



Community Development Authority Board of Directors Meeting

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

*In Person and Virtual

Thursday, November 21, 2024 - 5:30 PM

MINUTES

CALL TO ORDER

Chairman Majkrzak called the meeting to order at 5:30 p.m.

ROLL CALL

PRESENT: Christ Christon, Neil Hicks, Joe Kromholz, Greg Majkrzak, Thayer Coburn, Jon Kachel (joined virtually at 6:30 p.m.). ABSENT: Board Member Knight

DECLARATION OF CONFLICT OF INTEREST

None declared.

APPROVAL OF AGENDA

Moved by Board Member Kromholz to approve Agenda after removal of Item #3; seconded by Board Member Hicks; motion passed by roll call vote. AYES: Board Member Hicks, Board Member Coburn, Board Member Kromholz, Board Member Christon, Chairman Majkrzak; NOES: None. ABSENT: Board Member Kachel, Board Member Knight.

HEARING OF CITIZEN COMMENTS

None.

APPROVAL OF MINUTES

Moved by Board Member Kromholz to approve the 10-17-2024 CDA Meeting Minutes. Motion seconded by Board Member Coburn. Motion passed by roll call vote. AYES: Chairman Majkrzak, Board Member Hicks, Board Member Christon, Board Member Coburn, Board Member Kromholz. NOES: None. ABSENT: Board Member Knight, Board Member Kachel.

ACKNOWLEDGE FINANCIAL STATEMENTS

Moved by Board Member Kromholz to acknowledge CDA Financial Statements for Period Ending October 31, 2024. Motion seconded by Board Member Hicks. Motion passed by roll call vote. AYES: Board Member Hicks, Board Member Kromholz, Board Member Christon, Board Member Coburn. NOES: None. ABSENT: Board Member Kachel, Board Member Knight.

PRESENTATION. How to Calculate TIF Percentages (Kristin Fish Peterson) Item removed from this Agenda to be rescheduled on the December 19, 2024 Agenda.

ACTION ITEMS

4. **Discussion and possible action regarding Inventalator Loan Collection Efforts.** DD Zeinert provided an update regarding the status of the CDA Loan to Inventalator and introduced CEO Coby Skonord who requested, and the CDA granted Mr. Skonord permission, to proceed with his closed session presentation in open session. Mr. Skonord stated that Inventalator is an idea management software and updated the Board as to the current financial position of the company and projections for the future. The Board was able to ask questions and Mr. Skonord responded. Mr. Skonord presented a proposal for a structured repayment plan as follows: (1) Submit royalties today based on revenue for 2022 and 2023 in the sum of \$25,550; (2) Submit 2024 royalties in Q2 of 2025; (3) four quarterly installments of remaining principal + interest balance beginning in Q1 2026; (4) reset quarterly meetings with Taylor like we had with previous CDA Director and Bi-Annual Updates to CDA Board. Discussion and possible action by the Board was deferred to be taken up in Closed Session.
5. **Discussion and Possible Action Regarding Demolition of the 216 E. Main Street Building.** EDD Zeinert provided the Board with a summary of the current blighted condition of the building located on this property. Staff is recommending demolition of the building with the intent to redevelop this property, including the adjacent green space. EDD Zeinert requested feedback from the Board. It was the consensus of the Board to defer action on this item until an estimate of the cost to demolish the building is determined.
6. **Discussion and Possible Action Regarding Request for Proposal (RFP) for Demolition of 216 E. Main Street. Building.** Following discussion by the Board, it was moved by Chairman Majkrzak to approve the RFP pending a Phase I Environmental assessment of the property not to exceed a cost of \$5,000 and then brought back to the Board when the report is received. Motion seconded by Board Member Hicks. Motion passed by roll call vote. AYES: Christon, Hicks, Kromholz, Majkrzak, Coburn. NOES: None. ABSENT: Kachel, Knight.
7. **Update, Discussion and Possible Action with respect to Rodriguez Assignment and Assumption Agreement regarding delinquent CDA Action Fund loan to Jay Stinson/Fine Food Arts LLC.** EDD Zeinert provided a summary of the background regarding the status of the proposed Assignment and Assumption Agreement regarding the CDA Loan to Fine Food Arts LLC (Jay Stinson). EDD Zeinert stated that Dan Rodriguez is no longer willing to proceed with entering into the Assignment and Assumption Agreement. EDD Zeinert stated that based on evaluation by Attorney Manthe as to the likelihood of recovering any funds from Mr. Stinson. In Attorney Manthe's opinion, it would likely cost the CDA more to pursue this matter than the CDA would be in a position to recover. using the legal services of CDA Attorney Manthe.
8. **Discussion and possible action regarding filing criminal charges against Jay Stinson relating to Delinquent CDA Loan to Fine Food Arts LLC.** Board Member Kromholz would like to amend the already-filed Civil Complaint against Mr. Stinson to correctly name the CDA as the correct plaintiff and re-file the lawsuit for purposes of obtaining a default judgment of record against Mr. Stinson. EDD Zeinert stated that it was Attorney Manthe's opinion that the CDA did not have grounds to pursue a criminal case against Mr. Stinson. Moved by Board Member Kromholz not to proceed with pursuing criminal charges against Mr. Stinson, but rather, to renew the Civil Case against Mr. Stinson with a properly-written lawsuit naming the proper parties and seeking restitution with legal fees not to exceed \$500 plus the cost of filing. Motion seconded by Board

Member Hicks. Motion passed by roll call vote. AYES: Christon, Majkrzak, Coburn, Kromholz, Hicks.

9. **Discussion and Possible Action Regarding But for Worksheet.** EDD Zeinert and the City Manager collaborated to draft a But For Worksheet and is seeking feedback from the Board with the intent to approve a But For Worksheet as an informational guide to be used moving forward with any discussions regarding using TIF funds for future projects. Moved by Board Member Majkrzak to approve the But For Worksheet as presented as a guiding tool. Motion seconded by Board Member Kromholz. Motion passed by roll call vote. AYES: Majkrzak, Hicks, Christon, Coburn, Kromholz.

CONSIDERATIONS / DISCUSSIONS / REPORTS

10. **Report on calculation of per household rate savings relating to CDBG funds applied to Water Tower project EDD Zeinert)** EDD Zeinert summarized the report provided by Finance Director Blich and it was acknowledged by the Board.
11. **Update Regarding WindUp 2025 Rules.** EDD Zeinert provided a summary of the rules and procedures to be followed for WindUp 2025 and requested feedback from the Board regarding any requested changes. Board Member Hicks initiated a discussion regarding the definition of “existing business” versus a “new business” as it pertains to a business qualifying for WindUp 2025. It is noted that Board Member Kachel joined the meeting virtually at 6:30 p.m. After further discussion by the Board, it was moved by Chairman Majkrzak to approve the Windup Rules as presented after correction of a minor typographical error. Motion seconded by Board Member Coburn. Motion passed by roll call vote. AYES: Hicks, Coburn, Kachel, Kromholz, Christon, Majkrzak. NOES: None. ABSENT: Knight.
12. **Updates & Discussion regarding Pages 1-10 of CDA Rules of Procedure Handbook.** EDD Zeinert updated the Board as to the history of the CDA Rules of Procedure Handbook and suggested proceeding to review the document ten (10) pages at a time until completed. Board Member Hicks noted that the majority of the changes were in the Table of Contents. The only minor change to the text is on page 10 regarding statutory posting rules. Board Members Coburn and Kromholz would like to see less documents in the packets and more executive summaries. Board Member Coburn requested clarification of the on-line course required for new appointments to the Board. Moved by Majkrzak to approve the first ten pages of the CDA Rules of Procedure Handbook as presented. Motion seconded by Board Member Kromholz. Motion passed by roll call vote. AYES: Hicks, Kromholz, Christon, Kachel, Coburn, Majkrzak.
13. **Economic Development Activity Report.** EDD Zeinert updated the Board as to general ongoing economic development activities, including the success of the Developer Meet and Greet which was attended by approximately 30 people including developers, landowners, bankers and brokers. EDD Zeinert informed the Board that staff will be updating the Potential Development Map to include more parcels and requested that the Board let staff know of any known parcels to add to the map. EDD Zeinert stated that we have established a date in September 2025 to hold another Food Truck Festival. Lastly, EDD Zeinert reported that business owners in Whitewater would like the CDA to facilitate more networking sessions among like businesses.

EXECUTIVE SESSION

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. Items to be discussed: Discussion and Possible Action Regarding Development Agreement With Tanis Properties, LLC and Update regarding status of Ideawake/Inventalator Loan.

Moved by Board Member Majkrzak to adjourn to Closed Session; seconded by Board Member Kromholz. Motion passed by unanimous voice vote.

RECONVENE INTO OPEN SESSION AT 6:57 p.m.

Moved by Board Member Majkrzak to Reconvene to Open Session for possible action on Closed Session Item(s). Motion passed by unanimous voice vote.

Moved by Board Member Kromholz to approve the Land Swap Agreement between the City and Tanis Properties as presented; seconded by Board Member Coburn. Motion passed by roll call vote.

AYES: Christon, Hicks, Kromholz, Majkrzak, Coburn. NOES: None. ABSTAIN: Kachel (due to inconsistent cell phone coverage). ABSENT: Knight.

Moved by Board Member Kromholz to accept the proposed repayment plan submitted by Mr. Skonord and to enter into a new Promissory Note between Inventalator and the CDA, pending receipt of a list of investors from Mr. Skonord; seconded by Board Member Coburn. Motion passed by roll call vote. AYES: Kachel, Christon, Hicks, Kromholz, Majkrzak, Coburn. NOES: None. ABSENT: Knight.

FUTURE AGENDA ITEMS

17. Cost of Amending a TIF District (EDD Zeinert)
18. Updates to Revolving Loan Programs
19. Status of Collections on Loans
20. Seeking a legal opinion as to increased cooperation between the City boards and commissions in pursuit of recovering delinquent loan amounts.
21. Direct staff to provide additional materials and notifications during the month and creating tabbed agenda items for ease in handling the packet materials.

ADJOURNMENT

Moved by Board Member Hicks and seconded by Board Member Kromholz to adjourn the meeting. Motion passed by unanimous roll call vote. Chairman Majkrzak adjourned the meeting at 7:03 p.m.

Respectfully submitted
Bonnie Miller, Recorder