



Common Council Agenda Item

Meeting Date:	January 7, 2025
Agenda Item:	Potential Development of 67 Acre parcel of vacant land
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-0148

BACKGROUND

(Enter the who, what when, where, why)

This memo is to inform you of the City of Whitewater's engagement with Neumann Companies and John Hoffmann concerning the development of a parcel near the high school.

Neumann Companies has proposed a significant residential project for this area, which encompasses the portion of Tax Parcel WUP 00324 lying northerly of the Hwy. 12 By-Pass and the portion of Tax Parcel WUP 00325 lying northerly of the Hwy. 12 By-Pass and easterly of Indian Mound Parkway (collectively referred to as the "Subject Parcel"), consisting of approximately 67 acres.

Neumann Companies plans to develop the Subject Parcel into a vibrant residential community, including:

- Approximately 150 single-family homes
- 60 multi-family apartment units

This development aligns with the City's goals of fostering residential growth and providing diverse housing options for our community.

The City and Neumann Companies have established a framework for this development through a Letter of Intent (LOI). Key terms and responsibilities outlined in the LOI include:

Developer's Responsibilities:

1. **Sanitary Sewer Infrastructure:**
 - The Developer will assume responsibility for installing sanitary sewer infrastructure through Parcel WUP 00324.
2. **Future Sewer Availability:**
 - Within five (5) years of commencing development on Parcel WUP 00324, the Developer will extend the sanitary sewer line to Parcel WUP 00325.

City's Support:

1. **Tax Increment Financing (TIF):**
 - The City intends to recommend to the CDA the provision of TIF support up to 90% of the total increment generated by the project, structured as a Pay-Go arrangement. No funds will be disbursed until the project generates incremental tax revenue.
2. **Affordable Housing Policy Fund:**
 - Staff will recommend that \$400,000 from the Affordable Housing Policy fund be allocated to assist with off-site infrastructure costs and to defer other upfront expenses. This funding will be provided at the closing of the Subject Parcel sale from Hoffmann Lands, Ltd. to the Developer.

This LOI is non-binding and serves as a framework for future discussions and agreements. A formal Development Agreement, along with other necessary documentation, will be executed to solidify the obligations and responsibilities of all parties.

We believe this project represents a significant opportunity for Whitewater to address housing needs, enhance community growth, and support infrastructure development. Staff will continue to work closely with the Developer and other stakeholders to ensure the successful implementation of this project.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

- The parcel is currently vacant and has historically served as farm land.
- The CDA approved the LOI at the December Meeting and is recommending it for Common Council approval

FINANCIAL IMPACT

(If none, state N/A)

- 90% TIF incentive (this mirrors the previous incentive given to the prior development)
- \$400,000 from the affordable housing fund

STAFF RECOMMENDATION

Staff's recommendation is to move the approve the LOI:

Suggested Motion: "I move to approve to the LOI as presented.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

- Letter of Intent between the City of Whitewater and Neumann Companies
 - Letter of Support from Whitewater PD
 - Letter of Support from Public Works Department
 - Offer to Purchase between Neumann Companies and Hoffman Lands LLC
 - Anticipated TIF numbers from Kristen Fish-Petersen
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