



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, September 21, 2023 - 5:30 PM

MINUTES

CALL TO ORDER

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

ROLL CALL

PRESENT

Vice Chairperson Jim Allen
Board Member Jon Kachel
Board Member Jeff Knight
Board Member Lukas Schreiber

ABSENT

Board Member Thayer Coburn
Board Member Joseph Kromholz
Chairperson Patrick Singer

STAFF PRESENT: Brad Marquardt (Public Works Director), Kristen Fisch-Peterson (CDA Consultant);
Bonnie Miller (CDA Administrative Assistant)

DECLARATION OF CONFLICT OF INTEREST.

Would any member(s) of the Board wish to declare any known conflict of interest with the items presented on today's CDA Board Agenda?

None.

HEARING OF CITIZEN COMMENTS. None.

APPROVAL OF MINUTES

1. Approval of CDA Minutes for 08/17/2023.

Motion made by Vice Chairperson Allen, Seconded by Board Member Coburn to approve minutes from August 17, 2023.

Voting Yea: Vice Chairperson Allen, Board Member Coburn, Board Member Kachel, Board Member Knight, Board Member Schreiber

REVIEW & ACKNOWLEDGE FINANCIAL STATEMENTS.

2. Review and Acknowledge Financial Statements for Period Ending 08/31/2023.

Moved by Schreiber and seconded by Knight to acknowledge the Financial Statements as presented. Motion passed by unanimous voice vote.

Board Member Kachel requested to have the City's Finance Director present at future Board Meetings.

PRESENTATIONS

3. Paul Eckert of Safepro Technologies - Update on Business Activities.

Paul Eckert of Safepro Technologies provided an update regarding their business operations at the Innovation Center located in Whitewater's Technology Park. Safepro's Soteria System is an emergency evacuation system involving detection, shelter-in-place and laser safety guidance system effective in situations such as active shooter, fire or hazmat. Mr. Eckert stated that they have completed their first test site install in the Greenfield School District and is working with another pilot school in the Beloit School District.

4. UW-Whitewater Innovation Center - Memorandum of Understanding between UW-Whitewater and the City .

Elizabeth Thelen, Executive Director of the Whitewater University Innovation Center, provided an update regarding activities at the Innovation Center which is piloting new technology and promoting entrepreneurship. Ms. Thelen promoted several changes related to the property management component at the Innovation Center that the University is requesting to be made to the Memorandum of Agreement between the City and UW-Whitewater.

ACTION ITEMS:

5. Discussion and Possible Action for Recommendation to Common Council: Economic Development Director Salary Range. Presentation by Lee Szymborski of GovHR USA.

Lee Szymborski of GovHR provided the Board with an update as to the status of the search for candidates for the position of Economic Development Director. Mr. Szymborski stated that the salary is too low t(\$50,000 - \$90,000) to attract quality candidates and recommended raising the top number to \$100,000 as a mid-level spot without creating inequities among management position salaries. Discussion included adjustments to the actual title for the position and an increase in responsibilities.

Moved by Jeff Knight and seconded by Jon Kachel to make a recommendation to the Common Council for consideration of modifying the salary range for the Economic Development Director to \$100,000. Motion passed by unanimous roll call vote.

6. Update, Discussion and Possible Action Regarding Proposed Listing Contract for Brokerage Services for Sale of City-Owned Property. [Note: See attached additional material made available to the Board during the meeting that was not included in the public packet.]

Representatives from two applicants that responded to the RFP presented their proposed contract and took questions from the Board. Steve Anderson and Lisa Parks represented Anderson Commercial Group. Tim Vandeville represented Legacy Realty Group. No action was taken.

7. Discussion and Possible Action Regarding Richter Development Agreement - Request to Extend Construction Deadline - Property Located on Executive Drive.

Moved by Schreiber and seconded by Kachel to extend the construction deadline under the Development Agreement to April of 2024.

8. Discussion and Possible Action Regarding Becker & Bolton Development Agreement - Deadline to Commence Construction - Property Located at 501 Prospect Drive.

Moved by Knight and seconded by Schreiber to send the draft letter as presented to Becker & Bolton, LLC by certified mail requesting an update as to the anticipated commencement of construction and a request from Development to extend the deadline. Motion passed by unanimous roll call vote.

UPDATES AND DISCUSSION

9. Discussion Regarding CDA Investment in Building a Spec House or Model Home to Encourage Subdivision Development or Completion (Jeff Knight).

Item postponed to the November 16, 2023 meeting.

10. Economic Development Update

CDA Admin. Miller reported that she would be attending the Walworth County Housing Summit on 9/25/2023, along with Taylor Zeinert, Chief of Staff, and City Manager Weidl who will be a presenter at the event. The City will have a promotional table with a focus on economic development in Whitewater and featuring the Affordable Housing Policy. Miller also stated that she is enrolled in the TIF 201 Seminar at the WEDA Best Practices Seminar in Wausau on September 27, 2023. Public Works Director Marquardt reported that the ALDI project continues to move forward but had no update as to when they would start construction. Ms. Fish-Peterson reported that Staff is involved in the due diligence phase with two major development projects and will bring them forward to the Board when fully vetted. Ms. Fish-Peterson encouraged the Board to do a refresher of the WEDA Seminar Economic Development 101 (video). Miller was directed to send the video to the Board.

FUTURE AGENDA ITEMS: Board Member requests for future agenda items.

Discussion regarding CDA Rules of Procedures (November 16, 2023).

EXECUTIVE SESSION

Motion by Vice-Chair Allen, seconded by Schreiber, 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 passed by unanimous roll call vote. Items to be discussed:

11. Negotiation and Possible Action regarding Memorandum of Understanding between UW-W and the City for the Innovation Center.
12. Negotiation and Possible Action Regarding Development Agreement for A-1 Packaging, Parcel Located on Prospect Drive in the Business Park.
13. Negotiation and Possible Action Regarding Development Agreement with JM Meadowview LLC for Housing Project on Meadowview Court.
14. Negotiation and Possible Action Regarding Development Agreement with US Shelter Homes LLC

RECONVENE INTO OPEN SESSION

15. Reconvene to Open Session for possible action on closed session item(s).

Motion to reconvene to Open Session moved by Schreiber and seconded by Knight passed by unanimous voice vote.

Item 12: Moved by Knight, seconded by Kachel to approve the Development Agreement between the CDA and Prospect Drive LLC (A-1 Packaging) for construction of a 100,000 sq. ft. precast panel concrete building and is requesting the land as an incentive and \$125,000 per year for 10 years in pay as you go TIF incentive. The investment is over \$10 million with a guaranteed minimum assessed value of \$7.5 million. Motion passed by unanimous roll call vote.

ADJOURNMENT

Motion by Schreiber to adjourn seconded by Kachel passed by unanimous voice vote. Chairman Knight adjourned the meeting at 8:05 p.m.

Respectfully submitted,

Bonnie L. Miller, Recorder

Attachment

Additional material made available during the meeting regarding Item #6 that was not included in the advance packet made available to the public.

DRAFT



312 W. Whitewater Street
Whitewater, WI 53190
PHONE: (262) 473-0148
FAX: (262) 473-0549

June 16, 2023

Twelve2 Commercial Group LLC
461 River Crest Court
Mukwonago, WI 53149

Re: City of Whitewater to Becker & Bolton LLC
Sale of Lot 6B in the Whitewater Business Park (Tax Parcel No. 292-0515-3434-001)

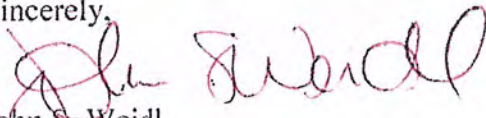
Gentlemen:

Enclosed herewith are the following:

1. Copy of fully-executed Settlement Statement.
2. Check #095361 made payable to Twelve2 Commercial Group LLC in the sum of \$10,764.00 in payment of the commission due pursuant to Vacant Land Listing Contract between the City of Whitewater and Twelve2 Commercial Group LLC dated November 1, 2021.

The above referenced Vacant Land Listing Contract expires on midnight October 31, 2023. You are hereby notified that the City of Whitewater has decided not to renew that contract.

Sincerely,


John S. Weidl
City Manager

Enclosures

CITY OF WHITEWATER

P.O. BOX 690
WHITEWATER, WI 53190

NO. 095361

THE FIRST CITIZENS STATE BANK
WHITEWATER, WISCONSIN

DATE	CHECK NO.	AMOUNT
06/16/2023	95361	*\$ 10,764.00

Ten Thousand Seven Hundred Sixty-Four and 00/100 Dollars

PAY TO
THE
ORDER
OFTWELVE2 COMMERCIAL GROUP LLC
461 RIVER CREST CT
MUKWONAGO WI 53149

Jeremiah Thomas

CITY CLERK

John S. Weid

CITY TREASURER

⑈095361⑈ ⑆075902337⑆ 100⑈036⑈

095361

City of Whitewater, Accounts Payable Department - 262-473-1381 or 262-473-1382

Payee: TWELVE2 COMMERCIAL GROUP LLC

CHECK NO.:	95361
Check Issue Date:	06/16/2023
Check Amount:	10,764.00

VENDOR NO.:	9691			
INV DATE	INVOICE NO	INVOICE DESCRIPTION	GL ACCT NUMBER	NET AMOUNT
06/16/2023	BECKER&BOLTON S	BECKER&BOLTON SALE COMMISSION	100-15205	10,764.00

TOTAL AMOUNT:

10,764.00

**First Citizens State Bank
ALTA Universal ID
309 S. Main St.
Jefferson, WI 53549**

File No./Escrow No.: 34148
Print Date & Time: May 31, 2023 at 09:21 AM
Officer/Escrow Officer: First Citizens State Bank
Settlement Location: 207 W Main St
 Whitewater, WI 53190

 **COPY**

Property Address: 501 N Prospect Dr
 Whitewater, WI 53190
Borrower: Becker & Bolton LLC
Seller: City of Whitewater, Wisconsin
Lender: First Citizens State Bank
Settlement Date: June 1, 2023
Disbursement Date: June 1, 2023

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
Financial				
	\$ 107,640.00	Sale Price of Property	\$ 107,640.00	
\$ 107,640.00		Seller Credit		\$ 107,640.00
Prorations/Adjustments				
Loan Charges to First Citizens State Bank				
Other Loan Charges				
Impounds				
Title Charges & Escrow / Settlement Charges				
		Title - Lender's Policy	to Fidelity Land Title	\$ 1,379.00
		Title Fees	to Fidelity Land Title	\$ 1,127.00
Government Recording and Transfer Charges				
		Recording Fees	to Register of Deeds	\$ 35.00
Payoffs				
Miscellaneous				
		Commission	to Twelve2 Commercial Group, LLC	\$ 10,764.00
\$ 107,640.00	\$ 107,640.00	Subtotals	\$ 120,945.00	\$ 107,640.00
		Balance Due FROM BUYER		\$ 13,305.00

Seller		Borrower/Buyer	
Debit	Credit	Debit	Credit
\$ 107,640.00	\$ 107,640.00	\$ 120,945.00	\$ 120,945.00
TOTALS			

Acknowledgement

We/I have carefully reviewed the ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the ALTA Settlement Statement. We/I authorize First Citizens State Bank to cause the funds to be disbursed in accordance with this statement.

Becker & Bolton LLC

By: 

Jaimie J. Becker, Member

By: 

Benjamin K. Bolton, Member

City of Whitewater, Wisconsin

By: 

John Weidl, City Manager

By: 

Jeremiah Thomas, Interim City Clerk

N/A
First Citizens State Bank, Escrow Officer



September 12, 2023

City of Whitewater, Whitewater WI C
Attn: James Allen / City Council President and Patrick Singer / CDA President

Dear Mr. Allen and Mr. Singer,

The reason for this letter is only to notify you of the way our firm was treated by the City of Whitewater after two years of marketing the city-owned parcels. I am forwarding the attached letter from John Weidl that notified our real estate firm that the City of Whitewater has decided to not renew our listing contract effective at the expiration date of October 31, 2023. We were very disappointed to learn that Twelve2 Commercial was terminated and not given any reason for the city's decision, nor the opportunity to meet with the City Council or CDA. My understanding now is that two other real estate firms were asked to present a proposal for listing and marketing the city-owned properties for sale. Twelve2 was not given any opportunity to provide a proposal for the listing renewal. This approach seems very unprofessional, unfair, and quite a slap in the face after two years of service to the city!

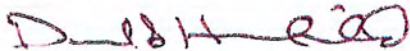
Twelve2 Commercial Group has invested a significant amount of money and time in our marketing efforts since we were hired by the city in 2021. We knew up front that we were faced with a challenging job of finding development opportunities, but we were confident that we could help the city in time. Twelve2 Commercial has some very close relationships with a few of the local manufacturers, Whitewater building owners and developers. We are also representing other local real estate owners with marketing their properties outside of the city-owned properties, so we have had a good presence in Whitewater over the last few years.

We have also been involved in a few recent real estate transactions with Whitewater manufacturers.

- Lavelle Industries expanded into 25,000 sqft at 1151 Universal Blvd (Long Term Lease) – January 1, 2022
- Creative Packaging moved to 30,000 sqft at 369 Newcomb St (Long Term Lease) – Commencement September 1, 2022
- Sold 369 Newcomb St to Larry Chapman – Closed July 8, 2022
- Creative packaging expanded into 20,000 feet at 848 E Commerce Ave (Short Term Lease) – Commencement May1, 2023
- East West Manufacturing expanded into 20,000 sqft in Delavan due to no industrial space available – Commencement June 1, 2022

I would also like to note that due to our present and past relationship in Mukwonago with Mr. John Weidl, Twelve2 Commercial would **not** consider a proposal to the city to renew our listing contract if given the opportunity at this time. As much as we would appreciate that opportunity (if presented), we will not work with him any longer. We believe that working relationships should be healthy and professional to be successful. Thank you!

Sincerely,



David S Hazenfield / Owner-Broker

Email: dh@twelve2cg.com

Phone: 262-470-3810

Twelve2 Commercial Group, LLC
461 River Crest Ct.
Mukwonago, WI 53149

Twelve2 Commercial Group, LLC
N8 W22195 Johnson Dr, Suite 150
Waukesha, WI 53186

Text From John W

Dave Hazenfield <DH@Twelve2CG.com>

To: James Allen <JAllen@whitewater-wi.gov>

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Jim,

I thought it would be important to forward John Weidl's text message that he sent to me yesterday morning (Wednesday, September 13th) at 11:43, just after he emailed me his response to my letter. For the record, we have NEVER received any negative feedback, requests for any updates, activity reports, or even any calls from anyone at the City of Whitewater during our listing period. So I'm very confused about his statement that he has two written negative statements against our firm. We always have to assume that we're doing a good job if we haven't received any complaints or concerns. Just thought you should know this. Thank you!

Dave Hazenfield/Twelve2 CG

Text from John Weidle as follows:

Hope you got my email. Call if you have questions. It's going in the CDA packet along with two other negative assessments of your firm services from current staff and elected officials. Along with your email to Jim and Jim's email to Bonnie. Have a great week.

Dave Hazenfield | Principal
Twelve2 Commercial Group LLC
461 River Crest Court
Mukwonago, WI 53149
dh@twelve2cg.com
www.Twelve2cg.com
T: 262-436-4760 Ext. 218
M: 262-470-3810