Agenda to take up Items 15 and 16 immediately before Item 7; seconded by Jeff Knight. Motion was approved by unanimous voice vote (5). Moved by Board Member Hicks to approve the Agenda as amended; seconded by Board Member Kachel. Motion passed by unanimous voice vote (5).

HEARING OF CITIZEN COMMENTS

None.

APPROVAL OF MINUTES

Moved by Board Member Hicks to approve the 06-20-2024 Minutes of the CDA Board Meeting; seconded by Board Member Kachel. Motion passed by unanimous voice vote (5).

Moved by Board Member Knight to approve the 07-02-2024 Minutes of the CDA Special Meeting; seconded by Board Member Hicks. Motion passed by unanimous voice vote (5).

ACKNOWLEDGE FINANCIAL STATEMENTS

Moved by Board Member Hicks to acknowledge the CDA Financial Statements for period ending 06-30-2024; seconded by Board Member Kachel. Motion passed by unanimous voice vote (5).

ACTION ITEMS

4. **Consideration and Possible Action regarding Memorandum of Understanding for the Innovation Center (Attorney Manthe).** Attorney Manthe introduced himself to the Board and summarized some revisions that he made that were merely stylistic and intended to clarify rather than to change the intent. Attorney Manthe recommended the MOU in its current form for approval by the Board. Moved by Board Member Kachel to approve the

MOU as presented; seconded by Board Member Christon. Motion passed by roll call vote. AYES: Knight, Hicks, Kachel, Kromholz, Christon; NOES: None; ABSENT: Coburn, Majkrzak.

5. **Discussion and possible action regarding updates to the Conflict of Interest Policy (EDD Zeinert).** CDA Director summarized the current Conflict of Interest Policy contained in the Rules of Procedure Manual approved by the CDA on 04/28/2022. Board Member Kachel requested updated information regarding the City's D & O insurance policy. Moved by Board Member Hicks to table Item 5 to a future meeting; seconded by Board Member Kromholz. Motion passed by unanimous voice vote (5).
6. **Consideration and Possible Actions regarding 108 West Main Street.** CDA Director Zeinert updated the Board regarding the considerations present at the 108 West Main Street building owned by the CDA, including water damage from a leak in the roof and the existence of a family of racoons that are in the building. Director Zeinert called their attention to the two proposals in the packet regarding repair to the roof and recommended moving forward with the lowest bid from Badgerland Roofing. Director Zeinert pointed out that the building is located in a flood plain and is subject to a limitation by the Department of Natural Resources as to a maximum expenditure of \$67,000. Board Member Hicks asked if the building had been inspected prior to purchase by the CDA. Ms. Miller called attention to the report in the packet completed by the City Building Inspector noting any notable conditions affecting the building. Ms. Miller also informed the Board that Contractor Russell Walton examined the building and found a weakness in a structural wall in the basement and submitted a proposal at approximately \$20,000 to repair the wall. Vice Chair Kromholz moved to table this agenda item until next month pending a report from Staff as to the total cost of bringing the building up to code so as to allow the Board to make an informed decision as to disposition or possible repair and proposed use of the building; seconded by Board Member Knight. Motion passed by unanimous roll call vote. AYES: Hicks, Kromholz, Christon, Kachel, Knight. NOES: None. ABSENT: Coburn, Majkrzak.

CONSIDERATIONS / DISCUSSIONS / REPORTS

15. **Staff Update Regarding WindUp Feedback.** Director Zeinert stated that she met with WindUp participants after the competition was over and summarized both positive and negative feedback she received from participants. Following questions from the Board, the consensus of the Board was to make some changes to the criteria of the program with the intent to improve a potential WindUp 2025.
16. **Presentations by WindUp Winners (Barista Cats Cafe and Stellar Vintage).** Director Zeinert provided a brief introduction of the first and second place WindUp contestants, followed by presentations by Natalie Serna, Owner of BaristaCats Café, and Holly Barnett and Alyssa Dobbs, Partners/Owners of Stellar Vintage Clothing.
7. **Staff Update regarding potential for collection of funds with regard to Meeper LLC Loans.** Attorney Rick Manthe (CDA legal counsel) stated that after reviewing the material presented by Finance Director Blitch, he felt that at this time, there appeared to be a low likelihood of recovering any funds from Meeper LLC or Liz Eversoll. Vice Chair Kromholz

asked Board Member Knight, who was on the CDA Board at the time the loans were granted, if anyone at that time say that they held an ownership or financial interest in Meeper groups or Ms. Eversoll's businesses. Board Member Knight stated that different businesses in town had invested, so the answer was "yes" but he could not state who they were. Vice Chair Kromholz next asked Board Member Knight if any members of the Board at the time that were investors to your knowledge. Board Member Knight stated that he was not sure, but he thought that if there was, they never voted in favor of any of the loans or the grants. Board Member Knight recalled a couple Board Members removed themselves and did not vote on the loans. Board Member Kachel asked if the CDA had used an attorney at the time. Board Member Knight provided a summary of how the program was set up through the WEDC and that Pat Cannon was Director of the CDA at the time and that the State referred Liz Eversoll to Whitewater. Vice Chairman Kromholz asked again if the CDA was represented by legal counsel. Board Member Knight stated that Mitch Simon was attorney for the CDA at the time. Ms. Miller, having worked for Attorney Simon at the time, provided her recollection of the fact that Attorney Simon advised at the time that the CDA not to participate in the Capital Catalyst Program and did no legal work for the CDA for that program. Attorney Manthe summarized by recommending that the CDA do an evaluation regarding if they want to do loans going forward and making sure that proper documentation is done to secure the CDA's interest. Board Member Knight questioned where or not there was any money left in the Capital Catalyst Fund. Ms. Miller confirmed from the Financial Statements presented in the packet that there was currently a balance of \$120,450.68 in the Capital Catalyst Fund, most of which came back as full repayment of loans to Blue Line Battery.

8. **Staff Update and discussion regarding the Rules of Procedures Manual.** Director Zeinert stated that Staff is working on the Rules of Procedures Manual and will bring this matter back to the CDA at a future meeting.
9. **Staff Update on the But For Worksheet.** Director Taylor included this item at the request of the City Manager for purposes of sharing the "But For" Worksheet implemented by City Staff in reviewing and evaluating requests for TIF assistance with regard to all project proposals brought forward to the City.
10. **Staff Update Regarding Draft of Technology Park Covenants.** Director Zeinert stated that the Draft of the Technology Park Covenants were never voted on. Board Member Kachel asked if they were recorded with the County. Ms. Miller stated that the Covenants were not recorded with the Register of Deeds for Walworth County and are not attached of record to any of the Tech Park lots. Board Member Knight stated that he recalled that both the CDA and Common Council had voted on the Covenants.

[Note that Greg Majkrzak entered the meeting at this point in the meeting.]
11. **Staff Update on Home Buying 101Event.** Director Zeinert stated that at the request of the body, Staff is working on a Home Buying 101 event to be held in October which will include a presentation regarding the City's Affordable Housing Fund Policy and a presentation from Roxanne Witte from Jefferson County regarding assistance available through County programs.

12. **Staff Update Regarding Developer Meet and Greet.** Director Zeinert is working on a meet and greet for developers at the Innovation Center on November 1, 2024 with staff present to walk them through the development process in Whitewater, including a map reflecting available vacant land in Whitewater. Local Banks will be present to provide information regarding their respective home loan programs.
13. **Staff Report Regarding Food Truck Fest.** Director Zeinert reported that staff is in the process of organizing a Food Truck Fest to be held at Cravath Lakefront Park on Saturday, September 14, 2024 from 11:00 a.m. to 7:00 p.m. There are 26 available spaces and 16 slots are filled at this time. Board Member Knight suggested doing a "Taste of Whitewater" as another possible future event.
14. **Economic Development Director Update.**

Director Zeinert reported that the strategic goals outlined by the CDA to complete 25 Business Retention and Expansion (BRE) Visits within one calendar year. As of this date, Staff has completed 19 BRE Visits, with 5 more scheduled, putting us well on target well in advance to meet that goal.

We have had a series of start-up related businesses come forward that were not connected to the WindUp, but had heard about the WindUp and decided to check out Whitewater. Jon Kachel would like to see more visits to industries in the Industrial Park. Jeff Knight would like to see a report summarizing general responses received at these visits.

EXECUTIVE SESSION

Moved by Board Member Knight and seconded by Board Member Hicks to adjourn to Closed Session, TO RECONVENE, pursuant to Wisconsin Statutes 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. Item to be discussed: (17.) Consideration and possible action regarding WindUp financial allocates. Motion passed by roll call vote. AYES: Kachel, Knight, Hicks, Christon, Majkrzak, Kromholz; NOES: None; ABSENT: Coburn.

RECONVENE INTO OPEN SESSION. Moved by Board Member Kachel and seconded by Board Member Hicks to reconvene to Open Session. Motion passed by unanimous voice vote.

18. **Possible action regarding WindUp financial allocations.** Moved by Vice Chair Kromholz to allocate funds to BaristaCats Café at an initial funding level of \$57,000 provided that BaristaCats Café enter into the proposed contract with the CDA with the proviso that the remaining ask may be increased up to a total amount of \$71,153.92 if at least two remodel contractor quotes are obtained by BaristaCats. Motion seconded by Board Member Majkrzak. Motion passed by roll call vote. AYES: Hicks, Kachel, Kromholz, Christon, Majkrzak. NOES: Knight. ABSENT: Coburn.

Moved by Vice Chair Kromholz to approve the full amount of the request of Stellar Vintage for \$33,302.83 provided that Stellar Vintage enters into the proposed contract with the CDA; seconded by Board Member Hicks. Motion passed by roll call vote. AYES: Majkrzak, Hicks, Christon, Kromholz, Knight, Kachel. NOES: None. ABSENT: Coburn.

FUTURE AGENDA ITEMS

19. Update regarding ongoing litigation, if any.
20. Update regarding status of Scanalytics Capital Catalyst Loan.
21. Cost of amending a TIF District.
22. WindUp 2025.
23. Jeff Knight would like to see an additional presentation regarding the 90% calculation.

ADJOURNMENT. Moved by Board Member Kachel to adjourn the meeting; seconded by Board Member Hicks. Motion passed by unanimous voice vote (6).

Respectfully submitted,
Bonnie Miller, Recorder

Minutes approved at the _____, 2024 CDA Board Meeting.