



Community Development Authority

Meeting Date: October 15, 2026

Agenda Item: Review and Recommendation of the Draft Development Agreement with Whipple Contractors LLC for the Bower's House Redevelopment (183-187 W Main Street)

Staff Contact (name, email, phone): Mason Becker, mbecker@whitewater-wi.gov, 262.443.4458

BACKGROUND

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

The Bower's House (formerly also known as the White Elephant) is a vacant commercial building located at 183-187 W Main Street in downtown Whitewater, within Tax Incremental District (TID) #12. Brian Whipple of Whipple Contractors LLC intends to redevelop the building with ground floor commercial space and ten (10) rental apartment units. The developer estimates the total project cost at approximately \$2.5 million, representing a significant reinvestment in a long-vacant building at a focal point in the City's downtown.

On September 1, 2026, the Common Council authorized the City to apply to the Wisconsin Economic Development Corporation (WEDC) for a new Community Development Investment (CDI) Grant of approximately \$213,000 to support the project. As noted at that time, a development agreement between the City and the developer would be brought forward for consideration. City staff have prepared the attached draft Development Agreement for the CDA's review.

The draft agreement also includes a City incentive of up to \$90,000 to help cover the cost of a fire sprinkler system. The City's 2024 water main and water service upgrade serving the property, which included replacement of the lead service line, resulted in the building now needing a fire sprinkler system that would not otherwise have been required for the renovation. The developer advised staff that this added cost could keep the project from moving forward. The developer has obtained a proposal of approximately \$69,900 for the system, though he is seeking an additional allowance in case costs escalate.

Please note that the attached agreement is still a draft. Certain items, including the exhibits, are still being finalized by City staff. As the developer has had to obtain several extensions to the real estate closing from the property owner, and closing is currently scheduled before the end of this month, there is urgency now with this item.

Overview of the Draft Development Agreement

- Project: Redevelopment of the building with ten (10) apartment rental units and ground floor commercial space, completed in a single phase. Detailed plans will be subject to review and approval by the Plan and Architectural Review Commission.
- Developer Investment: The developer commits to a minimum investment of \$2.5 million in the project, with an expected increase in property value to at least \$2.5 million by January 1, 2029. The property's current assessed value is \$221,300.00. The developer also agrees not to challenge the property's future assessment below an agreed minimum value.
- Schedule: Building permit plans submitted by March 30, 2027; construction started by June 30, 2027; construction completed by June 30, 2028, with occupancy permits by December 31, 2028.
- City Support: The City will support the WEDC CDI Grant (approximately \$213,490) for the project. The developer will provide the required 3-to-1 match and comply with WEDC grant requirements.

- City Incentive: The City will reimburse up to \$90,000 of the fire sprinkler system cost. This is a “pay-as-you-go” (PAYGO) incentive, meaning it is paid back to the developer over time only from the new property taxes the completed project generates. Payments begin after the ten apartments receive occupancy permits and are projected to be completed within about four years, though the agreement allows them to continue for the life of TID #12 if needed. If the project is not completed or does not add value, the City pays nothing.
- City Protections: The property must remain on the tax rolls, transfer of the project requires City consent, and the City retains the right to reacquire the property if construction is not started or completed on schedule. The agreement also includes a one-time “lookback” review that would reduce the incentive if the developer’s returns end up higher than a reasonable level. The agreement will be recorded against the property and remain in effect for the life of TID #12.

The City’s financial advisor, Ehlers, reviewed the proposed incentive (memo attached). Ehlers noted that the fire sprinkler system is an unusual, project-specific cost that makes up only about 3.5% of the total project cost of roughly \$2.54 million. If the project performs as expected, the \$90,000 could be repaid within about four years. Given the PAYGO structure and the small share of overall project costs, Ehlers concluded the incentive amount is reasonable.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

- The Common Council previously authorized application for and acceptance of a WEDC CDI Grant and approved a 2022 development agreement to support redevelopment of this property. Work on that project stopped in 2024, and WEDC closed out the grant award in 2025, recapturing approximately \$213,000 in unused funds.
- On September 1, 2026 the Common Council authorized the City to apply to WEDC for a new CDI Grant, in the approximate amount of \$213,000, to support redevelopment of the property by Whipple Contractors LLC.

FINANCIAL IMPACT

(If none, state N/A)

- The draft agreement does not commit any City general funds to the project.
- The City incentive of up to \$90,000 would be paid only from new property taxes generated by the project within TID #12, and only after the apartments are completed and receive occupancy permits.
- The CDA currently has a Façade Loan on the property with a remaining balance of \$12,647.68, which is to be paid back to the CDA at closing.
- The primary source of public financial assistance is the WEDC CDI Grant of approximately \$213,490, subject to WEDC approval and the developer’s 3-to-1 match.
- The project is expected to add approximately \$2.5 million in property value within TID #12, returning a long-vacant downtown building to productive use.

STAFF RECOMMENDATION

- Staff recommend that the CDA Board recommend the Development Agreement between the City of Whitewater and Whipple Contractors LLC for the redevelopment of 183-187 W Main Street to the Common Council for approval, pending final edits by City staff.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

- Draft Development Agreement
- Draft WEDC Community Development Investment (CDI) Grant application
- Ehlers Review Memo – Bower’s House Developer Incentive (October 9, 2026)

