



Common Council Agenda Item

Meeting Date:	April 20, 2026
Agenda Item:	Memo re Stonehaven Development Agreement
Staff Contact (name, email, phone):	Mason Becker, mbecker@whitewater-wi.gov , 262.443.4458

BACKGROUND

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

For several months, city staff have been working with Tim Vandeville of Stonehaven Development on a proposed concept to build 14 owner-occupied single-family homes on a currently undeveloped stretch of land along Bluff Rd. The developer has requested a unique form of TIF assistance which would include the creation of a short-term Revolving Loan Fund to support the project. Staff have proposed that the Common Council approve a short-term borrowing from the wastewater utility to fund the Revolving Loan Fund for this project, which the Finance Department has confirmed has enough fund balance to cover, while still leaving a reserve. The city's financial advisors, Ehlers, have also stated that this form of internal borrowing is acceptable in the State of Wisconsin.

The developer's goal with this is to utilize a modular home product which will allow construction at a more attainable price point than most new construction homes are currently available for in this market. The homes will be constructed in a way that will be essentially "move in ready", with poured concrete basements, concrete driveways, and furnished appliances. Further, these will be offered at an attainable price point targeted at \$330,000 and not to exceed \$350,000, per the Development Agreement. Most new single-family detached homes in the City of Whitewater are listed for upper \$300,000's or low \$400,000's price points.

At the April 9, 2026 Common Council meeting, the agreement was reviewed. After discussion, the proposal was voted down, but the council asked staff to bring the agreement back along with a review of potential interest rate scenarios. The developer has agreed that an increased interest rate is acceptable.

Staff have worked to provide several scenarios under different interest rates, as the council requested. It is important to understand that the increased interest rate will need to be covered somehow. This could either be through a higher sale price of the homes, or the council could opt to have the difference in sale price covered by using fund balance from TID #11.

It is important to understand that the developer's desire to close on the three privately owned parcels before the end of this month is not an artificial or arbitrary date. The developer will need to incur additional costs if the closing date is extended beyond the end of this month, including a loss of earnest money. The developer has also indicated that the private property owner is unwilling to grant another extension without closing.

On a side note, one council member inquired with staff about the status of soils on the site. To staff's knowledge, and as far back as records reliably indicated, the land this development is planned for has never been developed. It has historically been used for farming. There is no known contamination on the site, and the Wisconsin DNR's website at <https://dnrmapping.wi.gov/H5/?viewer=rrsites> confirms this. Further, Public Works Director Brad Marquardt shared the following:

“There was no mention of any unsuitable or hazardous material Bluff Road was realigned or when sanitary sewer or water main or storm sewer were installed going north/south across this property. Up until the late 1990’s Bluff Road was on a different alignment and from the old aerial photography, the land to the south of the old alignment was never developed.” (map image attached below)



As a reminder, the developer had Tanis Construction dig test holes on the site several months ago, and found bedrock depth was acceptable and found no evidence of other issues with the project site.

Following the April 9, 2026 Common Council meeting, Wisconsin Homes (the modular home manufacturer for this project) reached out and provided the letter that is also included in this meeting packet.

Staff view this project as relatively low risk for the city, and the Revolving Loan Fund concept will serve as something of a pilot program. If the program is successful, the city could choose to utilize it again in the future. If it is unsuccessful, the loan fund will be paid off and closed. Further, this development agreement includes several safe guards to protect the city’s financial interests, including a personal guarantee from the developer and a provision that allows the city to re-claim the parcels, should they not be developed.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

- On August 19, 2025, the Common Council voted to approve the sale of the two CDA-owned parcels to Stonehaven Development
- The CDA board reviewed the proposed development project and recommended staff move forward with drafting a Development Agreement for future review by the CDA and Common Council at the December 18, 2025 regular board meeting
- The CDA was given an update on this project at the February 19, 2026 regular board meeting
- The developer’s requested rezoning and Comprehensive Plan Amendments on the properties were previously approved by both the PARC and the Common Council, with final approval given at the February 17, 2026 Common Council meeting
- The CDA recommended the Development Agreement to the Common Council for approval at the March 19, 2026 regular CDA board meeting

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- The Common Council voted to not approve the Development Agreement on April 9, 2026. Staff were asked to bring the agreement back for further review and discussion, with revised interest rate scenarios

FINANCIAL IMPACT
(If none, state N/A)

- The addition of much needed single-family owner-occupied housing will represent significant improvement to these currently undeveloped properties, two of which that are currently tax-exempt

STAFF RECOMMENDATION

- Staff recommend that the Common Council approve the Development Agreement with Stonehaven Development and the included Resolution.

ATTACHMENT(S) INCLUDED
(If none, state N/A)

- Current Development Agreement draft
 - Resolution to Approve Development Agreement
 - Memo re developer's financial statement
 - Review from Ehlers
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- Letter from Wisconsin Homes