



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, May 16, 2024 - 5:30 PM

Citizens are welcome (and encouraged) to join our webinar via computer, smart phone, or telephone.
Citizen participation is welcome during topic discussion periods.

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/83847306895?pwd=f2T0hNANf8bWXEaiovtU237KkmTZgQ.zPqLgfbg7aVI8Ecq>

Passcode: 275178

Telephone: +1 (312) 626-6799

Webinar ID: 838 4730 6895

Passcode: 275178

Please note that although every effort will be made to provide for virtual participation, unforeseen technical difficulties may prevent this, in which case the meeting may still proceed as long as there is a quorum. Should you wish to make a comment in this situation, you are welcome to call this number: (262) 473-0108.

AGENDA

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

A Board 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 Board to be implemented. The Agenda shall be approved at each meeting even if no changes are being made at that meeting.

CONSIDERATION & ELECTION OF CHAIR & VICE CHAIR

1. Election of Chair and Vice Chair.

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?

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 (3) 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.

APPROVAL OF MINUTES

2. Approve Minutes of the April 18, 2024 CDA Board of Directors Meeting.

ACKNOWLEDGE FINANCIAL STATEMENTS

3. Review and acknowledge CDA Financial Statements for Period Ending April 30, 2024.

ACTION ITEMS

4. Consideration and possible action regarding appointment of Economic Development Director Taylor Zeinert to serve as CDA Director.

UPDATES & DISCUSSION

5. Update and discussion regarding Innovation Center M.O.U. (Joe Kromholz)
6. Update and discussion regarding status of Whitewater WindUp business competition.
7. Economic Development Activities Update
8. Update and discussion regarding April 25th Housing Round Table.

EXECUTIVE SESSION

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. Items to be discussed:

9. Consideration and possible action regarding proposed multi-family development to be located on Moraine View Parkway (Tax Parcel No. WPB 00044) for Chris Slater.

RECONVENE INTO OPEN SESSION. Reconvene to open session to take action on closed sessions item(s).

FUTURE AGENDA ITEMS

10. Update regarding status of Action Fund Loan Loss Reserves.
11. Update regarding why Meeper Loan was written off.
12. Update regarding status of Scanalytics Capital Catalyst Loan.
13. Follow up on summary of Capital Catalyst original loan amounts.
14. Cost of amending a TIF District.
15. Update regarding ongoing litigation, if any.

ADJOURNMENT

A quorum of the Common Council may be present. This notice is given to inform the public that no formal action will be taken at this meeting.

Anyone requiring special arrangements is asked to call the Office of the City Manager / City Clerk (262-473-0102) at least 72 hours prior to the meeting.

Election of Chair and Vice-Chair of the CDA Board of Directors

Nominations for the **Chair** of the Community Development Authority Board of Directors

Nomination of _____ by _____

Are there any other nominations for the **Chair** of the CDA Board of Directors?

Nomination of _____ by _____

Are there any other nominations for the **Chair** of the CDA Board of Directors?

Nomination of _____ by _____

All those in favor of _____ for **Chair** of the CDA Board of Directors say "Aye". All those oppose say "No"

Aye	No	Absent	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Majzrak
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Kromholz
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Christon
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Hicks
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Coburn
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Knight
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Kachel

The Ayes have it and _____ is elected **Chair** of the _____.

Turn the meeting over to the Chair _____ for nominations of the **Vice Chair** of the Community Development Authority Board of Directors.

Nominations for the **Vice Chair** of the CDA Board of Directors.

Nomination of _____ by _____

Are there any other nominations for the **Vice Chair** of the CDA Board of Directors?

Nomination of _____ by _____

Are there any other nominations for the **Vice Chair** of the CDA Board of Directors?

Nomination of _____ by _____

All those in favor of _____ for **Vice Chair** of the CDA say "Aye". All those oppose say "No"

- Kromholz
- Hicks
- Christon
- Kachel
- Coburn
- Knight
- Majkzrak

The Ayes have it and _____ is elected Vice-**Chair** of the CDA Board of Directors.

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2024

ECONOMIC DEVELOPMENT FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>MISCELLANEOUS REVENUE</u>					
900-48600-56 MISC INCOME	100.00	100.00	.00	(100.00)	.0
TOTAL MISCELLANEOUS REVENUE	100.00	100.00	.00	(100.00)	.0
<u>OTHER FINANCING SOURCES</u>					
900-49265-56 TRANSFER TID #4 AFFORD HOUSING	50,000.00	50,000.00	50,000.00	.00	100.0
900-49266-56 TRANSFER TID #11-ADMIN	.00	.00	25,000.00	25,000.00	.0
900-49267-56 TRANSFER TID #12-ADMIN	.00	.00	25,000.00	25,000.00	.0
900-49269-56 TRANSFER TID #14-ADMIN	.00	.00	25,000.00	25,000.00	.0
900-49270-56 TRANSFER TID #10-ADMIN	.00	.00	22,500.00	22,500.00	.0
900-49290-56 GENERAL FUND TRANSFER	.00	32,500.00	32,500.00	.00	100.0
900-49300-56 FUND BALANCE APPLIED	.00	.00	23,003.03	23,003.03	.0
TOTAL OTHER FINANCING SOURCES	50,000.00	82,500.00	203,003.03	120,503.03	40.6
TOTAL FUND REVENUE	50,100.00	82,600.00	203,003.03	120,403.03	40.7

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2024

ECONOMIC DEVELOPMENT FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET AMOUNT</u>	<u>VARIANCE</u>	<u>% OF BUDGET</u>
<u>CDA</u>					
900-56500-111 SALARIES	4,562.72	25,969.69	121,050.02	95,080.33	21.5
900-56500-151 FRINGE BENEFITS	1,101.60	5,171.00	38,265.63	33,094.63	13.5
900-56500-210 PROFESSIONAL DEVELOPMENT	.00	290.00	3,535.00	3,245.00	8.2
900-56500-211 CONSULTANT FEES	3,834.73	9,834.73	.00	(9,834.73)	.0
900-56500-212 LEGAL SERVICES	.00	793.50	12,625.00	11,831.50	6.3
900-56500-215 PROFESSIONAL SERVICES	2,812.50	4,079.50	2,525.00	(1,554.50)	161.6
900-56500-222 COUNTY/REGIONAL ECON DEV	.00	11,019.00	11,000.00	(19.00)	100.2
900-56500-223 MARKETING	.00	402.14	2,525.00	2,122.86	15.9
900-56500-224 SOFTWARE/HARDWARE MAINTENANCE	.00	520.64	3,590.71	3,070.07	14.5
900-56500-225 TELECOM/INTERNET/COMMUNICATION	223.58	600.73	1,991.17	1,390.44	30.2
900-56500-310 OFFICE & OPERATING SUPPLIES	87.02	379.36	606.00	226.64	62.6
900-56500-311 POSTAGE	.00	1.92	202.00	200.08	1.0
900-56500-320 DUES	.00	.00	1,000.00	1,000.00	.0
900-56500-325 PUBLIC EDUCATION	42.00	42.00	50.50	8.50	83.2
900-56500-330 TRAVEL EXPENSE	.00	.00	3,737.00	3,737.00	.0
900-56500-341 MISC EXPENSE	.00	.00	300.00	300.00	.0
TOTAL CDA	12,664.15	59,104.21	203,003.03	143,898.82	29.1
TOTAL FUND EXPENDITURES	12,664.15	59,104.21	203,003.03	143,898.82	29.1
NET REVENUE OVER EXPENDITURES	37,435.85	23,495.79	.00	(23,495.79)	.0

Report Criteria:

Report type: GL detail

Invoice Detail.GL account = 9001000000-9009999999,9101000000-9109999999

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Notes	Description	Invoice Number	Invoice GL Account	Invoice Amount
900									
04/24	04/11/2024	96618	8484	ORANGE WHIP DESIGN LLC		2024 CITY GUIDE DESIGN	001469_WW	900-56500-325	42.00
04/24	04/18/2024	96638	6643	REDEVELOPMENT RESOURCE		MAR 2024 CDA WORK	1074	900-56500-215	2,812.50
04/24	04/18/2024	96642	9815	TRACY CROSS & ASSOCIATES I		RENTAL MARKET ANALYSIS	14197	900-56500-211	3,834.73
04/24	04/18/2024	900168	8487	US BANK	SARA MARQUARDT-MERIDI	Miller Business Cards	APRIL 2024	900-56500-310	67.59
Total 900:									6,756.82
Grand Totals:									6,756.82

M = Manual Check, V = Void Check

**CITY OF WHITEWATER
BALANCE SHEET
APRIL 30, 2024**

ECONOMIC DEVELOPMENT FUND

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
900-11100 CASH	31,000.08	37,435.85	10,597.07	41,597.15
900-19000 GASB 68-WRS NET PENSION ASSETS	(6,097.61)	.00	.00	(6,097.61)
900-19021 GASB 68-WRS DOR	23,154.68	.00	.00	23,154.68
900-19999 GASB 68-PENSION CLEARING ACCT	5,089.00	.00	.00	5,089.00
TOTAL ASSETS	53,146.15	37,435.85	10,597.07	63,743.22
<u>LIABILITIES AND EQUITY</u>				
<u>LIABILITIES</u>				
900-21100 ACCOUNTS PAYABLE	6,802.57	.00	(6,802.57)	.00
900-21106 WAGES CLEARING	6,096.15	.00	(6,096.15)	.00
900-23810 ACCRUED SICK LEAVE	639.58	.00	.00	639.58
900-29011 GASB 68-WRS DIR	12,767.45	.00	.00	12,767.45
TOTAL LIABILITIES	26,305.75	.00	(12,898.72)	13,407.03
<u>FUND EQUITY</u>				
900-34300 PROPRIETARY CAPITAL	26,840.40	.00	.00	26,840.40
UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	.00	37,435.85	23,495.79	23,495.79
BALANCE - CURRENT DATE	.00	37,435.85	23,495.79	23,495.79
TOTAL FUND EQUITY	26,840.40	37,435.85	23,495.79	50,336.19
TOTAL LIABILITIES AND EQUITY	53,146.15	37,435.85	10,597.07	63,743.22

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2024

CDA PROGRAMS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>FACADE LOAN REVENUE</u>					
910-44005-00	FACADE INT-BOWER'S HOUSE \$50K	1,407.40	1,407.40	.00 (1,407.40)	.0
	TOTAL FACADE LOAN REVENUE	1,407.40	1,407.40	.00 (1,407.40)	.0
<u>ACTION LOAN REVENUE</u>					
910-46001-00	INT INC-ACTION-LRN DEPOT \$41K	143.49	419.59	655.37	235.78 64.0
910-46008-00	INT INC-ACTION-SAFEPRO \$100K	319.20	1,299.90	3,714.90	2,415.00 35.0
910-46010-00	INT INC-ACTION-SWSPOT/GILDE	59.99	419.31	1,659.91	1,240.60 25.3
	TOTAL ACTION LOAN REVENUE	522.68	2,138.80	6,030.18	3,891.38 35.5
<u>MISCELLANEOUS REVENUE</u>					
910-48103-00	INTEREST INCOME-FACADE	119.77	455.22	890.69	435.47 51.1
910-48104-00	INTEREST INCOME-HOUSING	69.17	263.73	518.42	254.69 50.9
910-48108-00	INTEREST INCOME-SEED FUND	220.90	888.49	750.00 (138.49)	118.5
910-48109-00	INTEREST INCOME-ACTION FUND	4,086.15	16,672.98	33,750.00	17,077.02 49.4
910-48601-00	MISC INCOME	.00	.01	.00 (.01)	.0
910-48605-00	RENTAL INCOME-CROP LEASES	.00	12,838.00	15,876.00	3,038.00 80.9
	TOTAL MISCELLANEOUS REVENUE	4,495.99	31,118.43	51,785.11	20,666.68 60.1
<u>OTHER FINANCING SOURCES</u>					
910-49290-00	TRANSFER FROM OTHER FUNDS	.00	.00	116,264.71	116,264.71 .0
910-49300-56	FUND BALANCE APPLIED	.00	.00	(164,080.00)	(164,080.00) .0
	TOTAL OTHER FINANCING SOURCES	.00	.00	(47,815.29)	(47,815.29) .0
	TOTAL FUND REVENUE	6,426.07	34,664.63	10,000.00 (24,664.63)	346.7

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2024

CDA PROGRAMS FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET AMOUNT</u>	<u>VARIANCE</u>	<u>% OF BUDGET</u>
<u>CDA PROGRAMS</u>					
910-56500-212 LEGAL/PROFESSIONAL/MARKETING	.00	.00	5,000.00	5,000.00	.0
910-56500-219 PROFESSIONAL SERVICES	.00	487.50	5,000.00	4,512.50	9.8
910-56500-408 RENTAL & PROPERTY EXPENSES	248.57	766.95	.00	(766.95)	.0
TOTAL CDA PROGRAMS	<u>248.57</u>	<u>1,254.45</u>	<u>10,000.00</u>	<u>8,745.55</u>	<u>12.5</u>
TOTAL FUND EXPENDITURES	<u>248.57</u>	<u>1,254.45</u>	<u>10,000.00</u>	<u>8,745.55</u>	<u>12.5</u>
NET REVENUE OVER EXPENDITURES	<u>6,177.50</u>	<u>33,410.18</u>	<u>.00</u>	<u>(33,410.18)</u>	<u>.0</u>

CDBG-HOUSING CHK-1CSB XXX450		Total Deposit	Debit	910-11600	-
HO# 1 Payment	Principal		Credit	910-14027	
HO# 11 Payoff	Principal		Credit	910-14037	
ACTION-BUS DEV-BUS PARK-XXX127		Total Deposit	Credit	910-11800	4,219.32
PAUQUETTE CENTER LOAN RECV	Principal		Debit	910-13500	(1,289.52) 04/05/2024 ACH PAYMENT
ACTION-SWSPOT/GILDEMEISTER 54K	Principal		Credit	910-13510	(615.26) 04/22/2024 ACH PAYMENT
INT INC-ACTION-SWSPOT/GILDE	Interest		Credit	910-46010-00	(143.49) 04/22/2024 ACH PAYMENT
ACTION-SAFEPRO TECH \$100K	Principal		Credit	910-13509	(1,153.80) 04/11/2024 ACH PAYMENT
INT INC-ACTION-SAFEPRO \$100K	Interest		Credit	910-46008-00	(319.20) 04/11/2024 ACH PAYMENT
ACTION-LEARNING DEPOT \$41,294	Principal		Credit	910-13501	(638.06) 04/01/2024 ACH PAYMENT
INT INC-ACTION-LRN DEPOT \$41K	Interest		Credit	910-46001-00	(59.99) 04/01/2024 ACH PAYMENT
FACADE CKING-1ST CIT- XXX442		Total Deposit	Credit	910-11702	3,476.56
FACADE-BOWERS HOUSE LLC \$50K	Principal		Credit	910-16008	(2,069.16) 04-30-2024 GRANT APPLIED
FACADE INT-BOWER'S HOUSE \$50K	Interest		Credit	910-44005-00	(1,407.40) 04-30-2024 GRANT APPLIED
LAND				910-18350	
MISC INCOME				910-48601-00	(0.01) Test ACH Deposit/CDI Grant
RENTAL & PROPERTY EXPENSES				910-56500-408	37.74 126 N Jefferson 03-2024 Utilities
RENTAL & PROPERTY EXPENSES				910-56500-408	113.34 108 W Main 03-2024 Utilities
RENTAL & PROPERTY EXPENSES				910-56500-408	94.51 216 E Main 03-2024 Utilities
RENTAL & PROPERTY EXPENSES				910-56500-408	2.98 216 E Main Keys Made
ACTION-BUS DEV-BUS PARK-XXX127				910-11800	248.56 Cash Transactions
ACTION-LAND PURCHASE-XXX127				910-11801	

**CITY OF WHITEWATER
BALANCE SHEET
APRIL 30, 2024**

CDA PROGRAMS FUND

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
910-11600 CDBG-HOUSING CHK-1CSB XXX450	14,423.58	69.17	263.73	14,687.31
910-11702 FACADE CKING-1ST CIT- XXX442	24,867.75	3,596.33	3,931.78	28,799.53
910-11800 ACTION-BUS DEV-BUS PARK-XXX127	434,973.50	8,056.90	38,444.76	473,418.26
910-11801 ACTION-LAND PURCHASE-XXX127	540,897.93	35.32	(145,451.31)	395,446.62
910-11900 CAP CAT-ASSOC BK XXXXX3734	119,111.77	220.90	888.49	120,000.26
910-13500 PAUQUETTE CENTER LOAN REC V	111,897.28	(1,289.52)	(5,158.08)	106,739.20
910-13501 ACTION-LEARNING DEPOT \$41,294	19,898.18	(615.26)	(2,494.01)	17,404.17
910-13508 ACTION-FINE FOOD ARTS \$31,810	30,000.00	.00	.00	30,000.00
910-13509 ACTION-SAFEPRO TECH \$100K	99,217.10	(1,153.80)	(4,592.10)	94,625.00
910-13510 ACTION-SWSPOT/GILDEMEISTER 54K	44,885.18	(638.06)	(2,494.29)	42,390.89
910-14000 CDBG HOUSING-MO301	8,220.00	.00	.00	8,220.00
910-14001 CDBG HOUSING-A8416	10,203.84	.00	.00	10,203.84
910-14003 CDBG HOUSING-B935	18,420.02	.00	.00	18,420.02
910-14006 CDBG HOUSING-C932	8,062.00	.00	.00	8,062.00
910-14009 CDBG HOUSING-J8802	10,818.00	.00	.00	10,818.00
910-14011 CDBG HOUSING-M8501	11,000.90	.00	.00	11,000.90
910-14013 CDBG HOUSING-P954	11,000.00	.00	.00	11,000.00
910-14016 CDBG HOUSING-V902	12,504.15	.00	.00	12,504.15
910-14025 CDBG HOUSING-M0801	18,422.00	.00	.00	18,422.00
910-14026 CDBG HOUSING-B0803-0901	34,448.00	.00	.00	34,448.00
910-14030 CDBG HOUSING-HO#13-2016	8,000.00	.00	.00	8,000.00
910-14031 CDBG HOUSING-HO#4	37,795.00	.00	.00	37,795.00
910-14038 CDBG HOUSING-HO#14	18,000.00	.00	.00	18,000.00
910-14039 CDBG HOUSING-HO#15	36,815.00	.00	.00	36,815.00
910-14040 CDBG HOUSING-HO#18	4,235.00	.00	.00	4,235.00
910-15000 CAP CAT-SLIPSTREAM-\$102,500	102,500.00	.00	.00	102,500.00
910-15003 CAP CAT-SLIPSTREAM-\$42,000	42,000.00	.00	.00	42,000.00
910-15006 CAP CAT- ROYAL-INVENT-27.5K	27,500.00	.00	.00	27,500.00
910-15011 CAP CAT-ROYAL-SCANALYTICS-95K	97,500.00	.00	.00	97,500.00
910-15012 CAP CAT-ROYAL-INVENTALATOR-75K	77,500.00	.00	.00	77,500.00
910-15018 CAP CAT-RECRUITCHUTE \$51,050	51,050.00	.00	.00	51,050.00
910-16008 FACADE-BOWERS HOUSE LLC \$50K	75,000.00	(2,069.16)	(2,069.16)	72,930.84
910-17002 UDAG-SLIPSTREAM-LOC	12,500.00	.00	.00	12,500.00
910-17999 UDAG-LOAN LOSS RESERVE	(12,500.00)	.00	.00	(12,500.00)
910-18103 CDBG GRANT DUE FROM FD 610	851,866.00	.00	.00	851,866.00
910-18350 LAND	446,739.53	.00	50,100.52	496,840.05
910-18360 REAL ESTATE	6,128,544.00	(35.32)	84,863.29	6,213,407.29
TOTAL ASSETS	9,588,315.71	6,177.50	16,233.62	9,604,549.33
<u>LIABILITIES AND EQUITY</u>				
<u>LIABILITIES</u>				
910-22000 ACCUM DEPREC-BUILDING	1,585,394.76	.00	.00	1,585,394.76
910-25100 DUE TO GENERAL FUND	17,176.56	.00	(17,176.56)	.00
910-26101 DEF REVENUE-FD 610-CDBG	851,866.00	.00	.00	851,866.00
TOTAL LIABILITIES	2,454,437.32	.00	(17,176.56)	2,437,260.76
<u>FUND EQUITY</u>				

**CITY OF WHITEWATER
BALANCE SHEET
APRIL 30, 2024**

CDA PROGRAMS FUND

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
910-30110 CONTRIBUTED CAPITAL	456,815.37	(181,643.84)	(181,643.84)	275,171.53
910-34300 PROPRIETARY CAPITAL	6,439,031.08	(111,222.15)	(111,222.15)	6,327,808.93
910-34400 RESERVE FOR LAND PURCHASES	238,031.94	292,865.99	292,865.99	530,897.93
UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	.00	6,177.50	33,410.18	33,410.18
BALANCE - CURRENT DATE	.00	6,177.50	33,410.18	33,410.18
TOTAL FUND EQUITY	7,133,878.39	6,177.50	33,410.18	7,167,288.57
TOTAL LIABILITIES AND EQUITY	9,588,315.71	6,177.50	16,233.62	9,604,549.33

ACTION FUND		ORIGINAL	03/31/2024		04/30/2024		Principal Pymts		NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	
910-13500	PAUQUETTE CENTER LOAN RECV	\$158,320.00	\$108,028.72	1,289.52	0.00	\$106,739.20	\$51,580.80		Current
910-13501	ACTION-LEARNING DEPOT \$41,294	\$41,294.63	\$18,019.43	615.26	143.49	\$17,404.17	\$23,890.46		Current
910-13508	ACTION-FINE FOOD ARTS \$31,810	\$30,000.00	\$30,000.00	0.00	0.00	\$30,000.00	\$0.00		First pymt due 12/15/2022-Certified Demand Letter Sent 12/01/2023
910-13509	ACTION-SAFEPRO TECH \$100K	\$104,360.00	\$95,778.80	1,153.80	319.20	\$94,625.00	\$9,735.00		On 08/10/2023 paid all past due amounts, authorized monthly withdrawls for all future loan paymnts
910-13510	ACTION-SWSPOT/GILDEMEISTER 54K	\$54,000.00	\$43,028.95	638.06	59.99	\$42,390.89	\$11,609.11		On 08/10/2023 paid all past due amounts, authorized monthly withdrawls for all future loan paymnts
910-17002	UDAG-SLIPSTREAM-LOC	\$12,500.00	\$12,500.00	0.00	0.00	\$12,500.00	\$0.00		In Default/Strive On-Still in Business
TOTALS		\$683,770.25	\$307,355.90	\$3,696.64	\$522.68	\$303,659.26	\$226,504.87	\$153,606.12	
910-13999	ACTION LOAN-LOAN LOSS RESERVE		\$0.00	0.00	0.00	\$0.00			
910-17999	UDAG-LOAN LOSS RESERVE		(\$12,500.00)	0.00	0.00	(\$12,500.00)			

FAÇADE LOAN		ORIGINAL	03/31/2024		04/30/2024		Principle Pymts		NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	
910-16008	FAÇADE-BOWERS HOUSE LLC \$50K	\$75,000.00	\$75,000.00	2,069.16	1,407.40	\$72,930.84	\$2,069.16		First Payment Made 04/30/2024
TOTALS		\$75,000.00	\$75,000.00	\$2,069.16	\$1,407.40	\$72,930.84			

CAPITAL CATALYST		ORIGINAL	03/31/2024		04/30/2024		Payments	Amount	NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	
910-15000	CAP CAT-SLIPSTREAM-\$102,500	\$102,500.00	\$102,500.00	0.00	0.00	\$102,500.00	\$6,275.00		interest only-last payment received 10/31/2016
910-15003	CAP CAT-SLIPSTREAM-\$42,000	\$42,000.00	\$42,000.00	0.00	0.00	\$42,000.00	\$0.00		annual net revenue royalty-no payments have been received.
910-15006	CAP CAT- ROYAL-INVENT-27.5K	\$27,500.00	\$27,500.00	0.00	0.00	\$27,500.00	\$500.00		annual net revenue royalty-only payment rec'd 08/26/2020
910-15011	CAP CAT-ROYAL-SCANALYTICS-95K	\$97,500.00	\$97,500.00	0.00	0.00	\$97,500.00	\$8,125.27		annual net revenue royalty-only payment rec'd 04/02/2019
910-15012	CAP CAT-ROYAL-INVENTALATOR-75K	\$77,500.00	\$77,500.00	0.00	0.00	\$77,500.00	\$1,386.77		First payment received -last payment rec'd 08/26/2020
910-15018	CAP CAT-RECRUITCHUTE \$51,050	\$51,050.00	\$51,050.00	0.00	0.00	\$51,050.00	\$0.00		annual net revenue royalty-no payments have been received.
TOTALS		\$601,264.00	\$601,264.00	\$0.00	\$0.00	\$398,050.00	\$117,501.04	\$102,000.00	
910-15999	CAP CAT-LOAN LOSS RESERVE		\$0.00						

HOUSING		ORIGINAL	03/31/2024		04/30/2024	
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE
910-14000	CDBG HOUSING-MO301	\$8,220.00	\$8,220.00	0.00	0.00	\$8,220.00
910-14001	CDBG HOUSING-A8416	\$10,203.84	\$10,203.84	0.00	0.00	\$10,203.84
910-14003	CDBG HOUSING-B935	\$18,420.02	\$18,420.02	0.00	0.00	\$18,420.02
910-14006	CDBG HOUSING-C932	\$8,062.00	\$8,062.00	0.00	0.00	\$8,062.00
910-14009	CDBG HOUSING-J8802	\$10,818.00	\$10,818.00	0.00	0.00	\$10,818.00
910-14011	CDBG HOUSING-M8501	\$11,000.90	\$11,000.90	0.00	0.00	\$11,000.90
910-14013	CDBG HOUSING-P954	\$11,000.00	\$11,000.00	0.00	0.00	\$11,000.00
910-14016	CDBG HOUSING-V902	\$12,504.15	\$12,504.15	0.00	0.00	\$12,504.15
910-14025	CDBG HOUSING-M0801	\$18,422.00	\$18,422.00	0.00	0.00	\$18,422.00
910-14026	CDBG HOUSING-B0803-0901	\$34,448.00	\$34,448.00	0.00	0.00	\$34,448.00
910-14030	CDBG HOUSING-HO#13-2016	\$8,000.00	\$8,000.00	0.00	0.00	\$8,000.00
910-14031	CDBG HOUSING-HO#4	\$37,795.00	\$37,795.00	0.00	0.00	\$37,795.00
910-14038	CDBG HOUSING-HO#14	\$14,671.00	\$18,000.00	0.00	0.00	\$18,000.00
910-14039	CDBG HOUSING-HO#15	\$21,090.00	\$36,815.00	0.00	0.00	\$36,815.00
910-14040	CDBG HOUSING-HO#18	\$4,235.00	\$4,235.00	0.00	0.00	\$4,235.00
TOTALS		\$228,889.91	\$247,943.91	\$0.00	\$0.00	\$247,943.91
910-14999	CDBG HOUSING-LOAN LOSS RESERVE		\$0.00			
910-35000	GENERAL LOAN LOSS RESERVE		\$0.00			

Account Name	CDA Operating	Action Bus Dev (UDAG) Checking	Façade Checking	CDBG Housing	Capital Cat Checking
Fund Account Number	Fund 900	Fund 910 xxx-127	Fund 910 xxx-442	Fund 910 xxx-450	Fund 910 xxxxxx3734
Bank	1st Citizens	1st Citizens	1st Citizens	1st Citizens	Associated
Interest Rate	5.53%	5.53%	5.53%	5.53%	2.27%
GL Account Number(s)	900-11100	910-11800 910-11801 910-11806	910-11702	910-11600	910-11900
GL Balance as of:					
05/31/2023	88,433.28	1,059,350.30	24,130.92	14,045.04	117,552.26
06/30/2023	82,873.78	1,065,628.09	24,229.18	14,102.23	117,769.65
07/31/2023	70,159.37	1,071,450.27	24,333.55	14,162.98	117,994.70
08/31/2023	67,781.58	942,648.10	24,437.30	14,223.37	118,220.18
09/30/2023	75,901.75	950,776.77	24,538.32	14,282.17	118,438.81
10/31/2023	60,444.07	959,259.27	24,653.15	14,349.00	118,665.14
11/30/2023	43,163.61	967,501.57	24,761.84	14,362.15	118,884.59
12/31/2023	31,000.08	975,871.43	24,867.75	14,423.58	119,111.77
01/31/2024	36,352.12	967,111.23	24,988.77	14,493.77	119,338.77
02/29/2024	14,882.76	975,482.61	25,095.73	14,555.81	119,551.53
03/31/2024	4,161.30	860,772.66	25,203.20	14,618.14	119,779.36
04/30/2024	41,597.15	868,864.88	28,799.53	14,687.31	120,000.26
Outstanding items		-130.46			
Current Bank Balance	41,597.15	868,995.34	28,799.53	14,687.31	120,000.26
Difference:	0.00	0.00	0.00	0.00	0.00

Monthly GL bank balances may not agree with the actual month end bank account balances due to outstanding items.

April 2024 Interest Income

ACTION-BUS DEV-BUS PARK-XXX127	910-11800	4,086.15	April 2024 Interest Income
FACADE CKING-1ST CIT- XXX442	910-11702	119.77	April 2024 Interest Income
CDBG-HOUSING CHK-1CSB XXX450	910-11600	69.17	April 2024 Interest Income
CAP CAT-ASSOC BK XXXXX3734	910-11900	220.90	April 2024 Interest Income
INTEREST INCOME-ACTION FUND	910-48109-00	(4,086.15)	April 2024 Interest Income
INTEREST INCOME-FACADE	910-48103-00	(119.77)	April 2024 Interest Income
INTEREST INCOME-HOUSING	910-48104-00	(69.17)	April 2024 Interest Income
INTEREST INCOME-SEED FUND	910-48108-00	(220.90)	April 2024 Interest Income



CDA Agenda Item

Meeting Date:	May 16, 2024
Agenda Item:	MOU regarding the Innovation Center
Staff Contact (name, email, phone):	Taylor Zeinert, Economic Development Director tzeinert@whitewater-wi.gov 262-473-0148

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

Attached to this memo are the signed MOU’s regarding the Innovation Center starting from 2008 and moving forward to today. This addition of the previous MOU’s being added to this document was at the request of the CDA members at the meeting held on April 18th. The proposed draft for an update related to Innovation Center is attached to the memo as well.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS
(Dates, committees, action taken)

Discussion regarding the drafted document of MOU led by Board Member Joe Kromholz at the April 18th meeting.

FINANCIAL IMPACT
(If none, state N/A)

STAFF RECOMMENDATION

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

- MOU dated 11/18/2008 between CDA and UW-W establishing the Whitewater University Technology Park.
- MOU dated 02/08/2011 between CDA and Whitewater University Technology Park, Incorporated (WUTP, Inc.) for Management of Innovation Center & Tech Park.
- MOU dated 02/08/2012 between CDA and WUTP, Inc. for Management & Operation of the Innovation Center & Tech Park.
- MOU dated 02/20/2012 between CDA and WUTP, Inc. for Management & Operation of the Innovation Center & Tech Park.
- MOU dated 11/11/2014 between CDA and WUTP, Inc. for Management & Operation of Innovation Center & Tech Park.
- MOU dated 06/15/2020 between CDA and WUTP, Inc. for Management Operation of Innovation Center & Tech Park.
- DRAFT MOU updated 3/2024 between CDA and UW-Whitewater Concerning Use & Operations of the Innovation Center & Tech Park.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made by and among the CITY OF WHITEWATER, WISCONSIN, a municipal corporation and political subdivision, hereinafter at times referred to as "City", and the CITY OF WHITEWATER COMMUNITY DEVELOPMENT AUTHORITY, a Wisconsin municipal authority and political subdivision, hereinafter at times referred to as "CDA", and the UNIVERSITY OF WISCONSIN-WHITEWATER, hereinafter at times referred to as "University".

**ARTICLE I
WITNESSETH**

WHEREAS, the parties hereto have identified and found a need for a University Technology Park to (i) foster collaborations between the University of Wisconsin-Whitewater and the business community in the City of Whitewater, and (ii) to further build the local supply of sustainable jobs in the City of Whitewater; and

WHEREAS, the parties have jointly undertaken a study to determine the feasibility of developing a University Technology Park; and

WHEREAS, as a result of general public support and the recommendations of the study, the parties hereto intend to develop a University Technology Park, whereby the City and/or CDA will purchase, develop and own a University Technology Park, and the University of Wisconsin-Whitewater will provide technical expertise to assist in the development and governing of the University Technology Park; and

WHEREAS, the parties find that the development of a University Technology Park pursuant to this Memorandum of Understanding is in the best interests of the City and the University, and their respective residents and students, and in accordance with the public purposes and conditions governing each.

Now, therefore, IT IS HEREBY AGREED AS FOLLOWS:

The parties agree that this Memorandum of Understanding shall set forth the understanding of all parties as they move forward cooperatively to implement a collaborative project to foster business and economic development in the City of Whitewater. The parties recognize the need to set forth in writing the understandings of the parties in order to avoid misunderstanding as the parties move forward with this collaborative project. The parties understand that this Memorandum of Understanding is not a contract and is not binding on either party; however, each party shall in good faith continue to move forward with efforts to establish a Whitewater University Technology Park.

ARTICLE II
Definitions; Appendices

2.01. DEFINITIONS

As used in this Memorandum of Understanding, the following terms having an initial capital letter shall have the following meanings:

“Whitewater University Technology Park” means a business park which will provide a range of companies and organizations the opportunity to locate and establish a business facility in the City of Whitewater. The park will offer companies and organizations the potential to collaborate with the University of Wisconsin-Whitewater staff, facilities, and students.

“Memorandum of Understanding” means this Memorandum of Understanding by and among the City, the CDA, and the University as amended and supplemented from time to time.

“Technology Park” means the Site and the Project.

“Feasibility Study” means the Feasibility Study and strategic implementation and recommendations of Northstar Economics, Inc. and MSA Professional Services, Inc., dated July 8, 2008.

“Operating Entity” means a to-be-created, not-for-profit entity created and organized under the laws of the State of Wisconsin which will operate and maintain the Whitewater University Technology Park in accordance with this Memorandum of Understanding.

“Site” means the site selected for the construction and development of the Whitewater University Technology Park.

2.02. APPENDICES.

The following appendices are hereby attached to and incorporated into this Memorandum of Understanding:

Appendix A: Feasibility Study dated July 8, 2008.

ARTICLE III
City Goals

The establishment of the Whitewater University Technology Park, whereby the City of Whitewater and/or the City of Whitewater Community Development Authority will purchase, develop and own the Whitewater University Technology Park, and the University of Wisconsin-Whitewater will provide technical expertise to assist in the development and governance of the park. The establishment of the Park shall be generally in accordance with the Feasibility Study and Strategic Implementation Recommendations dated July 8, 2008.

**ARTICLE IV
University of Wisconsin-Whitewater Goals**

The University of Wisconsin-Whitewater shall provide technical expertise to assist in the development and governance of the Whitewater University Technology Park. This assistance shall be generally in accordance with the Feasibility Study and Strategic Implementation Recommendations dated July 8, 2008.

**ARTICLE V
Operating Entity Role**

6.01. **Operating Entity Obligations.** The Whitewater University Technology Park shall be owned by the City of Whitewater and/or the City of Whitewater Community Development Authority, but shall be governed jointly by a Whitewater University Technology Park Board. The park board shall include representation from the City (4 members) and the University (3 members) to insure a shared commitment to the success of the park. The representatives shall be as follows:

City of Whitewater:

- City Manager
- Common Council member
- CDA member
- City of Whitewater citizen appointed by the Common Council

UW-Whitewater:

- Chancellor (or his designee)
- Appointee of Chancellor
- Appointee of Chancellor

The appointees shall include persons who understand the role the Technology Park will have in fostering business and economic development in the City of Whitewater, and how it will contribute to the mission of the University of Wisconsin-Whitewater.

The Technology Board shall provide guidance in the establishment of the park and incubator. Thereafter the Board will review development proposals for consistency with the covenants and restrictions (design issues) and make recommendations on approval to the Whitewater Plan Commission. The Board will monitor and enforce the desired business mix and, assuming successful creation of a Whitewater University Technology Incubator, they will oversee the management of that facility through an Incubator Director.

6.02. **Annual Budget and Reports.** The Operating Entity shall be required to prepare an annual budget for the operation of the Project which shall be submitted to the City, the CDA and the University no later than September 1st of each year. In addition, the Operating Entity shall be required to submit quarterly reports within 30 days after the end of each calendar quarter, and annual reports regarding the prior year's project operation to the City, the CDA and the University no later than May 1st of each year. Also, if requested by the City or the CDA, the Operating Entity shall provide an annual audit of its operations.

6.03. Operating Entity Failure to Perform. In the event that the Operating entity fails to substantially perform its obligations, its rights and obligations shall be assigned by the City of Whitewater.

**ARTICLE VI
Non-discrimination**

In the construction and operation of the Project under this Memorandum of Understanding, the City, CDA, and University agree that the construction contractor shall be required to agree not to discriminate against any employee or applicant for employment within the Project, nor shall the Project or any portion thereof be used by any party in any manner to permit discrimination or restriction on the basis of race, religion, marital status, age, color, sex, sexual orientation, physical condition, disability, national origin or ancestry and that the construction and operation of the Project shall be in compliance with all laws, ordinances and regulations related to discrimination on any of the foregoing grounds.

**ARTICLE VII
No Personal Liability**

Under no circumstances shall any Council member, officer, official, commissioner, director, member, partner or employee of the City, the CDA, or the University have any personal liability arising out of this Memorandum of Understanding and no parties shall seek or claim any such personal liability.

**ARTICLE VIII
Special Provisions**

9.01. Wisconsin Law. This Memorandum of Understanding shall be deemed to have been made in the State of Wisconsin and its validity, construction, performance, breach and operation shall be governed by the laws of the State of Wisconsin. No provision of this Memorandum of Understanding shall be construed to require any party to take any action in violation of law.

9.02. Approval. Whenever under this Memorandum of Understanding approvals, authorizations, determinations, satisfactions or waivers are authorized or required, such approvals, authorizations, determinations, satisfactions or waivers shall be effective and valid only when given in writing by the officers of the City, CDA, and University authorized by law to give such approval and delivered to the party to whom it is directed at the address specified hereto under.

9.03. Notices and Demands. A notice, demand or other communication under this Memorandum of Understanding by any party to any other party (parties) shall be sufficiently given or delivered, if dispatched by registered or certified mail, postage prepaid, return receipt requested or delivered personally to the party at their addresses as follows:

City Manager
CITY OF WHITEWATER
312 West Whitewater Street
Whitewater, WI 53190

With copies to: City Attorney

Chairman of the Authority
COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF WHITEWATER
312 West Whitewater Street
Whitewater, WI 53190

Chancellor
UNIVERSITY OF WISCONSIN-WHITEWATER
800 West Main Street, Hyer Hall #421
Whitewater, WI 53190

Or such other addresses as the parties may designate to each other in writing from time to time.

9.04. Counterparts. This Memorandum of Understanding may be executed in any number of Counterparts, each of which shall constitute an original.

9.05. Amendments and Supplements. This Memorandum of Understanding may be supplemented or amended only by written instrument executed by all parties.

9.06. City, CDA, and University Authorization. Execution of this Agreement by the City, CDA, and University is authorized by Resolution of the Common Council adopted November 18, 2008, and the CDA adopted November 17, 2008 and the University.

IN WITNESS WHEREOF, the parties have duly executed this Memorandum of Understanding or caused it to be duly executed as of the date show below.

CITY OF WHITEWATER

By: Kevin Brunner 11/18/08
Kevin Brunner, City Manager Date

By: Michele R. Smith 11-18-08
Michele R. Smith, City Clerk Date

COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF WHITEWATER

By: Thomas L. Miller 11/17/08
Thomas Miller, President Date

By: Mary S. Nimm
Mary Nimm, CDA Coordinator Date

UNIVERSITY OF WISCONSIN-WHITEWATER

By: Richard Telfer 11/13/08
Richard Telfer, Chancellor Date

By: Sandy Macnocha 11/13/08
Date

**BY-LAWS
OF
WHITEWATER UNIVERSITY TECHNICAL PARK BOARD**

ARTICLE I. NAME/ADMINISTRATION/ADDRESS

Section 1.01. Name. The name of the Corporation is Whitewater University Technical Park Incorporated (hereinafter the "Corporation").

Section 1.02. Administration. The Corporation is incorporated as a Wisconsin Corporation under Chapter 181 Wisconsin Statutes, without stock and not for profit. The Corporation is organized and shall be operated exclusively for the benefit of the City of Whitewater and the University of Wisconsin-Whitewater and exclusively for City of Whitewater municipal, scientific, or educational purposes.

Section 1.03. Address. The address of the corporation and its principal office is 312 W. Whitewater Street, Whitewater, WI 53190.

ARTICLE II. MEMBERS

Section 2.01. Members. The Corporation shall have no members.

ARTICLE III. BOARD MEMBERS

Section 3.01. Board Members. The management and control of the Corporation shall reside in the Whitewater University Technology Park Board.

Section 3.02. Number of Board Members. The Whitewater University Technology Park Board membership shall include four representatives from the City of Whitwater and three representatives from UW-Whitewater as follows:

(1) City of Whitewater board members:

- (a) City Manager
- (b) Common Council Member
- (c) CDA member
- (d) A City of Whitewater community member appointed by the

City Council;

(2) UW-Whitewater board members:

- (a) Chancellor or his designee
- (b) Appointee of the Chancellor
- (c) Appointee of the Chancellor

Section 3.03. Term. Except as hereinafter stated the term of office of the board members shall be as follows:

(1) The board member who is the City Manager of the City of Whitewater shall be a board member for so long as such person remains the City Manager of the City of Whitewater.

(2) The Common Council member of the City of Whitewater shall serve until replaced by the Common Council of the City of Whitewater. If the board member no longer is a member of the Common Council of the City of Whitewater, said term shall expire immediately.

(3) The CDA member of the City of Whitewater shall serve until replaced by the Common Council of the City of Whitewater. If the board member no longer is a member of the CDA of the City of Whitewater, said term shall expire immediately.

(4) The appointee of the City Council shall serve until replaced by the Common Council of the City of Whitewater.

(5) The Chancellor of the UW-Whitewater shall be a board member for so long as such person remains the Chancellor of the UW-Whitewater.

(6) The appointees of the Chancellor of the UW-Whitewater shall serve until replaced by the Chancellor of the UW-Whitewater.

Section 3.04. Vacancies. Vacancies on the Whitewater University Technology Park Board caused by any reason shall be filled as set forth in Section 3.03.

Section 3.05. Removal of Board Members. Board members may be removed for cause at any time by the body or person who has appointment power over the board member.

Section 3.06. Meetings. The meetings of the board shall be held upon the call of the president upon at least 24 hours notice to board members.

Section 3.07. Quorum. A quorum at a meeting of the board shall consist of the majority of the board then in office.

Section 3.08. Meeting Place. The board may hold their meetings, whether annual, regular or special, within or outside the State of Wisconsin, except as otherwise provided by law.

Section 3.09. Compensation. The board shall not receive any compensation for their services, but may be reimbursed for their expenses in connection with attendance at meetings, provided that the compensation is approved by the board.

ARTICLE IV. OFFICERS

Section 4.01. Officers. The board shall at its annual meeting elect a president, on or more vice presidents, a treasurer, one or more assistant treasurers, a secretary, one or more assistant secretaries, and such other offices as the board may from time to time determine.

Section 4.02. President. The principal duties of the president shall be to preside over all meetings of the board and to have general supervision of the affairs of the Corporation.

Section 4.03. Vice President. The principal duties of the vice presidents shall, in accordance with terms hereof, be to discharge the duties of the president in the event of absence or disability for any cause whatever of the president. In the absence of the president or in the event of the president's inability or refusal to act, the vice presidents in the order designated by the resolution of the board, or in the absence of any designation, then in the order of their appointment shall perform the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president.

Section 4.04. Secretary. The principal duties of the secretary shall be to countersign all conveyances, assignments, and contracts executed by the Corporation, affixing the seal of the Corporation thereto and to such other papers as may be required or directed to be sealed, and to keep a record of the proceedings of the meetings of the board, and to safely and systematically keep all books, papers, records, and documents belonging to the Corporation or pertaining to the business thereof.

Section 4.05. Treasurer. The principal duties of the treasurer shall be to keep an account of all monies, credits, and property of any and every nature of the Corporation, which shall come into the hands of the treasurer and to keep an accurate account of monies received and disbursed and proper vouchers for monies disbursed, and to render such accounts, statements, and inventory of monies received and disbursed and of money and property on hand, and generally of all matters pertaining to this office as shall be required by the board.

Section 4.06. Secretary-Treasurer. The board, by majority vote, may combine the duties of the secretary delineated in Section 4.04 and the duties of treasurer delineated in Section 4.05 into a single office of secretary-treasurer and may establish one or more corresponding offices of assistant secretary-treasurer.

ARTICLE V. COMMITTEES

Section 5.01. Standing Committees. There may be appointed annually by the president, subject to ratification by the board, the following standing committees of the board:

- (1) Executive Committee
- (2) Investment Committee
- (3) Real Estate Administration Committee

(4) Audit Committee

The Executive Committee shall consist of the president, vice presidents, secretary and treasurer of the Corporation, and the immediate past president if serving as a board member. Other standing committees shall consist of staff members appointed by the president and each committee shall be comprised of whatever number of persons the president, in the president's discretion and subject to ratification by the board, shall determine. Each standing committee in any event shall include not less than three (3) members. The president shall designate the chairman of each standing committee. The chairman of each such committee shall preside at all meetings of the committee and shall report to the board on behalf of the committee.

Section 5.02. Executive Committee. The Executive Committee shall be entitled to exercise all the powers of the board when not in session, but subject to the direction thereof.

Section 5.03. Investment Committee. All members of the board shall constitute alternate members of the Investment Committee and may be called upon by the chairman of such committee to serve in the absence of any of the regular members of such committee. The Investment committee shall have general supervision of the investments made by the Corporation and shall establish all policies relating to investments, subject to approval of such policies by the board. The committee shall report on its activities at an annual meeting of the board and at each regular meeting thereof and at such other times as requested.

Section 5.04. Real Estate Administration Committee. The Real Estate Administration Committee shall be responsible for the acquisition, administration, use, and/or distribution of real estate consistent with the purposes of the Corporation as set forth in the Articles of Incorporation for the benefit of the University of Wisconsin-Whitewater. The Real Estate Administration Committee shall function and operate pursuant to such policies, procedures and guidelines as are established from time to time by the board.

Section 5.05. Audit Committee. The Audit Committee shall review the accounting procedures and practices followed by the Corporation's staff in order to make certain that the staff is following sound accounting principles and procures in the administration of the internal affairs of the Corporation. The Audit Committee within its discretion may make direct contact at any time with independent outside auditors employed by the Corporation and review all audits of the Corporation's books and affairs prepared by such independent auditors. The Audit Committee shall report periodically on its activities to the board and shall also report such activities to the board at any time when requested by the board.

Section 5.06. Additional Standing Committees. The president may at any time create special committees with such powers, duties and membership as the president may determine.

Section 5.07. Special Committees. The president may at any time create special committees with such powers, duties and membership as the president may determine.

ARTICLE VI. FISCAL YEAR

Section 6.01. Fiscal Year. The fiscal year of the Corporation shall be from January 1 through December 31.

**ARTICLE VII. INDEMNIFICATION OF BOARD MEMBERS,
DIRECTORS AND OFFICERS**

Section 7.01. Definition of Terms.

(1) “Board member, director, officer or employee” shall include any person who may have served at the request of the Corporation as a director, officer, or employee of another corporation in which the Corporation owned stock or was a creditor at any time during the period of said service, and all past, present and future members, board members, officers, and employees of the corporation whether or not so serving at the time of incurring the expenses of liabilities referred to herein, and their personal representatives.

(2) “Action” means any civil, criminal or administrative action, suit, proceeding or claim, or threat thereof, in which a board member, director, officer, or employee may be involved as a party or otherwise, by reason of such person having served as such board member, director, officer or employee or by reason of anything done or omitted by such person as such board member, director, officer, or employee, or alleged to have been so done or omitted.

(3) “Determination by the board” means a determination made by resolution by a majority vote of a quorum consisting of board members who were not parties to an action in which a board member, director, officer, or employee may be involved.

(4) “Determination by Independent Legal Counsel” means a determination in the form of a written opinion addressed to the board members by legal counsel appointed as provided in Section 7.03 hereof, that indemnification of a board member, director, officer, or employee is proper in the circumstances because such person has met the applicable standards of conduct set forth in Section 7.02 hereof.

Section 7.02. Mandatory Indemnification. The Corporation shall indemnify each board member, director, officer, or employee who was or is a party or is threatened to be made a party to any threatened pending or completed action by reason of the fact that such person is or was a board member, director, officer or employee of the Corporation, or is or was serving at the request of the corporation as a director officer or employee of another corporation. Such persons shall be indemnified against those expenses specified herein and pursuant to the provisions and under the conditions of subsections (1), (2), and (3) herein.

(1) **Successful Defense of Action:** To the extent that a board member, director, officer, or employee of the Corporation has been successful on the merits or otherwise in the defense of any action or in the defense of any claim, issue or matter

therein, such person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by such person in connection therewith.

(2) Actions by or in the Right of the Corporation: To the extent not covered by Section (1) of this Section, if a determination is made by the board, or, in the event that a quorum of the board is not obtainable, or even if obtainable, a quorum of disinterested board members so directs, by independent legal counsel in a written opinion that board member, director, officer, or employee acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, such person shall be indemnified against expenses, including attorney's fees actually and reasonably incurred by such person in connection with the defense or settlement of any action by or in the right of the Corporation to procure a judgment in its favor; provided that (unless directed otherwise by the Court in which such action was brought), no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of such person's duty to the Corporation unless and only to the extent that the Court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such Court shall deem proper.

(3) Other Civil Actions and Criminal Actions: If a determination is made by the board by a majority vote of a quorum consisting of board members who are not parties to any action, suit, or proceeding not covered by Subsection (1) or Subsection (2) hereof, or, if such a quorum is not obtainable, or even if obtaining, a quorum of disinterested board members so directs, by independent legal counsel in a written opinion, that with respect to such action, a board member, director, officer, or employee of the Corporation acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action that such person had no reasonable cause to believe such person's conduct was illegal, such person shall be indemnified against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement and reasonably incurred by such person in connection therewith. The termination of any action, suit, or proceeding by judgment, order settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself create a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interest of the Corporation and, with respect to any criminal action, had reasonable cause to believe such person's conduct was unlawful.

Section 7.03. Appointment of Independent Legal Counsel. In the event a situation arises which may give rise to indemnification under Section 7.02 of this Article, the board, by a majority vote of those members not parties to the actions described in Section 7.02, whether or not a quorum, may appoint independent legal counsel to make the written determination provided for in Sections 7.02(2) and 7.02(3) of this Article.

Section 7.04. Discretionary Insurance. The Corporation may upon affirmative vote of a majority of the board members, purchase commercial insurance for the benefit of a board member, director, officer, or employee against all or any part of the expense, liabilities or settlement payments arising from actions against such board member,

director, officer, or employee, whether or not the Corporation would have the power to indemnify such board member, director, officer, or employee against such expenses or liability under Section 7.02 of this Article. Such insurance may, not need not, be for the benefit of all board members, directors, officers, or employees.

Section 7.05. Liability for Determinations. The Corporation and its board member, directors, officers, or employees shall not be liable to anyone for making or refusing to make any payment under Sections 7.02(2) and 7.02(3) of this Article in reliance on the determination by the board and on the written opinion of independent legal counsel as provided in those sections.

Section 7.06. Other Rights. The foregoing indemnification provisions shall be in addition, and may be claimed without prejudice, to any other rights which any member, director, officer or employee may have.

Section 7.07. Advance Payment of Expenses. Expenses incurred by a member, director, officer, or employee in defending an action may be paid by the Corporation in advance of the final disposition of such action if (a) there has been a determination by the members as herein provided or by independent legal counsel appointed pursuant to Section 7.03 that such person has met the applicable standard of conduct set forth in Section 7.02 hereof; and (b) such person gives a written undertaking to repay the amount advanced unless it shall ultimately be determined that such person is entitled to be indemnified by the Corporation.

ARTICLE IX. AMENDMENTS

Section 9.1. Amendments. These By-Laws may be amended, altered, or repealed at any annual, regular, or special meeting of the board upon the affirmative vote of a majority of the members, providing that notice of the proposed amendment be given in writing to all of the members at least five (5) days before such meeting.

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MEMORANDUM OF UNDERSTANDING (02-04-11-Final Draft)
FOR THE MANAGEMENT AND OPERATION OF THE
WHITEWATER INNOVATION CENTER AND WHITEWATER UNIVERSITY
TECHNOLOGY PARK

This Memorandum of Understanding is made by and among the CITY OF WHITEWATER, WISCONSIN, a municipal corporation, hereinafter at times referred to as "City", and the CITY OF WHITEWATER COMMUNITY DEVELOPMENT AUTHORITY, a Wisconsin municipal authority and political subdivision, hereinafter at times referred to as "CDA", and the WHITEWATER-UNIVERSITY TECHNOLOGY PARK, INCORPORATED, hereinafter at times referred to as "Board".

WITNESSETH

WHEREAS, the parties hereto have, in cooperation with the University of Wisconsin-Whitewater, developed the Whitewater University Technology Park and built the Whitewater Innovation Center in said park; and

WHEREAS, the City, the CDA, and the Board believe it is in all parties' best interests to delegate the management of the Whitewater Innovation Center to the Board; and

WHEREAS, this Memorandum of Understanding is necessary for the purpose of setting forth an outline of the responsibilities that the City and the CDA are delegating to the Board concerning the management and operation of the Whitewater Innovation Center; and

WHEREAS, the Board is willing to accept the duties associated with the management of the Whitewater Innovation Center and Whitewater University Technology Park; and

WHEREAS, the parties recognize that this development is a unique endeavor for the City and therefore this Memorandum of Understanding is an attempt to provide a framework for the management and operation of the Whitewater Innovation Center and Whitewater University Technology Park, but all parties recognize that adjustments to this Memorandum of Understanding likely will need to be made after the initial implementation of this Memorandum of Understanding.

Therefore, **IT IS HEREBY AGREED AS FOLLOWS:**

ARTICLE I

TERM OF AGREEMENT

1.01. Initial Term. The initial term of this Memorandum of Understanding shall run for one (1) year commencing on **January 1, 2011, and ending on December 31, 2011**, unless sooner terminated in accordance with this Agreement or in furtherance of the parties' rights and remedies in the event of a default.

1.02. **Extension of Term.** The parties may by agreement extend or shorten the term of this Memorandum of Understanding at any time.

ARTICLE II

OPERATION OF WHITEWATER INNOVATION CENTER

2.01. **Responsibility for Operation.** During the term of this Memorandum of Understanding, the Board shall have primary responsibility for the management and operation of the Whitewater Innovation Center. In that regard, subject to the general restrictions set forth in this Memorandum of Understanding, the Board shall have the sole and exclusive control over the right to lease space within the Whitewater Innovation Center and determine rental lease charges and lease rates.

2.02. **Marketing of Innovation Center.** The Board shall market the Whitewater Innovation Center leasable space as well as the availability of the Whitewater Innovation Center Main Conference Room to business and community groups.

2.03. **Facility Usage.** The Board shall establish facility usage policies.

2.04. **Tenant Relations.** The Board shall conduct tenant relations.

2.05. **Business Development.** The Board shall work with tenants in regard to technology and business development matters.

2.06. **Hiring of Manager.** The Board shall have the right to participate in the hiring of the Whitewater Innovation Center manager.

2.07. **Management of Premises.** The Board shall manage all aspects associated with the Innovation Center, including, but not limited to, making necessary repairs, both interior and exterior, structural and nonstructural, HVAC maintenance, building cleaning, snow and ice removal, fire alarm and life and safety matters, Knox box matters, telecommunications equipment, landscaping and lawn care.

2.08. **Information Technology Services.** The Board will provide information technology services to the Whitewater Innovation Center. Also, it shall be responsible for providing information technology services to tenants to the extent directed by the CDA and the City.

2.09. **Fiber Optic Services.** The Board shall be responsible for the management of fiber optic access and use at the Whitewater Innovation Center and throughout the Whitewater University Technology Park.

2.10. **Operating Expenses.** Except as otherwise provided in this Memorandum of Understanding, the Board shall be solely responsible for paying when due any and all costs of

every kind and nature including, without limitation, those required to operate, maintain or repair the leased premises, such as cleaning, lighting, maintaining, repairing and replacing equipment thereon, the hiring of contractors and subcontractors in connection with maintaining and repairing the premises, or replacing equipment at the premises, supplies, water and sewer charges, electricity, gas and all other utility charges, license and permit fees, pilot payments, debt service payments, and any and all other expenses whatsoever of maintaining, operating, repairing and replacing the leased premises, except as otherwise provided herein or by separate agreement. If there is a shortfall in the funds necessary to make the payments required hereunder, the City shall be responsible to pay to the Board sufficient funds for the purposes stated herein.

2.11. Build America Bonds Debt Service Payments. The Board shall pay as they come due all debt service payments for the Build America Bonds issued for the building of the Innovation Center. If there is a shortfall in the funds necessary to make said payments, the City shall pay the Board sufficient funds to cover said shortfall.

2.12. Income. The Board shall receive all income from leases of Whitewater Innovation Center space.

ARTICLE III

OPERATION OF WHITEWATER UNIVERSITY TECHNOLOGY PARK

3.01. Responsibility for Operation. During the term of this Memorandum of Understanding, the Board shall have primary responsibility for the management and operation of the Whitewater University Technology Park. In that regard, subject to the general restrictions set forth in this Memorandum of Understanding, the Board shall have the sole and exclusive control over the right to market and sell real estate within the limits of the Whitewater University Technology Park and determine, in consultation with the City and CDA, applicable real estate sale charges and rates.

3.02. Marketing of Whitewater University Technology Park. The Board shall market the Whitewater University Technology Park lots.

3.03. Facility Usage. The Board shall establish Whitewater University Technology Park development requirements and restrictive covenants.

3.04. Tenant Relations. The Board shall conduct necessary relations with Whitewater University Technology Park tenants.

3.05. Business Development. The Board shall work with Whitewater University Technology Park tenants in regard to technology and business development matters.

3.06. Income. The net proceeds from any Whitewater University Technology Park lot sales shall be paid to the CDA and shall be used for Whitewater University Technology Park purposes, including but not limited to, the improvement or expansion of the Whitewater University Technology Park.

ARTICLE IV

FINANCIAL RESPONSIBILITIES

4.01. Annual Budget. Not later than September 1st of each calendar year during the term of this Memorandum of Understanding, the Board shall deliver to the City and the CDA an annual budget for the upcoming calendar year. The annual budget will show all anticipated funding and revenues of the Whitewater Innovation Center and the Whitewater University Technology Park for the upcoming year, together with a schedule of the projected income and expenditures for the upcoming year, with such reserves for capital expenditures and improvements as the Board deems appropriate. Within thirty (30) days after their receipt of the annual budget, the City and the CDA shall provide the Board with any suggestions or comments they may have to the annual budget and the Board shall give reasonable consideration to those suggestions and comments in arriving at its final annual budget for the upcoming calendar year.

4.02. Financial Reports. Not later than thirty (30) days after the end of each calendar quarter during the term of this Memorandum of Understanding, the Board shall submit to the City and the CDA quarterly financial reports for the just ended calendar quarter. Not later than May 1st of each calendar year during the term of this Memorandum of Understanding the Board shall submit to the City and the CDA annual financial reports regarding the operation of the Whitewater Innovation Center and the Whitewater University Technology Park during the most recent calendar year. All such financial reports shall be subject to the review and/or audit by an independent certified public accountant to the extent such is necessary in connection with the obligations of the parties. In addition, the Board shall make its financial books and records available to representatives of the City and the CDA during normal business hours upon request.

4.03. Insurance. During the term of this Memorandum of Understanding the City shall, at its sole expense, obtain and maintain sufficient comprehensive insurance, including any necessary property, casualty and liability insurance after having consulted with appropriate insurance professionals. The City shall pay for said insurance. Said payment shall be a credit against the City's commitment to pay a \$20,000.00 contribution to the operation of the Whitewater Innovation Center.

4.04. Sinking Fund. A sinking fund shall be established to be used for major repairs and maintenance, and improvements and expenses related to the Whitewater Innovation Center and the Whitewater University Technology Park.

4.05. Excess Funds. All excess funds from the Whitewater Innovation Center shall be paid to the CDA. The CDA shall deposit reasonable sums from the excess revenues into the sinking fund and if sufficient excess funds are available may make reimbursement payments to itself for its \$750,000.00 contribution to the Whitewater Innovation Center/Whitewater University Technology Park project.

ARTICLE IV

CITY FUNDING

4.01. Annual Contribution. Each year during the term of this Memorandum of Understanding, the City shall pay a \$20,000.00 contribution to the cost of maintaining and operating the Whitewater Innovation Center. The City shall be credited on this payment for any insurance payments it makes as well as any in kind services by the City such as but not limited to snow and ice removal, property maintenance, financial, accounting and legal services for the Whitewater Innovation Center and Whitewater University Technology Park.

ARTICLE V

TERMINATION

5.01. Termination. Any party to this Memorandum of Understanding may terminate it by giving all other parties to the Memorandum of Understanding six (6) months written notice. After notice is given, the parties shall meet within thirty (30) days to agree on the process that will be used to transfer the management and operation of the Whitewater Innovation Center and Whitewater University Technology Park to the successor manager. Both parties shall share all information necessary to facilitate the transition. All parties will cooperate so that the transfer of the management and control of the Whitewater Innovation Center and Whitewater University Technology Park will be completed in an efficient and professional manner. The financial responsibilities set forth herein shall be retained by the Board during the 6 months time period after termination.

ARTICLE VI

EQUAL OPPORTUNITIES

6.01. Discrimination. All parties agree that in the operation, management and use of the leased premises they will abide by all applicable federal, state and local laws, codes and ordinances relating to equal opportunities and non-discrimination. Without limiting the generality of the foregoing, all parties covenant that they will not discriminate against any employee or applicants for employment at the Whitewater Innovation Center or the Whitewater University Technology Park in any manner or commit discrimination on the basis of race, religion, marital status, age, color, sex, sexual orientation, physical condition, disability, national origin or ancestry.

ARTICLE VII

**ECONOMIC DEVELOPMENT AUTHORITY OF THE UNITED STATES
GRANT REQUIREMENTS**

7.01. Grant Requirements. All parties agree that the operation and use of the Whitewater Innovation Center and Whitewater University Technology Park is subject to certain grant requirements established by the Economic Development Administration (EDA) of the United States. All parties agree to abide by said grant requirements. This Memorandum of Understanding shall be null and void if it is at any time found to be in violation of the grant terms.

ARTICLE VIII

MISCELLANEOUS

8.01. Governing Law. Laws of the State of Wisconsin (and, where applicable, Federal law due to the EDA grant funding) shall govern the interpretation and enforcement of this Memorandum of Understanding.

ARTICLE IX

SUCCESSORS AND ASSIGNS

9.01. Successors and Assigns. Except as limited or conditioned by the express provisions hereof, no party shall assign its rights or obligations under this Memorandum of Understanding to any other party without written agreement by all parties to this Memorandum of Understanding.

ARTICLE X

AMENDMENT

10.01. Amendment. This Memorandum of Understanding shall not be amended, changed, modified or altered without the written consent of all parties hereto and no modification, alteration or amendment to this Memorandum of Understanding shall be binding until such modification, alteration, or amendment is reduced to writing and executed by all parties to this Memorandum of Understanding. Any proposed amendment to this Memorandum of Understanding shall be provided in writing, along with a memorandum in support of the amendment, to all parties to this agreement fifteen (15) days prior to final action on the amendment by any party.

ARTICLE XI

COUNTERPARTS

11.01. Counterparts. This Memorandum of Understanding may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were on the same instrument.

ARTICLE XII**SEVERABILITY**

12.01. Severability. If any provision of this Memorandum of Understanding shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy or for any reason such circumstance shall not have the affect of rendering the provision in question inoperative or unenforceable in any other case or circumstances or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever, the invalidity of any one or more phrases, sentences, clauses or paragraphs in this Memorandum of Understanding shall not affect the remaining portions of this document or any part thereof.

ARTICLE XIII**THIRD PARTY BENEFICIARIES**

13.01. Third Party Beneficiaries. This Memorandum of Understanding is entered into for the sole and exclusive benefit of the parties hereto. No third party shall have, obtain, or derive from this document any rights or other benefits or interests under any laws or otherwise.

ARTICLE XIV**EXCULPATORY PROVISION**

14.01. Exculpatory Provision. The parties to this Memorandum of Understanding expressly acknowledge and agree that, anything herein to the contrary notwithstanding, no officer, director, employee, agent, or officials (elected or appointed) of any party hereto shall have any personal liability or obligation arising out of this Memorandum of Understanding, and no party hereto shall make any claims to the contrary.

ARTICLE XV**RULES OF CONSTRUCTION/CONDUCT**

15.01. Rules of Construction/Conduct. The parties to this Memorandum of Understanding acknowledge and agree that this Memorandum of Understanding is a good faith attempt to memorialize the intent of the parties. That in the course of its preparation, each party has been adequately and fully represented, and that accordingly rules of interpretation that signify that an agreement shall be construed against the drafter shall not apply. In addition, the parties acknowledge and agree that they shall endeavor to resolve any and all issues that may arise under this Memorandum of Understanding in the spirit of cooperation consistent with the intent of this Memorandum of Understanding with the aim of benefiting the entire Whitewater area community and the University of Wisconsin-Whitewater.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

Signed and sealed as of the day, month and year below written.

CITY OF WHITEWATER

By: Kevin Brunner 2-8-11
Kevin Brunner, City Manager Date

By: Michele R. Smith 2-8-11
Michele R. Smith, City Clerk Date

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER

By: Thomas L. Miller 2/8/11
Thomas Miller, President Date

By: Mary S. Nimm 2/8/2011
Mary Nimm, CDA Coordinator Date

WHITEWATER – UNIVERSITY TECHNOLOGY PARK, INCORPORATED

By: Richard Telfer 2/11/11
Dr. Richard Telfer, President Date

By: James Stewart 2/11/2011
James Stewart, Vice President Date

MEMORANDUM OF UNDERSTANDING
FOR THE MANAGEMENT AND OPERATION OF THE
WHITEWATER INNOVATION CENTER AND WHITEWATER UNIVERSITY
TECHNOLOGY PARK

This Memorandum of Understanding is made by and among the CITY OF WHITEWATER, WISCONSIN, a municipal corporation, hereinafter at times referred to as "City", and the CITY OF WHITEWATER COMMUNITY DEVELOPMENT AUTHORITY, a Wisconsin municipal authority and political subdivision, hereinafter at times referred to as "CDA", and the WHITEWATER-UNIVERSITY TECHNOLOGY PARK, INCORPORATED, hereinafter at times referred to as "Board".

WITNESSETH

WHEREAS, the parties hereto have, in cooperation with the University of Wisconsin-Whitewater, developed the Whitewater University Technology Park and built the Whitewater Innovation Center in said park; and

WHEREAS, the City, the CDA, and the Board believe it is in all parties' best interests to delegate the management of the Whitewater Innovation Center to the Board; and

WHEREAS, this Memorandum of Understanding is necessary for the purpose of setting forth an outline of the responsibilities that the City and the CDA are delegating to the Board concerning the management and operation of the Whitewater Innovation Center; and

WHEREAS, the Board is willing to accept the duties associated with the management of the Whitewater Innovation Center and Whitewater University Technology Park; and

WHEREAS, the parties recognize that this development is a unique endeavor for the City and therefore this Memorandum of Understanding is an attempt to provide a framework for the management and operation of the Whitewater Innovation Center and Whitewater University Technology Park, but all parties recognize that adjustments to this Memorandum of Understanding likely will need to be made after the initial implementation of this Memorandum of Understanding.

Therefore, **IT IS HEREBY AGREED AS FOLLOWS:**

ARTICLE I

TERM OF AGREEMENT

1.01. Initial Term. The initial term of this Memorandum of Understanding shall run for twenty(20) years commencing on January 1, 2012, and ending on December 31, 2031, unless sooner terminated in accordance with this Agreement or in furtherance of the parties' rights and remedies in the event of a default.

1.02. **Extension of Term.** The parties may by agreement extend or shorten the term of this Memorandum of Understanding at any time.

ARTICLE II

OPERATION OF WHITEWATER INNOVATION CENTER

2.01. **Responsibility for Operation.** During the term of this Memorandum of Understanding, the Board shall have primary responsibility for the management and operation of the Whitewater Innovation Center. In that regard, subject to the general restrictions set forth in this Memorandum of Understanding, the Board shall have the sole and exclusive control over the right to lease space within the Whitewater Innovation Center and determine rental lease charges and lease rates.

2.02. **Marketing of Innovation Center.** The Board shall market the Whitewater Innovation Center leasable space as well as the availability of the Whitewater Innovation Center Main Conference Room to business and community groups.

2.03. **Facility Usage.** The Board shall establish facility usage policies.

2.04. **Tenant Relations.** The Board shall conduct tenant relations.

2.05. **Business Development.** The Board shall work with tenants in regard to technology and business development matters.

2.06. **Hiring of Innovation Center Manager.** The Board shall have the right to participate in the hiring of the Whitewater Innovation Center manager.

2.07. **Management of Premises.** The Board shall manage all aspects associated with the Innovation Center, including, but not limited to, making necessary repairs, both interior and exterior, structural and nonstructural, HVAC maintenance, building cleaning, snow and ice removal, fire alarm and life and safety matters, Knox box matters, telecommunications equipment, landscaping and lawn care.

2.08. **Information Technology Services.** The Board will provide information technology services to the Whitewater Innovation Center. Also, it shall be responsible for providing information technology services to tenants to the extent allowed by State Statute. The Board will determine the level of tenant services to be provided.

2.09. **Fiber Optic Services.** The Board shall be responsible for the management of fiber optic access and use at the Whitewater Innovation Center and throughout the Whitewater University Technology Park.

2.10. **Operating Expenses.** Except as otherwise provided in this Memorandum of Understanding, the Board shall be solely responsible for paying when due any and all costs of

every kind and nature including, without limitation, those required to operate, maintain or repair the leased premises, such as cleaning, lighting, maintaining, repairing and replacing equipment thereon, the hiring of contractors and subcontractors in connection with maintaining and repairing the premises, or replacing equipment at the premises, supplies, water and sewer charges, electricity, gas and all other utility charges, license and permit fees, pilot payments, debt service payments, and any and all other expenses whatsoever of maintaining, operating, repairing and replacing the leased premises, except as otherwise provided herein or by separate agreement. If there is a shortfall in the funds necessary to make the payments required hereunder, the City shall be responsible to pay to the Board sufficient funds for the purposes stated herein.

2.11. **Build America Bonds Debt Service Payments.** The Board shall pay as they come due all debt service payments for the Build America Bonds issued for the building of the Innovation Center. If there is a shortfall in the funds necessary to make said payments, the City shall pay the Board sufficient funds to cover said shortfall.

2.12. **Income.** The Board shall receive all income from leases as well as from any other payments for use of Whitewater Innovation Center space.

ARTICLE III

OPERATION OF WHITEWATER UNIVERSITY TECHNOLOGY PARK

3.01. **Responsibility for Operation.** During the term of this Memorandum of Understanding, the Board shall have primary responsibility for the management and operation of the Whitewater University Technology Park. In that regard, subject to the general restrictions set forth in this Memorandum of Understanding, the Board shall have the sole and exclusive control over the right to market and sell real estate within the limits of the Whitewater University Technology Park and determine, in consultation with the City and CDA, applicable real estate sale charges and rates.

3.02. **Marketing of Whitewater University Technology Park.** The Board shall market the Whitewater University Technology Park lots.

3.03. **Facility Usage.** The Board shall establish Whitewater University Technology Park development requirements and restrictive covenants.

3.04. **Tenant Relations.** The Board shall conduct necessary relations with Whitewater University Technology Park tenants.

3.05. **Business Development.** The Board shall work with Whitewater University Technology Park tenants in regard to technology and business development matters.

3.06. **Income.** The net proceeds from any Whitewater University Technology Park lot sales shall be paid to the CDA and shall be used for Whitewater University Technology Park purposes, including but not limited to, the improvement or expansion of the Whitewater

University Technology Park. 10 percent (%) of any Whitewater University Technology Park lot sale net proceeds shall be retained by the Board to offset Park marketing costs.

ARTICLE IV

FINANCIAL RESPONSIBILITIES

4.01. Annual Budget. Not later than October 15th of each calendar year during the term of this Memorandum of Understanding, the Board shall deliver to the City and the CDA an annual budget for the upcoming calendar year. The annual budget will show all anticipated funding and revenues of the Whitewater Innovation Center and the Whitewater University Technology Park for the upcoming year, together with a schedule of the projected income and expenditures for the upcoming year, with such reserves for capital expenditures and improvements as the Board deems appropriate. Within thirty (30) days after their receipt of the annual budget, the City and the CDA shall provide the Board with any suggestions or comments they may have to the annual budget and the Board shall give reasonable consideration to those suggestions and comments in arriving at its final annual budget for the upcoming calendar year.

4.02. Financial Reports. Not later than thirty (30) days after the end of each calendar quarter during the term of this Memorandum of Understanding, the Board shall submit to the City and the CDA quarterly financial reports for the just ended calendar quarter. Not later than May 1st of each calendar year during the term of this Memorandum of Understanding the Board shall submit to the City and the CDA annual financial reports regarding the operation of the Whitewater Innovation Center and the Whitewater University Technology Park during the most recent calendar year. All such financial reports shall be subject to review and audit by an independent certified public accountant hired by the City to the extent such is necessary in connection with the obligations of the parties. In addition, the Board shall make its financial books and records available to representatives of the City and the CDA during normal business hours upon request.

4.03. Insurance. During the term of this Memorandum of Understanding the City shall, at its sole expense, obtain and maintain sufficient comprehensive insurance, including any necessary property, casualty and liability insurance after having consulted with appropriate insurance professionals. The City shall pay for said insurance. Said payment shall be a credit against the City's annual contribution as defined in Section 5.01.

4.04. Sinking Fund. A sinking fund shall be established by the city to be used for major repairs and maintenance, and improvements and expenses related to the Whitewater Innovation Center and the Whitewater University Technology Park.

4.05. Excess Funds. All excess funds after the annual Payment in Lieu of Taxes (PILOT) payment required has been made from the Whitewater Innovation Center and Whitewater University Technology Park as determined by the Board shall be paid to the CDA. The CDA shall deposit reasonable sums from the excess revenues into the sinking fund and if

sufficient excess funds are available may make reimbursement payments to itself for its \$750,000.00 contribution to the Whitewater Innovation Center/Whitewater University Technology Park project.

4.06. **Exceptions.** All exceptions to the above financial responsibilities shall be subject to mutual agreement between the parties.

**ARTICLE V
CITY FUNDING**

5.01. **Annual Contribution.** Each year during the term of this Memorandum of Understanding, the City shall pay a \$27,000. contribution to the cost of maintaining and operating the Whitewater Innovation Center. This annual contribution shall be subject to an annual increase equal to the greater of three percent (3%) or the U.S. Bureau of Labor Statistics Consumer Price Index (CPI)-All Urban Consumers-Midwest Region. The City shall be credited on this contribution for any insurance payments it makes as well as any in kind services by the City such as but not limited to snow and ice removal, property maintenance, financial, accounting and legal services for the Whitewater Innovation Center and Whitewater University Technology Park.

*IS
Sinking
Fund
Included
in 27K?*

**ARTICLE VI
TERMINATION**

6.01. **Termination.** Any party to this Memorandum of Understanding may terminate it by giving all other parties to the Memorandum of Understanding six (6) months written notice. After notice is given, the parties shall meet within thirty (30) days to agree on the process that will be used to transfer the management and operation of the Whitewater Innovation Center and Whitewater University Technology Park to the successor manager. Both parties shall share all information necessary to facilitate the transition. All parties will cooperate so that the transfer of the management and control of the Whitewater Innovation Center and Whitewater University Technology Park will be completed in an efficient and professional manner. The financial responsibilities set forth herein shall be retained by the Board during the 6 months time period after termination.

**ARTICLE VII
EQUAL OPPORTUNITIES**

7.01. **Discrimination.** All parties agree that in the operation, management and use of the leased premises they will abide by all applicable federal, state and local laws, codes and ordinances relating to equal opportunities and non-discrimination. Without limiting the generality of the foregoing, all parties covenant that they will not discriminate against any employee or applicants for employment at the Whitewater Innovation Center or the Whitewater University Technology Park in any manner or commit discrimination on the basis of race, religion, marital status, age, color, sex, sexual orientation, physical condition, disability, national origin or ancestry.

**ARTICLE VIII
ECONOMIC DEVELOPMENT AUTHORITY OF THE UNITED STATES
GRANT REQUIREMENTS**

8.01. Grant Requirements. All parties agree that the operation and use of the Whitewater Innovation Center and Whitewater University Technology Park is subject to certain grant requirements established by the Economic Development Administration (EDA) of the United States. All parties agree to abide by said grant requirements. This Memorandum of Understanding shall be null and void if it is at any time found to be in violation of the grant terms.

ARTICLE IX

MISCELLANEOUS

9.01. Governing Law. Laws of the State of Wisconsin (and, where applicable, Federal law due to the EDA grant funding) shall govern the interpretation and enforcement of this Memorandum of Understanding.

**ARTICLE X
SUCCESSORS AND ASSIGNS**

10.01. Successors and Assigns. Except as limited or conditioned by the express provisions hereof, no party shall assign its rights or obligations under this Memorandum of Understanding to any other party without written agreement by all parties to this Memorandum of Understanding.

ARTICLE XI

AMENDMENT

11.01. Amendment. This Memorandum of Understanding shall not be amended, changed, modified or altered without the written consent of all parties hereto and no modification, alteration or amendment to this Memorandum of Understanding shall be binding until such modification, alteration, or amendment is reduced to writing and executed by all parties to this Memorandum of Understanding. Any proposed amendment to this Memorandum of Understanding shall be provided in writing, along with a memorandum in support of the amendment, to all parties to this agreement fifteen (15) days prior to final action on the amendment by any party.

**ARTICLE XII
COUNTERPARTS**

12.01. **Counterparts.** This Memorandum of Understanding may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were on the same instrument.

ARTICLE XIII SEVERABILITY

13.01. **Severability.** If any provision of this Memorandum of Understanding shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy or for any reason such circumstance shall not have the affect of rendering the provision in question inoperative or unenforceable in any other case or circumstances or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever, the invalidity of any one or more phrases, sentences, clauses or paragraphs in this Memorandum of Understanding shall not affect the remaining portions of this document or any part thereof.

ARTICLE IXV THIRD PARTY BENEFICIARIES

14.01. **Third Party Beneficiaries.** This Memorandum of Understanding is entered into for the sole and exclusive benefit of the parties hereto. No third party shall have, obtain, or derive from this document any rights or other benefits or interests under any laws or otherwise.

ARTICLE XV EXCULPATORY PROVISION

15.01. **Exculpatory Provision.** The parties to this Memorandum of Understanding expressly acknowledge and agree that, anything herein to the contrary notwithstanding, no officer, director, employee, agent, or officials (elected or appointed) of any party hereto shall have any personal liability or obligation arising out of this Memorandum of Understanding, and no party hereto shall make any claims to the contrary.

ARTICLE XVI RULES OF CONSTRUCTION/CONDUCT

16.01. **Rules of Construction/Conduct.** The parties to this Memorandum of Understanding acknowledge and agree that this Memorandum of Understanding is a good faith attempt to memorialize the intent of the parties. That in the course of its preparation, each party has been adequately and fully represented, and that accordingly rules of interpretation that signify that an agreement shall be construed against the drafter shall not apply. In addition, the parties acknowledge and agree that they shall endeavor to resolve any and all issues that may arise under this Memorandum of Understanding in the spirit of cooperation consistent with the intent of this Memorandum of Understanding with the aim of benefiting the entire Whitewater area community and the University of Wisconsin-Whitewater.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

SIGNATURE PAGE

Signed and sealed as of the day, month and year below written.

CITY OF WHITEWATER

By: Kevin Brunner 2/8/12
Kevin Brunner, City Manager Date

By: Michele R. Smith 2/20/12
Michele R. Smith, City Clerk Date

**COMMUNITY DEVELOPMENT AUTHORITY OF
THE CITY OF WHITEWATER**

By: Thomas Miller 2/8/12
Thomas Miller, President Date

By: Jeffrey Knight 2/8/12
Jeffrey Knight, Vice President Date

**WHITEWATER - UNIVERSITY TECHNOLOGY
PARK, INCORPORATED**

By: Richard Teifer 2/8/12
Dr. Richard Teifer, President Date

By: James Stewart 2/9/12
James Stewart, Vice President Date

MEMORANDUM OF UNDERSTANDING
FOR THE MANAGEMENT AND OPERATION OF THE
WHITEWATER INNOVATION CENTER AND WHITEWATER UNIVERSITY
TECHNOLOGY PARK

This Memorandum of Understanding is made by and among the CITY OF WHITEWATER, WISCONSIN, a municipal corporation, hereinafter at times referred to as “City”, and the CITY OF WHITEWATER COMMUNITY DEVELOPMENT AUTHORITY, a Wisconsin municipal authority and political subdivision, hereinafter at times referred to as “CDA”, and the WHITEWATER-UNIVERSITY TECHNOLOGY PARK, INCORPORATED, hereinafter at times referred to as “Board”.

WITNESSETH

WHEREAS, the parties hereto have, in cooperation with the University of Wisconsin-Whitewater, developed the Whitewater University Technology Park and built the Whitewater Innovation Center in said park; and

WHEREAS, the City, the CDA, and the Board believe it is in all parties’ best interests to delegate the management of the Whitewater Innovation Center to the Board; and

WHEREAS, this Memorandum of Understanding is necessary for the purpose of setting forth an outline of the responsibilities that the City and the CDA are delegating to the Board concerning the management and operation of the Whitewater Innovation Center; and

WHEREAS, the Board is willing to accept the duties associated with the management of the Whitewater Innovation Center and Whitewater University Technology Park; and

WHEREAS, the parties recognize that this development is a unique endeavor for the City and therefore this Memorandum of Understanding is an attempt to provide a framework for the management and operation of the Whitewater Innovation Center and Whitewater University Technology Park, but all parties recognize that adjustments to this Memorandum of Understanding likely will need to be made after the initial implementation of this Memorandum of Understanding.

Therefore, **IT IS HEREBY AGREED AS FOLLOWS:**

ARTICLE I

TERM OF AGREEMENT

1.0. Ownership of Facility. The parties acknowledge that the Innovation Center Building located at 1221 Innovation Drive Whitewater, WI and the lands contained within the Whitewater University Technology Park are currently owned by the Community Development Authority of the City of Whitewater, Wisconsin. The

parties further agree that the excess lands within the park will be marketed and sold for economic development purposes per the underlying Zoning Ordinance.

1.02. Term. The term of this Memorandum of Understanding shall run for seventeen years, two months commencing on November 1, 2014 and ending on December 31, 2031, unless sooner terminated in accordance with this Agreement or in furtherance of the parties' rights and remedies in the event of a default. This Memorandum of Understanding will supersede and replace any prior Memorandum of Understanding between the parties regarding this subject.

1.03. Extension of Term. The parties may by agreement extend or shorten the term of this Memorandum of Understanding at any time.

ARTICLE II

OPERATION OF WHITEWATER INNOVATION CENTER

2.01. Responsibility for Operation. During the term of this Memorandum of Understanding, the Board shall have primary responsibility for the management and operation of the Whitewater Innovation Center. In that regard, subject to the general restrictions set forth in this Memorandum of Understanding, the Board shall have the sole and exclusive control over the right to lease space within the Whitewater Innovation Center and determine rental lease charges and lease rates.

2.02. Marketing of Innovation Center. The Board shall market the Whitewater Innovation Center leasable space as well as the availability of the Whitewater Innovation Center Main Conference Room to business and community groups.

2.03. Facility Usage. The Board shall establish facility usage policies.

2.04. Tenant Relations. The Board shall conduct tenant relations.

2.05. Business Development. The Board shall work with tenants in regard to technology and business development matters.

2.06. Hiring of Innovation Manager. The Board shall have the right to participate in the hiring of the Whitewater Innovation Center manager.

2.07. Management of Premises. The Board shall manage all aspects associated with the Innovation Center, including, but not limited to, making necessary repairs, both interior and exterior, structural and nonstructural, HVAC maintenance, building cleaning, snow and ice removal, fire alarm and life and safety matters, Knox box matters, telecommunications equipment, landscaping and lawn care.

2.08. Information Technology Services. The Board will provide information technology services to the Whitewater Innovation Center. Also, it shall be responsible for providing information technology services to tenants to the extent allowed by State Statute. The Board will determine the level of tenant services to be provided.

2.09. Fiber Optic Services. The Board shall be responsible for the management of fiber optic access and use at the Whitewater Innovation Center and throughout the Whitewater University Technology Park.

2.10. Operating Expenses. Except as otherwise provided in this Memorandum of Understanding, the Board shall be solely responsible for paying when due any and all costs of every kind and nature including, without limitation, those required to operate, maintain or repair the leased premises, such as cleaning, lighting, maintaining, repairing and replacing equipment thereon, the hiring of contractors and subcontractors in connection with maintaining and repairing the premises, or replacing equipment at the premises, supplies, water and sewer charges, electricity, gas and all other utility charges, license and permit fees, PILOT payments, debt service payments, and any and all other expenses whatsoever of maintaining, operating, repairing and replacing the leased premises, except as otherwise provided herein or by separate agreement. If there is a shortfall in the funds necessary to make the payments required hereunder, the City shall be responsible to pay to the Board sufficient funds for the purposes stated herein.

2.11. Build America Bonds Debt Service Payments. The City shall pay as they come due all debt service payments for the Build America Bonds issued for the building of the Innovation Center-

2.12. Payment in Lieu of Taxes (PILOT) Annually, the Board will budget and authorize payment of a PILOT made payable to the City of Whitewater, TIF #4 account. The payment will be from the general operating funds of the Innovation Center. The PILOT payment representing the budget year, will be paid to the City by December 15 of that budget year.

The PILOT amount will be \$92,500 for each budget year payable during the allowable payment period of TIF #4.

The PILOT payment will be deposited into the City General Fund for its use.

The property will not be subject to any Special Assessments for public improvements levied by the City of Whitewater.

2.13. Income. The Board shall receive all income from leases as well as from any other payments for use of Whitewater Innovation Center space.

ARTICLE III

OPERATION OF WHITEWATER UNIVERSITY TECHNOLOGY PARK

3.01. Responsibility for Operation. During the term of this Memorandum of Understanding, the Board shall have primary responsibility for the management and operation of the Whitewater University Technology Park. In that regard, subject to the general restrictions set forth in this Memorandum of Understanding, the Board shall have the sole and exclusive control over the right to market and sell real estate within the limits of the Whitewater University Technology Park and determine, in consultation with the City and CDA, applicable real estate sale charges and rates.

3.02. Marketing of Whitewater University Technology Park. The Board shall market the Whitewater University Technology Park lots.

3.03. Restrictive Covenants. The Board shall establish Whitewater University Technology Park development requirements and restrictive covenants.

3.04. Tenant Relations. The Board shall conduct necessary relations with Whitewater University Technology Park tenants.

3.05. Business Development. The Board shall work with Whitewater University Technology Park tenants in regard to technology and business development matters.

3.06. Land Sale Proceeds. The net proceeds from any Whitewater University Technology Park lot sales shall be paid to the CDA and shall be used for Whitewater University Technology Park purposes, including but not limited to, the improvement or expansion of the Whitewater University Technology Park. The Board shall be paid the greater of ten percent (10%) of net sale proceeds or \$1,000 per acre for any Whitewater University Technology Park land sale to offset marketing costs. Net Proceeds shall be defined as the sale price of the property less any expenses incurred in conjunction with the land sale. Examples include but are not limited to: Third Party professional service costs, Recording Fees, Transfer Fees and Real Estate Commissions paid to Licensed Real Estate Professionals.

ARTICLE IV

FINANCIAL RESPONSIBILITIES

4.01. Annual Budget. No later than ten (10) days prior to the Public Hearing for the adoption of the City of Whitewater General Fund budget the Board shall deliver to the City and the CDA an annual budget for the upcoming calendar year. The annual budget will show all anticipated funding and revenues of the Whitewater Innovation Center and the Whitewater University Technology Park for the upcoming year, together with a schedule of the projected income and expenditures for the upcoming year, with such reserves for capital expenditures and improvements as the Board deems appropriate. Within thirty (30) days after their receipt of the annual budget, the City and the CDA shall provide the Board with any suggestions or comments they may have to the annual budget and the Board shall give reasonable consideration to those suggestions and comments in arriving at its final annual budget for the upcoming calendar year.

4.02. Financial Reports. Not later than thirty (30) days after the end of each calendar quarter during the term of this Memorandum of Understanding, the Board shall submit to the City and the CDA quarterly financial reports for the just ended calendar quarter. Not later than May 1st of each calendar year during the term of this Memorandum of Understanding the Board shall submit to the City and the CDA annual financial reports regarding the operation of the Whitewater Innovation Center and the Whitewater University Technology Park during the most recent calendar year. All such financial reports shall be subject to review and/or audit by an independent certified public accountant hired by the City to the extent such is necessary in connection with the obligations of the parties. In addition, the Board shall make its financial books and records available to representatives of the City and the CDA during normal business hours upon request.

4.03. Insurance. During the term of this Memorandum of Understanding the City shall, at its sole expense, obtain and maintain sufficient comprehensive insurance, including any necessary property, casualty and liability insurance after having consulted with appropriate insurance professionals. The City shall pay for said insurance. Said payment shall be a credit against the City’s annual contribution as defined in Section 5.01.

Under the terms of the policies obtained, the City shall indemnify and shall defend and hold harmless the University Technology Park Board and its employees operating in accordance with the policies of the Board against any and all claims and legal actions made against the Innovation Center or the Whitewater University Technology Park Board.

The City will not provide any employment related personal insurance (including but not limited to: health, life, dental, disability), Worker’s Compensation or Unemployment Insurance directly associated with University hired personnel working on behalf of or within the Innovation Center or Whitewater University Technology Park.

The City shall be solely responsible for payment of any insurance deductible, Self Insurance Retention (SIR) or third party fees associated with claims or legal actions against the Innovation Center and/or the Whitewater University Technology Park.

4.04. Sinking Fund. A sinking fund shall be established to be used for major repairs and maintenance, and improvements and expenses related to the Whitewater Innovation Center and the Whitewater University Technology Park. Expenditures authorized utilizing the Sinking Fund will be under the authority of the University Technology Park Board. The funding will be limited to repair and maintenance of the facility. It may not be utilized for annual operating expenses.

4.05 Exceptions. All exceptions to the above financial responsibilities shall be subject to mutual agreement between the parties.

**ARTICLE V
CITY FUNDING**

5.01. Annual Contribution. Each year during the term of this Memorandum of Understanding, the City shall pay a \$29,500 contribution to the cost of maintaining and operating the Whitewater Innovation Center. This annual contribution shall be subject to an annual increase equal to the greater of three percent (3%) or the increase in the U.S. Bureau of Labor Statistics Consumer Price Index (CPI)-All Urban Consumers-Midwest Region. The City shall be credited on this contribution for any insurance payments it makes as well as any in kind services by the City such as but not limited to snow and ice removal, property maintenance, financial, accounting and legal services for the Whitewater Innovation Center and Whitewater University Technology Park.

**ARTICLE VI
TERMINATION**

6.01. Termination. Any party to this Memorandum of Understanding may terminate it by giving all other parties to the Memorandum of Understanding six (6) months written notice. After notice is given, the parties shall meet within thirty (30) days to agree on the process that will be used to transfer the management and operation of the Whitewater Innovation Center and Whitewater University Technology Park to the successor manager. Both parties shall share all information necessary to facilitate the transition. All parties will cooperate so that the transfer of the management and control of the Whitewater Innovation Center and Whitewater University Technology Park will be completed in an efficient and professional manner. The financial responsibilities set forth herein shall be retained by the Board during the 6 months' time period after termination.

**ARTICLE VII
EQUAL OPPORTUNITIES**

7.01. Discrimination. All parties agree that in the operation, management and use of the leased premises they will abide by all applicable federal, state and local laws, codes and ordinances relating to equal opportunities and non-discrimination. Without limiting the generality of the foregoing, all parties covenant that they will not discriminate against any employee or applicants for employment at the Whitewater Innovation Center or the Whitewater University Technology Park in any manner or commit discrimination on the basis of race, religion, marital status, age, color, sex, sexual orientation, physical condition, disability, national origin or ancestry.

**ARTICLE VIII
ECONOMIC DEVELOPMENT AUTHORITY OF THE UNITED STATES
GRANT REQUIREMENTS**

8.01. Grant Requirements. All parties agree that the operation and use of the Whitewater Innovation Center and Whitewater University Technology Park is subject to certain grant requirements established by the Economic Development Administration (EDA) of the

United States. All parties agree to abide by said grant requirements. This Memorandum of Understanding shall be null and void if it is at any time found to be in violation of the grant terms.

ARTICLE IX

MISCELLANEOUS

9.01 Governing Law. Laws of the State of Wisconsin (and, where applicable, Federal law due to the EDA grants funding) shall govern the interpretation and enforcement of this Memorandum of Understanding.

**ARTICLE X
SUCCESSORS AND ASSIGNS**

10.01. Successors and Assigns. Except as limited or conditioned by the express provisions hereof, no party shall assign its rights or obligations under this Memorandum of Understanding to any other party without written agreement by all parties to this Memorandum of Understanding.

ARTICLE XI

AMENDMENT

11...01. Amendment. This Memorandum of Understanding shall not be amended, changed, modified or altered without the written consent of all parties hereto and no modification, alteration or amendment to this Memorandum of Understanding shall be binding until such modification, alteration, or amendment is reduced to writing and executed by all parties to this Memorandum of Understanding. Any proposed amendment to this Memorandum of Understanding shall be provided in writing, along with a memorandum in support of the amendment, to all parties to this agreement fifteen (15) days prior to final action on the amendment by any party.

**ARTICLE XII
COUNTERPARTS**

12.01. Counterparts. This Memorandum of Understanding may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were on the same instrument.

**ARTICLE XIII
SEVERABILITY**

13.01. Severability. If any provision of this Memorandum of Understanding shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy or for any reason such circumstance shall not have the effect of

rendering the provision in question inoperative or unenforceable in any other case or circumstances or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever, the invalidity of any one or more phrases, sentences, clauses or paragraphs in this Memorandum of Understanding shall not affect the remaining portions of this document or any part thereof.

**ARTICLE XIV
THIRD PARTY BENEFICIARIES**

14.01. Third Party Beneficiaries. This Memorandum of Understanding is entered into for the sole and exclusive benefit of the parties hereto. No third party shall have, obtain, or derive from this document any rights or other benefits or interests under any laws or otherwise.

**ARTICLE XV
EXCULPATORY PROVISION**

15.01. Exculpatory Provision. The parties to this Memorandum of Understanding expressly acknowledge and agree that, anything herein to the contrary notwithstanding, no officer, director, employee, agent, or officials (elected or appointed) of any party hereto shall have any personal liability or obligation arising out of this Memorandum of Understanding, and no party hereto shall make any claims to the contrary.

**ARTICLE XVI
RULES OF CONSTRUCTION/CONDUCT**

16.01. Rules of Construction/Conduct. The parties to this Memorandum of Understanding acknowledge and agree that this Memorandum of Understanding is a good faith attempt to memorialize the intent of the parties. That in the course of its preparation, each party has been adequately and fully represented, and that accordingly rules of interpretation that signify that an agreement shall be construed against the drafter shall not apply. In addition, the parties acknowledge and agree that they shall endeavor to resolve any and all issues that may arise under this Memorandum of Understanding in the spirit of cooperation consistent with the intent of this Memorandum of Understanding with the aim of benefiting the entire Whitewater area community and the University of Wisconsin-Whitewater.

**ARTICLE XVII
NOTICES**

17.01 Notices. Any notice or other communication permitted or required shall be addressed to the following:

As to the University Technology Park Board

University Technology Park Board
Office of the Chancellor

HY 421
Whitewater, WI 53190

As to the City of Whitewater

City Manager
City of Whitewater
312 W. Whitewater St.
Whitewater, WI 53190

As to the Community Development Authority

Executive Director
Whitewater Community Development Authority
312 W. Whitewater, St.
Whitewater, WI 53190

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

SIGNATURE PAGE

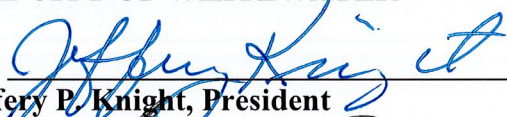
Signed and sealed as of the day, month and year below written.

CITY OF WHITEWATER

By:  11-11-14
Cameron Clapper, City Manager Date

By: Michele R. Smith 11-11-14
Michele R. Smith, City Clerk Date

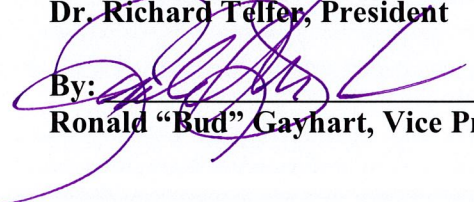
**COMMUNITY DEVELOPMENT AUTHORITY OF
THE CITY OF WHITEWATER**

By: 
Jeffery P. Knight, President Date

By:  11-11-14
Patrick Cannon, Executive Director Date

**WHITEWATER – UNIVERSITY TECHNOLOGY
PARK, INCORPORATED**

By:  11/19/14
Dr. Richard Telfer, President Date

By:  11/19/2014
Ronald "Bud" Gayhart, Vice President Date

MEMORANDUM OF UNDERSTANDING
FOR THE MANAGEMENT AND OPERATION OF THE
WHITEWATER INNOVATION CENTER AND WHITEWATER UNIVERSITY
TECHNOLOGY PARK

This Memorandum of Understanding is made by and among the CITY OF WHITEWATER, WISCONSIN, a municipal corporation, hereinafter at times referred to as “City”, and the CITY OF WHITEWATER COMMUNITY DEVELOPMENT AUTHORITY, a Wisconsin municipal authority and political subdivision, hereinafter at times referred to as “CDA”, and the WHITEWATER-UNIVERSITY TECHNOLOGY PARK, INCORPORATED, hereinafter at times referred to as “Board”.

WITNESSETH

WHEREAS, the parties hereto have, in cooperation with the University of Wisconsin-Whitewater, developed the Whitewater University Technology Park and built the Whitewater Innovation Center in said park; and

WHEREAS, the City, the CDA, and the Board believe it is in all parties’ best interests to delegate the management of the Whitewater Innovation Center to the Board; and

WHEREAS, this Memorandum of Understanding is necessary for the purpose of setting forth an outline of the responsibilities that the City and the CDA are delegating to the Board concerning the management and operation of the Whitewater Innovation Center; and

WHEREAS, the Board is willing to accept the duties associated with the management of the Whitewater Innovation Center and Whitewater University Technology Park; and

WHEREAS, the parties recognize that this development is a unique endeavor for the City and therefore this Memorandum of Understanding is an attempt to provide a framework for the management and operation of the Whitewater Innovation Center and Whitewater University Technology Park, but all parties recognize that adjustments to this Memorandum of Understanding likely will need to be made after the initial implementation of this Memorandum of Understanding.

Therefore, **IT IS HEREBY AGREED AS FOLLOWS:**

ARTICLE I

TERM OF AGREEMENT

- 1.0. Ownership of Facility.** The parties acknowledge that the Innovation Center Building located at 1221 Innovation Drive Whitewater, WI and the lands contained within the Whitewater University Technology Park are currently owned by the Community Development Authority of the City of Whitewater, Wisconsin. The

parties further agree that the excess lands within the park will be marketed and sold for economic development purposes per the underlying Zoning Ordinance.

1.02. Term. The term of this Memorandum of Understanding shall begin on the date of final signature and end on February 28, 2023 unless sooner terminated in accordance with this Agreement or in furtherance of the parties' rights and remedies in the event of a default. This Memorandum of Understanding will supersede and replace any prior Memorandum of Understanding between the parties regarding this subject.

1.03. Extension of Term. The parties may by agreement extend or shorten the term of this Memorandum of Understanding at any time.

ARTICLE II

OPERATION OF WHITEWATER INNOVATION CENTER

2.01. Responsibility for Operation. During the term of this Memorandum of Understanding, the Board shall have primary responsibility for the management and operation of the Whitewater Innovation Center. In that regard, subject to the general restrictions set forth in this Memorandum of Understanding, the Board shall have the sole and exclusive control over the right to lease space within the Whitewater Innovation Center and determine rental lease charges and lease rates.

2.02. Marketing of Innovation Center. The Board shall market the Whitewater Innovation Center leasable space as well as the availability of the Whitewater Innovation Center Main Conference Room to business and community groups.

2.03. Facility Usage. The Board shall establish facility usage policies.

2.04. Tenant Relations. The Board shall conduct tenant relations.

2.05. Business Development. The Board shall work with tenants in regard to technology and business development matters.

2.06. Hiring of Innovation Manager. The Board shall have the right to participate in the hiring of the Whitewater Innovation Center manager.

2.07. Management of Premises. The Board shall manage all aspects associated with the Innovation Center, including, but not limited to, making necessary repairs, both interior and exterior, structural and nonstructural, HVAC maintenance, building cleaning, snow and ice removal, fire alarm and life and safety matters, Knox box matters, telecommunications equipment, landscaping and lawn care.

2.08. Information Technology Services. The Board will provide information technology services to the Whitewater Innovation Center. Also, it shall be responsible for

providing information technology services to tenants to the extent and allowed by State Statute. The Board will determine the level of tenant services to be provided.

2.09. Fiber Optic Services. The Board shall be responsible for the management of fiber optic access and use at the Whitewater Innovation Center and throughout the Whitewater University Technology Park.

2.10. Operating Expenses. Except as otherwise provided in this Memorandum of Understanding, the Board shall be solely responsible for paying when due any and all costs of every kind and nature including, without limitation, those required to operate, maintain or repair the leased premises, such as cleaning, lighting, maintaining, repairing and replacing equipment thereon, the hiring of contractors and subcontractors in connection with maintaining and repairing the premises, or replacing equipment at the premises, supplies, water and sewer charges, electricity, gas and all other utility charges, license and permit fees, pilot payments, debt service payments, and any and all other expenses whatsoever of maintaining, operating, repairing and replacing the leased premises, except as otherwise provided herein or by separate agreement. If there is a shortfall in the funds necessary to make the payments required hereunder, the City shall be responsible to pay to the Board sufficient funds for the purposes stated herein.

2.11. Build America Bonds Debt Service Payments. The City shall pay as they come due all debt service payments for the Build America Bonds issued for the building of the Innovation Center-

2.12. Payment in Lieu of Taxes (PILOT). Annually, the Board will budget and authorize payment of a PILOT made payable to the City of Whitewater, TIF #4 account. The payment will be from the general operating funds of the Innovation Center. The PILOT payment representing the budget year, will be paid to the City by December 15 of that budget year.

The PILOT amount will be \$92,500 for each budget year payable during the allowable payment period of TIF #4.

The PILOT payment will be deposited into the City General Fund 920 for its use.

The property will not be subject to any Special Assessments for public improvements levied by the City of Whitewater.

2.13. Income. The Board shall receive all income from leases as well as from any other payments for use of Whitewater Innovation Center space.

ARTICLE III

OPERATION OF WHITEWATER UNIVERSITY TECHNOLOGY PARK

3.01. Responsibility for Operation. During the term of this Memorandum of Understanding, the Board shall have primary responsibility for the management and operation of the Whitewater University Technology Park. In that regard, subject to the general restrictions set

forth in this Memorandum of Understanding, the Board shall have the sole and exclusive control over the right to market and sell real estate within the limits of the Whitewater University Technology Park and determine, in consultation with the City and CDA, applicable real estate sale charges and rates.

3.02. Marketing of Whitewater University Technology Park. The Board shall market the Whitewater University Technology Park lots.

3.04. Tenant Relations. The Board shall conduct necessary relations with Whitewater University Technology Park tenants.

3.05. Business Development. The Board shall work with Whitewater University Technology Park tenants in regard to technology and business development matters.

3.06. Land Sale Proceeds. The net proceeds from any Whitewater University Technology Park lot sales shall be paid to the CDA and shall be used for Whitewater University Technology Park purposes, including but not limited to, the improvement or expansion of the Whitewater University Technology Park. The Board shall be paid the greater of ten percent (10%) of net sale proceeds or \$1,000 per acre for any Whitewater University Technology Park land sale to offset marketing costs. Net Proceeds shall be defined as the sale price of the property less any expenses incurred in conjunction with the land sale. Examples include but are not limited to: Third Party professional service costs, Recording Fees, Transfer Fees and Real Estate Commissions paid to Licensed Real Estate Professionals.

ARTICLE IV

FINANCIAL RESPONSIBILITIES

4.01. Annual Budget. No later than sixty 60 days prior to the Public Hearing for the adoption of the City of Whitewater General Fund budget the Board shall deliver to the City and the CDA an annual budget for the upcoming calendar year. The annual budget will show all anticipated funding and revenues of the Whitewater Innovation Center and the Whitewater University Technology Park for the upcoming year, together with a schedule of the projected income and expenditures for the upcoming year, with such reserves for capital expenditures and improvements as the Board deems appropriate. Within thirty (30) days after their receipt of the annual budget, the City and the CDA shall provide the Board with any suggestions or comments they may have to the annual budget and the Board shall give reasonable consideration to those suggestions and comments in arriving at its final annual budget for the upcoming calendar year.

4.02. Financial Reports. Not later than thirty (30) days after the end of each calendar quarter during the term of this Memorandum of Understanding, the Board shall submit to the City and the CDA quarterly financial reports for the just ended calendar quarter. Not later than

May 1st of each calendar year during the term of this Memorandum of Understanding the Board shall submit to the City and the CDA annual financial reports regarding the operation of the Whitewater Innovation Center and the Whitewater University Technology Park during the most recent calendar year. All such financial reports shall be subject to review and/or audit by an independent certified public accountant hired by the City to the extent such is necessary in connection with the obligations of the parties. In addition, the Board shall make its financial books and records available to representatives of the City and the CDA during normal business hours upon request.

4.03. Insurance. During the term of this Memorandum of Understanding the City shall, at its sole expense, obtain and maintain sufficient comprehensive insurance, including any necessary property, casualty and liability insurance after having consulted with appropriate insurance professionals. The City shall pay for said insurance. Said payment shall be a credit against the City's annual contribution as defined in Section 5.01.

Under the terms of the policies obtained, the City shall indemnify and shall defend and hold harmless the University Technology Park Board and its employees operating in accordance with the policies of the Board against any and all claims and legal actions made against the Innovation Center or the Whitewater University Technology Park Board.

The City will not provide any employment related personal insurance (including but not limited to: health, life, dental, disability), Worker's Compensation or Unemployment Insurance directly associated with University hired personnel working on behalf of or within the Innovation Center or Whitewater University Technology Park.

The City shall be solely responsible for payment of any insurance deductible, Self Insurance Retention (SIR) or third party fees associated with claims or legal actions against the Innovation Center and/or the Whitewater University Technology Park.

4.04. Sinking Fund. A sinking fund shall be established to be used for major repairs and maintenance, and improvements and expenses related to the Whitewater Innovation Center and the Whitewater University Technology Park. Expenditures authorized utilizing the Sinking Fund will be under the authority of the University Technology Park Board. The funding will be limited to repair and maintenance of the facility. It may not be utilized for annual operating expenses.

4.05. Exceptions. All exceptions to the above financial responsibilities shall be subject to mutual agreement between the parties.

ARTICLE V CITY FUNDING

5.01. Annual Contribution. Each year during the term of this Memorandum of Understanding, the City shall pay a \$29,500 contribution to the cost of maintaining and operating the Whitewater Innovation Center. This annual contribution shall be subject to an annual increase equal to the greater of three percent (3%) or the U.S. Bureau of Labor Statistics

Consumer Price Index (CPI)-All Urban Consumers-Midwest Region. The City shall be credited on this contribution for any insurance payments it makes as well as any in kind services by the City such as but not limited to snow and ice removal, property maintenance, financial, accounting and legal services for the Whitewater Innovation Center and Whitewater University Technology Park.

ARTICLE VI TERMINATION

6.01. Termination. Any party to this Memorandum of Understanding may terminate it by giving all other parties to the Memorandum of Understanding six (6) months written notice. After notice is given, the parties shall meet within thirty (30) days to agree on the process that will be used to transfer the management and operation of the Whitewater Innovation Center and Whitewater University Technology Park to the successor manager. Both parties shall share all information necessary to facilitate the transition. All parties will cooperate so that the transfer of the management and control of the Whitewater Innovation Center and Whitewater University Technology Park will be completed in an efficient and professional manner. The financial responsibilities set forth herein shall be retained by the Board during the 6 months time period after termination.

ARTICLE VII EQUAL OPPORTUNITIES

7.01. Discrimination. All parties agree that in the operation, management and use of the leased premises they will abide by all applicable federal, state and local laws, codes and ordinances relating to equal opportunities and non-discrimination. Without limiting the generality of the foregoing, all parties covenant that they will not discriminate against any employee or applicants for employment at the Whitewater Innovation Center or the Whitewater University Technology Park in any manner or commit discrimination on the basis of race, religion, marital status, age, color, sex, sexual orientation, physical condition, disability, national origin or ancestry.

ARTICLE VIII ECONOMIC DEVELOPMENT AUTHORITY OF THE UNITED STATES GRANT REQUIREMENTS

8.01. Grant Requirements. All parties agree that the operation and use of the Whitewater Innovation Center and Whitewater University Technology Park is subject to certain grant requirements established by the Economic Development Administration (EDA) of the United States. All parties agree to abide by said grant requirements. This Memorandum of Understanding shall be null and void if it is at any time found to be in violation of the grant terms.

ARTICLE IX

MISCELLANEOUS

9.01. Governing Law. Laws of the State of Wisconsin (and, where applicable, Federal law due to the EDA grants funding) shall govern the interpretation and enforcement of this Memorandum of Understanding.

ARTICLE X

SUCCESSORS AND ASSIGNS

10.01. Successors and Assigns. Except as limited or conditioned by the express provisions hereof, no party shall assign its rights or obligations under this Memorandum of Understanding to any other party without written agreement by all parties to this Memorandum of Understanding.

ARTICLE XI

AMENDMENT

11.01. Amendment. This Memorandum of Understanding shall not be amended, changed, modified or altered without the written consent of all parties hereto and no modification, alteration or amendment to this Memorandum of Understanding shall be binding until such modification, alteration, or amendment is reduced to writing and executed by all parties to this Memorandum of Understanding. Any proposed amendment to this Memorandum of Understanding shall be provided in writing, along with a memorandum in support of the amendment, to all parties to this agreement fifteen (15) days prior to final action on the amendment by any party.

ARTICLE XII

COUNTERPARTS

12.01. Counterparts. This Memorandum of Understanding may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were on the same instrument.

ARTICLE XIII

SEVERABILITY

13.01. Severability. If any provision of this Memorandum of Understanding shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy or for any reason such circumstance shall not have the affect of rendering the provision in question inoperative or unenforceable in any other case or circumstances or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever, the invalidity of any one or more phrases,

sentences, clauses or paragraphs in this Memorandum of Understanding shall not affect the remaining portions of this document or any part thereof.

ARTICLE XIV THIRD PARTY BENEFICIARIES

14.01. Third Party Beneficiaries. This Memorandum of Understanding is entered into for the sole and exclusive benefit of the parties hereto. No third party shall have, obtain, or derive from this document any rights or other benefits or interests under any laws or otherwise.

ARTICLE XV EXCULPATORY PROVISION

15.01. Exculpatory Provision. The parties to this Memorandum of Understanding expressly acknowledge and agree that, anything herein to the contrary notwithstanding, no officer, director, employee, agent, or officials (elected or appointed) of any party hereto shall have any personal liability or obligation arising out of this Memorandum of Understanding, and no party hereto shall make any claims to the contrary.

ARTICLE XVI RULES OF CONSTRUCTION/CONDUCT

16.01. Rules of Construction/Conduct. The parties to this Memorandum of Understanding acknowledge and agree that this Memorandum of Understanding is a good faith attempt to memorialize the intent of the parties. That in the course of its preparation, each party has been adequately and fully represented, and that accordingly rules of interpretation that signify that an agreement shall be construed against the drafter shall not apply. In addition, the parties acknowledge and agree that they shall endeavor to resolve any and all issues that may arise under this Memorandum of Understanding in the spirit of cooperation consistent with the intent of this Memorandum of Understanding with the aim of benefiting the entire Whitewater area community and the University of Wisconsin-Whitewater.

ARTICLE XVII NOTICES

17.01. Notices. Any notice or other communication permitted or required shall be addressed to the following:

As to the University Technology Park Board

University Technology Park Board
Office of the Chancellor
HY 421
Whitewater, WI 53190

As to the City of Whitewater

City Manager
City of Whitewater
312 W. Whitewater St.
Whitewater, WI 53190

As to the Community Development Authority

Executive Director
Whitewater Community Development Authority
312 W. Whitewater, St.
Whitewater, WI 53190

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

SIGNATURE PAGE

Signed and sealed as of the day, month and year below written.

CITY OF WHITEWATER

DocuSigned by:
 By: Cameron Clapper 6/15/2020
509AF8ED95B143A...
Cameron Clapper, City Manager **Date**

DocuSigned by:
 By: Michele Smith 6/17/2020
87C2A2CE53BE044C...
Michele R. Smith, City Clerk **Date**

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER

DocuSigned by:
 By: Patrick Singer 6/16/2020
7C94665A7B1A441...
Patrick Singer, Chairman **Date**

DocuSigned by:
 By: Cameron Clapper 6/15/2020
509AF8ED95B143A...
Cameron Clapper, Interim Director **Date**

WHITEWATER – UNIVERSITY TECHNOLOGY PARK, INCORPORATED

DocuSigned by:
 By: Dwight C. Watson 6/15/2020
72B1936FA511D31...
Dr. Dwight C. Watson, President **Date**

DocuSigned by:
 By: Cameron Clapper 6/15/2020
509AF8ED95B143A...
Cameron Clapper, Vice President **Date**

MEMORANDUM OF UNDERSTANDING BETWEEN THE:
City of Whitewater, the Whitewater Community Development Authority, Whitewater University
Technology Park, and
University of Wisconsin Whitewater
CONCERNING USE AND OPERATIONS OF THE WHITEWATER INNOVATION CENTER AND
TECHNOLOGY PARK

include all: CITY, CDA/Tech Park and UWW – SUGGESTED MARCH 2024

This Memorandum of Understanding (hereinafter "Agreement") is made by and between the City of Whitewater (City), the Whitewater Community Development Authority (CDA), the Whitewater-University Technology Park, Inc., (Tech Park Board) hereinafter at times referred to as the "Board", and the University of Wisconsin-Whitewater (University) (collectively the Parties), hereinafter at times referred to as the "University".

WHEREAS, the parties seek to cooperate for the growth of all the stakeholders in the growth operation, and use of the City of Whitewater Innovation Center (Innovation Center) and Technology Park.

NOW, THEREFORE, it is hereby agreed to as follows:

ARTICLE I
TERM OF AGREEMENT

1.01 Initial Term. The term of this Agreement shall be for three years beginning June 30, 2024 or date of final signature by both all parties, and ending on June 30, 2027 or three years from date of final signature, unless sooner terminated in accordance with this Agreement or in furtherance of the parties' rights and remedies in the event of a material breach or default.

1.02 Extension of Term. The Agreement shall automatically be renewed on a yearly basis unless either party notifies the other Parties in writing within 180thirty (30) calendar days of their intent not to extend the Agreement.

ARTICLE II
COMMITMENTS AND UNDERSTANDINGS

2.01 Board Commitments — Oversight (See other MOU and transfer items to this section): Party Commitments and Understandings

(a) The Tech Park Board shall dissolve and reformulate itself as the Tech Park Advisory Board (Advisory Board) with at least one member from the City, the CDA, the Tech Park Board, and the University.

(a)(b) The City and CDA Board/Advisory Council hereby grants to the University the exclusive use of two (2) Innovation Center Suites that equals approximately 2,400 sq. ft., which consists of one lab suite (120) and one regular office suite (118). The UWW/University-Director may be in 118 or 120. The University shall have the exclusive right to use this designated space and/or authorize other individuals to use this space as long as such use is consistent with the overall use and operation of the Innovation Center. The University will have the sole right to receive any and all revenue or income generated from this designated space either

Updated March 2024, 1

Commented [TE1]: The entire MOU is written with an assumption we have dissolved or recreated the Tech Park Board. The names of the entities get confusing. We need to clarify terms.

Commented [JK2]: Include all: CITY, CDA/Tech Park and UNIVERSITY – SUGGESTED MARCH 2024

Commented [TE3]:

Commented [TE4]: Parties, change to Tech Park Advisory Board?

Commented [JK5R4]: It is collectively the Parties, meaning all parties.

Commented [TE6]: All parties, not both

Commented [JK7R6]: Good catch

Commented [TE8]: Too short to make transitions and adjustments. UWW recommends up to 6 months. Also adjust the language to be clear when the 6 months starts /ends

Commented [JK9R8]: Done.

Commented [TE10]: This whole section does not need to be in the MOU. The MOU is with the new entity and covered in 6.02. (Perhaps move to beginning?)

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Commented [TE11]: Agree, only 2 offices.

through its own use or the use of another authorized party. ~~If revenue is generated then revenue shall be used for Innovation Center operational expenses.~~

~~a. Currently 218, 118, 120, 122~~

~~b. Recommended: minimum 2+ offices, 1 for students and student groups and 1 for faculty start ups/Mentors and cubby for director – use 115, 118 and cubby 218 or 220~~

(b)(c) The ~~Board/Council~~City/CDA shall designate an office space for the City staff.

~~a. Currently 110~~

~~b. Recommended: City goes to 110 and covers front area~~

(e)(d) The ~~Advisory Board~~ shall work cooperatively with the ~~City/CDA~~City for property management. This includes:

a. Greeter / security: designate a front desk and/or office space for City of Whitewater Staff or contractor for property management up to 50%.

b. Management facilities: leases, keys, mailroom (with CESA), kitchen, meeting spaces and coordination with city facilities team for things such as water leak, noise, heat, door issues, etc.

~~c. IT Services: UWWUNIVERSITY will continue with VPN and conduct audit by January 2024 (approximately \$15,000 / year)-The city will manage the equipment in 105A/B, upstairs conference room and 115 until rented, camera's, HVAC, etc.~~

~~d. Meeting space and sign up system: The cCity will administer the meeting space systemis master administrator, 50% of tenants have access, including UWWUNIVERSITY. UWWUNIVERSITY is like all tenants and still has access to common area spaces and coordinate with new city team~~

e. Marketing: City team member manages the marketing contract, tech park website, social media, etc, using the city innovation center budget.

f. City Budget: managed by city team member.

(d)(e) The ~~Board/Council~~CDA shall meet quarterly for financial oversight, facility use, and business development. This includes referrals for the growth of the center, the technology park, connections to the city and alignment of programs

2.02 University Commitments – Innovation Services

(a) The University hereby agrees to assign a University employee to serve as the manager of the ~~Innovation Services on the current .5 FTE. This will be at the center with designated office + on campus and/or virtual.~~ The University shall pay the employee's salary and benefits. The University will provide office equipment and furnishings, as needed, for the program director's space at the Innovation Center.

- ~~Programs: Programming for tenants, students, faculty, citizens~~
 - Assist growing businesses with on-demand coaching, referrals, etc.
 - Liaison for tenants to the University when they need students, interns, project, research, etc.
 - Navigate the Entrepreneurial Support Organizations (ESO) and Innovation Support Organizations (ISO_by leading, participating, referring and hosting
- Outreach: promote center, bring in or refer events, refer potential ~~tenants~~tenants

Commented [TE12]: Delete last sentence. MOU does not dictate how the monies are spent.

Commented [JK13R12]: Agreed.

Commented [JK14]: a.Currently 218, 118, 120, 122
b.Recommended: minimum 2+ offices, 1 for students and student groups and 1 for faculty start ups/Mentors and cubby for director – use 115, 118 and cubby 218 or 220

Commented [JK15]: c.Currently 110
d.Recommended: City goes to 110 and covers front area

Commented [TE16]: Marketing: (add) This is in the Innovation Center budget.

Commented [JK17R16]: Agreed.

Commented [TE18]: Questions: What entity will meet? When does the Advisory group/board meet and does it impact this meeting?

Commented [JK19R18]: Changed to just CDA

Commented [TE20]: This is reordered and clarified this section

- Marketing: program, event budget, innovation center website, social, events, speaking, memberships, digital board et
- Offices: UVA UNIVERSITY Suites 118 and 120 and use of common area spaces
- Budget: manage university innovation services budget
- IT: Fiber, up to 3 VOP, guest internet as needed, digital board
- Furniture: UVA UNIVERSITY has their own, vendor machines through university
- City Economic Development: assist and refer as appropriate

Commented [TE21]: This website is separate from the Tech Park website. The University can manage for at least one year and the advisory group revisit.

Commented [TE22]: This needs to be reviewed and approved

Commented [JK23R22]: I am assuming this is the University?

TRANSITION PLAN: 3 months of coordination

(b) The University shall provide the Whitewater University Innovation Center with the IT Firewall, guest access, and other support, as deemed necessary and reasonable for xxx years. (See IT Assessment).

(c) The University will manage the business incubation program and provide services as described in the Inventory of Business Incubation Services. (Appendix C). These services are considered an educational outreach program of the University, in accordance with Wis. Stat. § 36.01, and is contingent upon the availability or appropriation of funds. If funds become unavailable, the University will provide the Board with written notice of any reduction or termination of these services.

Commented [TE24]: DELETE SECTION It is on-demand services and referrals. All listed under programming. In 2.02.

Commented [JK25R24]: I think just the first sentence has to go.

ARTICLE III
TERMINATION

3.01. Termination. This Agreement may be terminated by either party upon sending written notice of such termination no less than one hundred twenty days (120) from the date of termination. Upon receipt of notice, the parties will work together to develop a process under which the separation of services and commitments will occur in a professional and efficient manner.

Commented [TE26]: These dates need to be in alignment / extension and termination

Commented [JK27R26]: It says the Parties will work together to develop a process.

ARTICLE IV
EQUAL OPPORTUNITIES

4.01. Discrimination. All parties, and their officials, employees and representatives, hereby agree to abide by all applicable federal, state and local laws, codes and ordinances relating to equal opportunities and non-discrimination. Without limiting the generality of the foregoing, all parties covenant that they will not discriminate against any individual either in an employment or educational capacity at the Innovation Center or the Technology Park on the basis of any federal or state protected status or class.

ARTICLE V
ECONOMIC DEVELOPMENT AUTHORITY OF THE UNITED STATES
GRANT REQUIREMENTS

5.01. Grant Requirements. Both parties agree that the operation and use of the Innovation Center and Technology Park is subject to certain grant requirements established by the Economic Development Authority of the United States. Both parties agree to abide by said grant requirements.

Commented [TE28]: Grant is done and paid for...

Commented [JK29R28]: Did the grant requirements terminate with the grant?

**ARTICLE VI
MISCELLANEOUS**

6.01. Governing Law. The laws of the State of Wisconsin (and, where applicable, Federal law due to the EDA grant funding) shall govern the interpretation and enforcement of this Agreement.

6.02 Supersedes Prior Agreements. This Agreement shall supersede and replace all prior agreements and understandings, oral or written, between the Parties related to the management and use of the Whitewater University Technology Center located at 1221 Innovation Dr, Whitewater, WI 53190.

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**ARTICLE VII
SUCCESSORS AND ASSIGNS**

7.01. Successors and Assigns. Except as expressly granted herein, no party shall assign its rights or obligations under this Agreement to any other party without a mutually written addendum executed by all parties to this Agreement.

**ARTICLE VIII
AMENDMENT**

8.01. Amendment. This Agreement shall not be amended, changed, modified or altered without the written consent of all parties hereto and no modification, alteration or amendment to this Agreement shall be binding until such modification, alteration, or amendment is reduced to writing and executed by all parties to this Agreement. Any proposed amendment to this Agreement shall be provided in writing, along with a memorandum in support of the amendment, to all parties to this agreement fifteen (15) days prior to final action on the amendment by any party.

**ARTICLE IX
COUNTERPARTS**

9.01. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were on the same instrument.

**ARTICLE X
SEVERABILITY**

10.01. Severability. If any specific term or provision herein is adjudicated to be unenforceable against either party, such decision shall not automatically render this entire Agreement null or void. Rather, the unenforceability of one or more terms, clauses or paragraphs in this Agreement shall not affect the enforceability of the remaining terms herein.

**ARTICLE XI
THIRD PARTY BENEFICIARIES**

CITY OF WHITEWATER

By: _____
President-Common Council Date

By: _____
John Weidl, City Manager Date

CITY OF WHITEWATER
COMMUNITY DEVELOPMENT AUTHORITY

By: _____
Chair CDA Date



CDA Agenda Item

Meeting Date:	May 16, 2024
Agenda Item:	Economic Development Activities Update
Staff Contact (name, email, phone):	Taylor Zeinert, Economic Development Director tzeinert@whitewater-wi.gov 262-473-0148

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

The past month has been busy for the Office of Economic Development. The office has completed or worked towards the following projects:

- Completed 4 BRE (Business Recruitment and Expansion) Meetings
- Scheduled 7 BRE (Business Recruitment and Expansion) Meetings
- Planned and Held the Housing Round Table Discussion Event
- Finalized all WindUp Judges
- Worked with Choton Basu to review votes via the WindUp App
- Connect with all WindUp contestants about if they moved to the finale
- Work with UW Staff as we prepare event space for the WindUp Finale
- Attend BCEDC (Basic Certified Economic Development Course) in Eau Claire
- Connected with Neumann regarding Park Crest- a new 19 home Development

I look forward to carrying this momentum into the next month as the Office remains dedicated to affordable housing, educating the public on the City’s Affordable Housing Fund Policy, continue to build relationships with the business community through Business Retention & Expansion (BRE) visits, and making sure the Office of Economic Development is supporting all residents with economic development-based needs.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS
(Dates, committees, action taken)

FINANCIAL IMPACT
(If none, state N/A)

STAFF RECOMMENDATION

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



CDA Agenda Item

Meeting Date:	May 16, 2024
Agenda Item:	Update and discussion regarding the Housing Roundtable, including Tracy Cross & Associates Housing Studies
Staff Contact (name, email, phone):	Taylor Zeinert, Economic Development Director tzeinert@whitewater-wi.gov 262-473-0148

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

The Housing Roundtable Event was a great success! A total of 67 people attended, including realtors, developers, land owners, financial stakeholders, local government representatives and citizens. We heard presentations from Erik Doersching of Tracy Cross & Associates and Ben McKay of SEWRPC addressing the need for housing in our community and what types of housing are needed. As many of you may know, the City’s Strategic Plan outlines the Office of Economic Development’s goal for construction of 100 homes within the next 5 years. This event was a great step towards reaching that goal.

To my knowledge, this is the first time the City of Whitewater has engaged in this type of event. From the feedback our office has received, the event was extremely well received. The Office of Economic Development plans on doing more events like this, adjusting the message to fit the needs of the community.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS
(Dates, committees, action taken)

FINANCIAL IMPACT
(If none, state N/A)

STAFF RECOMMENDATION

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

- Tracy Cross & Associates –Whitewater Housing Analysis Presentation.
- Tracy Cross & Associates – June 30, 2023 Residential Market Analysis.
- Tracy Cross & Associates – April 12, 2024 Whitewater Rental Housing Market Analysis.



Housing Round Table

at the **Whitewater University Innovation Center**

Inviting: Whitewater Common Council members,
CDA members, realtors, and developers.

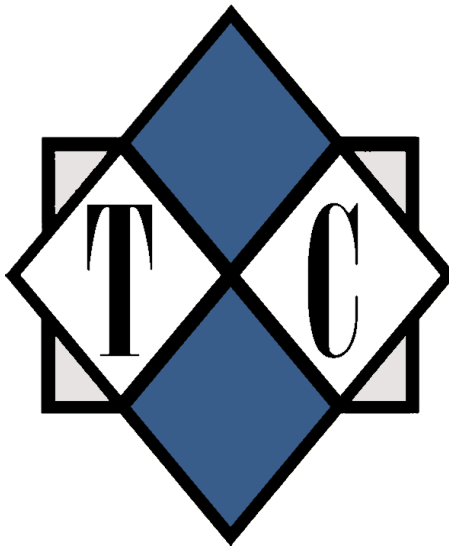
Light refreshments will be available at **8:30AM**

**April
25**

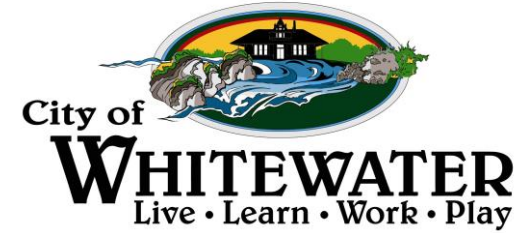
9AM - 11AM



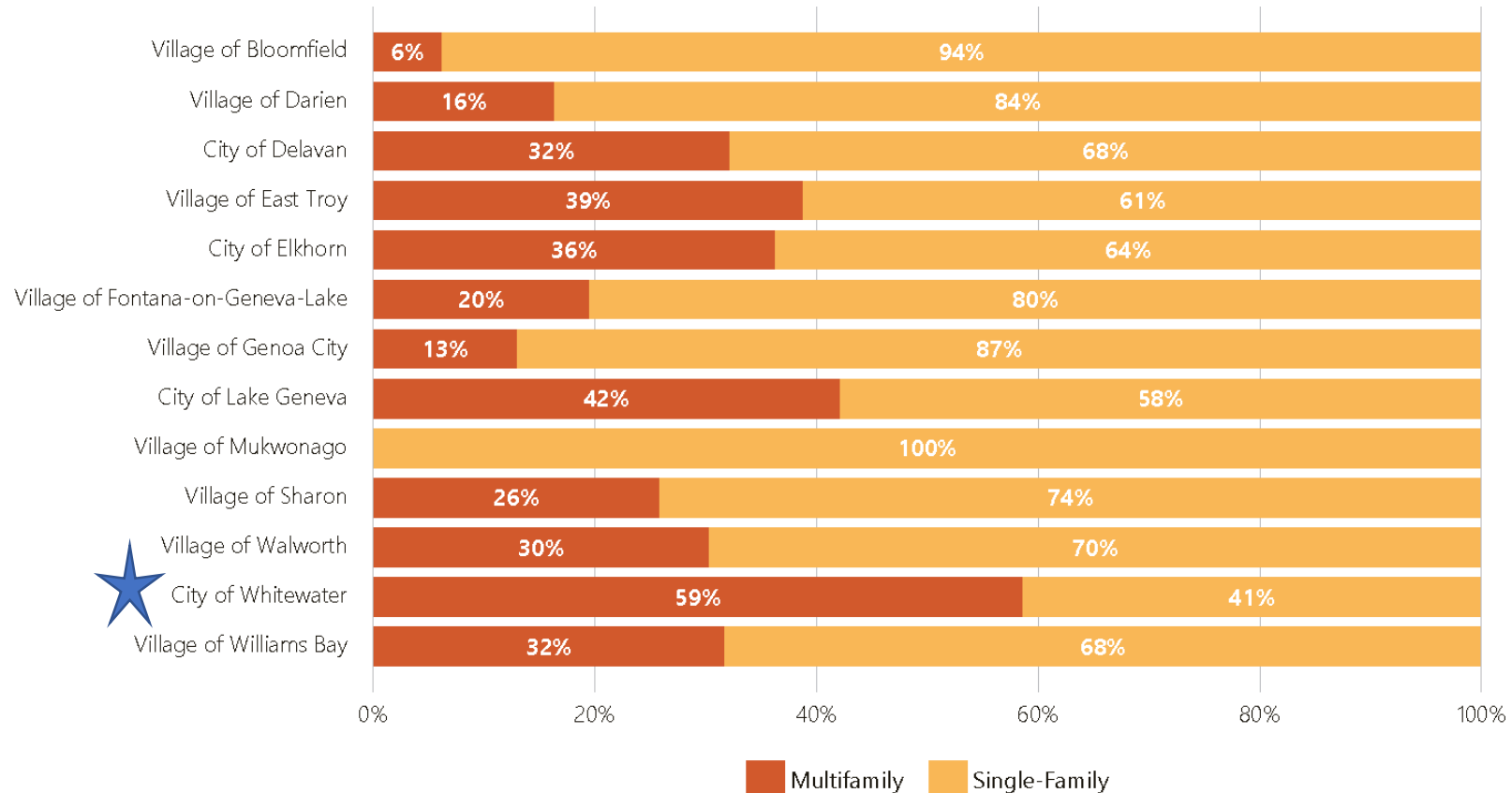
Southeastern Wisconsin
Regional Planning Commission



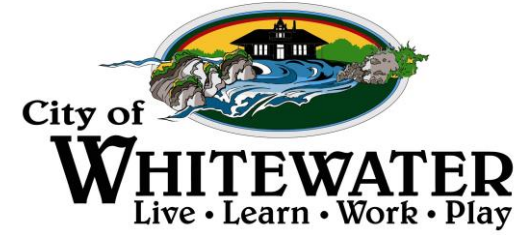
Southeastern Wisconsin Regional Planning Commission



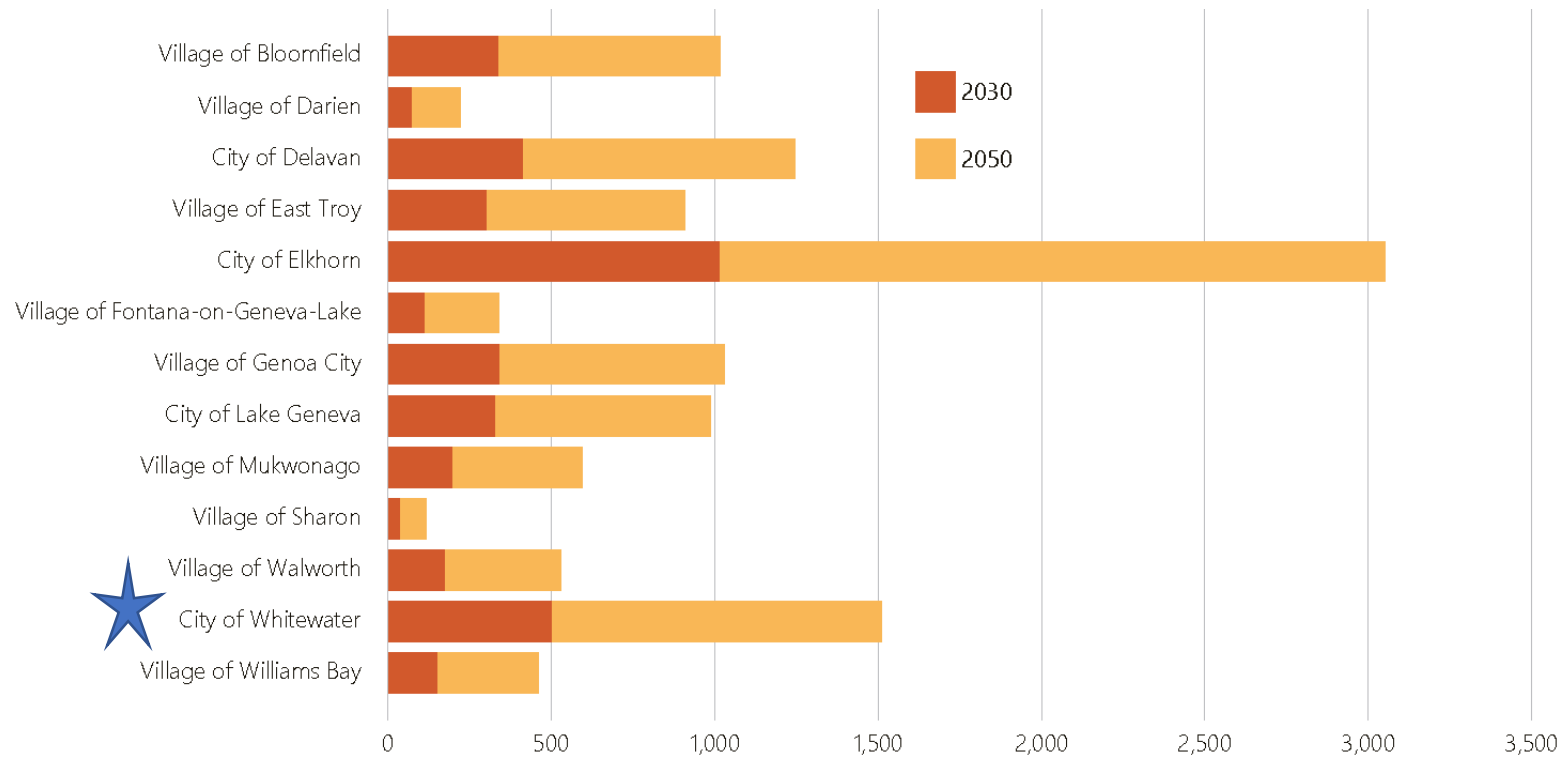
Housing Structure Type



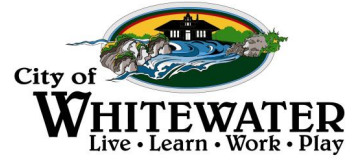
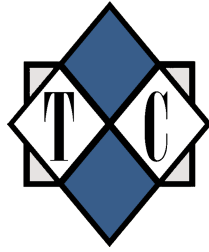
Southeastern Wisconsin Regional Planning Commission



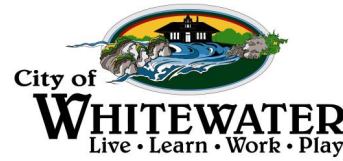
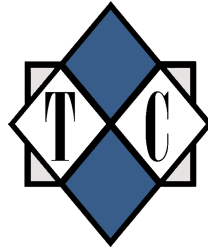
Additional Housing Unit Demand



Source: A Multi-Jurisdictional Comprehensive Plan Update For Walworth County (adopted June 2019) and SEWRPC



- The apartment market is in an extremely tight condition and demand for additional conventional apartments is strong at varying rent levels.
- Supply has not been sufficient enough in recent years to keep up with demand.
- Supply-side constraints also exist in the for sale sector of the market, especially at certain (lower to moderate) price points.
- Rising new construction home prices and the lack of certain for sale housing product market-wide has resulted in an abnormal differential between the new construction and resale sectors of the market. This is putting extreme pressure on the existing home market.
- Current new construction for sale housing product does not align with the bulk of area incomes. As such, the mainstream (middle) of the market is currently disenfranchised.

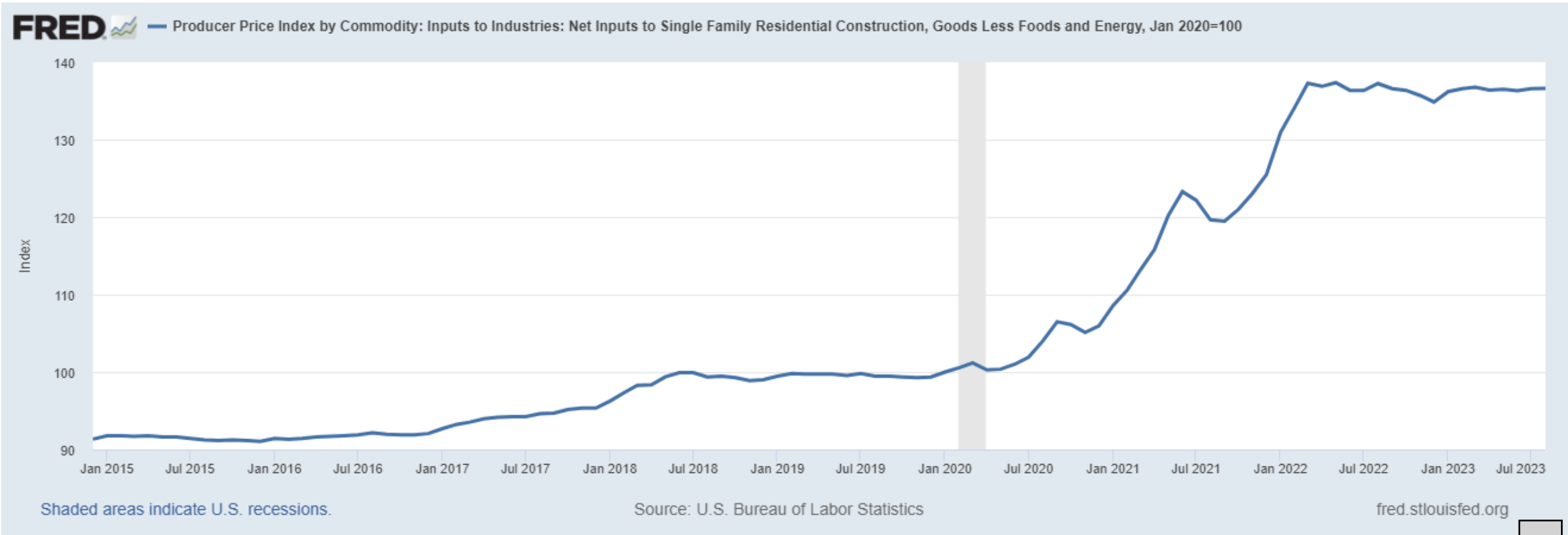


- Residential demand in the Whitewater Market Area will average **400 units** annually over the **next five years**, or 2,000 units total, distributed as follows:

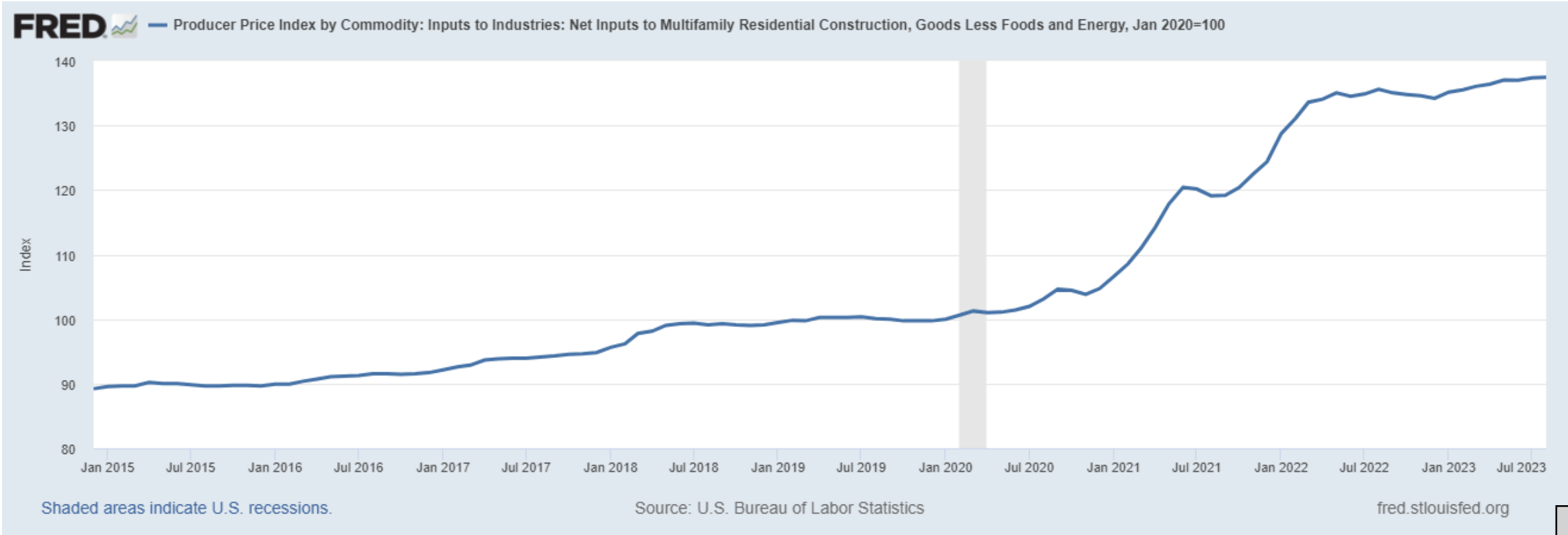
	<u>Annual</u>	<u>Total Through 2028</u>
<u>New For Sale Housing</u>	225	1,125
Single Family Detached	150	750
Townhome/Duplex/Condominium	75	375
<u>New Conventional Rental Housing</u>	175	875
<i>Total:</i>	400	2,000

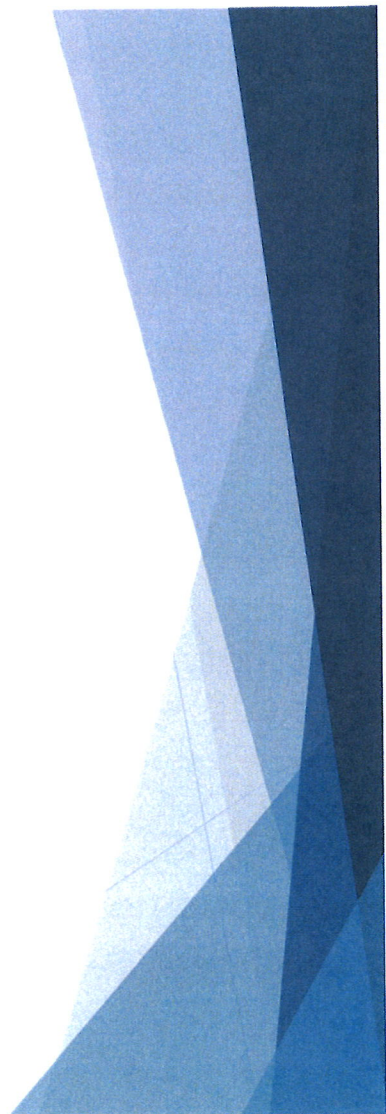
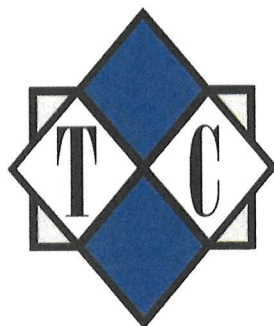
- Demand potentials could be higher during a given year with the introduction of properly positioned product.
- It is highly likely that demand will exceed supply near term.

Single-family Construction Costs up 36.6 percent (Jan. 2020 to August 2023)



Multifamily Construction Costs Up 37.5 percent (Jan. 2020- August 2023)





Residential Market Analysis -- Strategy Planning Guidelines -- Whitewater, Wisconsin

Prepared on behalf of:
City of Whitewater

Presented by
Tracy Cross & Associates, Inc.
April 2024



TRACY CROSS & ASSOCIATES, INC.
REAL ESTATE MARKET ANALYSIS
1375 E. WOODFIELD ROAD, SUITE 520
SCHLAUMBURG, IL 60173
1 847.925.5400 / info@tcrossinc.com
www.tcrossinc.com

Assignment Goals and Objectives

- ▶ Forward an understanding of relevant market trends as they may impact future housing development potentials throughout Whitewater and surrounding areas (i.e., the Whitewater Market Area).
- ▶ Provide an assessment of the residential marketplace in order to characterize the state of the housing market today and going forward.
- ▶ Provide detailed planning guidelines, product development criteria and rent/price recommendations for the City of Whitewater to plan for the appropriate spectrum of new construction housing options for current/future households. These guidelines are intended to meet the demands of the market and allow participating builders/developers to achieve reasonable/acceptable rates of absorption or sales at attainable rents/prices.

Market Conditions - A Snapshot -- Whitewater Market Area --

- ▶ The apartment market is in an extremely tight condition and demand for additional conventional apartments is strong at varying rent levels.
- ▶ Supply has not been sufficient enough in recent years to keep up with demand.
- ▶ Supply-side constraints also exist in the for sale sector of the market, especially at certain (lower to moderate) price points.
- ▶ Rising new construction home prices and the lack of certain for sale housing product market-wide has resulted in an abnormal differential between the new construction and resale sectors of the market. This is putting extreme pressure on the existing home market.
- ▶ Current new construction for sale housing product does not align with the bulk of area incomes. As such, the mainstream (middle) of the market is currently disenfranchised.

Residential Demand Potentials

- ▶ Residential demand in the Whitewater Market Area will average 400 units annually over the next five years, or 2,000 units total, distributed as follows:

	<u>Annual</u>	<u>Total Through 2028</u>
<u>New For Sale Housing</u>	225	1,125
Single Family Detached	150	750
Townhome/Duplex/Condominium	75	375
<u>New Conventional Rental Housing</u>	175	875
<i>Total:</i>	400	2,000

- ▶ Demand potentials could be higher during a given year with the introduction of properly positioned product.
- ▶ It is highly likely that demand will exceed supply near term.

The Current Disconnect in the For Sale Sector

Price Range	Annual For Sale Housing Demand (As a Percent) Based Upon Current Incomes	Qualitative Distribution of Recent New Residential Closings (As a Percent)
Under \$250,000	10.5	1.1
250,000 - 299,999	19.2	5.6
300,000 - 349,999	27.5	18.9
350,000 - 399,999	15.3	24.3
400,000 - 449,999	9.9	19.9
450,000 - 499,999	6.2	13.7
500,000 - 599,999	5.1	7.7
600,000 & Above	6.3	8.8
Total	100.0	100.0
Median	----- \$336,908 -----	----- \$400,250 -----

Source: Tracy Cross & Associates, Inc. and Southeast Wisconsin Multiple Listing Service

For Sale Housing Price Points Required for Mainstream/Middle Market Households

Current Threshold of Homes Being Produced, Which Cannot be Afforded by Much of the Market

How Do We Meet Demand for New Housing Product?

- ▶ A true hierarchy of mainstream residential products must be established including both *conventional rental housing alternatives*, along with various *for sale/ownership options*. This hierarchy does not currently exist in Whitewater or the Whitewater Market Area.
- ▶ Work closely with builders/developers so that new communities are strategically positioned relative to product and rents/prices.
- ▶ Must think differently in terms of land planning, development and product design in order to achieve desired goal.
- ▶ Even with a disciplined planning and design approach, some incentives/concessions might be necessary.
- ▶ The entire effort must be orchestrated.



Product and Land Planning Guidelines

- ▶ Each product must be efficient and cost effective from a design standpoint (value-engineered). This can be achieved while still offering functional units and aesthetically appealing elevations.
- ▶ No wasted space.
- ▶ No basements / Optional basements.
- ▶ Four-corner (box-on-box) construction, although with desirable exteriors.
- ▶ Push densities by offering “to the street” product, smaller lot sizes, front-to-back living, some rear-access garages, and integrated housing forms.
- ▶ Strong use of colors versus complicated architecture or costly materials.
- ▶ Strategic and cost-conscious land planning and development. Consider a large-scale, master-planned community to be developed in phases.

A Full Continuum of Mainstream Housing Forms

Rental Housing



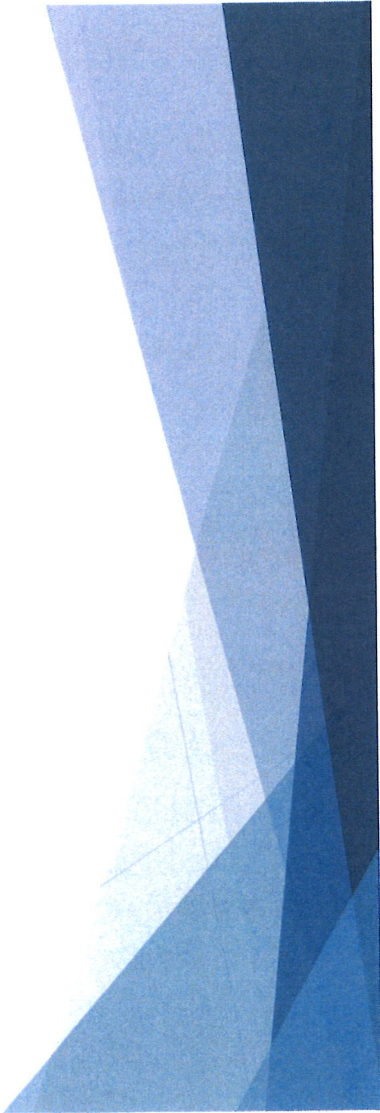
Attached For Sale

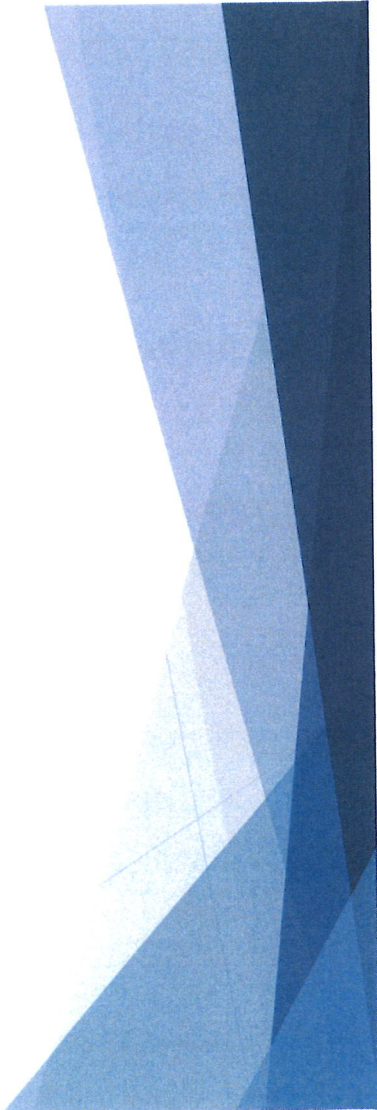
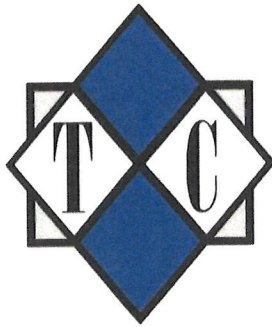


Single Family Detached For Sale



Discussion





Residential Market Analysis
-- Strategy Planning Guidelines --
Whitewater, Wisconsin

Prepared on behalf of:

Cedar Corporation
1695 Bellevue Street
Green Bay, WI 54311

June 30, 2023



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TRACY CROSS & ASSOCIATES, INC.
REAL ESTATE MARKET ANALYSIS

INTRODUCTION

At the request of Cedar Corporation, *and on behalf of the City of Whitewater*, Tracy Cross & Associates, Inc. evaluated the market potential for conventional residential development in Whitewater, Wisconsin. Specifically focusing upon new construction market rate housing opportunities throughout the municipality, this analysis establishes the following:

- Conclusions regarding the depth of market for new housing development throughout Whitewater based upon pertinent economic, demographic, and residential trends which define the marketplace.
- Conclusions regarding highest-and-best residential uses within the city over the next 5+ years. These conclusions are based upon factors associated with the location of Whitewater, depth of market, demographic and socio-economic characteristics of existing and future households, and the alignment of residential developments, both existing and planned.
- Detailed recommendations regarding those conventional housing forms viewed to hold measurable market support near- to mid-term. Investigative uses range from multifamily rental apartments to all forms of for sale housing such as condominiums, townhomes/rowhomes, single family, etc. These recommendations address specific product types, plan styles/sizes, features/amenities, etc., along with benchmark rent/pricing strategies necessary to achieve acceptable levels of absorption. Please note that these recommendations will focus on all segments of the conventional market ranging from younger (entry level) profiles to active adult (55+) households.
- A detailed development matrix outlining the most marketable mix of residential uses in order to facilitate/inform future planning efforts, architecture, financial modeling, approvals, marketing, builder/developer participation, etc.
- A geographic positioning strategy for the introduction of new housing development in Whitewater.

WORK PLAN

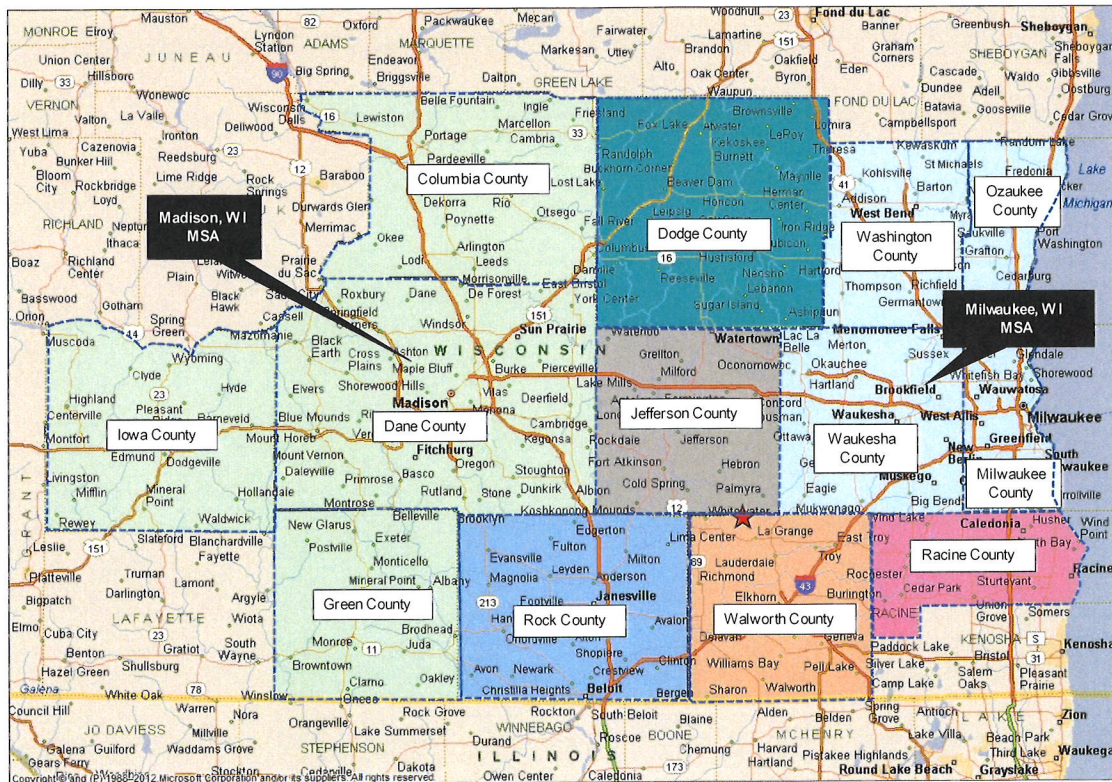
The work plan for this assignment involved a series of inter-related research investigations as summarized below:

- A thorough investigation of Whitewater and surrounding areas to determine geographic boundaries of the local market area; identify factors which may impact residential potentials within the municipality; and examine areas that may be suitable for residential development.
- A detailed analysis of all relevant employment, demographic, and residential trends/statistics including a comprehensive evaluation of key socio-economic and income variables of area households.
- A thorough assessment of both the rental apartment and for sale sectors of the local housing market (and adjoining areas as applicable).
- A demand forecast for residential development in and around Whitewater over the next 5+ years.
- A case study evaluation of "like" residential initiatives throughout similar markets in the Midwest in order to assess trends, products, performance levels, etc.

WHITEWATER, WISCONSIN

Whitewater is a self-contained city situated in southern Wisconsin straddling the Jefferson County/Walworth County line. It is located between the four-county Milwaukee, WI Metropolitan Statistical Area (MSA) and the four-county Madison, WI MSA. It is also proximate to both Rock County to the southwest and Racine County to the southeast. One of the driving forces behind Whitewater's economy is the University of Wisconsin-Whitewater with a total enrollment of nearly 10,500 students and over 2,300 full-time employees. According to estimates by Environics Analytics through its review of Census data and the Census Bureau's American Community Surveys, the city of Whitewater currently supports an overall population base of 15,032 persons distributed among 4,867 households, although these figures drop by +/-40 percent once Census-counted students are excluded from the estimates.

GEOGRAPHIC DELINEATION OF WHITEWATER AND SURROUNDING AREAS



Source: Microsoft Streets & Trips and Tracy Cross & Associates, Inc.

Whitewater maintains a quaint, yet vibrant downtown area with shops, services, eateries, night spots, civic venues, concentrations of employment, and open space. Feathering out from the downtown area in all directions are the UW-Whitewater campus; various residential neighborhoods; additional shopping and services; various employment centers; and local public schools. Referencing the local school system, three public elementary schools, one middle school and one high school are represented within the Whitewater Unified School District. Lakeview Elementary School, Lincoln Elementary School, Whitewater Middle School and Whitewater High School recently received accountability scores that earned them all a "meets expectations" ranking from the Wisconsin Department of Public Instruction. Washington Elementary School, however, earned an "Exceeds Expectations" ranking based upon recent accomplishments and test scores.

**Residential Market Analysis
Cedar Corporation
Strategy Planning Guidelines
Whitewater, WI**

As mentioned, Whitewater is a “college town” with the University of Wisconsin-Whitewater located just northwest of the downtown area. UW-Whitewater is a public institution founded over 150 years ago. Undergraduate enrolment totals nearly 8,800, with another 1,700+/- graduate students represented. The campus size is roughly 400 acres. UW-Whitewater offers a wide range of degree programs through its College of Arts and Communications; Business and Economics; Education and Professional Sciences; and Letters and Sciences divisions. It also offers master’s degrees in about a dozen fields. Students at UW-Whitewater can join more than 170 campus organizations, 15+ fraternities and sororities, and student government. Student athletes can play at the intramural, club or varsity levels. At the varsity level, more than 20 teams are members of the NCAA Division III Wisconsin Intercollegiate Athletic Conference (WIAC).

UW-Whitewater recently received a Top 50 ranking (among all regional universities throughout the entire Midwest) from U.S. News.



The city of Whitewater is well-served by local and regional transportation systems, primarily US-12, which is accessible within minutes from most points within the city. This highway connects with Interstate 43 in East Troy roughly 17 miles to the east which, in turn, provides linkage to the Milwaukee metropolitan region. To the west, US-12 runs through Fort Atkinson and Cambridge, where it connects with US-18 leading to the Madison metropolitan area. In addition, WI-59, which also traverses Whitewater, provides access to the western suburbs of Milwaukee to the northeast and the Janesville area of Rock County to the southwest.

**Residential Market Analysis
Cedar Corporation
Strategy Planning Guidelines
Whitewater, WI**

Residentially (and excluding student-based housing at the university), the city of Whitewater is characterized by an aging housing stock. Specifically, over 76 percent of all housing units within the municipality were constructed prior to 2000 including 50 percent prior to 1980. In addition, according to the Census Bureau’s C-40 construction reports, less than 20 new dwelling units, on average, have been built annually in Whitewater over the last five years.

HOUSING POTENTIALS

Based upon a detailed analysis of those economic, demographic, residential and demand-related variables expected to influence the introduction of new housing in Whitewater over the next several years, *opportunities do exist* for properly positioned conventional product. This favorable conclusion is supported by the following key factors, which lay the foundation for the recommendations that follow:

- Despite the limited amount of new construction housing development in the city of Whitewater over the past five years (as measured by residential building permit activity), there are clear market indicators that new housing products are needed in and around the municipality – and that the strategic positioning of new residential offerings throughout the city of Whitewater could help satisfy demand both internally and within a broader market area. From a very practical standpoint, future housing development will derive its demand support from both the host city of Whitewater and from nearby areas within a reasonable distance of the municipality, i.e., within a 15-mile radius. Defined for the purposes of this analysis as the Whitewater Market Area, a sizeable population base of 108,429 (excluding Census-counted college students) is reflected within a 15-mile radius of Whitewater, distributed among some 42,720 households. This area includes portions of Walworth, Jefferson, Rock and Waukesha counties and primarily the communities of Whitewater, Fort Atkinson, Palmyra, Jefferson, Milton, Elkhorn, Hebron, Sullivan and Eagle, along with several other smaller jurisdictions and unincorporated areas. As highlighted in the following table, household additions in the defined Whitewater Market Area were generally healthy during the 2010-2020 period totaling 1,915, or 197 yearly. And, while not immune to recent Covid-19 pandemic, the market area still recorded positive household gains between 2020 and 2023, i.e., 453 total or 151 per year. Moreover, household growth in the Whitewater Market Area over the next five years will total another 1,277 new households, or 255 annually. As a result, the market area will approach the 44,000-household level by 2028.

**POPULATION AND HOUSEHOLD TRENDS
WHITEWATER MARKET AREA**

Area	2010	2020	2023 (Estimate)	2028 (Projected)	Average Annual Change		
					2010 - 2020	2020 - 2023	2023 - 2028
Population							
Whitewater Market Area	105,774	107,845	108,429	109,912	+207	+195	+297
Households							
Whitewater Market Area	40,352	42,267	42,720	43,997	+192	+151	+255

Source: U.S. Census Bureau, Envirionics Analytics and Tracy Cross & Associates, Inc.

**Residential Market Analysis
Cedar Corporation
Strategy Planning Guidelines
Whitewater, WI**

- Relative to households by age classification, not only is there a rather large base of existing households in most of the market area's various age categories, but all segments show growth over the next five years – led by those households between the ages of 65 and 74.

**HOUSEHOLD GROWTH BY AGE GROUP
-- WHITewater MARKET AREA --**

Age Range	Whitewater Market Area	
	2023	2028
Under 35	7,855	8,102
35-44	6,386	6,420
45-54	7,038	7,087
55-64	8,540	8,599
65-74	7,516	8,153
75-84	3,862	4,009
85 and over	1,523	1,627
Total	42,720	43,997

Source: Environics Analytics: 2023 Demographic Snapshot

- The current composition of area households lends additional support to the development of a variety of residential product forms throughout the Whitewater Market Area. As highlighted in the adjacent table, there is an ample number of one- and two-person households for both market rate (non-student oriented) rental housing and for sale attached products such as duplexes, condominiums and/or townhomes, and also a significant number of three- and four-person households for certain attached for sale housing products as well as single family detached residences.

Most notable among all household classifications are one- and two-person occupied housing units which, together, comprise 63.5 percent of the market area's total household base.

**2023 COMPOSITION OF AREA HOUSEHOLDS:
WHITewater MARKET AREA**

Attribute	Whitewater Market Area
Total Households	42,720
1-Person Household	11,008
2-Person Household	16,119
3-Person Household	6,676
4-Person Household	5,182
5-Person Household	2,206
6 or More Person Household	1,529
1 Person Households	
Percent	25.8
Number	11,008
2 Person Households	
Percent	37.7
Number	16,119

Source: Environics Analytics; 2023 Demographic Snapshot

**Residential Market Analysis
Cedar Corporation
Strategy Planning Guidelines
Whitewater, WI**

- Households in the Whitewater Market Area support slightly higher incomes than the nation as a whole as evidenced by an estimated 2023 median of \$77,314, a level 7.6 percent above the \$71,852 median noted for the United States. *Upon close examination of area incomes in the host market area, 53 percent of all current households earn between \$35,000 and \$124,999 annually, which represents the mainstream of the market, i.e., those earning between 50 and 150+ percent of the market area's median. This signifies the threshold of the market and a target point where new housing should, for the most part, be directed.*

**HOUSEHOLDERS BY AGE AND INCOME: 2023
-- WHITEWATER MARKET AREA --**

Income Range	Number of Households by Age of Householder							
	Total Households	Under 35	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85 and Over
Under \$15,000	2,748	879	106	204	398	545	388	228
15,000 - 24,999	2,606	592	154	220	395	526	446	273
25,000 - 34,999	3,804	809	361	344	488	856	671	275
35,000 - 49,999	4,518	698	520	509	745	1,096	680	270
50,000 - 74,999	7,076	1,630	1,036	918	1,176	1,401	681	234
75,000 - 99,999	6,123	1,140	1,017	1,162	1,427	938	339	100
100,000 - 124,999	5,009	784	1,079	1,060	1,111	683	243	49
125,000 - 149,999	3,865	553	765	895	985	463	165	39
150,000 - 199,999	3,577	533	828	795	828	441	120	32
200,000 and Over	3,394	237	520	931	987	567	129	23
Total	42,720	7,855	6,386	7,038	8,540	7,516	3,862	1,523
Median	\$77,314	\$63,832	\$99,988	\$103,643	\$93,499	\$62,001	\$43,657	\$34,435

Sources: U.S. Bureau of the Census; Environics Analytics; and Tracy Cross & Associates, Inc.

- Residentially, the Whitewater Market Area has recorded an average of 229 building permits annually since 2000 ranging from a recessionary-impacted low of 56 units in 2012 to a high of 595 units in 2002 (see **Exhibit 1**). Most recently, the market area registered an average of 182 residential permit authorizations annually during the five-year period from 2015 through 2019 period (prior to the pandemic), up 60.4 percent compared to average annual volumes posted during the five years prior, albeit still well below construction volumes realized during the 2000-2007 period when more ample supply was available and market conditions were stronger.

Of particular note is the fact that home building activity within the Whitewater Market Area regressed during the 2020-2022 period with just 85 units permitted annually market-wide, a drop of more than 50 percent compared to the pace set between 2015 and 2019. This resulted primarily from a building hiatus during a portion of the pandemic, coupled with supply chain issues which caused a dramatic increase in construction costs. All told, the limited amount of new residential construction recently is having a significant impact on the housing market today, a housing market where demand is exceeding supply. This will be emphasized in more detail later in this report.

- Despite the recent decline in residential construction, new housing is entering the market, albeit at a slower pace than it should. With this said, the current amount of new home construction that is occurring, coupled with positive levels household growth recently, has been fostered by economic activity in the three primary counties that encompass/surround the defined market area. While one cannot discount the effect that the Great Recession had on the area's economy, along with the recent Covid-19 pandemic, employment growth throughout the combined area of Jefferson, Rock

RESIDENTIAL BUILDING PERMIT TRENDS
WHITEWATER MARKET AREA
2000 - 2022

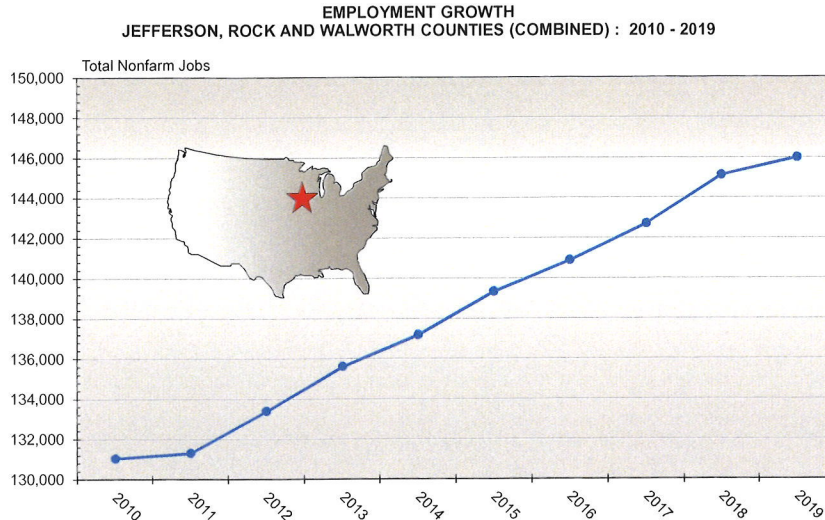
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Year	Total	Single Family	Multi- Family
2000	445	257	188
2001	391	199	192
2002	595	245	350
2003	505	335	170
2004	573	390	183
2005	431	358	73
2006	313	225	88
2007	234	133	101
2008	145	89	56
2009	121	71	50
2010	63	52	11
2011	67	38	29
2012	56	38	18
2013	84	56	28
2014	90	48	42
2015	196	78	118
2016	151	117	34
2017	216	125	91
2018	170	136	34
2019	175	121	54
2020	110	94	16
2021	76	70	6
2022	69	61	8
Averages			
2000 - 2022	229	145	84

Source: U.S. Department of Commerce, Bureau of the Census: *C-40 Construction Reports*

**Residential Market Analysis
Cedar Corporation
Strategy Planning Guidelines
Whitewater, WI**

and Walworth counties was strong during the 2010-2019 period. For example, after losing roughly 6.0 percent of its total nonagricultural wage and salary employed workforce from 2007 through 2009 (the heart of the Great Recession), the three-county area saw its job rosters increase by 14,953 total workers during the subsequent 2010-2019 period, or 1,661 annually.



Source: U.S. Department of Labor, Bureau of Labor Statistics

- ❑ More recently, the three-county area, like practically every part of the country, was affected by the coronavirus pandemic and ensuing economic constraints, compounded by lockdowns and periods of social unrest. Specifically, in 2020, the three selected counties experienced year-over-year job losses of 7,865 or 5.4 percent of total nonfarm employment, which compares with the 5.8 percent contraction witnessed nationwide during the same 12-month period. On a more positive note, however, the three-county area’s economic recovery was in full swing in 2021 and 2022 – *erasing most of the job losses experienced during the pandemic.*
- ❑ Fostered by a stable economy, and on the heels of expected household growth, construction requirements for new housing in the Whitewater Market Area will average 400 units annually during the 2023-2028 timeframe. This 400-unit forecast can be tied specifically to household growth levels estimated at 255 per annum through 2028, along with 145 units representing the replacement of residences lost to demolition and abandonment and the need to provide a vacancy allowance for filtering or movement from one residence to another. Of the 400 units which could be constructed annually within the market during the 2023-2028 forecast period, 225 will occur among for sale housing forms with 175 represented in the rental apartment sector. As detailed in the adjacent text table, for sale housing demand will be distributed among 150 single family detached homes and 75 in the attached sector, i.e., duplexes, condominiums, and townhomes.

**RESIDENTIAL ABSORPTION POTENTIALS BY PRODUCT TYPE
-- WHITWATER MARKET AREA --
2023 - 2028**

Product Type	Annual	Total Through 2028
Total	400	2,000
For Sale	225	1,125
Single Family Detached	150	750
Townhome/Duplex/Condominium	75	375
For Rent	175	875

Source: Tracy Cross & Associates, Inc.

**Residential Market Analysis
Cedar Corporation
Strategy Planning Guidelines
Whitewater, WI**

- ❑ Given supply-side constraints throughout the market (which will be discussed in the following sections of the report), it is highly likely that demand will exceed supply near term, especially in the for sale sector, but also among multifamily rental forms as well. This market reality represents an opportunity for conventional housing initiatives across the market area (and Whitewater in particular), if properly planned and executed.
- ❑ Moreover, not only is “derived demand” likely to outstrip supply near term, but the overall base of residential construction requirements could actually be *higher* during any given year where properly positioned supply is made available. This *upside potential* factors pent-up demand; additional household growth if properly positioned development were actually to occur; the limited amount of new construction housing alternatives throughout the market (again, to be discussed later); and spillover potentials from areas outside the defined market area.
- ❑ Conditions in the competitive marketplace also point to *new construction* development opportunities, and fully signify the supply-side constraints that exist. For instance, in the rental sector (and excluding all student-oriented housing serving UW-Whitewater), just six apartment communities (of relative scale) have been constructed in the entire Whitewater Market Area since 2000, yet there are over 8,000 “non-student” renter households within a 15-mile radius of Whitewater. As such, current renter households have limited new product to choose from. The six newer developments, which are located in either the city of Whitewater itself or in Elkhorn to the southeast, include Lakeside Townhomes (28 Units), Springbrook (44 units), Waters Edge (48 units), Market Street Village (66 units), Meadow Blossom (112 units) and Bluff Ridge (120 units). As highlighted in the following text table, these six communities are all 100 percent occupied with waiting lists. With no current vacancies at any of the surveyed developments, the local conventional apartment market is considered *extremely tight and undersupplied*. For reference, in a normal (or balanced) market, vacancies of 5.0 to 6.0 percent are typically required for filtering, or movement between developments.

**CONVENTIONAL APARTMENT COMMUNITIES OF REASONABLE SCALE CONSTRUCTED IN 2000 OR LATER
WHITewater MARKET AREA
JUNE 2023**

Development	Municipality	Year Built	Total Units	Number Vacant	Percent Vacant	Average Unit Size (Sq. Ft.)	Average Posted Base Monthly Rent	
							\$	\$/Sq. Ft.
Lakeside Townhomes	Whitewater	2014	28	0	0.0	1,670	\$1,600	\$0.96
Springbrook ⁽¹⁾	Whitewater	2008	44	0	0.0	806	1,363	1.69
Water's Edge	Whitewater	2008	48	0	0.0	1,057	1,290	1.22
Bluff Ridge	Whitewater	2005	120	0	0.0	1,360	1,387	1.02
Main Street Village	Elkhorn	2003	66	0	0.0	1,238	1,334	1.08
Meadow Blossom	Elkhorn	2001	112	0	0.0	1,163	1,033	0.89
Total/Weighted Avg.	---	---	418	0	0.0	1,216	\$1,284	\$1.06

⁽¹⁾ May get one or two students a year, but is not a student-oriented community.

Source: Tracy Cross & Associates, Inc.

**Residential Market Analysis
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Strategy Planning Guidelines
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- Just outside the defined Whitewater Market Area, similar market conditions exist. For example, expanding the competitive market area to include communities such as Cambridge, East Troy, Lake Mills, Mukwonago, and Whales, just 10 apartment communities of a larger scale, i.e., 50 more total units each, have been constructed since 2000 in this broad geographic area. Among these, the current vacancy rate stands at just 0.2 percent among stabilized developments with most communities, again, at 100 percent occupancy with waiting lists. In addition, the newest community in the market, which is undergoing its initial absorption period, Summer Ridge in Lake Mills, is doing so at a healthy rate of 8.8 units per month.

**APARTMENT COMMUNITIES (OF LARGER SCALE) CONSTRUCTED IN 2000 OR LATER
EXPANDED WHITEWATER MARKET AREA
JUNE 2023**

Development	Municipality	Year Built	Total Units	Number Vacant	Percent Vacant (Absorption Rate in Units)	Average Unit Size (Sq. Ft.)	Average Posted Base Monthly Rent	
							\$	\$/Sq. Ft.
The Vineyards at Cambridge	Cambridge	2018	70	0	0.0	835	\$1,267	\$1.52
Honey Creek	East Troy	2006	274	0	0.0	1,027	1,277	1.24
Lofts at Honey Creek ⁽¹⁾	East Troy	2022	120	0	0.0	991	1,498	1.51
Wildwood	East Troy	2001	80	0	0.0	1,373	1,466	1.07
Pond View	Lake Mills	2004	60	1	1.7	1,250	1,300	1.04
Rock Creek	Lake Mills	2019	144	1	0.7	929	1,503	1.62
Summer Ridge ⁽²⁾	Lake Mills	2023	56	36	64.3(8.8/Mo.)	1,035	1,650	1.59
Lincolnshire Place	Wales	2015	100	0	0.0	1,059	1,520	1.44
Phantom Woods Estates	Mukwonago	2017	68	0	0.0	1,193	1,487	1.25
The Pointe	Mukwonago	2020	89	0	0.0	968	1,270	1.31
Total/Weighted Avg.	---	---	1,061 / 1,005 ⁽³⁾	38 / 2 ⁽³⁾	3.6 / 0.2 ⁽³⁾	1,045	\$1,403	\$1.34

⁽¹⁾ Development has an additional phase of 60 units under construction.
⁽²⁾ Community is still undergoing its initial absorption period.
⁽³⁾ Excludes community still undergoing its initial absorption period.

Source: Tracy Cross & Associates, Inc.

- As it relates to the ownership sector of the market, supply-side constraints are also apparent, especially for moderately priced mainstream product. Overall, new construction for sale development throughout the Whitewater Market Area is generally characterized by smaller- to modest-scale broker- or builder-represented communities reflecting conventional single family and, to a lesser degree, duplex/townhome/condominium subdivisions or scattered-lot developments. The communities that do exist are directed to both primary and lifestyle consumer segments which (in many cases) have been marketed in phases over extended periods of time (and most recently at higher price points). In other words, there are limited developments of *scale* actively marketing new units in “properly priced” proprietary communities throughout the area, with new for sale product especially limited in Whitewater.

**Residential Market Analysis
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Whitewater, WI**

- ❑ In the entirety of the Whitewater Market Area, single family building permits which include single family detached homes as well as single-address townhomes, duplexes, and condominium/villa units, have averaged below 100 units annually over the last few years, despite demand potentials being stronger. This lack of new construction for sale development activity is due, in large part, to the higher price points that now accompany most newly built for sale homes which, in turn, has resulted in more modest sales volumes. In fact, most individual subdivisions throughout the market area are generating sales volumes of just 3-6 homes per year.

- ❑ Overall, new construction **single family detached** closing activity in the Whitewater Market Area has been on the decline over the last three years, a result of limited supply and higher prices. As highlighted in the following text table, the number of new construction single family detached homes sold/closed in the Whitewater Market Area (through the local multiple listing service) dropped from 41 in 2021 to 34 in 2022. Moreover, annual closings for 2023 are on pace to hit just 26 units – and at a median sales price exceeding \$410,000.

**NEW CONSTRUCTION SINGLE FAMILY CLOSINGS
WHITEWATER MARKET AREA
2021-MAY 2023**

Price Range	2021		2022		Jan-May 2023 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$200,000	1	2.4	---	---	---	---
200,000 - 249,999	1	2.4	1	2.9	---	---
250,000 - 299,999	7	17.1	1	2.9	2	7.7
300,000 - 349,999	12	29.3	8	23.6	6	23.0
350,000 - 399,999	10	24.5	9	26.5	4	15.4
400,000 - 449,999	5	12.2	6	17.7	4	15.4
450,000 - 499,999	2	4.9	4	11.8	2	7.7
500,000 - 549,999	1	2.4	1	2.9	2	7.7
550,000 - 599,999	1	2.4	1	2.9	2	7.7
600,000 - 699,999	1	2.4	1	2.9	2	7.7
700,000 & Above	---	---	2	5.9	2	7.7
Total	41	100.0	34	100.0	26	100.0
Median	----- \$347,951 -----		----- \$388,867 -----		----- \$412,661 -----	
Avg. Days on Market	----- 48 -----		----- 49 -----		----- 77 -----	

Source: Southeast Wisconsin Multiple Listing Service

Please note that new construction closings recorded by the multiple listing service do not include all proprietary subdivision activity among single family developments, especially where individual lots are sold directly to the end consumer, who in turn, builds a semi-custom or custom home. However, activity through the multiple listing service does represent “the majority.”

- ❑ While the limited amount of new single family development (of scale) is keeping volumes in the more modest ranges, especially when demand is stronger, so, too, is the overall higher price position of the new construction homes being built. In fact, with the median price of a new single family closing (as recorded through the multiple listing service) standing at \$412,661 during the first

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five months of 2023, there is a disconnect with the distribution of household incomes, which is putting pressure on the existing home market, i.e. the resale sector. For example, the median closing price among new construction units in the Whitewater Market Area is roughly \$120,000 higher than that of a resale counterpart. As a result, prices in the existing home market have also been increasing and the average “days on market” are *extremely low*. As highlighted in the following text table, the average market time of an older-stock single family resale closing during the January-May 2023 period stood at just 19 days, down from 23 days in 2022 and 26 days in 2021. For reference, the typical marketing time for a resale home in the Midwest ranges from 72-90 days. In the city of Whitewater, the average market time of a single family resale during the last five months stood at just 18 days showing a slightly faster rate of sale than the market as a whole.

**SINGLE FAMILY RESALE CLOSINGS
WHITEWATER MARKET AREA
2021-MAY 2023**

Price Range	2021		2022		Jan-May 2023 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$150,000	76	8.4	38	4.7	19	3.1
150,000 - 199,999	155	17.1	115	14.3	79	13.1
200,000 - 249,999	177	19.5	144	17.9	115	19.1
250,000 - 299,999	151	16.6	151	18.7	103	17.1
300,000 - 349,999	105	11.6	123	15.2	84	13.9
350,000 - 399,999	75	8.3	82	10.2	72	12.0
400,000 - 449,999	46	5.1	42	5.2	48	8.0
450,000 - 499,999	25	2.8	25	3.1	26	4.3
500,000 - 549,999	25	2.8	15	1.9	17	2.8
550,000 - 599,999	23	2.5	17	2.1	10	1.7
600,000 - 699,999	20	2.2	24	3.0	7	1.2
700,000 & Above	29	3.1	30	3.7	22	3.7
Total	907	100.0	806	100.0	602	100.0
Median	----- \$265,059 -----		----- \$285,026 -----		----- \$292,982 -----	
Avg. Days on Market	----- 26 -----		----- 23 -----		----- 19 -----	

Source: Southeast Wisconsin Multiple Listing Service

- In the **duplex/condominium/townhome** sector, a similar condition exists in the Whitewater Market Area relative to pricing differentials between new construction units and resales. As highlighted in the following text table, there are typically between 10 and 20 new attached units being sold annually market-wide through the multiple listing service, again a modest volume because of limited supply in this sector, coupled with price points that are now exceeding \$365,000 on average.

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**NEW CONSTRUCTION DUPLEX/CONDOMINIUM/TOWNHOME CLOSINGS
WHITEWATER MARKET AREA
2021-MAY 2023**

Price Range	2021		2022		Jan-May 2023 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$150,000	---	---	---	---	---	---
150,000 - 199,999	---	---	---	---	---	---
200,000 - 249,999	1	12.5	---	---	---	---
250,000 - 299,999	1	12.5	1	5.6	2	15.4
300,000 - 349,999	6	75.0	5	27.8	2	15.4
350,000 - 399,999	---	---	10	55.5	7	53.8
400,000 - 449,999	---	---	2	11.1	2	15.4
450,000 & Above	---	---	---	---	---	---
Total	8	100.0	18	100.0	13	100.0
Median	----- \$316,666 -----		----- \$364,954 -----		----- \$367,843 -----	
Avg. Days on Market	----- 39 -----		----- 62 -----		----- 55 -----	

Source: Southeast Wisconsin Multiple Listing Service

- The higher price position found in the new construction attached sector is, again, putting pressure on the existing home market as evidenced by duplex/condominium/townhome resale closings averaging just 17 days on market during the January-May 2023 period, down from 34 days in 2021. As highlighted in the following text table, the difference in price between typical resale and new construction attached sector units now stands at more than \$140,000.

**DUPLEX/CONDOMINIUM/TOWNHOME RESALE CLOSINGS
WHITEWATER MARKET AREA
2021-MAY 2023**

Price Range	2021		2022		Jan-May 2023 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$150,000	5	5.4	2	3.3	---	---
150,000 - 199,999	47	50.5	24	40.0	17	35.4
200,000 - 249,999	20	21.5	12	20.0	14	29.1
250,000 - 299,999	14	15.1	7	11.7	5	10.4
300,000 - 349,999	3	3.2	9	15.0	7	14.6
350,000 - 399,999	1	1.1	3	5.0	3	6.3
400,000 & Above	3	3.2	3	5.0	2	4.2
Total	93	100.0	60	100.0	48	100.0
Median	----- \$194,157 -----		----- \$216,749 -----		----- \$225,085 -----	
Avg. Days on Market	----- 34 -----		----- 18 -----		----- 17 -----	

Source: Southeast Wisconsin Multiple Listing Service

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- ❑ The limited amount of *new construction* housing product in the overall market, especially at mainstream price points, i.e., more in-line with typical “new versus resale” differentials, is also having an impact on inventory levels. For example, among all residential resales in the market (both detached and attached excluding new construction), inventory levels are low. For example, with only 153 single family and duplex/condominium/townhome listings reported on June 1, 2023, and with closing activity (among all product types) totaling 866 units in 2022, resale inventory levels in the Whitewater Market Area stand at just 2.12 months, which falls below the typical four-month inventory period that exists in more normal, or balanced, existing home markets.
- ❑ Finally, according to planning and zoning officials throughout the Whitewater Market Area (including the city of Whitewater), there is not enough residential development in the planning pipeline at this time to satisfy demand – another factor supporting the need for more housing.

A PLANNING STRATEGY: THE PRODUCT

As summarized in previous paragraphs, future residential development potentials in Whitewater and surrounding areas are clearly evident. In other words, the city of Whitewater is *well suited* for the introduction of new *market rate* residential development over the next 5+ years including conventional “non-student” rental offerings and various forms of for sale housing. This favorable conclusion is based upon: 1) more than adequate demand support for a variety of new construction housing alternatives; 2) notable supply-side constraints; 3) an ample base of existing (and future) households with strong demographic profiles; 4) tightness (and certain disjointedness) in both the rental and for sale sectors of the market; 5) good schools; 6) in-place employment, transportation, shopping/services, recreation, etc.; and 7) the opportunity to introduce new and differentiated housing product in a market where such product is needed.

Because supply-side issues throughout the Whitewater Market Area are largely driven by the type of product being offered, together with current density allocations for such product (and the cost to produce it), the City of Whitewater must think *strategically* in order guide future development initiatives that can bridge the gap that exists between area incomes/resales and new residential development, especially in the for sale sector. This initiative will take a great deal of effort relative to planning, development, and implementation, simply because it deviates from the market norm. However, the City of Whitewater is in a unique position to truly guide future residential development efforts in a direction of discipline and insight as it relates to specific products that meet the demands of the market relative to unit types/styles, densities, and most importantly, rent/price positioning.

With this said, the following bullet-point summary provides very specific (and detailed) guidelines for establishing the most practical and marketable *hierarchy* of conventional/mainstream housing over the next several years with a logical continuum of six separate and distinct product lines:

- ❑ Mirroring a number of successful mainstream apartment communities throughout the Midwest, including southern Wisconsin, strong consideration should be given to the introduction of two different market rate rental housing series, one consisting of a two-story garden-style walkup idiom directed to all renter households and the other representing a value-oriented ranch villa program targeting the active adult aged 55-74, but not restricted to this segment since other profiles will find this product desirable. Together, these two product forms, which are extremely efficient and cost effective to build, will allow for a broad and varied mix of unit types, sizes, and rents capable of penetrating the threshold of mainstream conventional renter households in the marketplace – and those emanating to Whitewater in the years to come. In other words, the introduction of these two new construction product lines in Whitewater would allow the full breadth of mainstream renter profiles to be targeted. These include Millennials, also known as Echo Boomers or Generation Y, along with Centennials, also known as Generation Z (i.e., younger singles and couples without

**Residential Market Analysis
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children), together with traditional and non-traditional households such as divorcees, middle-age singles, never-nested couples, singles living together as couples in a roommate condition, young families, etc., and, of course, the move-down empty-nester/active adult/pre-retiree/retiree aged 55 to 74 – a segment which shows substantial growth near term.

- ❑ The **two-story garden apartment program** would consist of a “private entry” product with a component of attached, direct-access garages. In this regard, one of the most successful garden-style developments in the Midwest (and in other portions of southern Wisconsin) consists of a series of eight-unit buildings (each with four direct-access one-car garages) or 16-unit buildings (each with eight direct-access one-car garages). With just 50 percent direct-access garages suggested per structure, two different versions of the garden apartment building should be designed in order for each of the individual floorplans to be offered *with a direct access garage* in one of the two building types. By following this formula, each plan offering would have a 50 percent representation of direct-access one-car garages.



- ❑ Individual designs for the garden apartment product should be broad and varied consisting of eight (8) plan offerings including one-, two- and three-bedroom options ranging in size from 600 to 1,250 square feet. Please note that this product line would also be accompanied by buildings with optional detached garages. As such, renter profiles could elect either surface parking only; a detached garage; or a unit with an attached garage, thus giving future residents a full continuum of rental options to choose from as it relates to their choice of parking cast against their desired (or needed) monthly payment based upon income. This scenario will also provide competitive consistency with other developments in the market, current and future.
- ❑ If elevated properly, the two-story garden apartment buildings (and the separate structures with detached garages) can exemplify tasteful suburban architecture and be very complimentary to other development initiatives (including for sale products) throughout Whitewater.
- ❑ The **ranch villa apartment program**, which would target households aged 55+, although not be restricted to this consumer segment, would consist of direct-entry single-level ranch-type townhome plans, each with a one-car attached garage. Modeled, in part, after very successful empty nester ranches in Watertown, Wisconsin (and other parts of the Midwest), this product line would consist of four different plan designs ranging from a one-bedroom residence at 725 square feet to a three-bedroom unit with 1,275 square feet. This product line would be configured in 3-, 4-, 5- and 6-unit buildings (duplexed where necessary).



- ❑ Mirroring competitive counterparts overall, size increments between floorplans (for both rental products) should not exceed 200 square feet (and be narrower in most instances). This discipline will keep lease rate differentials between plans small and in concert with the gradual upward movement of mainstream/workforce household incomes.

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- Representing the first of four product lines in the for sale sector of the market, and in an effort to establish an overall hierarchy of “staple” conventional/mainstream ownership product starting with an alternative that should be able to achieve price points not currently represented in the new construction marketplace, is an efficiently designed mid-density **townhome/rowhome series**. This product line would include three separate three-story plan types, each with two main living areas configured over an *integral* two-car garage and a finished lower level, all with two-car garages. Plan sizes for this series, which will average 1,400 square feet, should range from 1,200 to 1,550 square feet including finished lower levels. This can be achieved in very efficient and cost effective 20’ wide modules. With rear-entry garages, individual buildings are generally designed to face one another, thus allowing for a small pedestrian greenway between buildings, or they can be configured fronting a street. Combined, the three individual plan offerings will be capable of attracting a broad range of buyer profiles, with attentive focus directed toward young singles and couples without children, couples in their initial stages of family formation and young families.



- Architecturally, the townhome/rowhome product line can support either a traditional elevation scheme, or it can command something more contemporary/urban oriented, i.e., at the builder’s discretion and dependent upon cost and location within Whitewater. Overall, this product line can achieve a density of 12 units per acre, thus allowing builders to distribute land and development costs across more units – in an attempt to bring prices down from the current representation of condominium products (i.e., luxury duplexes) that are currently represented at various locations in and around the local market.

- Representing a more “cost conscious” age-targeted alternative to the highly stylized ranch duplex condominiums often found throughout the Whitewater Market Area, yet still directed toward the more mature, move-down home purchasers aged 55-74+, a very efficient **attached ranch villa** for sale series is recommended. This product line, which could be configured in 3-, 4- or 5-unit buildings (duplexed only where necessary) would consist exclusively of single-level ranch plans, each with a front-load two-car garage and a small, but usable, backyard or patio area. Ranging in size from 1,300 to 1,500 square feet, the average attached villa unit would carry 1,400 square feet of living space. These homes would be configured slab-on-grade, although certain lots could/should be designated to accommodate optional basements. While directed toward the move-down consumer or empty-nester, this product line would be capable of attracting other segments of the market as well (similar to the one-car garage ranch villa rentals, but for ownership households). Ultimately, the goal of creating a two-car garage villa product (as opposed to straight duplex buildings) would be to achieve a higher-density which, again, would allow costs to be distributed across more units – and leading to more competitive prices.



- In the single family sector, representing a departure from the current medium- to larger-lot production/semi-custom/custom home development currently characteristic of new scattered-lot developments throughout the market, would be an urban/suburban detached product line, most with rear-load garages. Reflecting a derivation of the neo-traditional planning concept, i.e., Traditional Neighborhood Development (TND), this **small lot single family series**, ideally, would be comprised of two single-level “ranch” plans, two traditional two-story units (with second floor

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master bedrooms) and one two-story unit with a first-floor master bedroom, all with optional basements. Ranging in size from 1,500 to 1,900 square feet, and averaging 1,700 square feet across the group, homes in this series should be approximately 30'-35' wide configured on 40'-45' wide homesites. In various areas of the Midwest, this particular product line has been extremely successful as it has allowed new construction single family housing (through density and unit sizes) to meet a mainstream or "middle of the market" price point – one not typically seen among more traditional counterparts. The small lot single family product line will be able to attract a broad spectrum of mainstream detached home purchasers including young childless married couples, couples in their initial stages of family formation, and traditional families. And, with the incorporation of several ranch plans and a two-story master-down design, this program will be in a position to also appeal to the 55 and older empty-nester segment desirous of detached housing. While most homes should accommodate rear-load garages to maximize density, a plan or two could be configured with a front-load garage if land planning calls for such a configuration,



- The second single family product line should consist of a more **traditional single family series** with front-access, two-car garages and optional basements. This product line should be comprised of two single-level "ranch" plans and four traditional two-story units. Ranging in size from 1,750 to 2,400 square feet, and averaging roughly 2,050 square feet across the group, homes in this program should be configured on 50'-60" wide homesites. These modest lot sizes would, once again, assist in reducing costs, thus allowing for a more competitive price position. Together, the six suggested plans will also appeal to a broad spectrum of single family home purchasers including young childless married couples, couples in their initial stages of family formation, and first- and second-time move up families. And, with the inclusion of two ranch plans on small low-maintenance lots, this series will appeal to the 55 and older empty-nester segment as well. *While the price points for this product line align the upper end of mainstream incomes, they provide a reasonably priced move-up alternative in an effort to alleviate pressure among area resales and open up more options for the bulk of the existing home market.*




For a detailed outline of each recommended housing idiom including individual product/plan criteria, unit sizes, rents/prices, features, community amenities, etc., consult **Exhibits 2 through 7**. As depicted, plan offerings are broad and varied, and reflect some of the best-selling floorplan alternatives among successful "like" products throughout the Midwest and also southern Wisconsin. This detailed information should give builders/developers the guidance they need for properly penetrating the local home market.

It is important to note that the detailed planning guidelines and benchmark rent/price suggestions for the various housing products are not arbitrary, but rather *strategic*. Specially, these guidelines will allow five important goals to be met. First, the continuum of home types, styles and rents/prices will directly align

**PRODUCT CRITERIA AND BENCHMARK RENTS - TWO-STORY GARDEN APARTMENTS
-- CONVENTIONAL/MAINSTREAM HOUSING --
WHITEWATER, WISCONSIN**


2

Product Line Summary								
Product Form:	Two-Story Garden Apartments (8- or 16-Unit Buildings with 4 or 8 Direct Access One-Car Garages Per Building)							
Density in Units Per Acre:	16.0							
Average Plan Size (Sq. Ft.):	925							
Average Benchmark Base Rent w/50 % Garages: Per Sq. Ft.:(1)	\$1,383 \$1.50							
								
Plan Detail								
Plan Designation	A-1	A-2	A-3	B	C-1	C-2	C-3	D
Percent Distribution	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Plan Type	1BR	1BR	1BR	1BR DEN	2BR	2BR	2BR	3BR
Bedroom/Bath Mix	1/1.0	1/1.0	1/1.0	1+Den/1.0	2/2.0	2/2.0	2/2.0	3/2.0
Unit Size (Sq. Ft.)	600	700	775	875	975	1,075	1,150	1,250
Benchmark Base Rent w/o Garage:(1) Per Sq. Ft.:(1)	\$1,075 \$1.79	\$1,150 \$1.64	\$1,225 \$1.58	\$1,300 \$1.49	\$1,375 \$1.41	\$1,450 \$1.35	\$1,505 \$1.31	\$1,580 \$1.26
Benchmark Base Rent w/ Garage:(2) Per Sq. Ft.:(2)	\$1,175 \$1.96	\$1,250 \$1.79	\$1,325 \$1.71	\$1,400 \$1.60	\$1,475 \$1.51	\$1,550 \$1.44	\$1,605 \$1.40	\$1,680 \$1.34
Unit Features and Community Amenities								
UNIT STANDARDS <ul style="list-style-type: none"> ■ Painted Trim ■ Plank Flooring in Living Areas ■ "White" Interior Paint Finish ■ Direct Wire Smoke Detectors ■ Cable/Satellite Access ■ High-Speed Internet Connectivity ■ USB Ports ■ Air Conditioning ■ Quality Door Hardware ■ Quality Lighting Package ■ Private Balcony/Patio 			KITCHEN FEATURES <ul style="list-style-type: none"> ■ Quality Wood Cabinetry ■ Plank Flooring ■ Self Clean Range Oven ■ Built-In Dishwasher ■ Refrigerator with Ice-Maker ■ Garbage Disposal ■ Microwave with Vent ■ Hard Surface Countertops ■ Stainless Steel Sink 			BATH/POWDER ROOM STANDARDS <ul style="list-style-type: none"> ■ Plank Flooring ■ Hard Surface Vanity Tops ■ Quality Cabinetry ■ Ceramic Tub/Shower Surround ■ Framed Glass Mirror Over Vanity 		
CLOSETS, UTILITIES, AND STORAGE <ul style="list-style-type: none"> ■ Walk-In MBR Closet (Per Plan) ■ Wire Closet Shelving ■ Full Size Washer/Dryer (Stacked or Side-by-Side) ■ Storage Area (Either In-Unit or Separate) ■ Linen Closet(s) ■ Programmable Thermostat 			COMMUNITY FEATURES/AMENITIES (LARGE-SCALE DEVELOPMENTS) (SHARED W/RANCH VILLA RENTALS) <ul style="list-style-type: none"> ■ Architecturally-enhanced Exteriors ■ Secured Access Entry Per Unit ■ Clubhouse w/ Community Room, Kitchen, Fitness Center, E-Lounge, Etc. ■ Outdoor Fireside Lounge & Grilling Stations ■ Outdoor Swimming Pool/Deck Area ■ Dog Park & Dog Washing Station 			<ul style="list-style-type: none"> ■ Trail System ■ Sport Courts/Playground ■ Extensive Landscaping/Hardscaping ■ Wi-Fi in all Common Areas ■ Direct Access Garages at 50% ■ Adequate Surface Parking ■ Detached Garages @ \$65 Monthly Per Space 		
<p>(1) Benchmark base monthly rents, which are presented in June 2023 dollars, reflect the posted base rents for units without direct access garages. They do not include potential premiums for corner units, floor or view. They also do not include application/administration fees, pet fees, storage rental, utilities, or detached garages.</p> <p>(2) Benchmark base monthly rents, which are presented in June 2023 dollars, reflect the posted base rents for units with direct access garages. They do not include potential premiums for corner units, floor or view. They also do not include application/administration fees, pet fees, storage rental, utilities, or detached garages.</p>								

Source: Tracy Cross & Associates, Inc.

PRODUCT CRITERIA AND BENCHMARK RENTS - RANCH VILLA RENTALS
-- CONVENTIONAL/MAINSTREAM HOUSING --
WHITEWATER, WISCONSIN


3

Product Line Summary				
Product Form:	Single-Level Ranch Villas w/Attached One-Car Garages (3-, 4-, 5- and/or 6-Unit Buildings-Duplexed Where Necessary)			
Density in Units Per Acre:	10.0			
Average Plan Size (Sq. Ft.):	1,000			
Average Benchmark Base Rent:	\$1,563			
Per Sq. Ft.:(1)	\$1.56			
				
Plan Detail				
Plan Designation	A	B-1	B-2	C
Percent Distribution	25.0	25.0	25.0	25.0
Plan Type	1BR	1BR DEN	2BR	3BR
Bedroom/Bath Mix	1/1.0	1+Den/1.0	2/2.0	3/2.0
Unit Size (Sq. Ft.)	725	925	1,075	1,275
Benchmark Base Rent:(1)	\$1,350	\$1,500	\$1,625	\$1,775
Per Sq. Ft.:(1)	\$1.86	\$1.62	\$1.51	\$1.39
Unit Features and Community Amenities				
UNIT STANDARDS <ul style="list-style-type: none"> ■ Painted Trim ■ Plank Flooring in Living Areas ■ "White" Interior Paint Finish ■ Direct Wire Smoke Detectors ■ Cable/Satellite Access ■ High-Speed Internet Connectivity ■ USB Ports ■ Air Conditioning ■ Quality Door Hardware and Lighting Package ■ Private Patio 		KITCHEN FEATURES <ul style="list-style-type: none"> ■ Quality Wood Cabinetry ■ Plank Flooring ■ Self Clean Range Oven ■ Built-In Dishwasher ■ Refrigerator with Ice-Maker ■ Garbage Disposal ■ Microwave with Vent ■ Hard Surface Countertops ■ Stainless Steel Sink 		BATH/POWDER ROOM STANDARDS <ul style="list-style-type: none"> ■ Plank Flooring ■ Hard Surface Vanity Tops ■ Quality Cabinetry ■ Ceramic Tub/Shower Surround ■ Framed Glass Mirror Over Vanity
CLOSETS, UTILITIES, AND STORAGE <ul style="list-style-type: none"> ■ Walk-In MBR Closet (Per Plan) ■ Wire Closet Shelving ■ Full Size Washer/Dryer (Stacked or Side-by-Side) ■ Storage Area (Either In-Unit or Separate) ■ Linen Closet(s) ■ Programmable Thermostat 		COMMUNITY FEATURES/AMENITIES (LARGE-SCALE DEVELOPMENTS) (SHARED W/GARDEN APARTMENTS) <ul style="list-style-type: none"> ■ Architecturally-enhanced Exteriors ■ Secured Access Entry Per Unit ■ Clubhouse w/ Community Room, Kitchen, Fitness Center, E-Lounge, Etc. ■ Outdoor Fireside Lounge & Grilling Stations ■ Outdoor Swimming Pool/Deck Area ■ Trail System ■ Dog Park ■ Dog Washing Station ■ Sport Courts/Playground ■ Extensive Landscaping/Hardscaping ■ Wi-Fi in all Common Areas ■ Direct Access Garages at 100% ■ Additional Surface Parking 		
<p>(1) Benchmark base monthly rents, which are presented in June 2023 dollars, reflect the posted base rents, each of which includes an attached one-car garage. They do not include potential premiums for corner units or view. They also do not include application/administration fees, pet fees, storage rental, or utilities.</p>				

Source: Tracy Cross & Associates, Inc.

PRODUCT CRITERIA AND BENCHMARK PRICES - FOR SALE TOWNHOMES/ROWHOMES
-- CONVENTIONAL/MAINSTREAM HOUSING --
WHITEWATER, WISCONSIN


4

Product Line Summary			
<i>Product Form:</i>	<i>Townhomes/Rowhomes</i>		
<i>Garage Condition:</i>	<i>2-Car (Rear Load)</i>		
<i>Lower Level of Townhomes/Rowhomes</i>	<i>Finished</i>		
<i>Average Plan Size (Sq. Ft.):</i>	<i>1,400</i>		
<i>Average Benchmark Base Price:⁽¹⁾</i>	<i>\$237,990</i>		
<i>Per Sq. Ft.:</i>	<i>\$169.99</i>		
<i>Average Anticipated Closing Price:⁽²⁾</i>	<i>\$252,200</i>		
<i>Per Sq. Ft.:</i>	<i>\$180.14</i>		
			
Plan Detail			
Plan Designation	A	B	C
Plan Style	3-Story	3-Story	3-Story
Bedrooms	2	2+Loft	3
Baths	2.5	2.5	2.5
Unit Size (Sq. Ft.)	1,200	1,450	1,550
Benchmark Base Price: ⁽¹⁾	\$223,990	\$240,990	\$248,990
Per Sq. Ft.:	\$186.66	\$166.20	\$160.64
<i>Anticipated Closing Price:⁽²⁾</i>	<i>\$237,400</i>	<i>\$255,400</i>	<i>\$263,900</i>
<i>Per Sq. Ft.:</i>	<i>\$197.83</i>	<i>\$176.14</i>	<i>\$170.26</i>
Features and Amenities			
<p>UNIT STANDARDS</p> <ul style="list-style-type: none"> ■ Luxury Plank Flooring in Main Living Areas ■ Carpeting in Bedroom Areas ■ "White" Interior Paint Finish ■ Painted Trim ■ Direct-Wire Smoke Detectors Per Code ■ Cable/Satellite/Telephone Prewire ■ Paneled Doors ■ High-Speed Internet Connectivity ■ Air Conditioning ■ Designer Door Hardware ■ Designer Lighting Package ■ Private Balcony <p>CLOSETS, UTILITIES, AND LAUNDRY</p> <ul style="list-style-type: none"> ■ Walk-In MBR Closet (Per Plan) ■ Laminate Closet Shelving ■ Washer/Dryer Hook-Up ■ Linen Closet(s) ■ Programmable Thermostat 	<p>KITCHEN FEATURES</p> <ul style="list-style-type: none"> ■ Quality Cabinetry ■ Luxury Plank Flooring ■ Four Burner Cooktop ■ Self Clean Single Oven-Stainless Steel ■ Built-In 5-Cycle Dishwasher-Stainless Steel ■ Refrigerator with Ice-Maker-Stainless Steel ■ Garbage Disposal ■ Microwave with Vent ■ Granite or Quartz Countertops ■ Double Bowl Stainless Steel Sink 	<p>BATH/POWDER ROOM STANDARDS</p> <ul style="list-style-type: none"> ■ Ceramic Flooring ■ Granite or Quartz Vanity Tops ■ Quality Cabinetry ■ Ceramic Tub/Shower Surround ■ Framed Glass Mirror Over Vanity 	<p>BUILDING FEATURES/AMENITIES</p> <ul style="list-style-type: none"> ■ Architecturally-Enhanced Exteriors ■ Extensive Hardscaping/Landscaping ■ Finished Lower Level ■ Front-Oriented Sidewalks ■ Modest, But Desirable Community Amenities (Depends on Size of Development)
<p>⁽¹⁾ Benchmark base sales prices, which are presented in June 2023 dollars, do not include options, upgrades or premiums.</p> <p>⁽²⁾ Includes an estimate for options, upgrades and premiums, i.e. 6.0 percent above the base sales price.</p>			

Source: Tracy Cross & Associates, Inc.

**PRODUCT CRITERIA AND BENCHMARK PRICES - FOR SALE ATTACHED RANCH VILLAS
-- CONVENTIONAL/MAINSTREAM HOUSING --
WHITEWATER, WISCONSIN**


5

Product Line Summary			
<i>Product Form:</i>	<i>Attached Ranch Villas (3-, 4- and 5-Unit Buildings - Duplexed Where Necessary)</i>		
<i>Garage Condition:</i>	<i>2-Car (Front)</i>		
<i>Average Plan Size (Sq. Ft.):</i>	<i>1,400</i>		
<i>Average Benchmark Base Price:⁽¹⁾ Per Sq. Ft.:</i>	<i>\$257,990 \$184.28</i>		
<i>Average Anticipated Closing Price:⁽²⁾ Per Sq. Ft.:</i>	<i>\$276,000 \$197.14</i>		
			
Plan Detail			
Plan Designation	A	B	C
Plan Style	Ranch	Ranch	Ranch
Bedrooms	2	2+Den	2+Den
Baths	2	2	2
Unit Size (Sq. Ft.)	1,300	1,400	1,500
Benchmark Base Price: ⁽¹⁾ Per Sq. Ft.:	\$249,990 \$192.30	\$257,990 \$184.28	\$265,990 \$177.33
<i>Anticipated Closing Price:⁽²⁾ Per Sq. Ft.:</i>	<i>\$267,500 \$205.77</i>	<i>\$276,000 \$197.14</i>	<i>\$284,600 \$189.73</i>
Features and Amenities			
<p>UNIT STANDARDS</p> <ul style="list-style-type: none"> ■ Luxury Plank Flooring in Main Living Areas ■ Carpeting in Bedroom Areas ■ "White" Interior Paint Finish ■ Painted Trim ■ Direct-Wire Smoke Detectors Per Code ■ Cable/Satellite/Telephone Prewire ■ Paneled Doors ■ High-Speed Internet Connectivity ■ Air Conditioning ■ Designer Door Hardware ■ Designer Lighting Package ■ Private Patio Area <p>CLOSETS, UTILITIES, AND LAUNDRY</p> <ul style="list-style-type: none"> ■ Walk-In MBR Closet (Per Plan) ■ Laminate Closet Shelving ■ Washer/Dryer Hook-Up ■ Linen Closet(s) ■ Programmable Thermostat 	<p>KITCHEN FEATURES</p> <ul style="list-style-type: none"> ■ Quality Cabinetry ■ Luxury Plank Flooring ■ Four Burner Cooktop ■ Self Clean Single Oven-Stainless Steel ■ Built-In 5-Cycle Dishwasher-Stainless Steel ■ Refrigerator with Ice-Maker-Stainless Steel ■ Garbage Disposal ■ Microwave with Vent ■ Hard Surface Countertops ■ Double Bowl Stainless Steel Sink 	<p>BATH/POWDER ROOM STANDARDS</p> <ul style="list-style-type: none"> ■ Ceramic Flooring ■ Hard Surface Vanity Tops ■ Quality Cabinetry ■ Ceramic Tub/Shower Surround ■ Framed Glass Mirror Over Vanity 	
	<p>HOME FEATURES/AMENITIES</p> <ul style="list-style-type: none"> ■ Architecturally-Enhanced Exteriors ■ Extensive Hardscaping/Landscaping ■ Basements Optional 	<ul style="list-style-type: none"> ■ Front-Oriented Sidewalks ■ Modest, But Desirable Community Amenities (Depends on Size of Development) 	
<p>⁽¹⁾ Benchmark base sales prices, which are presented in June 2023 dollars, do not include options, upgrades or premiums.</p> <p>⁽²⁾ Includes an estimate for options, upgrades and premiums, i.e. 7.0 percent above the base sales price.</p>			

Source: Tracy Cross & Associates, Inc.

**PRODUCT CRITERIA AND BENCHMARK PRICES - SMALL LOT FOR SALE SINGLE FAMILY
-- CONVENTIONAL/MAINSTREAM HOUSING --
WHITEWATER, WISCONSIN**

6

Product Line Summary					
Product Form:	<i>Single Family</i>				
Lot Dimensions:	<i>40'-45" x 100'-110'</i>				
Garage Condition:	<i>2-Car (Rear Load) (Front-Load As Necessary)</i>				
Average Plan Size (Sq. Ft.):	<i>1,700</i>				
Average Benchmark Base Price:⁽¹⁾ Per Sq. Ft.:	\$308,990 \$181.76				
Average Anticipated Closing Price:⁽²⁾ Per Sq. Ft.:	\$330,600 \$194.47				
					
Plan Detail					
Plan Designation	A	B	C	D	E
Plan Style	Ranch	Ranch	2-Story	2-Story	2-Story (1st Floor MBR)
Bedrooms	2 + Den	2 + Flex	3	3 + Flex	3 + Loft
Baths	2	2	2.5	2.5	2.5
Unit Size (Sq. Ft.)	1,500	1,600	1,700	1,800	1,900
Benchmark Base Price: ⁽¹⁾ Per Sq. Ft.:	\$290,990 \$193.99	\$299,990 \$187.49	\$308,990 \$181.76	\$317,990 \$176.66	\$326,990 \$172.10
Anticipated Closing Price:⁽²⁾ Per Sq. Ft.:	\$311,400 \$207.60	\$321,000 \$200.63	\$330,600 \$194.47	\$340,200 \$189.00	\$349,900 \$184.16
Features and Amenities					
UNIT STANDARDS		KITCHEN FEATURES		BATH/POWDER ROOM STANDARDS	
<ul style="list-style-type: none"> ■ Luxury Plank Flooring in Main Living Areas ■ Carpeting in Bedroom Areas ■ "White" Interior Paint Finish ■ Painted Trim ■ Direct-Wire Smoke Detectors Per Code ■ Cable/Satellite/Telephone Prewire ■ Paneled Doors ■ High-Speed Internet Connectivity ■ Air Conditioning ■ Designer Door Hardware ■ Designer Lighting Package ■ Private Patio Area 		<ul style="list-style-type: none"> ■ Quality Cabinetry ■ Luxury Plank Flooring ■ Four Burner Cooktop ■ Self Clean Single Oven-Stainless Steel ■ Built-In 5-Cycle Dishwasher-Stainless Steel ■ Refrigerator with Ice-Maker-Stainless Steel ■ Garbage Disposal ■ Microwave with Vent ■ Hard Surface Countertops ■ Double Bowl Stainless Steel Sink 		<ul style="list-style-type: none"> ■ Ceramic Flooring ■ Hard Surface Vanity Tops ■ Quality Cabinetry ■ Ceramic Tub/Shower Surround ■ Framed Glass Mirror Over Vanity 	
CLOSETS, UTILITIES, AND LAUNDRY		HOME FEATURES/AMENITIES			
<ul style="list-style-type: none"> ■ Walk-In MBR Closet (Per Plan) ■ Laminate Closet Shelving ■ Washer/Dryer Hook-Up ■ Linen Closet(s) ■ Programmable Thermostat 		<ul style="list-style-type: none"> ■ Architecturally-Enhanced Exteriors ■ Extensive Hardscaping/Landscaping ■ Optional Basements 		<ul style="list-style-type: none"> ■ Front-Oriented Sidewalks ■ Modest, But Desirable Community Amenities (Depends on Size of Development) 	
<p>⁽¹⁾ Benchmark base sales prices, which are presented in June 2023 dollars, do not include options, upgrades or premiums.</p> <p>⁽²⁾ Includes an estimate for options, upgrades and premiums, i.e. 7.0 percent above the base sales price.</p>					

Source: Tracy Cross & Associates, Inc.

Rental Housing Market Analysis -- A Strategy Plan -- Whitewater, Wisconsin

Prepared on behalf of:

City of Whitewater
312 W. Whitewater Street
Whitewater, WI 53190

April 12, 2024



TRACY CROSS & ASSOCIATES, INC.
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TRACY CROSS & ASSOCIATES, INC.
REAL ESTATE MARKET ANALYSIS

INTRODUCTION

At the request of the City of Whitewater, Tracy Cross & Associates, Inc. evaluated the market potential for new construction rental housing development within its municipal boundaries over the next several years. Representing an expansion/update of our comprehensive housing study completed in June 2023, this analysis focuses upon the conventional (non-student) rental sector and establishes the following:

- Conclusions regarding the depth of market for rental housing development throughout Whitewater near- to mid-term based upon pertinent economic, demographic, and residential trends which define the marketplace.
- Conclusions regarding the overall marketability of conventional (non-student) rental housing forms to be introduced within the municipality over the next 5+ years. These conclusions are based upon factors associated with the location of Whitewater, depth of market, demographic and socio-economic characteristics of existing and future households, and the alignment of rental housing communities, both existing and planned.
- Detailed recommendations regarding those conventional rental housing products viewed to hold measurable market. Investigative uses range from lower-density idioms to higher-density offerings. These recommendations address specific product types, plan styles/sizes, features/amenities, etc., along with benchmark rental rate strategies necessary to achieve acceptable levels of absorption. Please note that these recommendations, which focus on all segments of the conventional rental housing market ranging from younger (entry level) profiles to active adult (55+) households, give full consideration to current proposals being considered by the City of Whitewater.
- A geographic positioning strategy for the introduction of new rental housing products throughout the city of Whitewater.

WORK PLAN AND PROCESS

The work plan for this assignment involved a series of inter-related research investigations as summarized below:

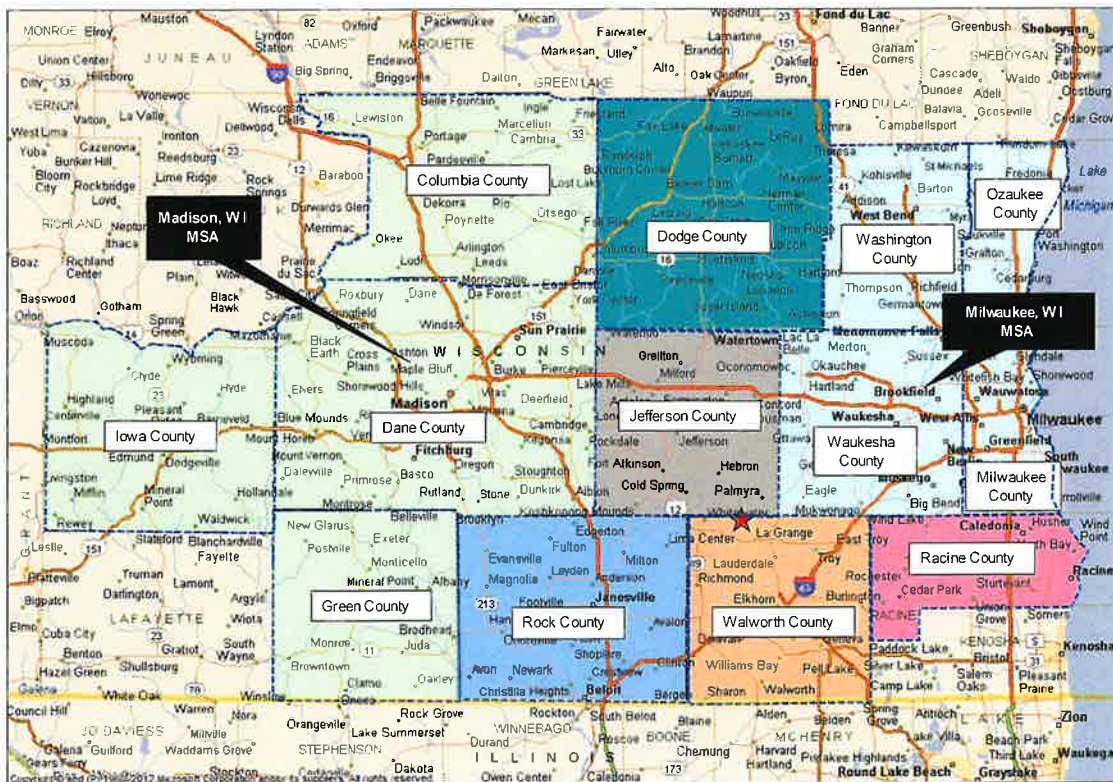
- A thorough investigation (re-visit) of Whitewater and surrounding areas to determine geographic boundaries of the local market area; identify factors which may impact rental housing potentials within the municipality; and examine areas that may be suitable for new conventional development.
- A detailed analysis of all relevant employment, demographic, and residential trends/statistics including a comprehensive evaluation of key socio-economic and income variables of area households.
- A thorough assessment of the rental housing market locally (and adjoining areas as applicable).
- A demand forecast for rental housing development in and around Whitewater over the next 5+ years.
- Case study evaluations of "like" rental housing initiatives throughout similar markets in the Midwest in order to assess trends, products, performance levels, etc.

Rental Housing Market Analysis
City of Whitewater
A Strategy Plan
Whitewater, WI

WHITEWATER, WISCONSIN

Whitewater is a self-contained city situated in southern Wisconsin straddling the Jefferson County/Walworth County line. It is located between the four-county Milwaukee, WI Metropolitan Statistical Area (MSA) and the four-county Madison, WI MSA. It is also proximate to both Rock County to the southwest and Racine County to the southeast. One of the driving forces behind Whitewater's economy is the University of Wisconsin-Whitewater with a total enrollment of nearly 10,500 students and over 2,300 full-time employees. According to estimates by Environics Analytics through its review of Census data and the Census Bureau's American Community Surveys, the city of Whitewater supported a 2023 population base of 15,032 persons distributed among 4,867 households, although these figures drop by +/-40 percent once Census-counted students are excluded from the estimates.

GEOGRAPHIC DELINEATION OF WHITEWATER AND SURROUNDING AREAS



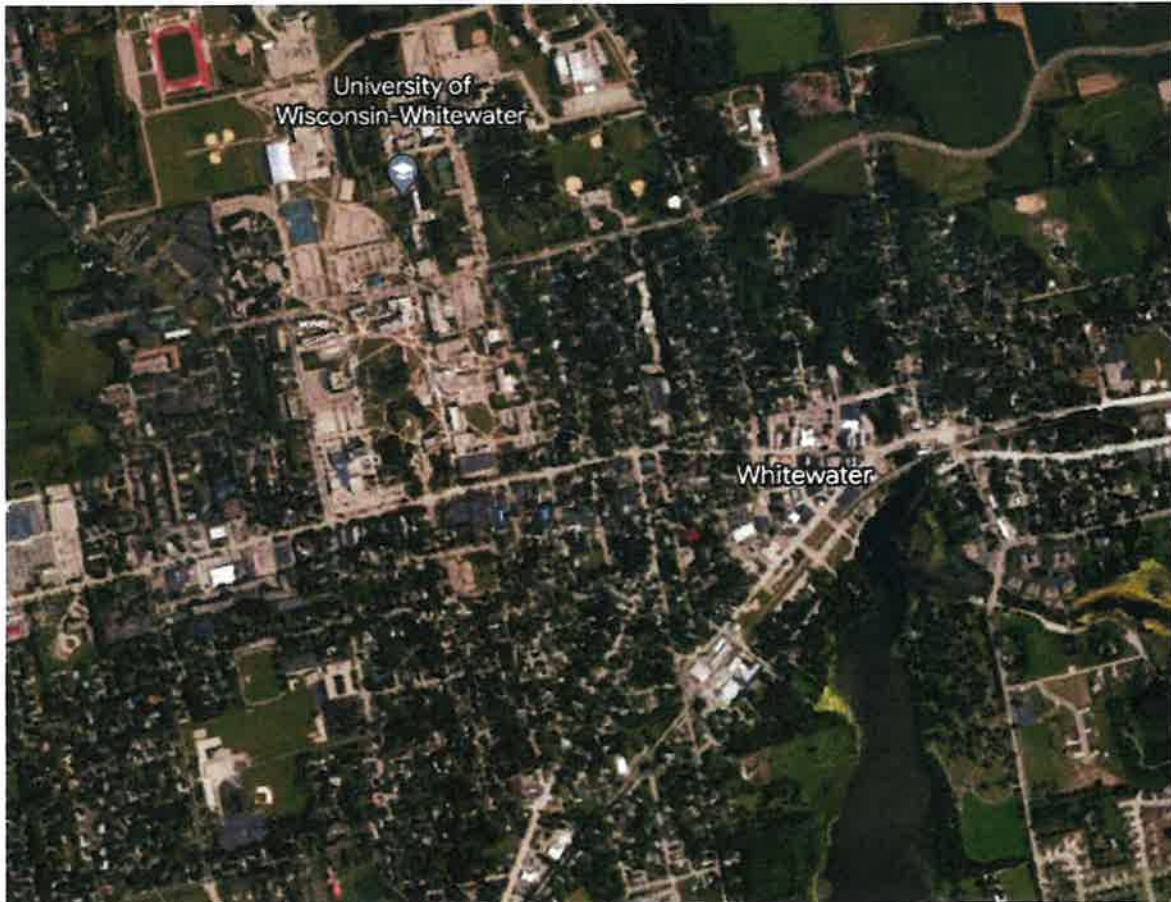
Source: Microsoft Streets & Trips and Tracy Cross & Associates, Inc.

Whitewater maintains a quaint, yet vibrant downtown area with shops, services, eateries, night spots, civic venues, concentrations of employment, and open space. Feathering out from the downtown area in all directions are the UW-Whitewater campus; various residential neighborhoods; additional shopping and services; various employment centers; and local public schools. Referencing the local school system, three public elementary schools, one middle school and one high school are represented within the Whitewater Unified School District. Lakeview Elementary School, Lincoln Elementary School, Whitewater Middle School and Whitewater High School recently received accountability scores that earned them all a "meets expectations" ranking from the Wisconsin Department of Public Instruction. Washington Elementary School, however, earned an "Exceeds Expectations" ranking based upon recent accomplishments and test scores.

**Rental Housing Market Analysis
City of Whitewater
A Strategy Plan
Whitewater, WI**

As mentioned, Whitewater is a "college town" with the University of Wisconsin-Whitewater located just northwest of the downtown area. UW-Whitewater is a public institution founded over 150 years ago. Undergraduate enrolment totals nearly 8,800, with another 1,700+/- graduate students represented. The campus size is roughly 400 acres. UW-Whitewater offers a wide range of degree programs through its College of Arts and Communications; Business and Economics; Education and Professional Sciences; and Letters and Sciences divisions. It also offers master's degrees in about a dozen fields. Students at UW-Whitewater can join more than 170 campus organizations, 15+ fraternities and sororities, and student government. Student athletes can play at the intramural, club or varsity levels. At the varsity level, more than 20 teams are members of the NCAA Division III Wisconsin Intercollegiate Athletic Conference (WIAC).

UW-Whitewater recently received a Top 50 ranking (among all regional universities throughout the entire Midwest) from U.S. News.



The city of Whitewater is well-served by local and regional transportation systems, primarily US-12, which is accessible within minutes from most points within the city. This highway connects with Interstate 43 in East Troy roughly 17 miles to the east which, in turn, provides linkage to the Milwaukee metropolitan region. To the west, US-12 runs through Fort Atkinson and Cambridge, where it connects with US-18 leading to the Madison metropolitan area. In addition, WI-59, which also traverses Whitewater, provides access to the western suburbs of Milwaukee to the northeast and the Janesville area of Rock County to the southwest.

**Rental Housing Market Analysis
City of Whitewater
A Strategy Plan
Whitewater, WI**

Residentially (and excluding student-based housing at the university), the city of Whitewater is characterized by an aging housing stock. Specifically, over 76 percent of all housing units within the municipality were constructed prior to 2000 including 50 percent prior to 1980. In addition, according to the Census Bureau’s C-40 construction reports, less than 20 new dwelling units, on average, have been built annually in Whitewater over the last five years (except for some recent student-oriented housing adjacent to the University).

RENTAL HOUSING POTENTIALS

Based upon a detailed analysis of those economic, demographic, residential and demand-related variables expected to influence the introduction of new conventional rental housing in Whitewater over the next several years, *opportunities do exist* for properly positioned product. This favorable conclusion is supported by the following key factors, which lay the foundation for the recommendations that follow:

- Despite the limited amount of new construction housing development in the city of Whitewater over the past five years (as measured by residential building permit activity), there are clear market indicators that new housing products are needed in and around the municipality – and that the strategic positioning of new rental offerings throughout the city of Whitewater could help satisfy demand both internally and within a broader market area. From a very practical standpoint, future housing development will derive its demand support from both the host city of Whitewater and from nearby areas within a reasonable distance of the municipality, i.e., within a 15-mile radius. Defined for the purposes of this analysis as the Whitewater Market Area, a sizeable 2023 population base of 108,429 (excluding Census-counted college students) was reflected within a 15-mile radius of Whitewater, distributed among some 42,720 households. This area includes portions of Walworth, Jefferson, Rock and Waukesha counties and primarily the communities of Whitewater, Fort Atkinson, Palmyra, Jefferson, Milton, Elkhorn, Hebron, Sullivan and Eagle, along with several other smaller jurisdictions and unincorporated areas. As highlighted in the following table, household additions in the defined Whitewater Market Area were generally healthy during the 2010-2020 period totaling 1,915, or 197 yearly. And, while not immune to Covid-19 pandemic, the market area still recorded positive household gains between 2020 and 2023, i.e., 453 total or 151 per year. Moreover, household growth in the Whitewater Market Area over the next five years will total another 1,277 new households, or 255 annually. As a result, the market area will approach the 44,000-household level by 2028.

**POPULATION AND HOUSEHOLD TRENDS
WHITewater MARKET AREA**

Area	2010	2020	2023 (Estimate)	2028 (Projected)	Average Annual Change		
					2010 - 2020	2020 - 2023	2023 - 2028
Population							
Whitewater Market Area	105,774	107,845	108,429	109,912	+207	+195	+297
Households							
Whitewater Market Area	40,352	42,267	42,720	43,997	+192	+151	+255

Source: U.S. Census Bureau, Envirionics Analytics and Tracy Cross & Associates, Inc.

**Rental Housing Market Analysis
City of Whitewater
A Strategy Plan
Whitewater, WI**

- Relative to households by age classification, not only is there a rather large base of existing households in most of the market area’s various age categories, but all segments show growth over the next five years – led by those households between the ages of 65 and 74.

**HOUSEHOLD GROWTH BY AGE GROUP
-- WHITEWATER MARKET AREA --**

Age Range	Whitewater Market Area	
	2023	2028
Under 35	7,855	8,102
35-44	6,386	6,420
45-54	7,038	7,087
55-64	8,540	8,599
65-74	7,516	8,153
75-84	3,862	4,009
85 and over	1,523	1,627
Total	42,720	43,997

Source: Environics Analytics: 2023 Demographic Snapshot

- The current composition of area households also lends support to the development of a variety of rental housing products throughout the Whitewater Market Area. As highlighted in the adjacent table, there is an ample number of one- and two-person households for moderate- to higher-density market rate (non-student oriented) rental housing, and also a significant number of three- and four-person households for lower-density offerings.

Most notable among all household classifications are one- and two-person occupied housing units which, together, comprise 63.5 percent of the market area’s total household base.

**2023 COMPOSITION OF AREA HOUSEHOLDS:
WHITEWATER MARKET AREA**

Attribute	Whitewater Market Area
Total Households	42,720
1-Person Household	11,008
2-Person Household	16,119
3-Person Household	6,676
4-Person Household	5,182
5-Person Household	2,206
6 or More Person Household	1,529
1 Person Households	
Percent	25.8
Number	11,008
2 Person Households	
Percent	37.7
Number	16,119

Source: Environics Analytics; 2023 Demographic Snapshot

**Rental Housing Market Analysis
City of Whitewater
A Strategy Plan
Whitewater, WI**

- Households in the Whitewater Market Area support slightly higher incomes than the nation as a whole as evidenced by an estimated 2023 median of \$77,314, a level 7.6 percent above the \$71,852 median noted for the United States. Upon close examination of area incomes in the host market area, 53 percent of all current households earn between \$35,000 and \$124,999 annually, which represents the mainstream of the market, i.e., those earning between 50 and 150+ percent of the market area's median. This signifies the threshold of the market and a target point where new conventional rental housing should, for the most part, be directed.

HOUSEHOLDERS BY AGE AND INCOME: 2023
-- WHITEWATER MARKET AREA --

Income Range	Number of Households by Age of Householder							
	Total Households	Under 35	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85 and Over
Under \$15,000	2,748	879	106	204	398	545	388	228
15,000 - 24,999	2,606	592	154	220	395	526	446	273
25,000 - 34,999	3,804	809	361	344	488	856	671	275
35,000 - 49,999	4,518	698	520	509	745	1,096	680	270
50,000 - 74,999	7,076	1,630	1,036	918	1,176	1,401	681	234
75,000 - 99,999	6,123	1,140	1,017	1,162	1,427	938	339	100
100,000 - 124,999	5,009	784	1,079	1,060	1,111	683	243	49
125,000 - 149,999	3,865	553	765	895	985	463	165	39
150,000 - 199,999	3,577	533	828	795	828	441	120	32
200,000 and Over	3,394	237	520	931	987	567	129	23
Total	42,720	7,855	6,386	7,038	8,540	7,516	3,862	1,523
Median	\$77,314	\$63,832	\$99,988	\$103,643	\$93,499	\$62,001	\$43,657	\$34,435

Sources: U.S. Bureau of the Census; Environics Analytics; and Tracy Cross & Associates, Inc.

- Residentially, the Whitewater Market Area has recorded an average of 227 building permits annually since 2000 ranging from a recessionary-impacted low of 56 units in 2012 to a high of 595 units in 2002 (see Exhibit 1). Most recently, the market area registered an average of 182 residential permit authorizations annually during the five-year period from 2015 through 2019 period (prior to the pandemic), up 60.4 percent compared to average annual volumes posted during the five years prior, albeit still well below construction volumes realized during the 2000-2007 period when more ample supply was available and market conditions were stronger.

Of particular note is the fact that home building activity within the Whitewater Market Area regressed during the 2020-2022 period with just 85 units permitted annually market-wide, a drop of more than 50 percent compared to the pace set between 2015 and 2019. This resulted primarily from a building hiatus during a portion of the pandemic, coupled with supply chain issues which caused a dramatic increase in construction costs. In addition, while an uptick occurred in 2023, this resulted primarily from the influx of new student-targeted housing located aligning the University of Whitewater campus (i.e., Accent Apartments along Tratt Street). All told, the limited amount of new conventional residential construction recently is having a significant impact on the housing market today, including the rental housing sector where demand is exceeding supply. This will be emphasized in more detail later in this report.

- Despite the recent limitations relative to residential construction in recent years, new housing is entering the market, albeit at a slower pace than it should, and is virtually non-existent in the conventional rental housing sector. With this said, the current amount of new home construction that is occurring, coupled with positive levels household growth recently, has been fostered by economic activity in the three primary counties that encompass/surround the defined market area. While one cannot discount the effect that the Great Recession had on the area's economy, along with the Covid-19 pandemic, employment growth throughout the combined area of Jefferson, Rock

RESIDENTIAL BUILDING PERMIT TRENDS
WHITEWATER MARKET AREA
2000 - 2023

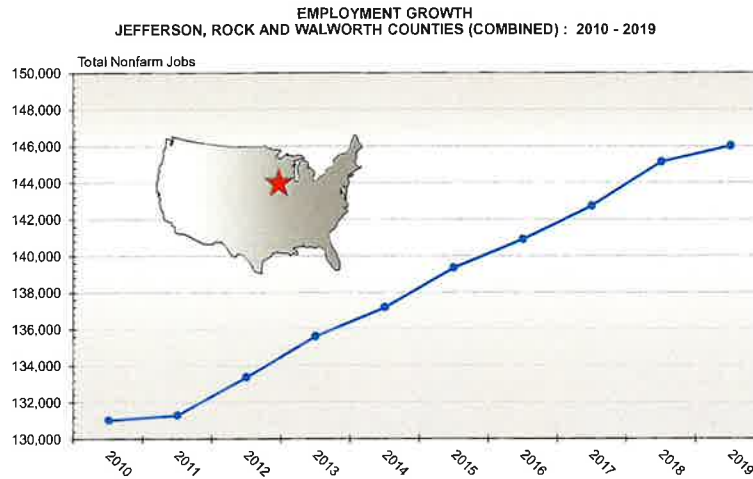
1

Year	Total	Single Family	Multi- Family
2000	445	257	188
2001	391	199	192
2002	595	245	350
2003	505	335	170
2004	573	390	183
2005	431	358	73
2006	313	225	88
2007	234	133	101
2008	145	89	56
2009	121	71	50
2010	63	52	11
2011	67	38	29
2012	56	38	18
2013	84	56	28
2014	90	48	42
2015	196	78	118
2016	151	117	34
2017	216	125	91
2018	170	136	34
2019	175	121	54
2020	110	94	16
2021	76	70	6
2022	69	61	8
2023 (Prelim.)	162	83	79
Averages			
2000 - 2023	227	142	84

Source: U.S. Department of Commerce, Bureau of the Census: *C-40 Construction Reports*

**Rental Housing Market Analysis
City of Whitewater
A Strategy Plan
Whitewater, WI**

and Walworth counties was strong during the 2010-2019 period (prior to the pandemic). For example, after losing roughly 6.0 percent of its total nonagricultural wage and salary employed workforce from 2007 through 2009 (the heart of the Great Recession), the three-county area saw its job rosters increase by 14,953 total workers during the subsequent 2010-2019 period, or 1,661 annually.



Source: U.S. Department of Labor, Bureau of Labor Statistics

More recently, the three-county area, like practically every part of the country, was affected by the coronavirus pandemic and ensuing economic constraints, compounded by lockdowns and periods of social unrest. Specifically, in 2020, the three selected counties experienced year-over-year job losses of 7,865 or 5.4 percent of total nonfarm employment, which compares with the 5.8 percent contraction witnessed nationwide during the same 12-month period. On a more positive note, however, the three-county area’s economic recovery was in full swing in 2021 and 2022 – *erasing all job losses experienced during the pandemic*. Moreover, preliminary 2023 figures show the three-county area around Whitewater posting aggregate job gains of 3,416, equal to a growth rate of 2.4 percent. This compares with the nation’s growth rate of 2.3 percent during the same timeframe.

Fostered by a stable/growing economy, and on the heels of expected household growth, construction requirements for new housing in the Whitewater Market Area will average 400 units annually during the next five years. This 400-unit forecast can be tied specifically to household growth levels estimated at 255 per annum through 2028, along with 145 units representing the replacement of residences lost to demolition and abandonment and the need to provide a vacancy allowance for filtering or movement from one residence to another. Of the 400 units which could be constructed annually within the market during the forecast period, 225 will occur among for sale housing forms with 175 represented in the rental housing sector.

**RESIDENTIAL ABSORPTION POTENTIALS BY PRODUCT TYPE
-- WHITWATER MARKET AREA --
2023 - 2028**

Product Type	Annual	Total Through 2028
Total	400	2,000
For Sale	225	1,125
Single Family Detached	150	750
Townhome/Duplex/Condominium	75	375
For Rent	175	875

Source: Tracy Cross & Associates, Inc.

**Rental Housing Market Analysis
City of Whitewater
A Strategy Plan
Whitewater, WI**

- ❑ Given supply-side constraints in the conventional rental market (which will be discussed in the following sections of the report), it is highly likely that the “derived” demand of 875 units through 2028 will exceed supply near term. This market reality represents an opportunity for conventional rental housing initiatives across the market area (and Whitewater in particular), if properly planned and executed.
- ❑ Moreover, not only is “derived demand” likely to outstrip supply near term, but the overall base of rental housing construction requirements could be *higher* during any given year where properly positioned supply is made available. This *upside potential* factors pent-up demand; additional household growth if properly positioned development were actually to occur; the limited amount of new construction rental housing alternatives throughout the market (again, to be discussed later); and spillover potentials from areas outside the defined market area.
- ❑ As referenced above, current conditions in the rental housing market point to *new construction* development opportunities, and fully signify the supply-side constraints that exist in the conventional sector. Excluding all forms student-oriented or student-targeted housing serving UW-Whitewater, just six apartment communities (of relative scale) have been constructed in the entire Whitewater Market Area since 2000, yet there are over 8,000 “non-student” renter households within a 15-mile radius of Whitewater. As such, current renter households have limited new product to choose from. In fact, there have been no new rental housing communities of relative scale (i.e., 25 or more units) constructed in the last 10 years throughout the entire market area as the six newest developments were all introduced between 2001 and 2014. These six newer developments, which are located in either the city of Whitewater itself or in Elkhorn to the southeast, include Lakeside Townhomes (28 Units), Springbrook (44 units), Waters Edge (48 units), Market Street Village (66 units), Meadow Blossom (112 units) and Bluff Ridge (120 units). Among them, a collective vacancy rate of just 0.7 percent is represented, with five of the six developments currently 100 percent occupied with waiting lists. As such, the local conventional apartment market is considered *extremely tight (in addition to being undersupplied)*. For reference, in a normal (or balanced) market, vacancies of 5.0 to 6.0 percent are typically required for filtering, or movement between developments.

**CONVENTIONAL APARTMENT COMMUNITIES OF REASONABLE SCALE CONSTRUCTED IN 2000 OR LATER
WHITWATER MARKET AREA
APRIL 2024**

Development	Municipality	Year Built	Total Units	Number Vacant	Percent Vacant	Average Unit Size (Sq. Ft.)	Average Posted Base Monthly Rent	
							\$	\$/Sq. Ft.
Lakeside Townhomes	Whitewater	2014	28	0	0.0	1,670	\$1,835	\$1.10
Springbrook ⁽¹⁾	Whitewater	2008	44	0	0.0	806	1,363	1.69
Water's Edge	Whitewater	2008	48	0	0.0	1,057	1,336	1.26
Bluff Ridge	Whitewater	2005	120	3	2.5	1,360	1,401	1.03
Market Street Village	Elkhorn	2003	66	0	0.0	1,238	1,434	1.16
Meadow Blossom	Elkhorn	2001	112	0	0.0	1,163	1,114	0.96
Total/Weighted Avg.	---	---	418	3	0.7	1,216	\$1,347	\$1.11

⁽¹⁾ May get one or two students a year, but is not a student-oriented community.

Source: Tracy Cross & Associates, Inc.

**Rental Housing Market Analysis
City of Whitewater
A Strategy Plan
Whitewater, WI**

Note: While primarily attracting students, although not restricted to them, Accent Apartments recently introduced the first of two new rental apartment buildings at along Tratt Street near the western edge of UW-Whitewater. The first building, which leased all units before construction was completed, is currently 100 percent occupied. According to management, just a small portion of the tenant-base are non-students. The second building, which will contain 45 total units, is already pre-leasing and slated for occupancy later this year. Rents within these two buildings generally extend from \$1,100 per month for studio apartments up to \$2,000+ monthly for four-bedroom offerings.



In addition, we would be remiss not to mention the smaller-scale 20-unit single family rental community in the southeast portion of Whitewater (Parkside Rental Homes), which was constructed starting in 2014. These 20 homes, which rent for just over \$2,100 monthly for roughly 1,500 square feet are currently 100 percent occupied with a deep waiting list.



- Just outside the defined Whitewater Market Area, similar “tight” conditions exist. For example, expanding the competitive market area to include communities such as Cambridge, East Troy, Lake Mills, Mukwonago, and Whales, just 10 apartment communities of a larger scale, i.e., 25 more total units each, have been constructed since 2000 in this broad geographic area. Among these, the current vacancy rate stands at just 1.1 percent, with many communities, again, at 100 percent occupancy with waiting lists.

**APARTMENT COMMUNITIES (OF LARGER SCALE) CONSTRUCTED IN 2000 OR LATER
EXPANDED WHITEWATER MARKET AREA
APRIL 2024**

Development	Municipality	Year Built	Total Units	Number Vacant	Percent Vacant (Absorption Rate in Units)	Average Unit Size (Sq. Ft.)	Average Posted Base Monthly Rent	
							\$	\$/Sq. Ft.
The Vineyards at Cambridge	Cambridge	2018	70	2	2.9	835	\$1,308	\$1.57
Honey Creek	East Troy	2006	274	0	0.0	1,027	1,318	1.28
Lofts at Honey Creek	East Troy	2022	177	2	1.1	902	1,500	1.66
Wildwood	East Troy	2001	80	0	0.0	1,373	1,511	1.10
Pond View	Lake Mills	2004	60	0	0.0	1,175	1,325	1.13
Rock Creek	Lake Mills	2019	144	3	2.1	929	1,498	1.61
Summer Ridge	Lake Mills	2023	56	2	3.6	1,035	1,709	1.65
Lincolnshire Place	Wales	2015	100	2	2.0	1,057	1,601	1.51
Phantom Woods Estates	Mukwonago	2017	68	0	0.0	1,224	1,563	1.28
The Pointe	Mukwonago	2020	89	1	1.1	950	1,494	1.57
Total/Weighted Avg.	---	---	1,118	12	1.1	1,024	\$1,457	\$1.42

Source: Tracy Cross & Associates, Inc.

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- ❑ Since our original housing study was completed in June 2023, rents among conventional market rate communities have increased, and without negatively impacting occupancies. This market condition provides further affirmation of the supply constraints that exist both inside and outside the defined Whitewater Market Area. For example, among the six (6) newer conventional (non-student) communities within the host market area, the average development has increased rents by 6.5 percent in the last 10 months, while rents among those surveyed communities just outside the local market area are up 6.0 percent during the same timeframe.
- ❑ Finally, according to planning and zoning officials throughout the Whitewater Market Area, there is not enough rental housing formally in the planning pipeline to satisfy demand – another factor supporting the need for more conventional rental housing. In fact, while there are early discussions of some new projects in various municipalities, only Elkhorn is formally reporting new rental housing within their pipeline. With this said, the city of Whitewater could capture a disproportionate share of market-wide demand if it chooses to take the lead on introducing new conventional rental housing products at multiple locations.

PRODUCT RECOMMENDATIONS – A GUIDE

As summarized in previous paragraphs, future conventional rental housing potentials in Whitewater and surrounding areas are considered *strong*. In other words, the city of Whitewater is *well suited* for the introduction of various forms of market rate “non-student” rental offerings. This favorable conclusion is based upon: 1) more than adequate demand support; 2) notable supply-side constraints; 3) an ample base of existing (and future) households with strong demographic profiles; 4) tightness in the market; 5) in-place employment, transportation, shopping/services, recreation, etc.; and 6) the opportunity to introduce new and differentiated product in a market where such product is needed.


Given this opportunity, *practically any well-designed and properly positioned rental housing product could be successfully introduced within the market*. However, from a strategic planning perspective, and to help guide future development initiatives, the following bullet-point summary provides specific (and detailed) guidelines for establishing what should be viewed as the two most practical and marketable products:

- ❑ Mirroring a number of successful mainstream apartment communities throughout the Midwest, including southern Wisconsin, the City of Whitewater should focus on the introduction of, primarily, two different market rate rental housing series, one consisting of a two-story garden-style walkup idiom directed to all renter households and the other representing a value-oriented ranch villa program targeting the active adult aged 55-74, but not restricted to this segment since other profiles will find this product desirable. Together, these two product forms, which are extremely efficient and cost effective to build, will allow for a broad and varied mix of unit types, sizes, and rents capable of penetrating the threshold of mainstream conventional renter households in the marketplace – and those emanating to Whitewater in the years to come. In other words, the introduction of these two new construction product lines in Whitewater would allow the full breadth of mainstream renter profiles to be targeted. These include Millennials, also known as Echo Boomers or Generation Y, along with Centennials, also known as Generation Z (i.e., younger singles and couples without children), together with traditional and non-traditional households such as divorcees, middle-age singles, never-nested couples, singles living together as couples in a roommate condition, young families, etc., and, of course, the move-down empty-nester/active adult/pre-retiree/retiree aged 55 to 74 – *a segment which shows substantial growth near term*.
- ❑ The ***two-story garden apartment program*** would (ideally) consist of a “private entry” product with a component of attached, direct-access garages. In this regard, one of the most successful garden-style developments in the Midwest (and in portions of southern Wisconsin) consists of a series of

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eight-unit buildings (each with four direct-access one-car garages) or 16-unit buildings (each with eight direct-access one-car garages). With 50 percent direct-access garages suggested per structure, two different versions of the garden apartment building should be designed in order for each of the individual floorplans to be offered *with a direct access garage* in one of the two building types. By following this formula, each plan offering would have a 50 percent representation of direct-access one-car garages.



- Individual designs for the garden apartment product should be broad and varied consisting of eight (8) plan offerings including one-, two- and three-bedroom options ranging in size from 600 to 1,250 square feet. Please note that this product line would also be accompanied by buildings with optional detached garages. As such, renter profiles could elect either surface parking only; a detached garage; or a unit with an attached garage, thus giving future residents a full continuum of rental options to choose from as it relates to their choice of parking cast against their desired (or needed) monthly payment based upon income. This scenario will also provide competitive consistency with other developments in the market, current and future.
- If elevated properly, the two-story garden apartment buildings (and the separate structures with detached garages) can exemplify tasteful suburban architecture and be very complimentary to other existing and future housing forms (including for sale products) throughout Whitewater.
- The **ranch villa apartment program**, which would target households aged 55+, although not be restricted to this consumer segment, would consist of direct-entry single-level ranch-type townhome plans, each with a one-car attached garage. Modeled, in part, after very successful empty nester ranches in Watertown, Wisconsin (and other parts of the Midwest), this product line would consist of four different plan designs ranging from a one-bedroom residence at 725 square feet to a three-bedroom unit with 1,275 square feet. This product line would be configured in 3-, 4-, 5- and 6-unit buildings (duplexed where necessary).
 
- Mirroring competitive counterparts overall, size increments between floorplans (for both rental products) should not exceed 200 square feet (and be narrower in most instances). This discipline will keep lease rate differentials between plans small and in concert with the gradual upward movement of household incomes.

For a detailed outline of the two rental housing programs described above, including individual plan criteria, unit sizes, *current dollar* rents, etc., consult **Exhibits 2 and 3**. As depicted, plan offerings are broad and varied, and reflect some of the best-selling floorplan alternatives among successful “like” products throughout the Midwest and southern Wisconsin. This detailed information should give both the City of Whitewater and interested builders/developers the guidance necessary for properly penetrating the market.

It is important to note that the detailed planning guidelines and rents suggested for the two product lines are not arbitrary, but rather *strategic*. Specially, these guidelines will allow for a full range of plan styles and rent levels, in order to directly align mainstream household profiles and incomes in the market. In other words, the suggested product lines will provide a full continuum of plans – a continuum capable of drawing consumers from both the city Whitewater and other nearby areas (both inside and outside the Whitewater Market Area).

**PRODUCT CRITERIA AND BENCHMARK RENTS - TWO-STORY GARDEN APARTMENTS
-- CONVENTIONAL RENTAL HOUSING --
WHITEWATER, WISCONSIN**

2

Product Line Summary	
Product Form:	<i>Two-Story Garden Apartments (8- or 16-Unit Buildings with 4 or 8 Direct Access One-Car Garages Per Building)</i>
Density in Units Per Acre:	16.0
Average Plan Size (Sq. Ft.):	925
Average Benchmark Base Rent w/50 % Garages: Per Sq. Ft.:(1)	\$1,473 \$1.59



Plan Detail								
Plan Designation	A-1	A-2	A-3	B	C-1	C-2	C-3	D
Percent Distribution	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Plan Type	1BR	1BR	1BR	1BR DEN	2BR	2BR	2BR	3BR
Bedroom/Bath Mix	1/1.0	1/1.0	1/1.0	1+Den/1.0	2/2.0	2/2.0	2/2.0	3/2.0
Unit Size (Sq. Ft.)	600	700	775	875	975	1,075	1,150	1,250
Benchmark Base Rent w/o Garage:(1) Per Sq. Ft.:(1)	\$1,165 \$1.94	\$1,240 \$1.77	\$1,315 \$1.70	\$1,390 \$1.59	\$1,465 \$1.50	\$1,540 \$1.43	\$1,595 \$1.39	\$1,670 \$1.34
Benchmark Base Rent w/ Garage:(2) Per Sq. Ft.:(2)	\$1,265 \$2.11	\$1,340 \$1.91	\$1,415 \$1.83	\$1,490 \$1.70	\$1,565 \$1.61	\$1,640 \$1.53	\$1,695 \$1.47	\$1,770 \$1.42

Unit Features and Community Amenities		
<p>UNIT STANDARDS</p> <ul style="list-style-type: none"> ■ Painted Trim ■ Plank Flooring in Living Areas ■ "White" Interior Paint Finish ■ Direct Wire Smoke Detectors ■ Cable/Satellite Access ■ High-Speed Internet Connectivity ■ USB Ports ■ Air Conditioning ■ Quality Door Hardware ■ Quality Lighting Package ■ Private Balcony/Patio <p>CLOSETS, UTILITIES, AND STORAGE</p> <ul style="list-style-type: none"> ■ Walk-In MBR Closet (Per Plan) ■ Wire Closet Shelving ■ Full Size Washer/Dryer (Stacked or Side-by-Side) ■ Storage Area (Either In-Unit or Separate) ■ Linen Closet(s) ■ Programmable Thermostat 	<p>KITCHEN FEATURES</p> <ul style="list-style-type: none"> ■ Quality Wood Cabinetry ■ Plank Flooring ■ Self Clean Range Oven ■ Built-In Dishwasher ■ Refrigerator with Ice-Maker ■ Garbage Disposal ■ Microwave with Vent ■ Hard Surface Countertops ■ Stainless Steel Sink <p align="center">COMMUNITY FEATURES/AMENITIES -- FOR LARGE-SCALE DEVELOPMENTS SHARED W/RANCH VILLA RENTALS -- (AMENITIES TO BE SCALED DOWN ACCORDINGLY FOR SMALLER PROJECTS)</p> <ul style="list-style-type: none"> ■ Architecturally-enhanced Exteriors ■ Secured Access Entry Per Unit ■ Clubhouse w/ Community Room, Kitchen, Fitness Center, E-Lounge, Etc. ■ Outdoor Fireside Lounge & Grilling Stations ■ Outdoor Swimming Pool/Deck Area ■ Dog Park & Dog Washing Station 	<p>BATH/POWDER ROOM STANDARDS</p> <ul style="list-style-type: none"> ■ Plank Flooring ■ Hard Surface Vanity Tops ■ Quality Cabinetry ■ Ceramic Tub/Shower Surround ■ Framed Glass Mirror Over Vanity <ul style="list-style-type: none"> ■ Trail System ■ Sport Courts/Playground ■ Extensive Landscaping/Hardscaping ■ Wi-Fi in all Common Areas ■ Direct Access Garages at 50% ■ Adequate Surface Parking ■ Detached Garages @ \$65 Monthly Per Space


(1) Benchmark base monthly rents, which are presented in April 2024 dollars, reflect the posted base rents for units without direct access garages. They do not include potential premiums for corner units, floor or view. They also do not include application/administration fees, pet fees, storage rental, utilities, or detached garages.

(2) Benchmark base monthly rents, which are presented in April 2024 dollars, reflect the posted base rents for units with direct access garages. They do not include potential premiums for corner units, floor or view. They also do not include application/administration fees, pet fees, storage rental, utilities, or detached garages.

Source: Tracy Cross & Associates, Inc.

PRODUCT CRITERIA AND BENCHMARK RENTS - RANCH VILLA RENTALS
-- CONVENTIONAL RENTAL HOUSING --
WHITEWATER, WISCONSIN

3

Product Line Summary				
Product Form:	<i>Single-Level Ranch Villas w/Attached One-Car Garages (3-, 4-, 5- and/or 6-Unit Buildings-Duplexed Where Necessary)</i>			
Density in Units Per Acre:	10.0			
Average Plan Size (Sq. Ft.):	1,000			
Average Benchmark Base Rent: Per Sq. Ft.:(1)	\$1,653 \$1.65			
				
Plan Detail				
Plan Designation	A	B-1	B-2	C
Percent Distribution	25.0	25.0	25.0	25.0
Plan Type	1BR	1BR DEN	2BR	3BR
Bedroom/Bath Mix	1/1.0	1+Den/1.0	2/2.0	3/2.0
Unit Size (Sq. Ft.)	725	925	1,075	1,275
Benchmark Base Rent:(1)	\$1,440	\$1,590	\$1,715	\$1,865
Per Sq. Ft.:(1)	\$1.99	\$1.72	\$1.60	\$1.46
Unit Features and Community Amenities				
UNIT STANDARDS <ul style="list-style-type: none"> ■ Painted Trim ■ Plank Flooring in Living Areas ■ "White" Interior Paint Finish ■ Direct Wire Smoke Detectors ■ Cable/Satellite Access ■ High-Speed Internet Connectivity ■ USB Ports ■ Air Conditioning ■ Quality Door Hardware and Lighting Package ■ Private Patio 		KITCHEN FEATURES <ul style="list-style-type: none"> ■ Quality Wood Cabinetry ■ Plank Flooring ■ Self Clean Range Oven ■ Built-In Dishwasher ■ Refrigerator with Ice-Maker ■ Garbage Disposal ■ Microwave with Vent ■ Hard Surface Countertops ■ Stainless Steel Sink 		BATH/POWDER ROOM STANDARDS <ul style="list-style-type: none"> ■ Plank Flooring ■ Hard Surface Vanity Tops ■ Quality Cabinetry ■ Ceramic Tub/Shower Surround ■ Framed Glass Mirror Over Vanity
CLOSETS, UTILITIES, AND STORAGE <ul style="list-style-type: none"> ■ Walk-In MBR Closet (Per Plan) ■ Wire Closet Shelving ■ Full Size Washer/Dryer (Stacked or Side-by-Side) ■ Storage Area (Either In-Unit or Separate) ■ Linen Closet(s) ■ Programmable Thermostat 		COMMUNITY FEATURES/AMENITIES -- FOR LARGE-SCALE DEVELOPMENTS SHARED W/RANCH VILLA RENTALS -- (AMENITIES TO BE SCALED DOWN ACCORDINGLY FOR SMALLER PROJECTS) <ul style="list-style-type: none"> ■ Architecturally-enhanced Exteriors ■ Secured Access Entry Per Unit ■ Clubhouse w/ Community Room, Kitchen, Fitness Center, E-Lounge, Etc. ■ Outdoor Fireside Lounge & Grilling Stations ■ Outdoor Swimming Pool/Deck Area ■ Trail System ■ Dog Park ■ Dog Washing Station ■ Sport Courts/Playground ■ Extensive Landscaping/Hardscaping ■ Wi-Fi in all Common Areas ■ Direct Access Garages at 100% ■ Additional Surface Parking 		
<p>(1) Benchmark base monthly rents, which are presented in April 2024 dollars, reflect the posted base rents, each of which includes an attached one-car garage. They do not include potential premiums for corner units or view. They also do not include application/administration fees, pet fees, storage rental, or utilities.</p>				

Source: Tracy Cross & Associates, Inc.

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As it relates to the suggested mix of units, not only will the two product lines collectively appeal to the current composition of area households (as noted earlier), but the unit styles will adhere to the overall mix of plans represented among new/newer conventional counterparts inside (and just outside) the Whitewater Market Area.

**UNIT MIX ANALYSIS: SELECTED RENTAL HOUSING DEVELOPMENTS
-- INSIDE/JUST OUTSIDE THE WHITEWATER MARKET AREA --**

Unit Type	Suggested Products (Combined)			Selected Rental Housing Communities ⁽¹⁾		
	Total Units ⁽²⁾		Plan Size (Sq. Ft.)	Total Units		Plan Size (Sq. Ft.)
	Number	Percent	Range	Number	Percent	Range
1BR	125	50.0	600 - 925	600	39.1	650 - 1,091
2BR	83	33.2	975 - 1,150	691	45.0	946 - 1,400
3BR	42	16.8	1,250 - 1,275	245	15.9	1,100 - 1,756
Total	250	100.0	---	1,536	100.0	---

⁽¹⁾ Includes those rental housing communities identified earlier that were constructed since 2000 both inside/just outside the Whitewater Market Area.
⁽²⁾ Assumes an estimated total development size of 250 units for the purposes of this exercise, i.e., 150 garden-style apartments and 100 ranch villa rentals at a single location.

Source: Tracy Cross & Associates, Inc.

In addition, our product recommendations and suggested *current dollar* rental rates will also property align similar new construction offerings in the market. For example, the two rental products will each occupy an appropriate (and competitive) rent/value variance when cast against the newest apartment communities, i.e., those developments introduced in the last five years, all of which are located just outside the Whitewater Market Area.

**APARTMENT COMMUNITIES CONSTRUCTED IN THE LAST 5 YEARS
-- JUST OUTSIDE THE WHITEWATER MARKET AREA --
APRIL 2024**

Development	Location	Garage Condition	Year Built	Total Units	Current Vacancy Rate	Average Unit Size (Sq. Ft.)	Average Posted Base Monthly Rent	
							\$	\$/Sq. Ft.
<i>Suggested Garden Apts</i>	<i>Whitewater</i>	<i>1-Car Incl. (50%)</i>	<i>---</i>	<i>---</i>	<i>---</i>	<i>925</i>	<i>\$1,473</i>	<i>\$1.59</i>
<i>Suggested Ranch Villas</i>	<i>Whitewater</i>	<i>1-Car Incl. (100%)</i>	<i>---</i>	<i>---</i>	<i>---</i>	<i>1,000</i>	<i>1,653</i>	<i>1.65</i>
The Vineyards of Cambridge	Cambridge	1-Car Incl. (100%)	2018	70	2.9	835	\$1,308	\$1.57
Lofts at Honey Creek	East Troy	1-Car Incl. (100%)	2022	120	1.1	902	1,500	1.66
Rock Creek	Lake Mills	1 or 2-Car Incl. (100%)	2019	144	2.1	929	1,498	1.61
Summer Ridge	Lake Mills	1-Car Incl. (100%)	2023	56	3.6	1,035	1,709	1.65
The Pointe	Mukwonago	1-Car Opt.	2020	89	1.1	950	1,494	1.57

Source: Tracy Cross & Associates, Inc.

Because each product line has been positioned competitively (and strategically) relative to the market, absorption rates for the rental products are expected to be “at” or “above the market average, especially considering supply-side constraints. And, while absorption is dependent upon other factors such as the scale of a development or phase, i.e., number of total units; site location; community amenities, etc., the following text table offers a general outline of what a typical development or phase would be capable of attaining per product series:

**Rental Housing Market Analysis
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**ABSORPTION SUMMARY - A GUIDE
SUGGESTED RENTAL HOUSING PRODUCTS: WHITEWATER, WISCONSIN**

Product Line	Estimated Total Units For a Typical Development or Phase (of Relative Scale)	Annual Absorption Potential (In Units) At Benchmark Rents	Monthly Absorption Equivalent (In Units) At Benchmark Rents	Total Absorption Period (In Months)
Two-Story Garden Apts	150	102	8.5	18.0 ⁽¹⁾
Ranch Villa Rental	100	72	5.5	18.0 ⁽¹⁾

⁽¹⁾ Marketing life will actually be slightly shorter to get to a stabilized occupancy level of 95 percent.

Source: Tracy Cross & Associates, Inc.

As depicted, and considering the total unit count estimates, the two rental products could achieve absorption rates close to 8.5 units monthly for the garden apartments and 5.5 units per month for the ranch villa rentals, rates that are consistent with typical lease-up trends. For instance, at an average absorption pace of 8.5 units monthly across the 150 estimated total units (per development or phase) and 5.5 per month across 100 total units, again per development or phase, these two rental idioms will each be absorbed at a rate equal to approximately 5.5 percent of their total unit counts. Among most apartment developments throughout similar Midwest locations, absorption rates among properly positioned communities generally hover between 4.0 and 7.0 percent of their total unit counts.

In addition, absorption rates among other surveyed developments generally fall within the forecasted range including the 8.8 unit-per-month pace recently achieved by Summer Ridge in Lake Mills, not to mention the recent 8.5 pace recently registered by Lofts at Honey Creek in East Troy and the 7.7 rate achieved at The Pointe in Mukwonago.

PRODUCT CLARIFICATION AND OTHER CONSIDERATIONS

Please keep in mind that while our product recommendations are very specific in terms of successfully introducing new conventional rental offerings in Whitewater, there are a wide variety of derivatives to each of the two recommended generic forms that could evolve through the design efforts of individual builders/developers – and still be successful considering ample demand and limited new construction supply. For example, there are no less than 10 different two-story garden-style apartment product forms (with a component of attached garages) represented throughout southern Wisconsin. When considering any derivatives during the course of the planning process, however, it is still important to follow (as best as possible) the general parameters outlined for each of the recommended products relative to unit types, bedroom/bathroom counts, rents, garage conditions, etc., in order to insure acceptable absorption, and most importantly, to appeal to the mainstream of the market who are currently disenfranchised by the lack (or limited amount) of similar products.

Beyond the garden apartments and ranch villa rentals, consideration can be given to the introduction of other generic forms based upon the imbalance that exists market-wide between supply and demand, albeit done so with the same general planning strategy in mind – that being differentiation, efficiency, tasteful architecture, and rent positioning. Examples of other products to be considered are highlighted below:

- Higher-density apartments in the form of, say, two or three residential floors over one level of enclosed structured parking is another popular apartment product in southern Wisconsin. This building configuration, which can achieve a density allocation of 24-30 units per acre, could

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certainly be introduced successfully at locations throughout Whitewater. One only has to look at the Lofts at Honey Creek in East Troy, where 177 units of a similar form were fully absorbed in less than 24 months, to see the acceptability of this product line. It is extremely important to note, however, that construction costs are higher for this concept (compared to garden apartments) – a condition that must be considered to achieve appropriate rent levels (i.e., those consistent with the rents recommended for the garden apartments for comparable unit types and sizes).



- Given the lack of new construction mainstream single family housing in the *for sale* sector of the local market, and considering the desirability of the Parkside single family rentals in Whitewater, consideration could also be given to the introduction of more single family rental units, especially if new construction single family ownership housing in the city (and surrounding areas) remains priced in the higher ranges. Representing a compliment to both the garden apartments and attached ranch villa rentals, and as an extension of the overall plan continuum, a modicum of **small-lot single family rental homes** could be introduced within a larger-scale community with multiple product lines. Targeting a broad range of consumer profiles ranging from young families to empty-nesters not interested in homeownership, but desirous of a new detached single family housing form, this product line should include at least one ranch plan at roughly 1,350 square feet and three two-story offerings in the 1,500-1,700 square foot band (all with two-car garages). Rent levels, in turn, could be placed within the \$2,000-\$2,500+ range.



Again, given the lack of new construction supply, other generic forms such as two- or three-story townhome rentals (among others) can also be evaluated.

GEOGRAPHIC POSITIONING

Given the supply deficiencies that exist in the conventional rental housing market, practically any suitable location within the city of Whitewater could be considered for development or redevelopment. With this said, however, it is strongly suggested that future rental housing products (ideally) be generally removed from the *immediate environs* of the University as they are to be marketed to the mainstream of the market not directed to students.

Upon reviewing five separate site locations provided by the City of Whitewater as potential candidates for conventional (non-student) rental housing development (see **Exhibit 4**), it is our contention that the larger-scale *Hoffman* and *Hale* properties are well suited to carry multiple rental housing products (as well as a component of for sale/ownership housing given the magnitude of their acreage), while the Kowalski site at 11 acres and the Hospital Hill site at 12.29 acres are well suited for a single product line.

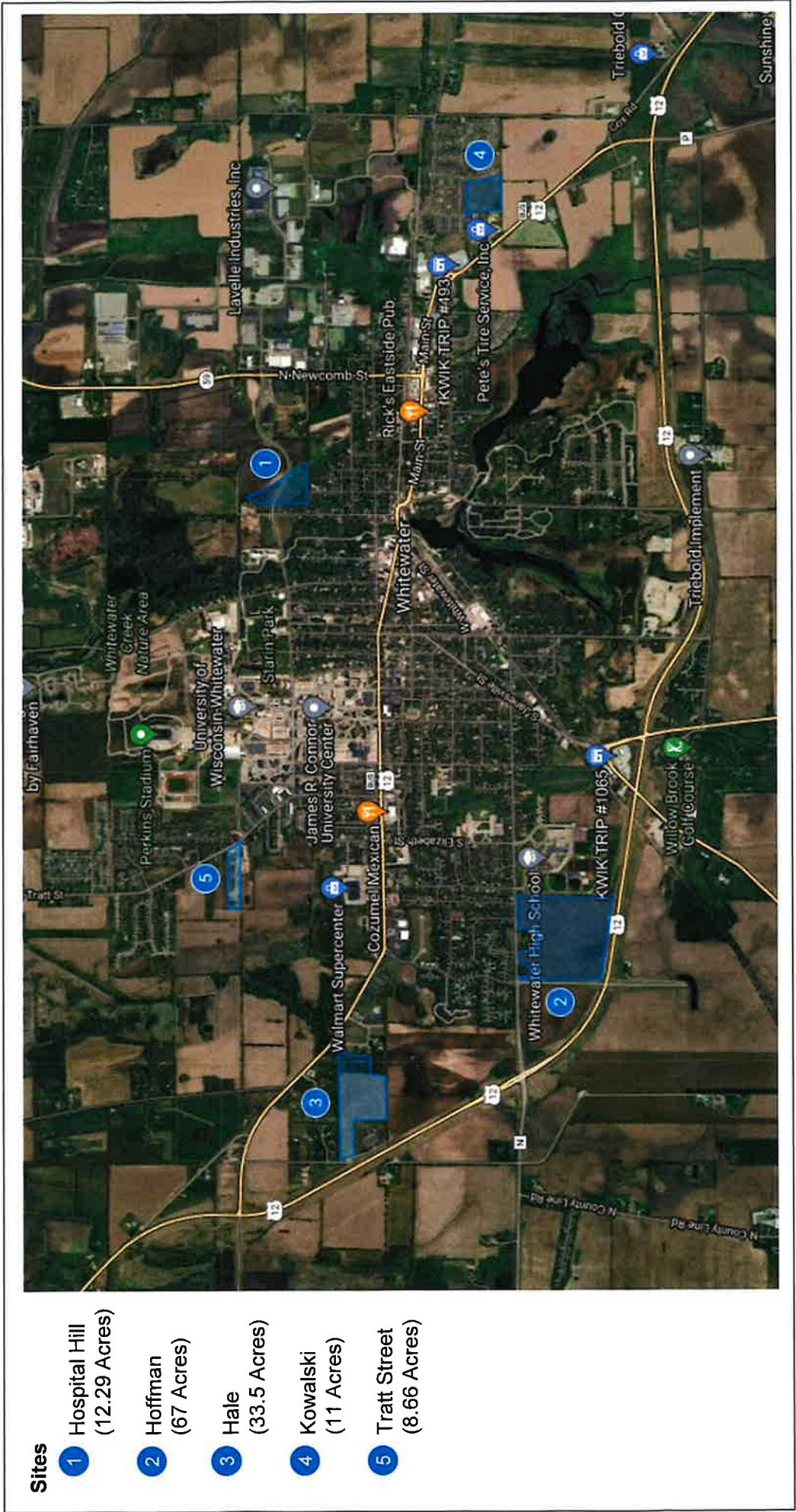
The Tratt Street property, however, given its close alignment with UW-Whitewater and its proximity to various student-oriented housing communities, should be reserved for alternate consideration.

KOWALSKI PROPERTY – A SITE SPECIFIC FOCUS

The City of Whitewater has been approached by a developer interested in pursuing new construction rental housing within the 11-acre Kowalski site. A preliminary concept plan presented by the developer shows the configuration of eight separate 16-unit garden-style buildings with 16 attached direct access garages.

GEOGRAPHIC DELINEATION OF POTENTIAL RENTAL HOUSING SITES WHITEWATER, WISCONSIN

4



Sites

- 1 Hospital Hill (12.29 Acres)
- 2 Hoffman (67 Acres)
- 3 Hale (33.5 Acres)
- 4 Kowalski (11 Acres)
- 5 Tratt Street (8.66 Acres)

Source: Google Maps and Tracy Cross & Associates, Inc.

Inside each building will be 12 two-bedroom residences, each measuring 1,170 square feet, along with four three-bedroom apartments at 1,500 square feet.



While the proposed mix of unit types and styles for the Kowalski site does not represent the broadest range of offerings as it relates to the full breadth of demographic profiles, the market would support this development considering: 1) the overall lack of new conventional product in Whitewater and surrounding areas; 2) an ample demand base; and 3) the current tightness of the market. In fact, at rent levels of approximately \$1,700 monthly for the two-bedroom units and \$1,950 per month for the three-bedroom residences, an absorption rate of roughly 6.0 units monthly could be achieved. As such, the 128-unit community would achieve stabilized occupancy of 95 percent in just over 18 months.

Ideally, if the developer could modify the unit mix to include, say, two different one-bedroom style/sizes; two different two-bedroom types/sizes; and a three-bedroom unit with slightly less square footage than that currently represented, the achievable rent per square foot would increase by approximately 11.0 percent and the absorption rate would jump over 30 percent.

CLOSING REMARKS

It is possible that the City of Whitewater will need to consider some type of incentive or concession to help bring properly positioned rental housing product to market. While this will be determined through the planning process, it is something to consider. With this said, however, it is unlikely that *abnormal* incentives/concessions would be required as the established benchmark rents are generally consistent with new/newer market comparables, although rising construction costs may require some assistance in this regard. An example of incentives being utilized by other municipalities to bridge the gap between costs and "needed" rents include Tax Increment Financing (TIF) and/or land subsidies or land subordination, i.e., reducing the cost of land.

CERTIFICATION AND SIGNATURE

This analysis represents our objective and independent opinion regarding the market potential for new construction conventional rental housing development in Whitewater, Wisconsin as certified below:

TRACY CROSS & ASSOCIATES, INC.
An Illinois Corporation

By: 
Erik A. Doersching
Its: President & CEO

Date: April 12, 2024



GENERAL LIMITING CONDITIONS

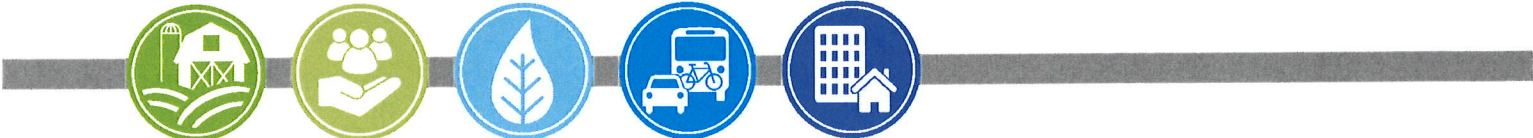
Tracy Cross & Associates, Inc. has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with developers/property managers and their agents, government officials, and other third parties. Although Tracy Cross & Associates, Inc. believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information provided by third parties.

Conclusions and recommendations established in this analysis represent a professional opinion and are based upon forecasts into the future which could be significantly altered by outside occurrences. These include, among others, the possible interplay of unforeseen social, economic, physical/environmental and governmental actions. In this regard, Tracy Cross & Associates, Inc., its owners, and its employees shall be held harmless of changes in conditions that may materially result from these occurrences.



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Southeastern Wisconsin
Regional Planning Commission



**Whitewater
Housing Roundtable**

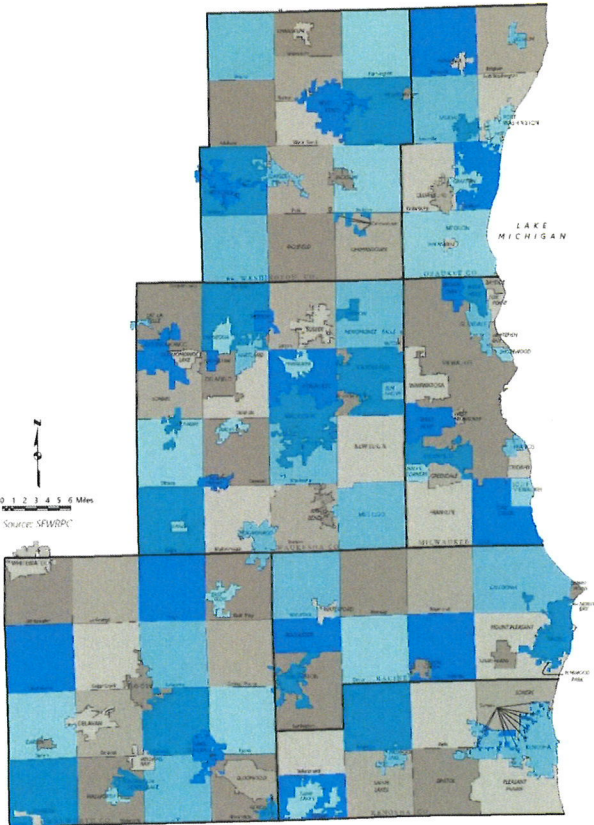
April 25, 2024

●●●● About the Commission

➤ One Region

- 7 counties
- 147 cities, villages, and towns
- 5% of State's land area, 35% of State's population and jobs

➤ Advisory land use and infrastructure planning to local, county, and State governments



●●●●● Regional Housing Plan

3

- Analyses and advisory recommendations for local governments
- 29 member Advisory Committee guided the process
 - County, local, and State government representatives
 - Home builders
 - Housing advocacy organizations
 - Research and policy organizations

VISION

“Financially sustainable housing for people of all income levels, age groups, and needs throughout the entire Southeastern Wisconsin Region.”



●●●● Affordable Housing Need

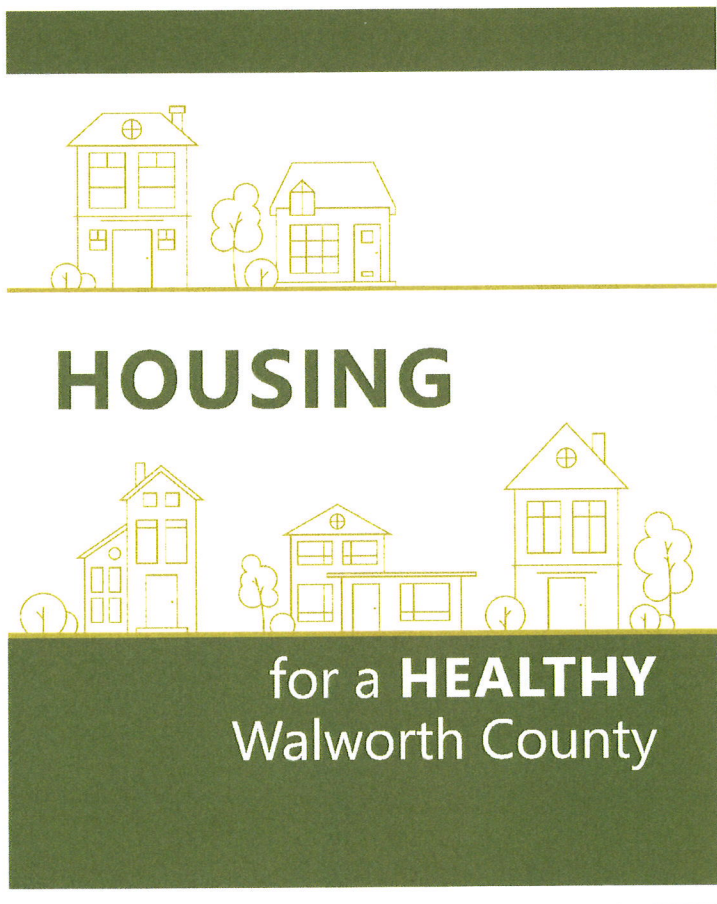
4

- Generally-accepted standard – household should spend no more than 30% of its income on housing (including rent, mortgage, taxes, insurance, and utilities)
- 282,500 or 36% of Region households spend more than 30% of their income on housing
 - Two-thirds of these households are below the median household income of \$53,879



●●●●● Housing for a Healthy Walworth County

5



Sections

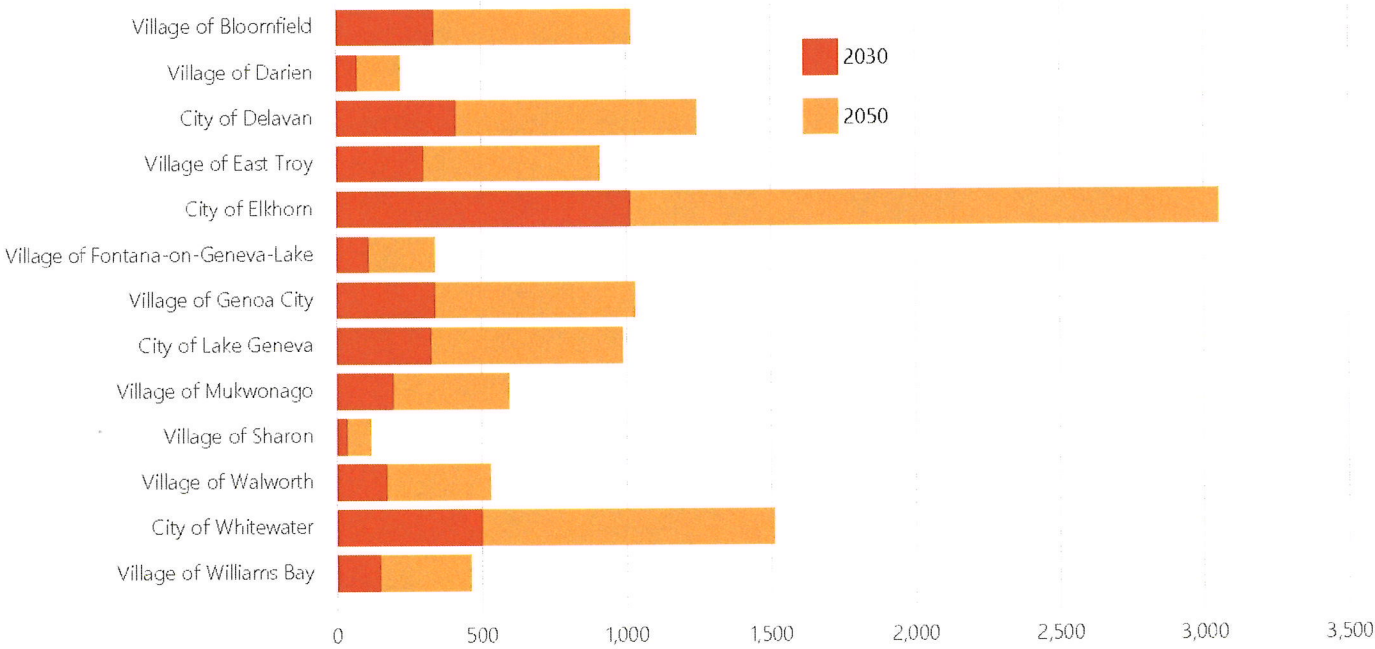
- What is a CHIP?
- Why does housing affect health?
- How much housing do we need?
- What kind of housing do we need?
- What kind of housing do we have?
- What are the housing needs of businesses?
- What can communities do?





How much housing do we need?

Additional Housing Unit Demand



Source: A Multi-Jurisdictional Comprehensive Plan Update For Walworth County (adopted June 2019) and SEWRPC





What kind of housing do we need?

Housing Cost Burden

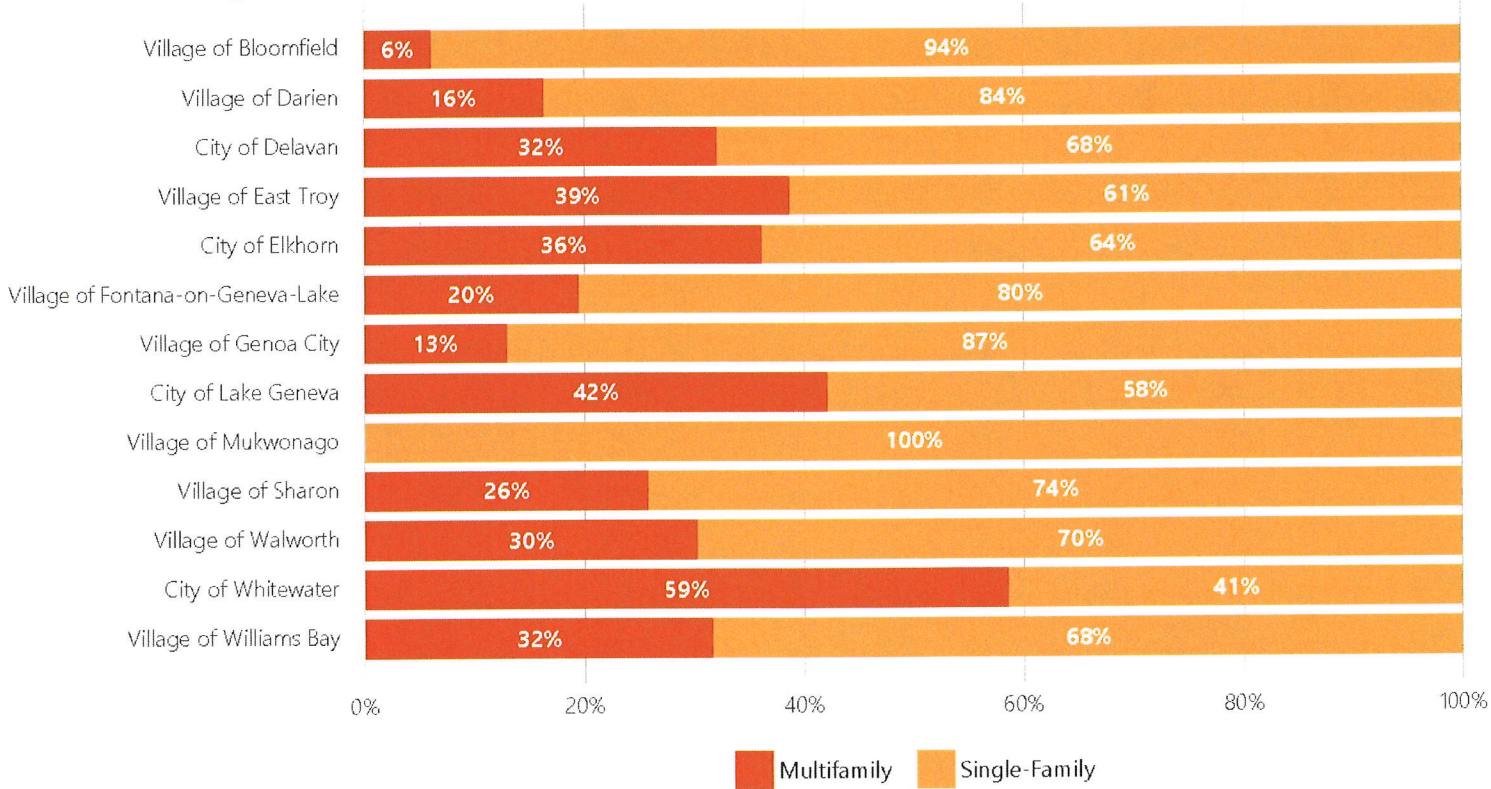
Community	Owner-Occupied Households		Renter-Occupied Households		Total Households	
	Number	Percent	Number	Percent	Number	Percent
Village of Bloomfield	222	17.9	61	18.5	283	18.1
Village of Darien	63	16.6	29	23.6	92	18.3
City of Delavan	285	13.8	550	42.4	835	24.8
Village of East Troy	231	17.5	184	22.5	415	19.4
City of Elkhorn	386	17.1	716	39.8	1,102	27.1
Village of Fontana-on-Geneva-Lake	243	24.8	28	22.2	271	24.5
Village of Genoa City	244	24.8	69	39.2	313	27.0
City of Lake Geneva	419	19.7	809	47.2	1,228	32.0
Village of Mukwonago	--	--	--	--	--	--
Village of Sharon	70	19.9	68	30.9	138	24.1
Village of Walworth	108	19.7	233	54.7	341	35.0
City of Whitewater	225	20.6	1,306	55.2	1,531	44.2
Village of Williams Bay	204	22.8	104	31.0	308	25.0
Walworth County*	5,576	19.3	4,771	40.3	10,347	25.4

Source: U.S. Bureau of the Census 2017-2021 American Community Survey



What kind of housing do we have?

Housing Structure Type



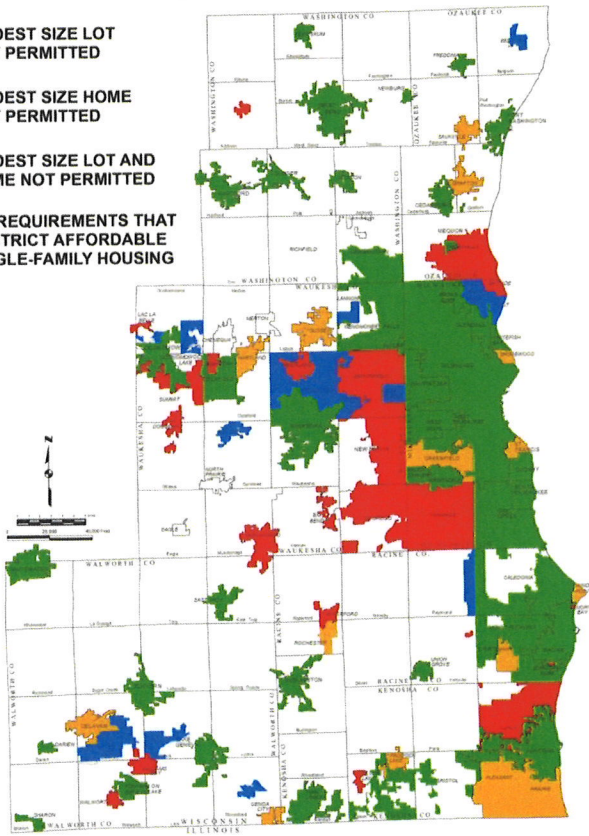
Source: U.S. Bureau of the Census, 2017-2021 American Community Survey



Zoning

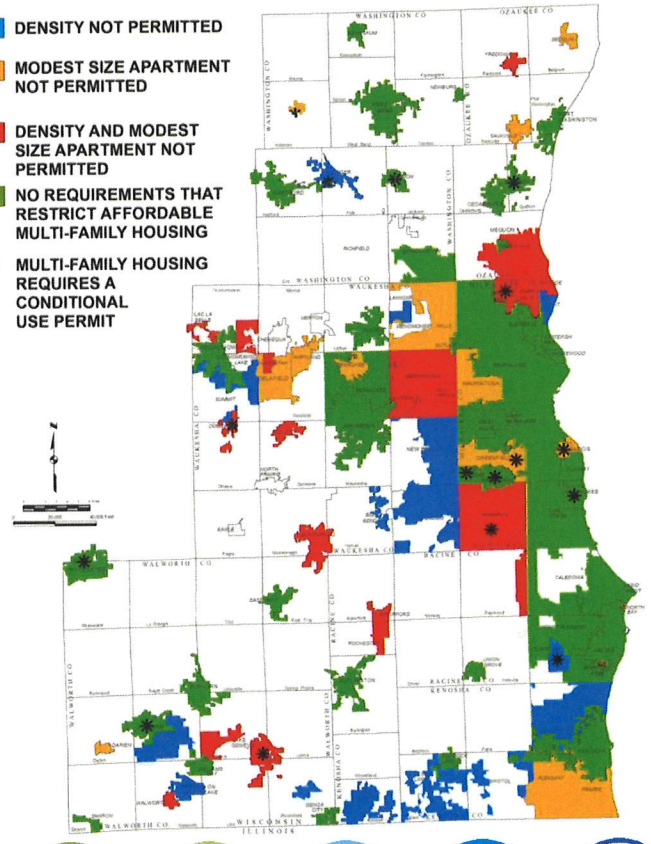
Single-Family

- MODEST SIZE LOT NOT PERMITTED
- MODEST SIZE HOME NOT PERMITTED
- MODEST SIZE LOT AND HOME NOT PERMITTED
- NO REQUIREMENTS THAT RESTRICT AFFORDABLE SINGLE-FAMILY HOUSING

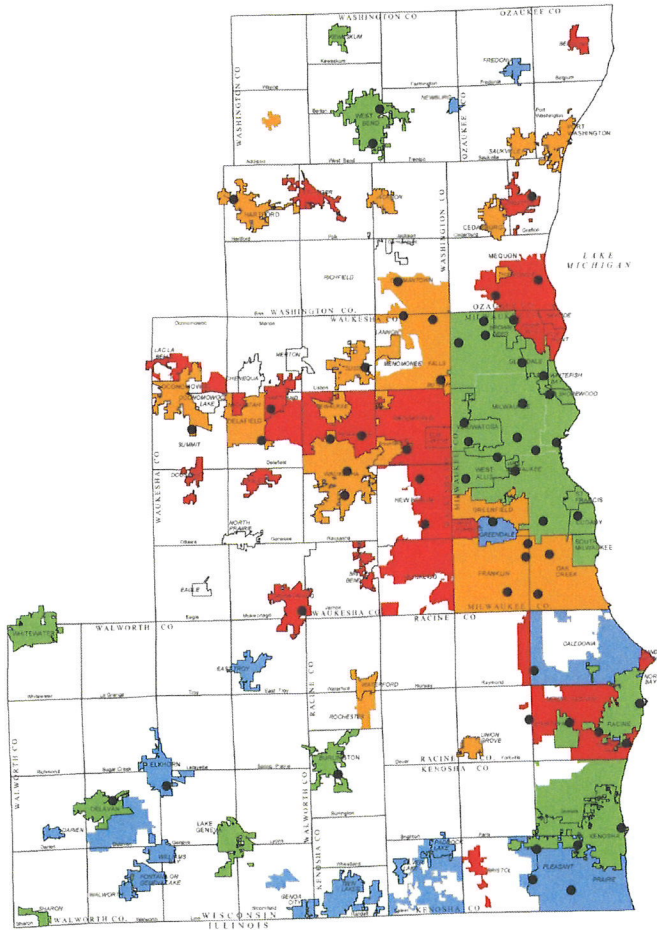


Multifamily






- DENSITY NOT PERMITTED
- MODEST SIZE APARTMENT NOT PERMITTED
- DENSITY AND MODEST SIZE APARTMENT NOT PERMITTED
- NO REQUIREMENTS THAT RESTRICT AFFORDABLE MULTI-FAMILY HOUSING
- * MULTI-FAMILY HOUSING REQUIRES A CONDITIONAL USE PERMIT



Job/Housing Balance



PROJECTED JOB/HOUSING IMBALANCES IN SEWERED COMMUNITIES IN THE SOUTHEASTERN WISCONSIN REGION: 2035

-  SHORTAGE OF LOWER-COST HOUSING COMPARED TO LOWER-WAGE JOBS
-  SHORTAGE OF MODERATE-COST HOUSING COMPARED TO MODERATE-WAGE JOBS
-  SHORTAGE OF BOTH
-  NO SHORTAGE OF AFFORDABLE HOUSING COMPARED TO JOB WAGES
-  MAJOR EMPLOYMENT CENTER: 2035



●●●●● Key Recommendations

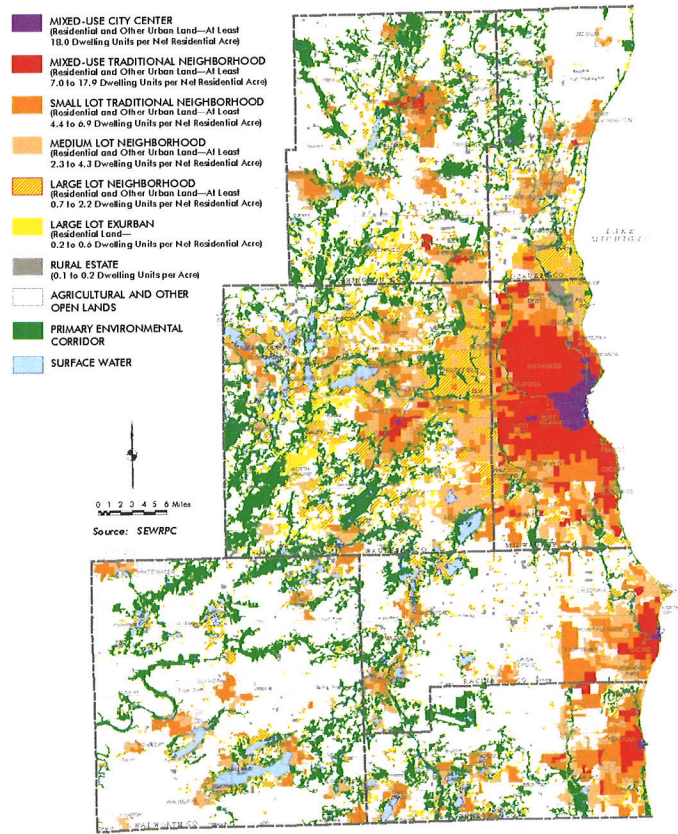
11

- Sewered communities should provide areas for developing modest single-family and multifamily housing
- Sewered communities with a job/housing imbalance should review/update their comprehensive plans and zoning ordinances to provide housing affordable for the workforce in their community
- Sewered communities should have flexible zoning regulations to encourage a variety of housing types
- Extend TID for one year to fund affordable housing, as permitted by State law
 - Commission report identified several ways TID extension could help implement the City's comprehensive plan



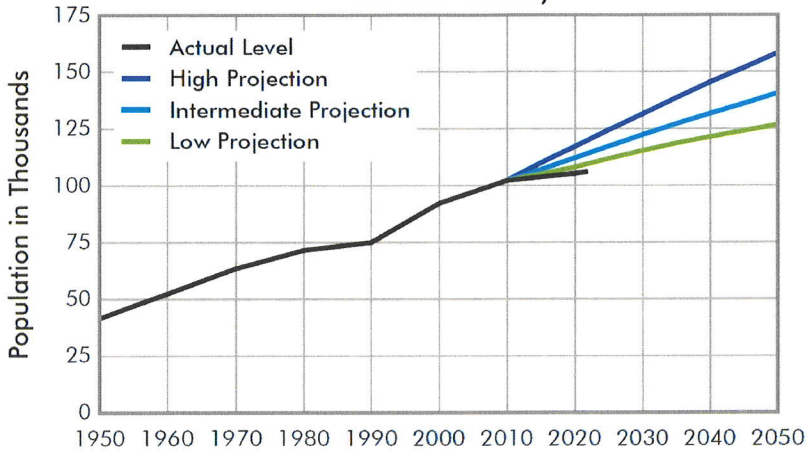
VISION 2050

- Focus new development in urban centers
- Reverse trend in declining density and provide a mix of housing types and uses
- Preserve primary environmental corridors
- Preserve productive agricultural land

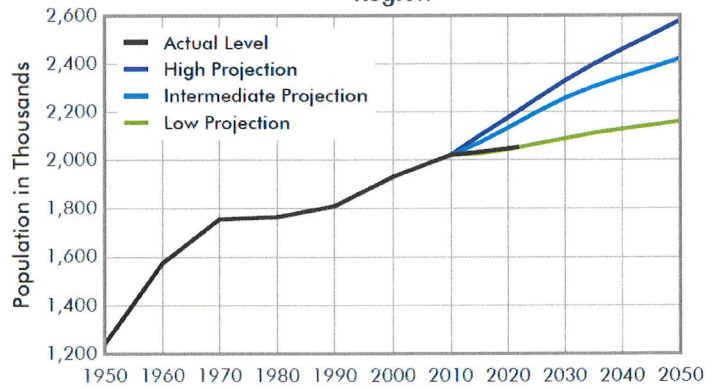


Population

Walworth County



Region

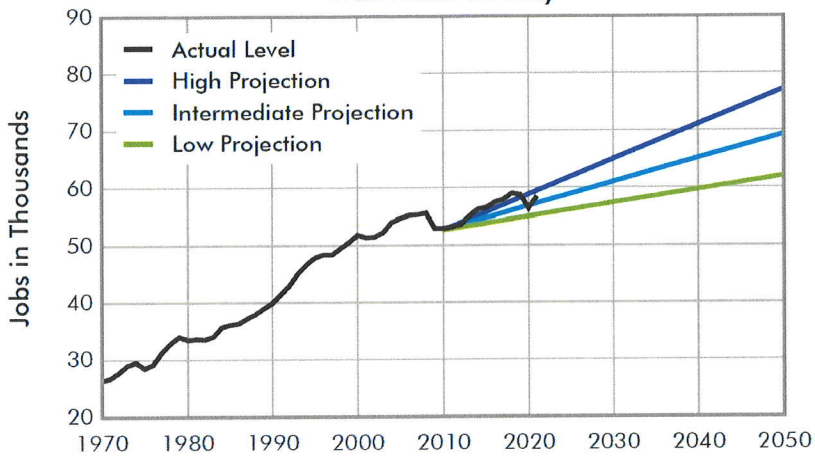


Source: U.S. Bureau of the Census and SHWRPC

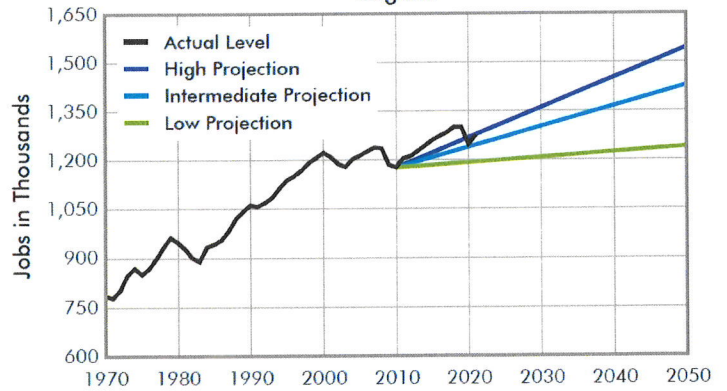


●●●●● Employment

Walworth County



Region



Source: U.S. Bureau of the Census and S-WRIP



●●●● Regional Planning

LEARN MORE AT:
www.sewrpc.org

