



Community Development Authority Board of Directors (In Person & Virtual)

Whitewater Municipal Building Community Room,
312 West Whitewater St., Whitewater, WI 53190
*In Person and Virtual

Thursday, January 16, 2025 - 5:30 PM

MINUTES

CALL TO ORDER

Meeting called to order at 5:30 p.m.

ROLL CALL

PRESENT

Board Member Thayer Coburn
Board Member Jon Kachel
Board Member Greg Majkrzak
Board Member Christ Christon

ABSENT

Board Member Joseph Kromholz
Board Member Neil Hicks

STAFF

Taylor Zeinert, Economic Development Director (EDD)

DECLARATION OF CONFLICT OF INTEREST.

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

None

APPROVAL OF AGENDA

A committee member can choose to remove an item from the agenda or rearrange its order; however, introducing new items to the agenda is not allowed. Any proposed changes require a motion, a second, and approval from the Committee to be implemented. The agenda shall be approved at each meeting even if no changes are being made at that meeting.

Motion made by Board Member Kachel, Seconded by Board Member Coburn.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Majkrzak, Board Member Christon

HEARING OF CITIZEN COMMENTS

No formal Committee action will be taken during this meeting although issues raised may become a part of a future agenda. Participants are allotted a three minute speaking period. Specific items listed on the agenda may not be discussed at this time; however, citizens are invited to speak to those specific issues at the time the Committee discusses that particular item.

To make a comment during this period, or during any agenda item: On a computer or handheld device, locate the controls on your computer to raise your hand. You may need to move your mouse to see these controls. On a traditional telephone, dial *6 to unmute your phone and dial *9 to raise your hand.

None

ACKNOWLEDGE FINANCIAL REPORTS**1. Financial Reports**

EDD Zeinert stated that the only thing that sticks out is being addressed in item number 5 on the agenda.

Motion made by Board Member Majkrzak, Seconded by Board Member Coburn.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Majkrzak, Board Member Christon

PRESENTATIONS**2. Presentation by Natalie Serna of Barista Cats Cafe post Wind Up**

EDD Zeinert stated that she was asked to come in to give an update.

Natalie Serna presented her Powerpoint to the board updating them on the renovations. She explained that the rear area was remodeled to help with the behind the scene area for the cats and cafe. They also purchased supplies and equipment.

EDD Zeinert stated that we were able to use Natalie's group for a code enforcement issue that came up with cats that were not in the best of environments.

Kachel asked if it was correct that there was an issue with the landlord that she didn't want to do the improvement.

Natalie explained that they were having communications issues, but that was resolved. Natalie stated that she just signed a new three year lease.

Natalie stated that she is not sure what money is left and understands that no decisions can be made tonight but if there is anything left she is wondering if it can be used up the POS system. The current system is using Square units and those units need to be updated. And if there is money let over, they would get their antique furniture reupholster in water proof material.

EDD Zeinert stated that she has reached out to finance and is waiting on finance to provide her with information regarding if there is left over monies. If there is this matter would be brought back to the board.

3. Presentation by EDD Zeinert regarding BRE Visits.

EDD Zeinert wanted to provide an update. She stated that the strategic plan states that her office would conduct 25 BRE visits this year. She had gotten into this office at the beginning of February. So we were able to start that program with just under one year. I wanted to bring to the board the general consensus of who we talked to, the general themes and the goals for 2025.

We made 27 BRE visits last year, two visits over our goal. Staff had not really gone out to business prior to this. The Office of Economic Development, had a vacancy for a large period of time. And that some businesses, had stated that the last person who had done this was Cameron Clapper.

As a reminder, the conversations with these businesses are confidential to maintain that open line of communication. The recurring concerns that were brought up were landlord concerns. Not just one landlord, but multiple. They were not accommodating with issues related to parking or repairs. There was a concern about rent prices, where one person had done a comparison and Whitewater was higher.

The next issue was quality staff, 26 out of 27 of the business stated that they struggled with staffing.

The other issue was competing or lack of similar companies. They asked what is being done to incentivize businesses to come to Whitewater. EDD Zeinert shared information regarding the Whitewater Windup. The flip side was, there is another company coming in like me and how that would effect them.

Goals for 2025. We have already done 5 BRE's for this year. The goal is that we meet with more financial institutions. We met with one last year and hope to meet with all of them this year. We want to connect with the business park employers. We did one last year and are hoping to to get into some of the larger employers in the park this year. We want to do 35 BRE meetings this year.

Additionally, we are going to be hosting more business networking events. The masseuses in town, had specifically asked for a round table. They asked for the City to host. We extended it to all wellness businesses.

Christon asked for clarification that they asked the City to put it together and why they couldn't do so themselves. EDD Zeinert explained that they had tried to do that but didn't get great feedback.

Kachel asked how many masseuses do we have in Whitewater. EDD Zeinert stated there are 5 or 6.

Christon stated that as one of the business who did a BRE he appreciates it. He feels that this is a short presentation and there are things that EDD Zeinert could dive more deeply

such as overlapping concerns, cause and effect. He gave the example of the staffing concerns such as the move in and out schedule of the students. Lack of full time staff.

Kachel asked if EDD Zeinert could share the template of what is discussed. EDD Zeinert stated that there is a questionnaire that is sent to the business prior to the visit, that was worked on by UW River Falls. EDD Zeinert stated that she can share this with the board in the Friday wrap up.

Corburn asked if members of the CDA could come along on one of these visits to see what it is like.

ACTION ITEMS

4. Discussion and possible action regarding award of bid for demo of 108 W. Main St. (EDD Zeinert)

EDD Zeinert stated we received a total of 4 bids. Two of them on time and two of them late. HM Brandt is the recommended bid. Their price is significantly more than the other prices. They were contacted for an explanation of why. HM Brandt explained that when they did the walk through. Given that the building is on the river the DNR requires extra permits. Additionally they noted that they will need extra backfill so as to fill the property and make sure the sidewalk doesn't collapse. EDD Zeinert stated that they were the only company that actually walked through the building.

Kachel stated that you mean the companies that bid it didn't walk through. EDD Zeinert stated that is correct, only HM Brandt walked through it.

Christon asked if this was the same company for the other building.

EDD Zeinert confirmed that it was.

Christon asked if it was possible to line up both jobs together. EDD Zeinert stated that she did ask them this and they would have no issue doing so and they would also be happy to bid on 216 E Main also.

Majkrzak asked if there was an ordinance that required this body to take the lowest bid. EDD Zeinert explained that she checked with Brad Marquardt, DPW Director, the City Manager and the City Attorney and they do not need to take the lowest bid.

Kachel stated that he knows Frank Silha company and figures HM Brandt is a bigger company. He is asking why we should pay double if the work is done in a professional manner.

EDD Zeinert stated that there are three reasons behind why they are. They were the only company who walked through the building. DNR permitting and the majority of the higher price would be going toward these permits. And the issue with the back filling so the sidewalk doesn't cave in. They will be using more fill.

Coburn asked about the liability and whether Silha would have included the permit in their quote. EDD Zeinert stated she assumed so.

Majkrzak asked if this was a not to exceed quote or a time and materials quote. If they run into more permitting requirements is this on them.

Christon state the that the Silha quote is putting the DNR permit on the CDA. He also asked if the HM Brandt bid showed the cost of those permits.

Kachel stated that he likes turn key but not paying double for turn key.

Christon stated that he thinks a little more information needs to be presented on this before a decision can be made.

Majkrzak noted that in the HM Brandt bid there is a clause that any changed or unforeseen site conditions involved extra charge would be charged.

Coburn asked about the two that were late, if we were bringing them back in. EDD Zeinert stated that this is up to the body.

Coburn feels that if we reopen, it should be for all of them.

Board needs more information so matter was Tabled to get this information.

CONSIDERATIONS / DISCUSSIONS / REPORTS

5. Staff report regarding status of Slipstream Loans (Finance Director Rachelle Blich)

EDD Zeinert stated that based on the memo from Finance Director Rachel Blich that they have not paid on their loans and we should look into legal action.

Motion by Coburn to direct staff to look into legal action.

Kachel asked if Slipstream was totally out of business. EDD Zeinert stated that Rachel's memo states that they still are in business.

Motion made by Board Member Coburn, Seconded by Board Member Majkrzak.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Majkrzak, Board Member Christon

6. Discussion and possible action regarding the status of the amended promissory note for Inventalator. (EDD Zeinert)

EDD Zeinert stated that this has been an interesting promissory note as of late. Legal council drafted an amended promissory note which was sent to Colby previously. As of today, Colby decided not to sign it. He had reservation with the interest rate and paragraph 5 section F, he would like that removed. Acknowledging that this body was meeting on this today, legal was contacted and they contacted Colby's legal team. Colby proposed that he pay a 4% interest rate and we had 15% which is a very low interest rate to suggest. Our team got together with Colby's team and they agreed to 10%. The promissory note in front of the board today obviously doesn't have those changes in it. Legal stated they would be fine removing the paragraph and section they were more concerned with the interest rate.

Kachel asked if we have seen any financial statements regarding this gentleman.

EDD Zeinert stated that the gentleman stated he would give those to us once the promissory note was signed. It was confirmed that he does have an auditor and does

have a formal financial person that he goes through and does his auditing and things of that nature.

Kachel feels that if we are agreeing to that rate we should see his financials prior to signing the note.

Majkrzak stated that at the November meeting it was agreed that 2024 financials would be provided in Q2 of 2025.

Kachel feels that we are being taken advantage of. We are making the interest rate what he wants, lets get something out of it. It's called bargaining.

Coburn stated he doesn't feel taking out the paragraph is an issue, if finance is ok with it.

Christon stated if he wants to change the previously agreed upon interest rate, than we want to change our terms of seeing his financials.

Coburn motion to approved the amended promissory note as presented. Kachel added with the exception that financials must be sent to staff for review prior to the signing of the promissory note.

Motion made by Board Member Coburn, Seconded by Board Member Kachel.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Majkrzak, Board Member Christon

7. Staff Report regarding Starin Road Parcel /WUP 00018D

EDD Zeinert stated that this property is also known as Hospital Hill. We had a developer to develop this land into residential homes. Upon further investigation that the sewer that is on Jefferson Street that would be used to put homes on this property is not adequate for residential. EDD Zeinert did talk to DPW Director they are looking at extending that sewer lateral in 2026. This is on Jefferson Street. This is the same sewer lateral that is being extended by the wrap and ship. Based on this information it is very unlikely that we will get residential to develop on Hospital Hill until that happens in 2026.

Kachel asked if this property goes to the corner of Starin Road. The Starin Road side would be fine just not the Jefferson street side.

EDD Zeinert stated that the logical way to develop it this property just is not feasible until 2026.

Christon explained that he was the former president of WFD Inc the fire department never owned it. It was left to the City. All proceeds of sales or development must go towards advances in life care systems for EMS. It can go toward paramedic advances or ambulances.

Christon asked when in 2026 construction would begin and end.

8. Staff Report regarding legal matter against Jay Stinson and Fine Food Arts LLC

EDD Zeinert explained that this body had requested that we proceed with legal action against Jay Stinson and Fine Food Arts, LLC. The copy of the complaint is attached with highlighted portions, specifically on page 6. Those are the amounts owed to date. Those will change depending on when this is filed. Also, the address listed for Mr. Stinson is inaccurate. We believe that he is somewhere in Chicago and are working on getting a better address.

Kachel asked if this was filed with the address on here. He asked about his former residential address in Whitewater and Janesville.

EDD Zeinert stated that the previous one that Attorney McDonnell filed was wrong. I believe that was the address that was on there. But this was filed wrong. We believe that Jay is living in Chicago based on what we heard in the community and what is on CCAP.

Kachel stated there is a way to publish in the newspaper since we don't know his address. It would be just if he got it.

EDD Zeinert stated that she would reach out to legal.

Christon asked if Tyler Salisbury had reached out to us. EDD Zeinert stated no. Christon stated he would reach out to him since Jay owes him debt and he may have an address.

Motion to file complaint.

Motion made by Board Member Christon, Seconded by Board Member Majkrzak.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Majkrzak, Board Member Christon

FUTURE AGENDA ITEMS

Kachel would like the JK Resignation on agenda

9. Presentation by Stellar Vintage post Wind Up (February Meeting)
10. Staff update regarding Dodge County Housing Authority by EDD Zeinert.

ADJOURNMENT

Meeting adjourned at 6:20 p.m.

Motion made by Board Member Majkrzak, Seconded by Board Member Christon.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Majkrzak, Board Member Christon

